



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

May 25, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Phillips Petroleum Company
5525 Highway 64 – NBU 3004
Farmington, New Mexico 87401
Attention: S. Scott Prather

Administrative Order NSL-4455

Dear Mr. Prather:

Reference is made to the following: (i) your initial application dated March 21, 2000; (ii) your letter dated May 17, 2000 with supplemental data attached; and (iii) the records of the Division in Santa Fe and Aztec: all concerning Phillips Petroleum Company's request for an exception to the well location requirements provided within the "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987, for a non-standard infill gas well location in an existing 233.88-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool comprising Lots 1, 2, 3, and 4 and the W/2 E/2 (E/2 equivalent) of Section 25, Township 29 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Phillips Petroleum Company's San Juan "29-6" Unit Well No. 82 (API No. 30-039-20357), located a standard initial gas well location 1090 feet from the North line and 1138 feet from the East line (Unit B) of Section 25.

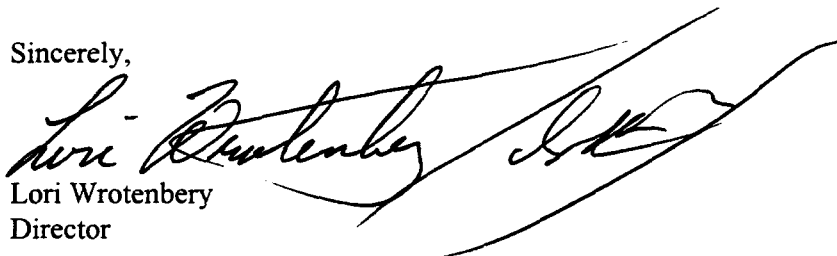
The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill gas well location in Section 25 is hereby approved:

San Juan "29-6" Unit Well No. 82-M
10' FSL & 1440' FEL (Unit O).

Further, both of the aforementioned San Juan "29-6" Unit Well Nos. 82 and 82-M and existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington