AZTEC DISTRICT OFFICE 1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (508) 334-6176 Fax (508)334-6170

GARY E. JOHNSON GOVERNOR

JENNIFER A. SALISBURY CABINET SECRETARY

October 3, 1996

Terry Bowker Phillips Petroleum Company 5525 Hwy 64 NBU 3004 Farmington NM 87401

RE: San Juan 29-6 Unit #10, B-02-29N-06W, API 30-039-07703

Dear Terry:

The enclosed copy of the 1996 Bradenhead test on the referenced well indicates a casing failure. In order to comply with Rule #108, prevent waste and protect fresh water, you are hereby directed to initiate remedial activity as soon as possible. Please notify the Aztec OCD in time to provide a witness.

Sincerely,

Johnny Robinson

Deputy Oil & gas Inspector

JR\sh

xc: well file