OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE 1000 RIO BRAZOS ROAD AZTEC MM 87418 (605) 334-6176 FAX: (606) 334-6170

GARY E. JOHNSON

Jennifer A. Salisbury

September 1, 1998

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

RE: San Juan 29-5 Unit #90, N-35-29N-05W, API 30-039-21787

Dear Terry:

The enclosed copy of the 1998 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 before October 1, 1998. Please notify the Aztec OCD 24 hours before work is initiated.

Feel free to call me at 334-6178, if I can be of any help.

Sincerely,

Charlie Perrin

Deputy Oil & gas Inspector

CP\mk

Enclosure

xc: well file