JUL 2 4 1974

O. C. C.

July 17, 1974

State of New Mexico Oil Conservation Commission State Land Office Building Santa Fe, New Mexico 87501

Attention: Mr. J. E. Kapteina

Re: Tularosa Area

Otero County, New Mexico

Gentlemen:

Reference is made to our telephone conversation of this date concerning Houston Oil and Minerals Corporation's filing of a well location at 1160 feet from the west line and 2200 feet from south line of Section 36-14S-10E, Otero County, New Mexico.

This is to advise that Phillips Petroleum Company, a holder of offset oil and gas leases, hereby waives its objection to this non standard well location.

Very truly yours,

PHILLIPS FETROLEUM COMPANY

Paul E. Hanna, Landman

PEH:ch