

WAIVER OF OBJECTIONS

Texaco Exploration and Producing Inc., as owner of offsetting rights to the Phillips Petroleum Company East Vacuum Grayburg San Andres Unit, hereby waives any and all objections to the Application for Unorthodox Locations filed by Phillips Petroleum Company. It is understood the wells are located as follows:

EVGSAU Tract 3127, #395W, Sec.31, T-17-S, R-35-E, 2630' FSL, 645' FEL, Lea Co., NM
EVGSAU Tract 3236, #394, Sec. 32, T-17-S, R-35-E, 1980' FNL, 10' FWL, Lea Co., NM
EVGSAU Tract 3127, #396W, Sec. 31, T-17-S, R-35-E, 2630' FSL, 1950' FEL, Lea Co., NM
EVGSAU Tract 3127, #397, Sec. 31, T-17-S, R-35-E, 1910' FSL, 2630' FEL, Lea Co., NM
EVGSAU Tract 3127, #398W, Sec. 31, T-17-S, R-35-E, 1350' FSL, 2165' FEL, Lea Co., NM
EVGSAU Tract 3127, #399W, Sec. 31, T-17-S, R-35-E, 10' FSL, 660' FEL, Lea Co., NM

TEXACO EXPLORATION AND PRODUCING INC.

SIGNED: _____

NAME: CHRISTOPHER K. PETERSON

TITLE: Acting Co. Asset Team Manager

DATE: Dec. 30, 1999