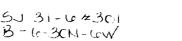
W/S

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT







BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

January 27, 1993

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HILL

Company

Phillips Petroleum Company 5525 Highway 64 NBU 3004 Farmington, New Mexico 87401

Attention: Mr. Ed Hasely

Re: Amendment of Division Order No. SWD 374

FEB 1 1993 OIL CON. DIV.

OIL CON. DIV.) \ DIST. 3

Dear Mr. Hasely:

Reference is made to your request dated January 22, 1993, for authorization to accept third party produced water for disposal into the San Juan 31-6 Unit Well No. 301. It is our understanding that the subject well was permitted for disposal by Order No. SWD-374, dated September 7, 1989. It is further our understanding that the additional water accepted will be produced from the Basin-Fruitland Coal Gas Pool.

You are hereby authorized to accept and dispose of such additional produced water into the San Juan 31-6 Unit Well No. 301.

Please note that while the Division does not currently classify disposal wells as commercial/non-commercial, such classification may be forthcoming in the near future, and as such, the San Juan 31-6 Unit Well No. 1 may fall into the commercial classification at that time. If classified as commercial, the subject well will be subject to additional requirements as may be promulgated at a later time by the Environmental Protection Agency.

Sincerely,

William J./LeMay

xc: OCD-Aztec File-SWD-374