



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 11, 2002

Patsy Clugston
Phillips Petroleum Co
5525 HWY 64 NBU 3004
Farmington NM 87401

Re: San Juan 37-7 Unit 36, F-08-32N-07W, API 30-045-11501

Dear Patsy:

The 2002 Packer Leakage Test on the referenced well indicates communication between the producible zones.

In order to comply with Rule #112A, you are hereby directed to initiate remedial activity and retest the well to show separation of the zones prior to January 1, 2002

Reference CTP0228337268 on all future correspondence

Notify the Aztec OCD in time to witness the retest.

If you have any questions, please call me at 505-334-6178, ext. 16.

Sincerely yours,

Charlie T. Perrin
Deputy Oil & Gas Inspector
cperrin@state.nm.us

CC: BLM
CTP
Well File