

OIL CONSERVATION

ConocoPhillips Company 4001 Penbrook Odessa, TX 79762 Phone 432-368-1266

November 4, 2005

NMOCD 1220 South St. Francis Drive Santa Fe, New Mexico 87505

VIA UPS Overnight
RETURN RECEIPT REQUESTED

RE: Withdrawal of ConocoPhillips Sept. 22, 2005 Objection to

Administrative Application of Duke Energy Field Services, LP (Duke)

For Authorization to Inject Lea County, New Mexico

Dear Sir or Madam:

ConocoPhillips understands that Duke Energy Field Services, LP intends to amend their injection permit request of Sept. 10, 2005, such that the only permitted injection interval will be the Lower Bone Springs from 8700 to 9100 feet. ConocoPhillips withdraws its previous objection of Sept. 22, 2005 to injection into the stated Lower Bone Springs interval.

ConocoPhillips continues to object to injection of acid gas into the Brushy Canyon Formation at 5000 to 5300 feet. Therefore, given that Duke no longer proposes to inject acid gas in the Brushy Canyon, ConocoPhillips will withdraw its protest.

Questions about this correspondence can be directed to Clay Carson at 832-486-2009 or to the undersigned at 432-368-1670.

Sincerely,

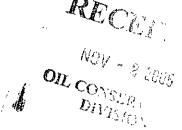
Judith E. Roper ConocoPhillips

Attachment - Duke's Notification Letter of Sept. 10, 2005 ConocoPhillips Objection Letter of Sept. 22, 2005

Xc: Alberto A. Gutierrez via Facsimile 505-842-7380 Consultant to Duke Energy Field Services, LP

> Mike Fitzgibbons via Facsimile 432-620-4160 Duke Energy Field Services, LP





P. O. Box 1261 Amarillo, Texas 79105-1261

October 31, 2005

Mr. Alberto A. Gutierrez, C.P.G. Geolex, Incorporated 500 Marquette Avenue NW, Suite 1350 Albuquerque, New Mexico 87102

RE: Notice on Application C-108 Linam Ranch Proposed Injection Well Authorization, Lea County, NM

Dear Mr. Gutierrez,

Xcel Energy appreciates your courtesy notification, and the attached copy of the application. Our Maddox Station power plant is located just west of the proposed injection well, in the southeast quarter of Section 25, Township 18S Range 36E. The actual distance is difficult to determine, but it is about ½ mile west of the proposed well.

In reviewing the application, we are concerned that the water wells associated with Maddox Station are not listed in the inventory. There are eight interconnected wells producing groundwater from the Ogallala formation, and these wells are used for drinking water, as well as cooling water for Maddox Station. One of the wells is very near the ½ mile radius, and 4 more are at or very near the two-mile radius.

In addition, the graphic Supplemental Map 2 shows the Maddox Station to be on land leased from the state, but that is incorrect; it is owned by Southwestern Public Service Company. The E  $\frac{1}{2}$  of the SW  $\frac{1}{4}$  of section 25 is under a Business Lease from the State.

In view of the proximity of our facilities, we believe that you, Duke Energy Field Services, LP, and the New Mexico Oil Conservation Division should be notified of the above information.

Xcel Energy is not objecting to the injection well, but would like to be informed about facilities and operations occurring near our facilities. Please add me to the mailing list for this permit and related correspondence with NMOCD in the future. My phone number is (806) 378 2197.

Sincerely,

Gale Henslee

Sale Hersler

Environmental Principal

Cc: Will Jones, NMOCD - Santa Fe, NM

Joshua Epel, Duke Energy Field Services - Denver

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