



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

August 28, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Mr. Steve Huddleston
Phillips Petroleum Company
5525 Hwy 64, NBU 3004
Farmington, New Mexico 87401

Re: Administrative Application for Lease Commingling
San Juan 32-7 Well No. 244
SE/4 SW/4, Section 17, Township 32 North, Range 7 West, NMPM
San Juan County, New Mexico.



Dear Mr. Huddleston:

The Division received your application July 24, 2002 to add this well to the San Juan 32-7 #1 CPD and to Division Commingling Order CTB-506.

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Unfortunately, we have no record in our files that revenue owners in this CPD have been notified of the original intent to commingle. Also this current application did not include proof of notification of the owners in the well to be added.

- 1) As required by the New Mexico Oil Conservation Division Rule 19.15.5.309.B, please provide certified notice of your intent to surface commingle to all revenue and cost owners in all wells included in the existing San Juan 32-7 #1 CPD and also in this well to be added. Please provide to the Division proof of this notification.
- 2) Please provide a C-102 showing the allocated acreage for this well.
- 3) Please provide a statement about whether the commercial value of the commingled sales will be less than the sum of the values of individual sales and if so, how much.

Since the submitted information is insufficient to review and a 20-day suspense period will apply after notice is given, your application is being returned.

Please resubmit this application with the additional items as detailed above. Upon receipt, the Division will process your surface commingle application. If I can be of further assistance, please call me at (505) 476-3448.

Sincerely,
WVJ

William V Jones
Engineer

cc: OCD-Aztec /