



San Juan Business Unit

ConocoPhillips Company
P.O. Box 4289
Farmington, NM 87499-4289

September 29, 2006

NMOCD
1235 Rio Brazos Rd
Aztec, NM 87410



Re: San Juan 32-8- #207A
HPA Notification - Basin Fruitland Coal
1825' FNL & 170' FEL, Section 21, T31N, R8W - Surface Location
1285' FNL & 660' FWL, Section 22, T31N, R8W - Bottomhole Location
San Juan County, NM

Dear Sirs:

This well is located inside the High Productivity Area of the Basin-Fruitland Coal Pool. According to R-8768-F dated July 17, 2003, HPA notice is required if there is an affected party as defined in Division Rule 1207, in adjoining spacing units, to the same extend as would be required if the proposed infill location were an unorthodox location¹. The subject well is located within the 32-8 Unit and all surrounding sections are in the same Participating Area as the San Juan 32-8 Unit #207A. Therefore, notification was given in the form of an authority for expenditure approval and further notification is not required.

ConocoPhillips requests NMOCD approval of the APD for this well.

Sincerely,

Patsy Clugston
Sr. Regulatory Specialist

¹ HPA Order R-8768-F page 7 paragraph 26.