



**PHILLIPS PETROLEUM COMPANY**

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

**RECEIVED**  
JUL 19 1999

July 16, 1999

**OIL CON. DIV.**  
DISC. B

Bureau of Land Management  
Attn: Duane Spencer  
1235 La Plata Hwy.  
Farmington, NM 87401

New Mexico Oil & Gas Conservation  
Attn: Frank Chavez  
1000 Rio Brazos Rd.  
Aztec, NM 87410

State of New Mexico  
Attn : David Catanach  
Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, NM 87505

32-7 #1 CPD  
Off-Lease Measurement of Gas  
Addition of San Juan 32-7 #220

Gentlemen:

Phillips Petroleum Company requests approval to add the San Juan 32-7 #220 to the off-lease measurement/commingling application for the subject CPD. The original application was approved by the BLM on April 4, 1995 and the allocation method was approved by the NMOCD on April 10, 1995. The application dated February 12, 1998 to David Catanach is still waiting for approval.

The San Juan 32-7 #220 is located in Unit M, 655' FSL & 705' FWL, Section 5, T31N, R7W. This is a federal lease - SF-078996. This well will be connected to the 32-7 #1 CPD.

We expect first production to the CPD from the San Juan 32-7 #220 to be approximately July 23, 1999. Phillips Petroleum Company will follow Onshore Oil and Gas Order #5 and the allocation procedures outlined in the original approved application in regards to gas production from this well.

If you have any questions concerning these well additions, please call me at 599-3450.

Sincerely,  
Phillips Petroleum Company

Doyle Pruden  
Accounting Specialist

cc: Danny Jaap