



NEW MEXICO ENERGY, NATURAL RESOURCES

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

August 28, 2002

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

BLANCO #10A 26-31N-8W
BLANCO #7A 35-31N-8W

SJ 32-8 UT #16A 15-31N-8W
SJ 32-8 UT #26A 16-31N-8W
SJ 32-8 UT #1A 23-31N-8W
SJ 32-8 UT #15A 24-31N-8W

Re: **Administrative Application for Pool Lease Commingling**
Blanco Wells 10A and 7A (Sections 26 and 35)
San Juan 32-8 Wells No. 16A, 26A, 1A, and 15A (Sections 15, 16, 23, and 24)
All in Township 31 North, Range 8 West, NMPM,
San Juan County, New Mexico.

Dear Mr. Huddleston:

The Division received your applications July 24, 2002 to add these wells to the San Juan 32-8 CPD and to Division Commingling Order PLC-178.

Unfortunately, we have no record in our files that revenue owners in this CPD have been notified of the original intent to commingle. Our records indicate this commingling involves different operators and the previous approval(s) were done administratively without providing notices. Also this current application did not include proof of notification of the owners in the wells to be added.

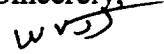
- 1) As required by the New Mexico Oil Conservation Division Rule 19.15.5.309.B, please provide certified notice of your intent to surface commingle to all revenue and cost owners in all wells included in the existing San Juan 32-8 CPD and also in these wells to be added. Contact information for some revenue interest owners will be available from that owner's lessee. Please provide to the Division proof of this notification.
- 2) Please provide C-102s showing the allocated acreage for all new wells to be added to the CPD.
- 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 applications are being returned.

Please resubmit these applications with the additional items as detailed above. Upon receipt, the Division will process your surface commingle applications.

Administrative Order PLC-178
Phillips Petroleum Company
August 28, 2002
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If I can be of further assistance, please call me at (505) 476-3448.

Sincerely,

William V Jones
Engineer

cc: OCD-Aztec /