



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 23, 1996

Phillips Petroleum Company
5525 Highway 64 - NBU 3004
Farmington, New Mexico 87401

Attention: Patrick H. Noah

RECEIVED
APR 24 1996
OIL CON. DIV.
DIST. 3

Re: *Administrative application of Phillips Petroleum Company for an unorthodox infill Basin-Dakota and Blanco-Mesaverde gas well location for the proposed San Juan "32-7" Unit Well No. 37A (API No. 30-045-29361) to be drilled 2071 feet from the South line and 1938 feet from the East line (Unit J) of Section 8, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.*

Dear Mr. Noah:

Reference is made to the subject application dated March 8, 1996, as amended by letter dated April 1, 1996, please submit a survey plat of this well that shows the distance from the northern boundary of its dedicated acreage (New Mexico/Colorado state line) and identify the appropriate parties owning mineral interests in the affected acreage to the north in the state of Colorado. Further, please provide proper notice to any affected off-setting party. A well that encroaches upon a state line does not necessarily preclude an applicant from notifying those mineral interest owners. Should a well be drilled a few feet from the line in Colorado wouldn't Phillips want to be notified. It is in the best interest that all states continue to work cooperatively with each other in administering its statutory obligations in the conservation of oil and gas.

Thank you for your cooperation in this matter.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Aztec
Colorado Oil & Gas Conservation Commission - Denver, Colorado
W. Thomas Kellahin - Santa Fe