



**PHILLIPS PETROLEUM COMPANY**

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

**RECEIVED**  
MAY 28 1996

**OIL CON. DIV.**  
DIST. 3

May 16, 1996

New Mexico Energy, Minerals & Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

**ATTN: MICHAEL E. STOGNER**  
**CHIEF HEARING OFFICER/ENGINEER**

**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. Stogner:

This is to follow up to our recent conversations regarding the above-described application.

We have obtained a waiver from S.G. Interests, Inc. (copy attached). S.G. is the only affected offset operator.

Please advise immediately if you need anything additional from me before issuing administrative approval of the application.

Very truly yours,

Patrick H. Noah  
Senior Land Specialist  
San Juan Basin  
(505) 599-3410

cc: Oil Conservation Division-Aztec

**PHILLIPS PETROLEUM COMPANY**FARMINGTON, NEW MEXICO 7601  
5525 HWY. 54 NBL 9004

May 3, 1996

**SENT VIA FACSIMILE TO  
(713) 951-0191**S.G. Interests, Inc.  
811 Dallas-Suite 1505  
Houston, Texas 77002**ATTN: KEN FLOYD**

**RE: ADMINISTRATIVE APPLICATION OF PHILLIPS PETROLEUM COMPANY FOR  
AN UNORTHODOX IN THE 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**

Gentlemen:

I have previously provided you with a copy of our application in the above-described matter.

In order to accommodate our plans to drill this well in the near future, we ask that you waive any objection to our application. If acceptable, please execute and return a copy of this letter to me by fax to (505) 599-3442.

Feel free to call me if you have any questions.

Very truly yours,

Patrick H. Noah  
Senior Land Specialist  
San Juan Basin  
(505) 599-3410S.G. Interests, Inc. waives objection to the above-described application this 15<sup>th</sup> day of May, 1996.By:   
Title: Vice President