



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

October 7, 1997

OCT 23 1997

Mr. William J. LeMay
Oil Conservation Commission
Energy, Minerals and Natural Resources Department
State of New Mexico
P. O. Box 2088
Santa Fe, NM 87504

**RE: APPLICATION FOR AMENDMENT OF RULE #1105.C
STATE OF NEW MEXICO
BURLINGTON RESOURCES OIL & GAS COMPANY, APPLICANT**

Dear Chairman LeMay:

The intent of this correspondence is to express the support of Phillips Petroleum Company (Phillips) for the application by Burlington Resources Oil & Gas Company for amending the captioned Rule to allow an operator to administratively request and the NMOCD Director to grant up to three (3) consecutive ninety (90) day extensions of confidentiality of certain proprietary or confidential information or data derived from the drilling of a well in the State of New Mexico.

Phillips fully supports this application due to the fact that the costs and risks necessary for conducting exploration efforts in today's environment to find, evaluate and develop new reserves for oil and gas are high, especially with respect to exploration of untested or frontier horizons. Any exploration information or data acquired by an operator provides the only chance that operator has of maintaining a slight competitive edge and realizing a benefit which economically justifies his investment.

Additionally, a majority of the other states, which are oil and gas producers, as well as the Bureau of Land Management, have adopted policies providing for at least up to one year of confidentiality in order to work with industry and promote exploration. Finally, by approving this application, the vehicle for approving such a request will be in place, allowing the NMOCD to exercise its discretion in an area where none currently exists.

Thank you for your considerate attention in allowing us to present our comments.

Very truly yours,

S. Scott Prather, CPL
Senior Landman
San Juan Basin
(505) 599-3410

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BURLINGTON RESOURCES OIL & GAS COMPANY, APPLICANT
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cc: Mrs. Jamie Bailey
Office of Commissioner of Public Lands
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, NM 87501

Mr. William Weiss
New Mexico Petroleum Recovery
Research Center, Kelly Building
New Mexico Tech Campus
Socorro, NM 87801



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
3162.8 (07400)

October 9, 1997

Mr. William LeMay, Chairman
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87502

Case 11856

Dear Mr. LeMay:

Burlington Resources Oil and Gas Company applied for an amendment to Division Order 1105.C. Burlington's proposed amendment to Division Order 1105.C would allow an operator or party to request up to four (4) periods of 90 days in which data would be held confidential.

The Bureau of Land Management (BLM) Farmington District Office supports Burlington's proposed amendment. Approval of Burlington's proposed amendment would provide for greater conformity between the Oil Conservation Division and BLM regulations. There is currently a significant difference between the Oil Conservation Division confidential period of 90 days versus one year for BLM confidential information. This can and has resulted in parties attempting to exploit this difference by getting either the Oil Conservation Division or the BLM to release information.

In conclusion, we reiterate our support of Burlington's proposed amendment to Division Order 1105.C in order to provide more continuity in the handling of confidential information.

If you have any questions, please call either Duane Spencer at (505) 599-6350, or John Keller at 599-6340.

Sincerely,

John L. Keller
Assistant District Manager for Minerals

cc:
Mr. Alan Alexander
Burlington Resources Oil and
Gas Company
P. O. Box 4289
Farmington, NM 87499