



Patrick A. Brazan
San Juan/Panhandle
Asset Manager
Midland Division
Exploration Production
North America

Conoco Inc.
10 Dosta Drive, Suite 100W
Midland, Texas 79705-4500
(915) 686-5712
(915) 686-5508

March 12, 1997

Mr. William J. Lemay, Chairman
Oil Conservation Commission
Energy, Minerals and Natural Resources Department
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87504

RE: Application for Amendment of Rule #1105.C
State of New Mexico
Burlington Resources Oil & Gas Company, Applicant

Dear Chairman Lemay:

A hearing before the New Mexico Oil Conservation Commission has been scheduled for September 24, 1997 to hear the application of Burlington Resources Oil & Gas Company for an amendment to Division Rule 1105.C. The applied-for amendment would allow an operator to administratively request, and the Director of the NMOCD to grant, up to three consecutive ninety-day extensions of the confidentiality of certain proprietary or trade secret information and other confidential data derived from the drilling of a well within the State of New Mexico.

Conoco Inc. strongly supports this application for the following reasons:

- Today, exploration for undiscovered oil and gas reserves is high cost and high risk. The acquisition and interpretation of data, sometimes through new and exotic means, is absolutely necessary to ameliorate the high risk of failure.
- Substantial capital investment in exploration data supplies an operator with a slight competitive edge only so far as the data remains confidential to the State of New Mexico and the acquiring party. When the data is made public, all parties are made equal with respect to access to the data, although not equal in terms of risk and investment. The current ninety day confidentiality period simply does not provide the operator with adequate recognition of the cost and risk undertaken to acquire the data.
- The BLM and many of the oil and gas producing states have recognized the desirability of maintaining the confidentiality of certain data for at least one year to protect the investment of those parties willing to invest in exploration projects.

Mr. William J. Lemay, Chairman
Oil Conservation Commission
September 24, 1997

- The NMOCD will retain discretion to judge each application for extension on its merits, and approve only those which meet the proper criteria.

For these reasons, Conoco Inc. strongly supports the application of Burlington Resources Oil & Gas Company in this matter. Thank you for your consideration of our comments.

Respectfully,



Patrick A. Brazan

cc: Mr. W. Thomas Kellahin
El Patio Building
117 North Guadalupe
Santa Fe, New Mexico 87501-1848