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April 16, 1999

Via Fax and U.S. Mail

David Catanach
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case No. 12137; Application of Phillips Petroleum Company ("Phillips") for the establishment of a downhole commingling reference case for its San Juan 32-7 Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, San Juan County, New Mexico.

Dear Mr. Catanach:


Larry Simmons entered his appearance in the above case on March 18th. He has not yet received all information promised by Phillips at the hearing. However, he submits this letter to state his position in the case.

Mr. Simmons requests that, if the above application is approved, the Division's order require Phillips to give notice to Mr. Simmons of all future downhole commingling applications. The reasons for this request are as follows:

1. Mr. Simmons does not own interests in all four P.A.'s, but only in the Fruitland P.A. and Mesaverde P.A. Thus, any commingling and allocation of production including the Pictured Cliffs and/or Dakota could affect his interests.
2. Mr. Simmons' property is located in the northwest area of the unit. Phillips' testimony at the hearing was that its planned future development would be primarily to the east of Mr. Simmons' acreage. Since development may not include his acreage, allocation of production among different zones may affect his interests.

As a result, Mr. Simmons would like to continue to receive notice so that he may verify that production is properly allocated. Thank you for your consideration of this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Larry Simmons

cc: Larry Simmons
W. Thomas Kellahin