



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

October 15, 2001

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OIL CONSERVATION
DIVISION

Ms. Lori Wrotenberg, Director
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

CASE 12745: Burlington Resources Oil & Gas
Company and Conoco Inc. application to amend
Special Rules and Regulations for the Basin-
Dakota Gas Pool to increase well density and
amend well location requirements
San Juan, McKinley, Sandoval and Rio Arriba
Counties, New Mexico

Dear Ms. Wrotenburg:

Phillips Petroleum Company (Phillips) supports the application of Burlington and Conoco to the New Mexico Oil Conservation Division for 80-acre infill development in the Basin Dakota pool. Phillips has reviewed the results of their pilot infill wells and agrees that the 80-acre infill wells are economically viable and necessary to recover additional gas reserves that would otherwise be left behind.

Phillips also supports the creation of well location rules for the Basin Dakota pool that are identical to the rules for the Blanco Mesaverde pool. This will facilitate recovery of additional gas reserves using downhole commingling, thereby requiring fewer wellbores, and minimizing surface impacts associated with pipelines and well locations.

Phillips believes NMOCD approval of the said application for 80-acre infill development in the Basin Dakota will be in the best interests of all parties by allowing recovery of additional gas reserves while protecting the correlative rights of all owners and minimizing surface impacts of development.

Very truly yours,


Jim Ball
Senior Land Specialist
San Juan Basin
(505) 599-3410

cc: Jerry Foster