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February 10, 2006

Bureau of Land Management (3 copies)
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

Commissioner of Public Lands (2 copies)
State of New Mexico
PO Box 1148
Santa Fe, NM 87504-1148

Oil Conservation Division (2 copies)
State of New Mexico
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

RE: SAN JUAN 32-7 UNIT
#14-08-001-441
San Juan County, New Mexico
2006 Plan of Development
Contract C40463

Ladies and Gentlemen:

By letter dated February 4, 2005, ConocoPhillips, as Unit Operator, filed the 2005 Plan of Development (POD) and indicated twenty-five (25) wells were planned to be drilled and four (4) wells were planned to be recompleted. The 2005 status is shown below:

The following wells were drilled in 2005.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
San Juan 32-7 Unit #250	W/2 Section 16-32N-7W	Fruitland Coal
San Juan 32-7 Unit #250A	W/2 Section 16-32N-7W	Fruitland Coal
San Juan 32-7 Unit #222A	E/2 Section 20-32N-7W	Fruitland Coal
San Juan 32-7 Unit #244A	W/2 Section 17-32N-7W	Fruitland Coal
San Juan 32-7 Unit #249	NSP Sec 8 & 9-32N-7W	Fruitland Coal
San Juan 32-7 Unit #235A	W/2 Section 29-32N-7W	Fruitland Coal
San Juan 32-7 Unit #213A	NSP Sec 7 & 18-31N-7W	Fruitland Coal
San Juan 32-7 Unit #228A	NSP Section 7-31N-7W	Fruitland Coal
San Juan 32-7 Unit #236A	W/2 Section 28-32N-7W	Fruitland Coal
San Juan 32-7 Unit #233A	W/2 Section 20-32N-7W	Fruitland Coal
San Juan 32-7 Unit #248	NSP Sec 7 & 8-32N-7W	Fruitland Coal
San Juan 32-7 Unit #246	E/2 Section 18-32N-7W	Fruitland Coal
San Juan 32-7 Unit #220A	NSP Sec 5 & 6-31N-7W	Fruitland Coal
San Juan 32-7 Unit #227A	NSP Section 18-31N-7W	Fruitland Coal
San Juan 32-7 Unit #246A	E/2 Section 18-32N-7W	Fruitland Coal
San Juan 32-7 Unit #247	NSP Section 7-32N-7W	Fruitland Coal

The San Juan 32-7 Unit 222A, 236A, 247, 248, 249, 250, 250A were drilled to the Fruitland Coal formation on a drill block basis and the remaining Fruitland wells were drilled in the Fruitland Coal Participating Area. The #202R, 240A, 243A Fruitland Coal wells and the #93, 37F, 37M, 44G & 69M Conventional wells will be carried over to the 2006 drilling program.

There were no re-completed wells in 2005:

The #24 Pictured Cliffs and #67 Mesaverde/Lewis recompletions will be carried over to the 2006 drilling program.

2005 Summary – There were sixteen (16) wells drilled in 2005. Ten (10) wells will be carried over to the 2006 drilling program. All operations were conducted in accordance with existing regulatory parameters.

Attached to this letter are unit production plats for each producing formation. The Participating Areas which have been established in the 32-7 Unit are listed below:

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Twentieth	12/1/98
Pictured Cliffs	Twelfth	10/1/01
Mesaverde	Twenty-Third	1/1/82
Dakota	Third	5/1/81

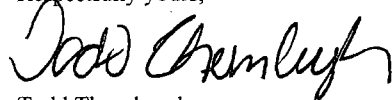
Pursuant to Section 10 of the San Juan 32-7 Unit Agreement, ConocoPhillips, as Unit Operator, hereby submits the following wells for the 2006 POD:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-7 Unit #13M	W/2 Section 16-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #25F	MV E/2, DK S/2 Sec 36-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #93	MV E/2, DK N/2 Sec 36-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #93M	MV W/2, DK N/2 Sec 36-32N-7W	Mesaverde Dakota	Drill
San Juan 32-7 Unit #69M	MV W/2, DK N/2 Sec 35-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #26M	MV E/2, DK S/2 Sec 35-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #17A	E/2 Section 17-31N-7W	Mesaverde	Drill
San Juan 32-7 Unit #18A	NS Section 5-31N-7W	Mesaverde	Drill
San Juan 32-7 Unit #38	MV E/2, DK N/2 Sec 33-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #2A	E/2 Section 32-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #63M	MV E/2, DK S/2 Sec 28-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #44G	MV E/2, DK S/2 Sec 22-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #245	E/2 Section 17-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #240A	E/2 Section 19-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #243A	W/2 Section 19-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #202R	W/2 Section 18-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #20	NSP Section 18-31N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #249A	NSP Sec 8 & 9-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #37F	E/2 Section 8-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #248A	NSP Sec 7&8- 32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #36F	E/2 Section 8-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #37M	E/2 Section 8-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #247A	NSP Section 7-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #202A	W/2 Section 18-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #10A	W/2 Section 32-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #31	E/2 Section 32-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #67	W/2 Section 8-32N-7W	Mesaverde/Lewis	Recomplete
San Juan 32-7 Unit #11	E/2 Section 20-32N-7W	Lewis	Recomplete
San Juan 32-7 Unit #16A	E/2 Section 17-32N-7W	Lewis	Recomplete
San Juan 32-7 Unit #25	E/2 Section 36-32N-7W	Lewis	Recomplete
San Juan 32-7 Unit #28	W/2 Section 35-32N-7W	Lewis	Recomplete
San Juan 32-7 Unit #32	W/2 Section 22-32N-7W	Lewis	Recomplete
San Juan 32-7 Unit #71	N/2 Section 9-31N-7W	Lewis	Recomplete
San Juan 32-7 Unit #74	NS Sec 3 & 4-31N-7W	Lewis	Recomplete
San Juan 32-7 Unit #24	W/2 Section 21-32N-7W	Pictured Cliffs	Recomplete

The San Juan 32-7 Unit working interest owners are being provided with a copy of this letter. ConocoPhillips, as Unit Operator, will drill any wells that may be required to prevent drainage and any other wells deemed necessary or requested by the Unit working interest owners under the terms and provisions of the Unit Operating Agreement.

Per Section 10 of the Unit Agreement, please confirm your approval of this POD by signing in the appropriate space below and returning an executed copy to my attention.

Respectfully yours,



Todd Thornburgh

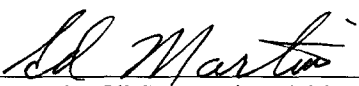
SAN JUAN 32-7 UNIT #14-08-001-441
2006 INITIAL PLAN OF DEVELOPMENT

Bureau of Land Management

Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division

6-26-06

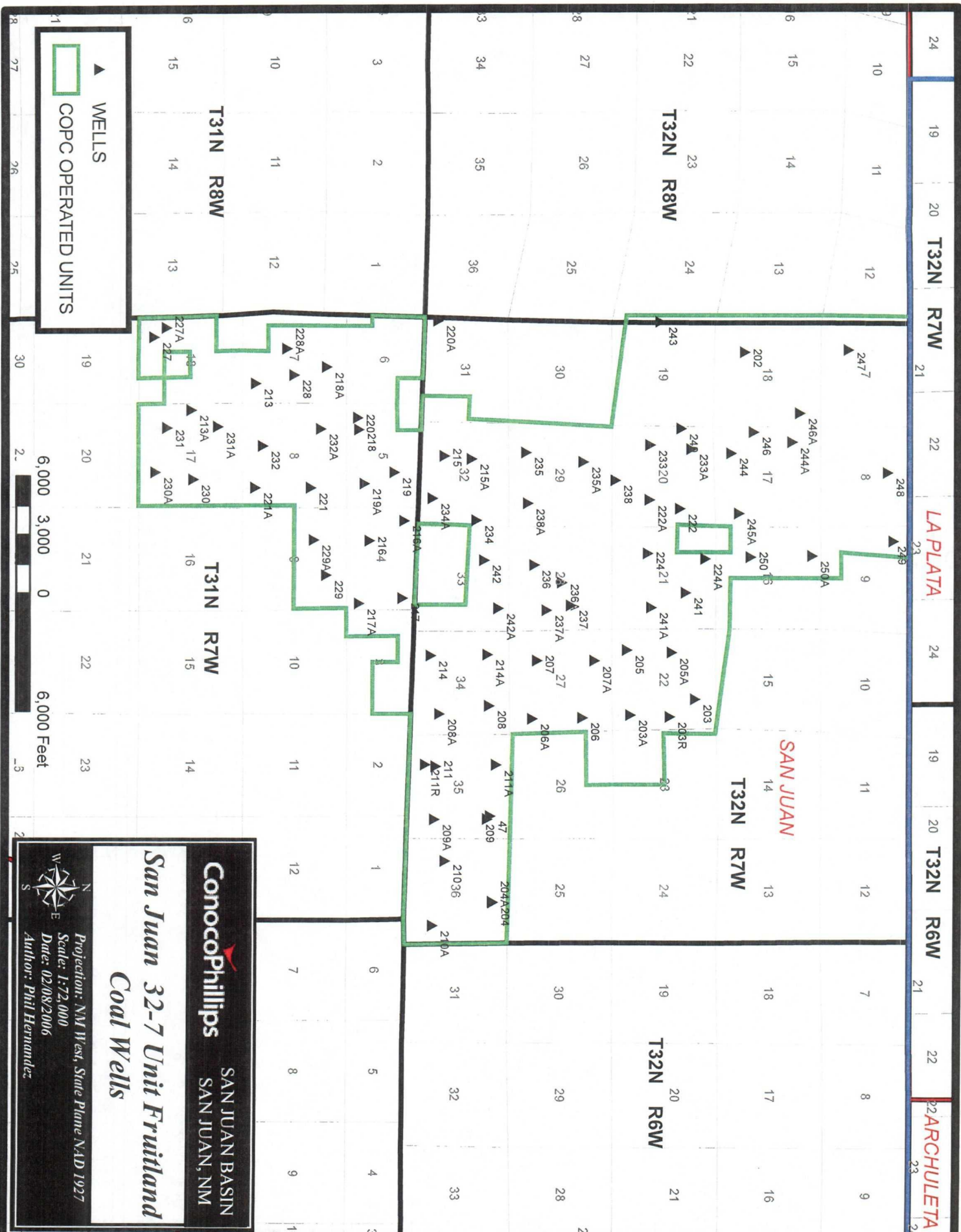
Date

San Juan 32-7 Unit Owners

Williams Production Company
One Williams Center
PO Box 3202, MS 37-5
Tulsa, OK 74101

Energen Resources Corp
2198 Bloomfield Hwy
Farmington, NM, 87401

San Juan Basin Partnership
C/O: En Vantage, Inc
1415 North Loop West, Ste 1180
Houston, TX 77008



24 19 20 T32N R7W 21 22 LA PLATA 24 19 20 T32N R6W 21 22 ARCHULETA 23 24

SAN JUAN

T32N R8W

T32N R7W

T32N R6W

T31N R8W

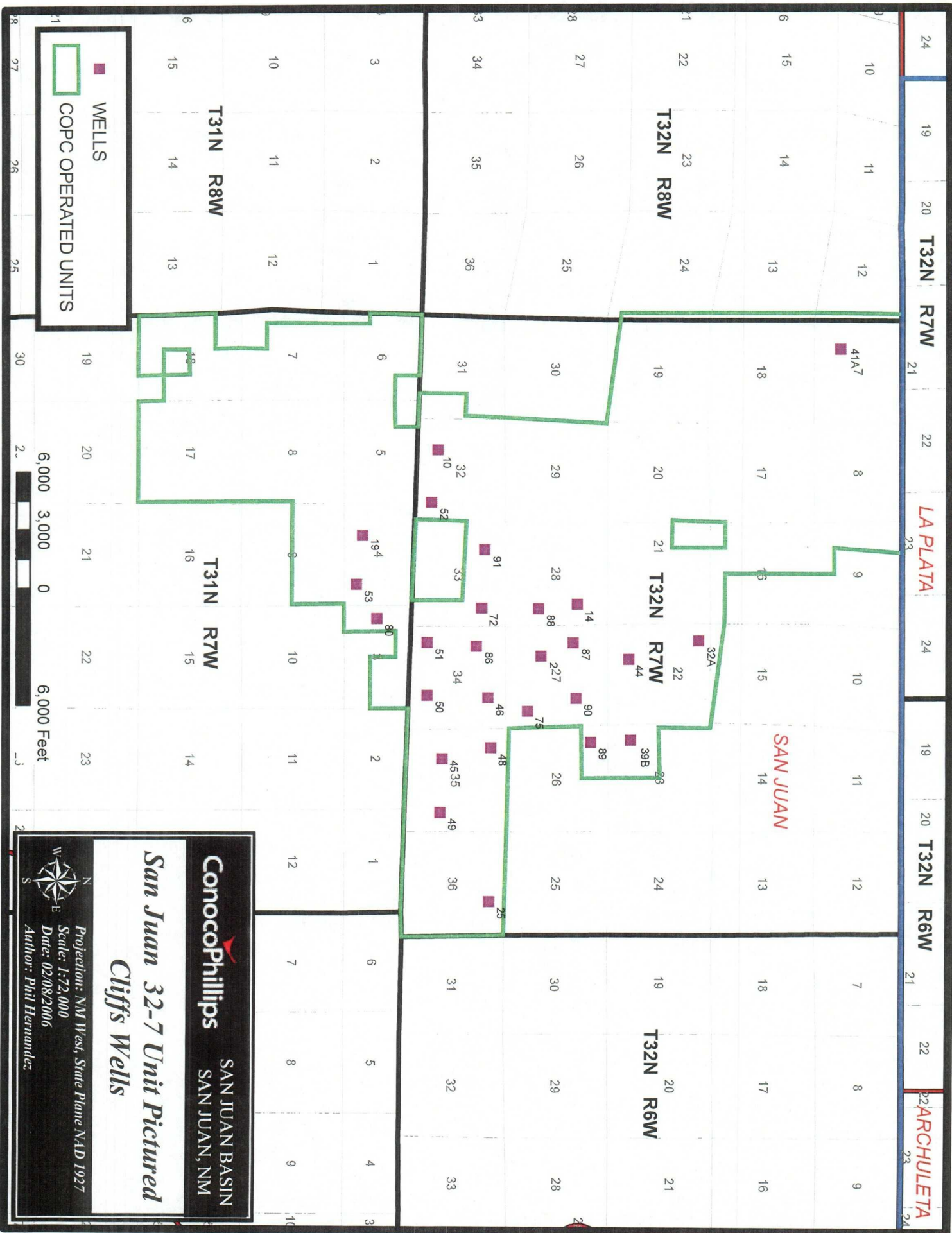
T31N R7W

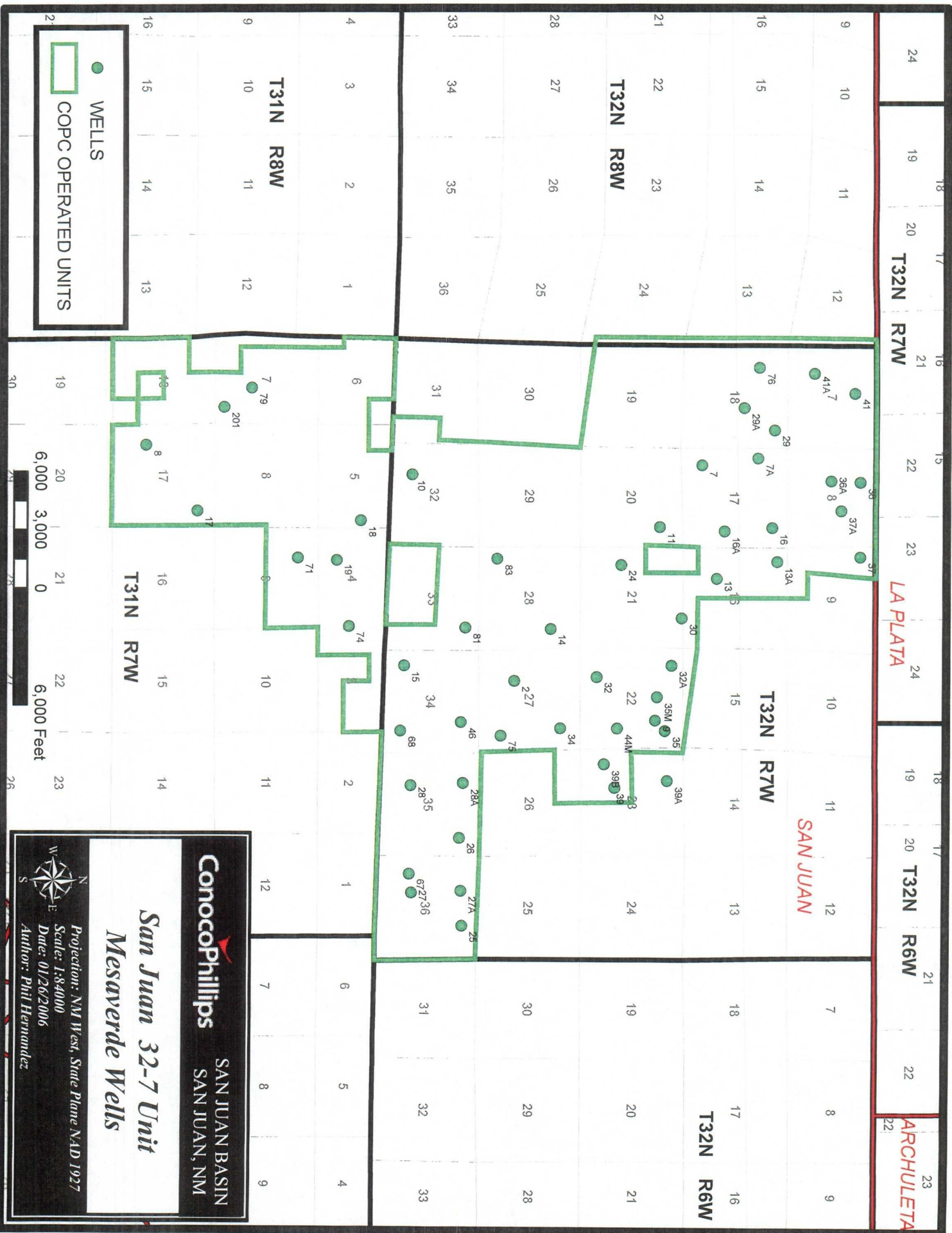
ConocoPhillips
SAN JUAN BASIN
SAN JUAN, NM
San Juan 32-7 Unit Fruitland
Coal Wells

▲ WELLS
COPC OPERATED UNITS

6,000 3,000 0 6,000 Feet

Projection: NAD 83, State Plane NAD 1983, Zone 10N, Datum: NAD 83, Units: Feet, Contour Interval: 100 Feet, Date: 02/08/2006, Author: Phil Hernandez





ConocoPhillips SAN JUAN BASIN
 SAN JUAN, NM

San Juan 32-7 Unit
 Mesaverde Wells

Projection: NM West, State Plane NAD 1927
 Scale: 1:84000
 Date: 01/26/2006
 Author: Phil Hernandez

