



RECEIVED

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ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289

December 10, 2009

Bureau of Land Management (3)
Attn: Mr. Jim Lovato
1235 La Plata Highway
Farmington, NM 87401

V20

State of New Mexico (2)
Commissioner of Public Lands
Attn: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, NM 87501-1148

State of New Mexico (2)
Oil Conservation Division
Energy & Minerals Department
Attn: Ms. Lori Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

RE: **SAN JUAN 32-7 UNIT, #14-08-001-441**
Mesaverde Participating Area
24th Expansion effective 10/01/2007
25th Expansion effective 7/01/2008
San Juan County, New Mexico
Contract: 040463 Lease: A650116

Dear Sir or Madam:

Pursuant to Section 11(a) of the above referenced Unit Agreement, **CONOCOPHILLIPS**, as **Unit Operator**, has determined that the following wells are capable of producing unitized substances in paying quantities from the Mesaverde formation, thereby should be admitted to the Mesaverde Participating Area. Pursuant to a BLM letter, attached is a list of the wells that have been deemed commercial.

Twenty-Fourth Expansion - EFFECTIVE 10/1/07

<u>Well Name</u>	<u>Tract/Acres</u>	<u>Tr. Description</u>	<u>Compl. Date</u>
San Juan 32-7 Unit #31 Sec. 32-T32N-R7W 320.0 Acres	Tr. 17B/ 320.00	E/2	9/14/07

Twenty-Fifth Expansion - EFFECTIVE 7/1/08

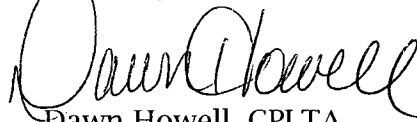
<u>Well Name</u>	<u>Tract/Acres</u>	<u>Tr. Description</u>	<u>Compl. Date</u>
San Juan 32-7 Unit #20 NSP- Sec. 18-T31N-R7W 241.61 Acres	Tr. 11 /241.61	Lots 8-10, SE/NW, E/2SW, SW/4SE/4, NE/SE	6/14/08
Non-Committed Acreage	80.00 acres	SE/4SE/4, NW/4SE/4	

SAN JUAN 32-7 UNIT
24TH AND 25TH PA Expansions
December 10, 2009
Page 2

The Schedules for the Twenty-Fourth and Twenty Fifth-Expansions are enclosed. The schedules describe the Participating Area and show the percentage of unitized substances allocated to the tracts according to the ownership within the tracts.

ConocoPhillips would appreciate consideration of these Expansions by written response. Please contact the undersigned at (505) 599-4030 if there are any questions regarding this matter. Copies of this letter and attachments are also being furnished to the working interest owners.

Sincerely,

A handwritten signature in black ink, appearing to read "Dawn Howell". The signature is fluid and cursive, with the first name "Dawn" being more prominent than the last name "Howell".

Dawn Howell, CPLTA
Staff Land Technician

DH
SJ 32-7 Unit 4.2

**SAN JUAN 32-7 UNIT
WORKING INTEREST OWNERS**

CONOCOPHILLIPS COMPANY

ENERGEN RESOURCES CORPORATION

WILLIAMS PRODUCTION COMPANY



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway - Suite A
Farmington, New Mexico 87401
www.blm.gov/nm



IN REPLY REFER TO:

San Juan 32-7 Unit MV PA
3162.7 (F0111)

September 24, 2009

Ms. Dawn Howell
ConocoPhillips Company
P.O. Box 4289
Farmington, NM 87499-4289

RE: San Juan 32-7 Unit
Commerciality Determination
Mesaverde Formation
San Juan County, NM

Dear Ms. Howell:

In response to your letter dated July 7, 2009 and the e-mail on September 23, 2009, the Farmington Field Office has reviewed the data you submitted for a commerciality determination for the following well completed in the Mesaverde formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 32-7 Unit #31	E/2 Sec. 32, T32N, R7W	STATE	9/14/2007	Commercial

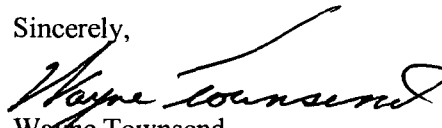
After completing our economic evaluation, we are in concurrence with the above determination.

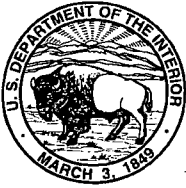
The well was determined to be commercial in the Mesaverde formation and is to be included in the Mesaverde participating area. It is required that a revision be submitted to include this well in the San Juan 32-7 Unit Mesaverde Participating Area.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-92000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such requests shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions concerning this matter, please contact Wayne Townsend at the above address or telephone (505) 599-6359.

Sincerely,


Wayne Townsend
Petroleum Engineer
Branch of Petroleum Management



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway - Suite A
Farmington, New Mexico 87401
www.blm.gov/nm



IN REPLY REFER TO:
San Juan 32-7 Unit DK & MV PAs
3162.7 (21110)

May 27, 2009

Ms. Dawn Howell
ConocoPhillips Company
P.O. Box 4289
Farmington, NM 87499-4289

RE: San Juan 32-7 Unit
Commerciality Determinations
Dakota Formation
Mesaverde Formation
San Juan County, NM

Dear Ms. Howell:

In response to your letter dated April 24, 2009, the Farmington Field Office has reviewed the data you submitted for a commerciality determination for the following well completed in the Dakota and Mesaverde formations.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 32-7 Unit #20 Dakota Formation	NSP Sec. 18, T31N, R7W	NMSF078998	6/14/08	Commercial
San Juan 32-7 Unit #20 Mesaverde Formation	NSP Sec. 18, T31N, R7W	NMSF078998	6/14/08	Commercial

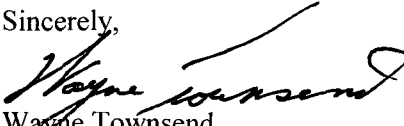
After completing our economic evaluations, we are in concurrence with the above determinations.

The well was determined to be commercial in the Dakota formation and is to be included in the Dakota participating area. The well was also determined to be commercial in the Mesaverde formation and is to be included in the Mesaverde participating area. It is required that revisions be submitted to include this well in the San Juan 32-7 Unit Dakota Participating Area and the San Juan 32-7 Unit Mesaverde Participating Area

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-92000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such requests shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions concerning this matter, please contact Wayne Townsend at the above address or telephone (505) 599-6359.

Sincerely,


Wayne Townsend
Petroleum Engineer
Branch of Petroleum Management

CONOCOPHILLIPS COMPANY
 RECAPITULATION
 TWENTY-FOURTH EXPANSION
 SAN JUAN 32-7 UNIT AREA
 MESAVERDE FORMATION
 EFFECTIVE OCTOBER 1, 2007
 SAN JUAN COUNTY, NEW MEXICO

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31 NORTH, RANGE 7 WEST

SECTION 3:	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4
SECTION 4:	LOTS 5, 6, 7, 8, S/2
SECTION 5:	LOTS 5, 6, 7, 8, S/2
SECTION 6:	That part of resurvey Tract 54 lying in section 6
SECTION 7:	LOTS 6, 7, SW/4NE/4, N/2SE/4, that part of resurvey tract 54 lying in Section 7
SECTION 8:	E/2
SECTION 9:	N/2
SECTION 10:	NW/4
SECTION 17:	ALL

TOWNSHIP 32 NORTH, RANGE 7 WEST

SECTION 7:	(Frac.) ALL
SECTION 8:	(Frac.) ALL
SECTION 9:	(Frac.) W/2W/2
SECTION 16:	W/2
SECTION 17:	ALL
SECTION 18:	ALL
SECTION 20:	ALL
SECTION 21:	ALL
SECTION 22:	ALL
SECTION 23:	SW/4
SECTION 26:	NW/4
SECTION 27:	ALL
SECTION 28:	E/2
SECTION 29:	W/2
SECTION 32:	ALL
SECTION 33:	E/2
SECTION 34:	E/2
SECTION 35:	ALL
SECTION 36:	ALL

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:	11,520.55
TOTAL NUMBER OF ACRES COMMITTED TO PARTICIPATING AREA	10,810.02
TOTAL NUMBER OF ACRES NOT COMMITTED TO PARTICIPATING AREA	710.53

EFFECTIVE OCTOBER 1, 2007

CONOCOPHILLIPS COMPANY

TWENTY-FOURTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVERDE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT/ACTUAL PARTICIPATION
SF-078459	T32N R7W SEC 22 ALL	640.00		TRACT 001			5.920433%
	ORRI:				0.000000	5.000000	
	ROYALTY:				0.000000	12.500000	
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY				82.000000	67.650000	
	WILLIAMS PRODUCTION COMPANY				18.000000	14.850000	
	TOTAL				100.000000	100.000000	
SF-078460	T32N R7W SEC 7 LOTS 4, 5, 6, SE/4SW/4 SEC 8 SE/4SE/4 SEC 17 ALL SEC 18 LOTS 1, 2, 3, 4, E/2W/2 SEC 20 N/2, N/2SW/4, SE/4SW/4, W/2SE/4 SEC 21 SE/4, E/2NE/4	1887.86		TRACT 002			17.463983%
	ORRI:				0.000000	5.000000	
	ROYALTY:				0.000000	12.500000	
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY				82.000000	67.650000	
	WILLIAMS PRODUCTION COMPANY				18.000000	14.850000	
	TOTAL				100.000000	100.000000	
SF-078472	T32N R7W SEC 23 SW/4 SEC 26 N/2NW/4 SEC 27 N/2 SEC 28 NE/4 SEC 29 NE/4NW/4, SE/4SW/4	800.00		TRACT 003			7.400541%
	ORRI:				0.000000	5.000000	
	ROYALTY:				0.000000	12.500000	
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY				82.000000	67.650000	
	WILLIAMS PRODUCTION COMPANY				18.000000	14.850000	
	TOTAL				100.000000	100.000000	
NM-2995	T32N R7W SEC 26 SE/4NW/4	40.00		TRACT 004			0.000000%
	ORRI:				0.000000	0.000000	
	ROYALTY:				0.000000	0.000000	
	WORKING INTEREST:						
	TOTAL				0.000000	0.000000	
NOT COMMITTED					100.000000	100.000000	

EFFECTIVE OCTOBER 1, 2007

CONOCOPHILLIPS COMPANY

TWENTY-FOURTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVERDE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078542	T32N R7W	640.00		TRACT 005			5.920433%
	SEC 28 SE/4		ORRI:		0.000000	5.000000	
	SEC 34 NE/4		ROYALTY:		0.000000	12.500000	
	SEC 35 S/2		WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		25.000000	20.625000	
			WILLIAMS PRODUCTION COMPANY		75.000000	61.875000	
			TOTAL		100.000000	100.000000	
SF-078543	T32N R7W	800.00		TRACT 006			7.400541%
	SEC 27 S/2		ORRI:		0.000000	5.000000	
	SEC 33 NE/4		ROYALTY:		0.000000	12.500000	
	SEC 35 N/2		WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		82.000000	67.650000	
			WILLIAMS PRODUCTION COMPANY		18.000000	14.850000	
			TOTAL		100.000000	100.000000	
SF-078669	T32N R7W	80.00		TRACT 007			0.000000%
	SEC 21 W/2NW/4		ORRI:		0.000000	0.000000	
			ROYALTY:		0.000000	0.000000	
			WORKING INTEREST:				
			TOTAL		0.000000	0.000000	
					100.000000	100.000000	
NM-33052	T32N R7W	80.00		TRACT 008			0.000000%
	SEC 33 W/2SE/4		ORRI:		0.000000	0.000000	
			ROYALTY:		0.000000	0.000000	
			WORKING INTEREST:				
			TOTAL		0.000000	0.000000	
					0.000000	0.000000	

EFFECTIVE OCTOBER 1, 2007

CONOCOPHILLIPS COMPANY

TWENTY-FOURTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVERDE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	1525.44		TRACT 010			14.111353%
SEC 3	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4		ORRI: ROYALTY:		0.000000 0.000000	5.000000 12.500000	
SEC 4	LOT 5, 6, 7, 8, S/2		WORKING INTEREST:				
SEC 5	LOTS 5, 6, 7, 8, SE/4, E/2 SW/4,		CONOCOPHILLIPS COMPANY		82.000000	67.650000	
SEC 7	LOTS 6, 7 SW/4 NE/4, N/2SE/4		WILLIAMS PRODUCTION COMPANY		18.000000	14.850000	
SEC 8	E/2		TOTAL		100.000000	100.000000	
SF-078998	T31N R7W	1200.00		TRACT 011			11.100812%
SEC 9	N/2		ORRI:		0.000000	5.000000	
SEC 17	ALL		ROYALTY:		0.000000	12.500000	
			WORKING INTEREST:				
T32N R7W			CONOCOPHILLIPS COMPANY		82.000000	67.650000	
SEC 33	E/2SE/4		WILLIAMS PRODUCTION COMPANY		18.000000	14.850000	
SEC 34	SE/4		TOTAL		100.000000	100.000000	
NM-2995	T32N R7W	40.00		TRACT 12			0.000000%
SEC 26	SW/4NW/4		ORRI:		0.000000	0.000000	
			ROYALTY:		0.000000	0.000000	
			WORKING INTEREST:				
			TOTAL		0.000000	0.000000	
NOT COMMITTED							
NM-05540	T32N R7W	40.00		TRACT 15			0.370027%
SEC 9	SW/4SW/4		ORRI:		0.000000	5.000000	
			ROYALTY:		0.000000	12.500000	
			WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		82.000000	67.650000	
			WILLIAMS PRODUCTION COMPANY		18.000000	14.850000	

EFFECTIVE OCTOBER 1, 2007

CONOCOPHILLIPS COMPANY

TWENTY-FOURTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVERDE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
VC-0006							
	T32N R7W			TRACT 16			1.480108%
	SEC 16 W/2W/2	160.00					
			ORRI:		0.000000	0.000000	
			ROYALTY:		0.000000	12.500000	
			WORKING INTEREST:				
			ENERGEN RESOURCES CORP		100.000000	87.500000	
			TOTAL		100.000000	100.000000	
E-503-13							
	T32N R7W			TRACT 17			1.480108%
	SEC 16 E/2W/2	160.00					
			ORRI:		0.000000	21.875000	
			ROYALTY:		0.000000	12.500000	
			WORKING INTEREST:				
			ENERGEN RESOURCES		100.000000	65.625000	
			TOTAL		100.000000	100.000000	
E-503-13							
	T32N R7W			TRACT 017A			7.400541%
	SEC 32 E/2 W/2	800.00					
	SEC 36 ALL		ORRI:		0.000000	5.000000	
			ROYALTY:		0.000000	12.500000	
			WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		82.000000	67.650000	
			WILLIAMS PRODUCTION COMPANY		18.000000	14.850000	
			TOTAL		100.000000	100.000000	
E-503-13							
	T32N R7W			TRACT 017B			2.960217%
	SEC 32 E/2	320.00					
			ORRI:		0.000000	5.000000	
			ROYALTY:		0.000000	12.500000	
			WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		100.000000	82.500000	
			TOTAL		100.000000	100.000000	

EFFECTIVE OCTOBER 1, 2007

CONOCOPHILLIPS COMPANY

TWENTY-FOURTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVERDE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	732.58		TRACT 021			6.776861%
	SEC 7 LOTS 1, 2, 3, SE/4, NE/4SW/4		ORRI:		0.000000	0.000000	
	SEC 8 LOTS 1, 2, 3, W/2SE/4, NE/4SE/4, E/2SW/4		ROYALTY:		0.000000	12.500000	
	SEC 9 LOT 4, NW/4SW/4		WORKING INTEREST:				
	SEC 18 13.36 ACRE TRACT IN NE/4NE/4		CONOCOPHILLIPS COMPANY		82.000000	71.750000	
	SEC 21 W/2 NE/4, E/2NW/4		WILLIAMS PRODUCTION COMPANY		18.000000	15.750000	
			TOTAL		100.000000	100.000000	
FEE	T32N R7W	1.00		TRACT 021A			0.009251%
	SEC 7 1 ACRE OUT OF SW/4SE/4SE/4		ORRI:		0.000000	0.000000	
			ROYALTY:		0.000000	12.500000	
			WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		82.000000	71.750000	
			WILLIAMS PRODUCTION COMPANY		18.000000	15.750000	
			TOTAL		100.000000	100.000000	
FEE	T32N R7W	603.73		TRACT 022			5.584911%
	SEC 7 17.09 acres out of E/2SE/4		ORRI:		0.000000	3.000000	
	SEC 18 W/2NE/4, SE/4NE/4, SE/4,		ROYALTY:		0.000000	12.500000	
	26.64 acre tract in NE/4NE/4		WORKING INTEREST:				
	SEC 20 SW/4SW/4		CONOCOPHILLIPS COMPANY		82.000000	69.290000	
	SEC 29 NW/4NW/4, S/2NW/4, N/2SW/4,		WILLIAMS PRODUCTION COMPANY		18.000000	15.210000	
	SW/4SW/4		TOTAL		100.000000	100.000000	
FEE	T32N R7W	240.00		TRACT 023			2.220162%
	SEC 20 E/2SE/4		ORRI:		0.000000	0.000000	
	SEC 21 SW/4		ROYALTY:		0.000000	12.500000	
			WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		82.000000	71.750000	
			WILLIAMS PRODUCTION COMPANY		18.000000	15.750000	
			TOTAL		100.000000	100.000000	

EFFECTIVE OCTOBER 1, 2007

CONOCOPHILLIPS COMPANY

TWENTY-FOURTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVERDE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC 32 W/2 W/2	160.00		TRACT 024			1.480108%
	ORRI:				0.000000	0.000000	
	ROYALTY:				0.000000	12.500000	
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY				82.000000	71.750000	
	WILLIAMS PRODUCTION COMPANY				18.000000	15.750000	
	TOTAL				100.000000	100.000000	
FEE	T32N R7W SEC 8 LOT 4, W/2SW/4	99.41		TRACT 025			0.919610%
	ORRI:				0.000000	0.000000	
	ROYALTY:				0.000000	12.500000	
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY				82.000000	71.750000	
	WILLIAMS PRODUCTION COMPANY				18.000000	15.750000	
	TOTAL				100.000000	100.000000	
FEE	T31N R7W SEC 3 E/2SW/4, S/2SE/4	160.00		TRACT 026			0.000000%
	ORRI:				0.000000	0.000000	
	ROYALTY:				0.000000	0.000000	
	WORKING INTEREST:						
	TOTAL				0.000000	0.000000	
FEE	T31N R7W SEC 10 NW/4	160.00		TRACT 028			0.000000%
	ORRI:				0.000000	0.000000	
	ROYALTY:				0.000000	0.000000	
	WORKING INTEREST:						
	TOTAL				0.000000	0.000000	
NOT COMMITTED							
NOT COMMITTED							

EFFECTIVE OCTOBER 1, 2007

CONOCOPHILLIPS COMPANY

TWENTY-FOURTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVERT DE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE		T31N R7W					
		SEC 6 & 7 Tract 54		TRACT 029	0.000000	0.000000	0.000000%
			ORRI:		0.000000	0.000000	
			ROYALTY:		0.000000	0.000000	
			WORKING INTEREST:		0.000000	0.000000	
NOT COMMITTED					0.000000	0.000000	
			TOTAL		0.000000	0.000000	

CONOCOPHILLIPS COMPANY
 RECAPITULATION
 TWENTY-FIFTH EXPANSION
 SAN JUAN 32-7 UNIT AREA
 MESAVERDE FORMATION
 EFFECTIVE JULY 1, 2008
 SAN JUAN COUNTY, NEW MEXICO

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31 NORTH, RANGE 7 WEST

SECTION 3:	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4
SECTION 4:	LOTS 5, 6, 7, 8, S/2
SECTION 5:	LOTS 5, 6, 7, 8, S/2
SECTION 6:	That part of resurvey Tract 54 lying in section 6
SECTION 7:	LOTS 6, 7, SW/4NE/4, N/2SE/4, that part of resurvey tract 54 lying in Section 7
SECTION 8:	E/2
SECTION 9:	N/2
SECTION 10:	NW/4
SECTION 17:	ALL
SECTION 18:	LOTS 8, 9, 10, SE/4NW/4, E/2SW/4, SW/4SE/4, NE/4SE/4

TOWNSHIP 32 NORTH, RANGE 7 WEST

SECTION 7:	(Frac.) ALL
SECTION 8:	(Frac.) ALL
SECTION 9:	(Frac.) W/2W/2
SECTION 16:	W/2
SECTION 17:	ALL
SECTION 18:	ALL
SECTION 20:	ALL
SECTION 21:	ALL
SECTION 22:	ALL
SECTION 23:	SW/4
SECTION 26:	NW/4
SECTION 27:	ALL
SECTION 28:	E/2
SECTION 29:	W/2
SECTION 32:	ALL
SECTION 33:	E/2
SECTION 34:	E/2
SECTION 35:	ALL
SECTION 36:	ALL

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:	11,842.16
TOTAL NUMBER OF ACRES COMMITTED TO PARTICIPATING AREA	11,051.63
TOTAL NUMBER OF ACRES NOT COMMITTED TO PARTICIPATING AREA	790.53

EFFECTIVE JULY 1, 2008

CONOCOPHILLIPS COMPANY

TWENTY-FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVERDE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078459	T32N R7W	640.00		TRACT 001			5.791001%
	SEC 22 ALL						
	ORRI:				0.000000	5.000000	
	ROYALTY:				0.000000	12.500000	
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY				82.000000	67.650000	
	WILLIAMS PRODUCTION COMPANY				18.000000	14.850000	
	TOTAL				100.000000	100.000000	
SF-078460	T32N R7W	1887.86		TRACT 002			17.082187%
	SEC 7 LOTS 4, 5, 6, SE/4SW/4				0.000000	5.000000	
	SEC 8 SE/4SE/4				0.000000	12.500000	
	SEC 17 ALL						
	SEC 18 LOTS 1, 2, 3, 4, E/2W/2				82.000000	67.650000	
	SEC 20 N/2, N/2SW/4, SE/4SW/4, W/2SE/4				18.000000	14.850000	
	SEC 21 SE/4, E/2NE/4				100.000000	100.000000	
	TOTAL						
SF-078472	T32N R7W	800.00		TRACT 003			7.238751%
	SEC 23 SW/4				0.000000	5.000000	
	SEC 26 N/2NW/4				0.000000	12.500000	
	SEC 27 N/2						
	SEC 28 NE/4				82.000000	67.650000	
	SEC 29 NE/4NW/4, SE/4SW/4				18.000000	14.850000	
	TOTAL				100.000000	100.000000	
NM-2995	T32N R7W	40.00		TRACT 004			0.000000%
	SEC 26 SE/4NW/4				0.000000	0.000000	
	ORRI:				0.000000	0.000000	
	ROYALTY:				0.000000	0.000000	
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY				0.000000	0.000000	
	WILLIAMS PRODUCTION COMPANY				100.000000	100.000000	
	TOTAL						
NOT COMMITTED							

EFFECTIVE JULY 1, 2008

CONOCOPHILLIPS COMPANY

TWENTY-FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVERDE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078542	T32N R7W	640.00		TRACT 005			5.791001%
	SEC 28 SE/4		ORRI:		0.000000	5.000000	
	SEC 34 NE/4		ROYALTY:		0.000000	12.500000	
	SEC 35 S/2		WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		25.000000	20.625000	
			WILLIAMS PRODUCTION COMPANY		75.000000	61.875000	
			TOTAL		100.000000	100.000000	
SF-078543	T32N R7W	800.00		TRACT 006			7.238751%
	SEC 27 S/2		ORRI:		0.000000	5.000000	
	SEC 33 NE/4		ROYALTY:		0.000000	12.500000	
	SEC 35 N/2		WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		82.000000	67.650000	
			WILLIAMS PRODUCTION COMPANY		18.000000	14.850000	
			TOTAL		100.000000	100.000000	
SF-078669	T32N R7W	80.00		TRACT 007			0.000000%
	SEC 21 W/2NW/4		ORRI:		0.000000	0.000000	
			ROYALTY:		0.000000	0.000000	
			WORKING INTEREST:				
			TOTAL		0.000000	0.000000	
					100.000000	100.000000	
NM-33052	T32N R7W	80.00		TRACT 008			0.000000%
	SEC 33 W/2SE/4		ORRI:		0.000000	0.000000	
			ROYALTY:		0.000000	0.000000	
			WORKING INTEREST:				
			TOTAL		0.000000	0.000000	
					0.000000	0.000000	

NOT COMMITTED

NOT COMMITTED

EFFECTIVE JULY 1, 2008

CONOCOPHILLIPS COMPANY

TWENTY-FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVERDE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	1525.44		TRACT 010			13.802852%
SEC 3	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4		ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY WILLIAMS PRODUCTION COMPANY TOTAL		0.000000 0.000000 82.000000 18.000000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	
SEC 4	LOT 5, 6, 7, 8, S/2						
SEC 5	LOTS 5, 6, 7, 8, SE/4, E/2 SW/4,						
SEC 7	LOTS 6, 7 SW/4 NE/4, N/2 SE/4						
SEC 8	E/2						
SF-078998	T31N R7W	1441.61		TRACT 011			13.044321%
SEC 9	N/2		ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY WILLIAMS PRODUCTION COMPANY TOTAL		0.000000 0.000000 82.000000 18.000000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	
SEC 17	ALL						
SEC 18	LOTS 8-10, SE/4NW/4, E/2SW/4, SW/4SE/4, NE/4SE/4						
T32N R7W							
SEC 33	E/2SE/4						
SEC 34	SE/4						
NM-2995	T32N R7W	40.00		TRACT 12			0.000000%
SEC 26	SW/4NW/4		ORRI: ROYALTY: WORKING INTEREST: TOTAL		0.000000 0.000000 0.000000 0.000000	0.000000 0.000000 0.000000 0.000000	
NOT COMMITTED							
NM-05540	T32N R7W	40.00		TRACT 15			0.361938%
SEC 9	SW/4SW/4		ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY WILLIAMS PRODUCTION COMPANY TOTAL		0.000000 0.000000 82.000000 18.000000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	

EFFECTIVE JULY 1, 2008

CONOCOPHILLIPS COMPANY

TWENTY-FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVERDE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
VC-0006	T32N R7W	160.00		TRACT 16			1.447750%
	SEC 16 W/2W/2						
	ORRI:				0.000000	0.000000	
	ROYALTY:				0.000000	12.500000	
	WORKING INTEREST:						
	ENERGEN RESOURCES CORP				100.000000	87.500000	
	TOTAL				100.000000	100.000000	
E-503-13	T32N R7W	160.00		TRACT 17			1.447750%
	SEC 16 E/2W/2						
	ORRI:				0.000000	21.875000	
	ROYALTY:				0.000000	12.500000	
	WORKING INTEREST:						
	ENERGEN RESOURCES				100.000000	65.625000	
	TOTAL				100.000000	100.000000	
E-503-13	T32N R7W	800.00		TRACT 017A			7.238751%
	SEC 32 E/2 W/2						
	ORRI:				0.000000	5.000000	
	ROYALTY:				0.000000	12.500000	
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY				82.000000	67.650000	
	WILLIAMS PRODUCTION COMPANY				18.000000	14.850000	
	TOTAL				100.000000	100.000000	
E-503-13	T32N R7W	320.00		TRACT 017B			2.895500%
	SEC 32 E/2						
	ORRI:				0.000000	5.000000	
	ROYALTY:				0.000000	12.500000	
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY				100.000000	82.500000	
	TOTAL				100.000000	100.000000	

EFFECTIVE JULY 1, 2008

CONOCOPHILLIPS COMPANY

TWENTY-FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVERDE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	732.58		TRACT 021			6.628705%
	SEC 7 LOTS 1, 2, 3, SE/4, NE/4SW/4		ORRI:		0.000000	0.000000	
	SEC 8 LOTS 1, 2, 3, W/2SE/4, NE/4SE/4, E/2SW/4		ROYALTY:		0.000000	12.500000	
	SEC 9 LOT 4, NW/4SW/4		WORKING INTEREST:				
	SEC 18 13.36 ACRE TRACT IN NE/4NE/4		CONOCOPHILLIPS COMPANY		82.000000	71.750000	
	SEC 21 W/2 NE/4, E/2NW/4		WILLIAMS PRODUCTION COMPANY		18.000000	15.750000	
			TOTAL		100.000000	100.000000	
FEE	T32N R7W	1.00		TRACT 021A			0.009048%
	SEC 7 1 ACRE OUT OF SW/4SE/4SE/4		ORRI:		0.000000	0.000000	
			ROYALTY:		0.000000	12.500000	
			WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		82.000000	71.750000	
			WILLIAMS PRODUCTION COMPANY		18.000000	15.750000	
			TOTAL		100.000000	100.000000	
FEE	T32N R7W	603.73		TRACT 022			5.462814%
	SEC 7 17.09 acres out of E/2SE/4		ORRI:		0.000000	3.000000	
	SEC 18 W/2NE/4, SE/4NE/4, SE/4, 26.64 acre tract in NE/4NE/4		ROYALTY:		0.000000	12.500000	
			WORKING INTEREST:				
	SEC 20 SW/4SW/4		CONOCOPHILLIPS COMPANY		82.000000	69.290000	
	SEC 29 NW/4NW/4, S/2NW/4, N/2SW/4, SW/4SW/4		WILLIAMS PRODUCTION COMPANY		18.000000	15.210000	
			TOTAL		100.000000	100.000000	
FEE	T32N R7W	240.00		TRACT 023			2.171625%
	SEC 20 E/2SE/4		ORRI:		0.000000	0.000000	
	SEC 21 SW/4		ROYALTY:		0.000000	12.500000	
			WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		82.000000	71.750000	
			WILLIAMS PRODUCTION COMPANY		18.000000	15.750000	
			TOTAL		100.000000	100.000000	

EFFECTIVE JULY 1, 2008

CONOCOPHILLIPS COMPANY

TWENTY-FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVERDE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC 32 W/2 W/2	160.00		TRACT 024			1.447750%
	ORRI:				0.000000	0.000000	
	ROYALTY:				0.000000	12.500000	
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY				82.000000	71.750000	
	WILLIAMS PRODUCTION COMPANY				18.000000	15.750000	
	TOTAL				100.000000	100.000000	
FEE	T32N R7W SEC 8 LOT 4, W/2SW/4	99.41		TRACT 025			0.899505%
	ORRI:				0.000000	0.000000	
	ROYALTY:				0.000000	12.500000	
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY				82.000000	71.750000	
	WILLIAMS PRODUCTION COMPANY				18.000000	15.750000	
	TOTAL				100.000000	100.000000	
FEE	T31N R7W SEC 3 E/2SW/4, S/2SE/4	160.00		TRACT 026			0.000000%
	ORRI:				0.000000	0.000000	
	ROYALTY:				0.000000	0.000000	
	WORKING INTEREST:						
	TOTAL				0.000000	0.000000	
FEE	T31N R7W SEC 10 NW/4	160.00		TRACT 028			0.000000%
	ORRI:				0.000000	0.000000	
	ROYALTY:				0.000000	0.000000	
	WORKING INTEREST:						
	TOTAL				0.000000	0.000000	
NOT COMMITTED							
NOT COMMITTED							

EFFECTIVE JULY 1, 2008

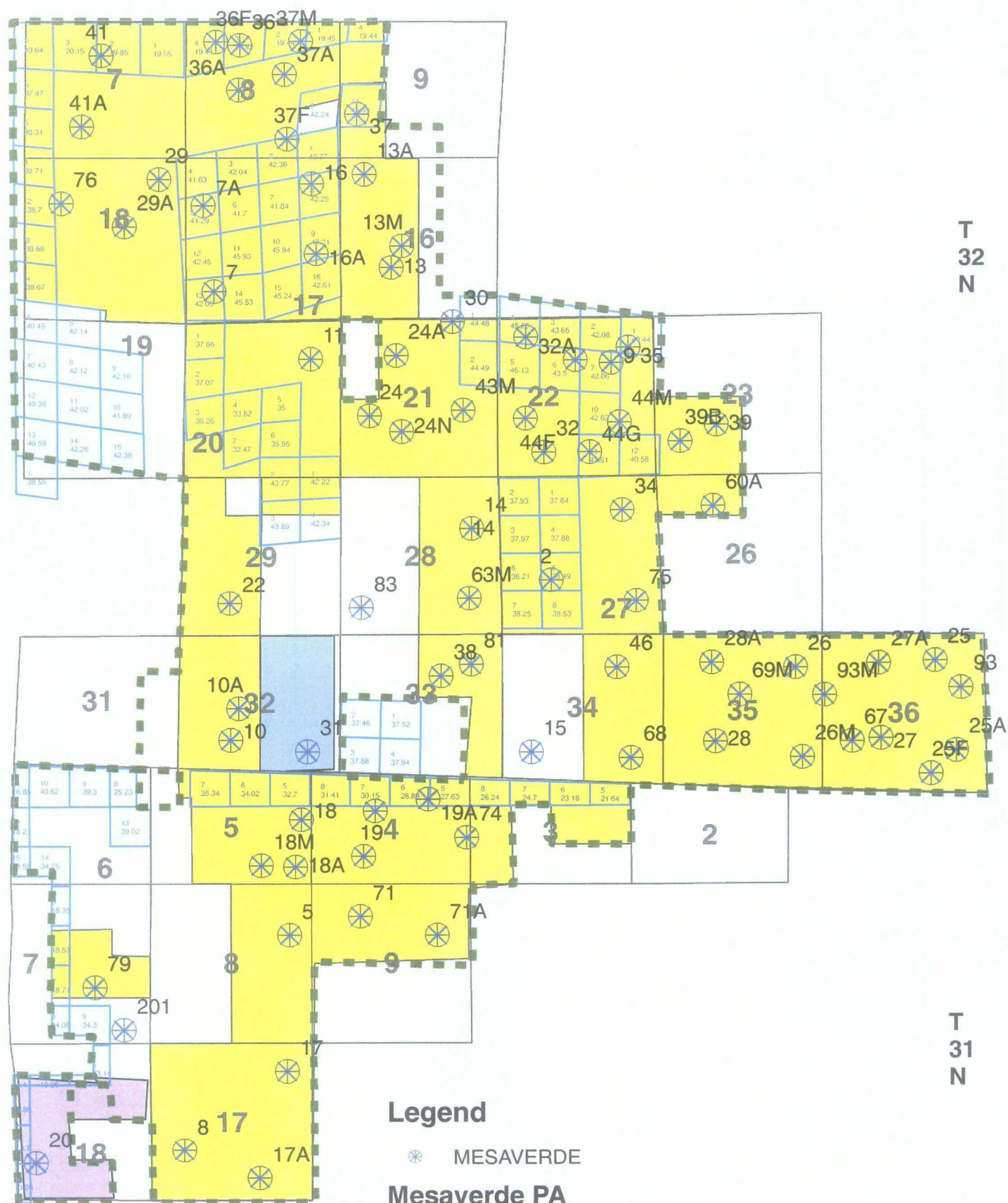
CONOCOPHILLIPS COMPANY

TWENTY-FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
MESAVEDE FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC 6 & 7 Tract 54	150.53		TRACT 029			0.000000%
NOT COMMITTED					0.000000	0.000000	
TOTAL					0.000000	0.000000	

SAN JUAN 32-7 UNIT

R7W



Legend

⊗ MESAVERDE

Mesaverde PA

- Approved 23rd Expan., Effective 11/1/1982
- Proposed 24th Expan., Effective 10/1/2007
- Proposed 25th Expan., Effective 7/1/2008



Land Department
San Juan Business Unit
Farmington, New Mexico
12/2009



V120

RECEIVED

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

DEC 9 PM 1:31
COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

December 2, 2009

ConocoPhillips
P. O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Ms. Dawn Howell

Re: San Juan 32-7 Unit
Commerciality Determination
Dakota Formation
Rio Arriba County, New Mexico

Dear Ms. Howell:

We received your letter of September 16, 2009, together with data that supports the Dakota non-commercial determination for the San Juan 32-7 Unit Well No. 18M located in the S/2 of Section 5, Township 31 North, Range 7 West.

By their letter of October 30, 2009, the Bureau of Land Management advised this office that they have concurred with your determination for the above-mentioned well.

The Commissioner of Public Lands concurs with ConocoPhillips and the Bureau of Land Management's determination that the San Juan 32-7 Unit Well No. 18M is a non-commercial well in the Dakota formation and should be produced on a lease basis.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
PL/JB/pm

pc: Reader File
BLM-Farmington Attn: Mr. Wayne Townsend
OCD-Santa Fe Attn: Mr. Ed Martin
TRD-Attn: Mr. Valdean Severson
RMD-Attn: Mr. Kurt McFall

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University