

#420
OIL CONSERVATION DIVISION
RECEIVED

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San Juan 32-7 Unit (FR PA)
3162.7 (07327)

MAR 10 1995

Mr. Pat Noah, Area Landman
Phillips Petroleum Company
5525 Highway 64, NBU 3004
Farmington, NM 87401

Re: San Juan 32-7 Unit
No. 14-08-001-441
Commerciality Determinations
Fruitland Formation
San Juan County, New Mexico

Dear Mr. Noah:

In response to your letter dated October 27, 1994, the Farmington District Office (FDO) has reviewed the data you have submitted for commerciality determinations for the wells listed below that are completed in the Fruitland Formation.

1. No. 208 San Juan 32-7 Unit, E½ Sec. 34, T. 32 N., R. 7 W.
2. No. 209 San Juan 32-7 Unit, E½ Sec. 35, T. 32 N., R. 7 W.
3. No. 211 San Juan 32-7 Unit, W½ Sec. 35, T. 32 N., R. 7 W.
- 4.* No. 213 Com. San Juan 32-7 Unit, E½ Secs. 7 and 8, T. 31 N., R. 7 W.
5. No. 214 San Juan 32-7 Unit, W½ Sec. 34, T. 32 N., R. 7 W.
6. No. 222 San Juan 32-7 Unit, E½ Sec. 20, T. 32 N., R. 7 W.
7. No. 234 San Juan 32-7 Unit, E½ Sec. 32, T. 32 N., R. 7 W.
8. No. 236 San Juan 32-7 Unit, W½ Sec. 28, T. 32 N., R. 7 W.
9. No. 237 San Juan 32-7 Unit, E½ Sec. 28, T. 32 N., R. 7 W.

- * The drill block dedicated to this well includes acreage from two different sections both in the San Juan 32-7 Unit.

Of the nine wells submitted, the No. 209, 213 Com, and 234 were determined to be capable of producing in paying quantities, and the No. 208, 211, 214, 222, 236, and 237 were determined to be non-paying. Once we receive the respective expansions to the Fruitland Participating Area, the approval process will only require the verification of acreage dedication and ownership for the well(s) in each expansion. Please continue to report production for these wells on a lease basis until the respective Participating Area Expansions are submitted and approved.

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, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request 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 call Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

/s/ Duane Spencer

Duane W. Spencer
Chief, Branch of Reservoir Management

bcc:

Commissioner of Public Lands, Santa Fe, NM
NMOCD, Santa Fe, NM



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

March 3, 1995

United States Department of Interior
Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

State of New Mexico
Commissioner of Public Lands
Attn: Mr. Floyd O. Prando
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. Lemay
State Land Office Building
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: San Juan 32-7 Unit
#14-08-001-441
San Juan County, New Mexico
1995 Plan of Development
GF-5464

Gentlemen:

By letter dated March 21, 1994, Phillips Petroleum Company (Phillips) as Unit Operator, filed the 1994 Initial Plan of Development (POD) for the San Juan 32-7 Unit. The POD indicated that nine (9) Fruitland Coal Wells would be drilled during 1994. The following list describes each of such wells and its disposition.

<u>Well Number</u>	<u>Disposition</u>
San Juan 32-7 #206	Carried Over to 1995 POD
San Juan 32-7 #220	Carried Over to 1995 POD
San Juan 32-7 #225	Carried Over to 1995 POD
San Juan 32-7 #228	Carried Over to 1995 POD
San Juan 32-7 #230	Carried Over to 1995 POD
San Juan 32-7 Com #239	Carried Over to 1995 POD
San Juan 32-7 #240	Carried Over to 1995 POD
San Juan 32-7 #241	Carried Over to 1995 POD
Middle Mesa Com 32-7 #201	Carried Over to 1995 POD

As part of 1994 operations Phillips continued work to close earthen pits serving all Unit-owned production equipment, replacing such pits with double-bottom steel tanks with leak detection.

San Juan 32-7 Unit
 #14-08-001-441
 1995 Plan of Development
 March 3, 1995
 Page 2

As of this date, the total number of wells drilled and operated by Phillips Petroleum Company on acreage committed to the San Juan 32-7 Unit is as follows:

Fruitland Coal, commercial, in PA	5
Fruitland Coal, undetermined	11
Fruitland Coal, non-commercial	2
Fruitland Coal, commercial, pending PA inclusion	11
Fruitland Coal, POW (Pictured Cliffs plugged & abandoned	1
Fruitland Sand, commercial	2
Fruitland/Pictured Cliffs, plugged & abandoned	1
Entrada, Water Disposal Facility	1
Pictured Cliffs, non-commercial	2
Pictured Cliffs, commercial	12
Pictured Cliffs/Mesaverde, commercial	2
Pictured Cliffs/Mesaverde, non-commercial	1
Pictured Cliffs/Mesaverde (Pictured Cliffs non-commercial, Mesaverde commercial)	2
Mesaverde, undetermined	1
Mesaverde, commercial	33
Mesaverde, non-commercial	1
Mesaverde, plugged and abandoned	5
Mesaverde/Dakota, commercial	1
Mesaverde/Dakota (Mesaverde commercial, Dakota non-commercial)	2
Mesaverde, pressure observation well (Dakota plugged & abandoned)	1
Dakota, commercial	4
Dakota, non-commercial	9
TOTAL	110

The Participating Areas which have been established in the San Juan 32-7 Unit are as follows:

<u>FORMATION</u>	<u>REVISION</u>	<u>EFFECTIVE</u>
Fruitland	Sixth	October 1, 1990
Pictured Cliffs	Seventh	January 1, 1982
Mesaverde	Twenty-Third	November 1, 1982
Dakota	Third	May 1, 1981

Pursuant to Section 10 of the San Juan 32-7 Unit Agreement, Phillips Petroleum Company, as Unit Operator, has solicited and received majority approval from the San Juan 32-7 Unit Working Interest Owners to include the following wells in the 1995 Plan of Development:

<u>Well Number</u>	<u>Location</u>	<u>Formation</u>
San Juan 32-7 #2	W/2 Section 27-32N-7W	Recompletion from Mesaverde to Pictured Cliffs
San Juan 32-7 #56	NW/4 Section 17-32N-7W	Recompletion from Dakota to Mesaverde
San Juan 32-7 #57	SE/4 Section 17-32N-7W	Recompletion from Dakota to Mesaverde
San Juan 32-7 #58	NE/4 Section 18-32N-7W	Recompletion from Dakota to Mesaverde
San Juan 32-7 #206	E/2 Section 27-32N-7W	Fruitland Coal

San Juan 32-7 Unit
#14-08-001-441
1995 Plan of Development
March 3, 1995
Page 3

<u>Well Number</u>	<u>Location</u>	<u>Formation</u>
San Juan 32-7 #220	Lot 9, Tract 53 in Sec. 5, Lots 8-11, 13, NE/4 SW/4, NW/4 SE/4, Tract 53 in Section 6-31N-7W	Fruitland Coal
San Juan 32-7 #225	W/2 Section 17-32N-7W	Fruitland Coal
San Juan 32-7 #228	N/2 SE/4, SW/4 NE/4, Lots 6 & 7 Section 7; Tract 54 in Sections 6 & 7-31N-7W	Fruitland Coal
San Juan 32-7 #230	E/2 Section 17-31N-7W	Fruitland Coal
San Juan 32-7 Com #239	E/2 Section 33-32N-7W	Fruitland Coal
San Juan 32-7 #240	E/2 Section 19-32N-7W	Fruitland Coal
San Juan 32-7 #241	W/2 Section 19-32N-7W	Fruitland Coal
Middle Mesa Com 32-7 #201	W/2 Section 33-32N-7W	Fruitland Coal

The drillblock for each Fruitland Coal and Pictured Cliffs well is the acreage described above. The Mesaverde recompletion will be infill for the current Mesaverde participating area.

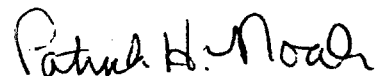
Phillips Petroleum Company, as Unit Operator, will drill any wells that may be required to prevent drainage and any other wells deemed necessary or requested by the Unit Working Interest Owners under the terms and provisions of the Unit Operating Agreement.

Please signify your approval as required under Section 10 of the Unit Agreement by signing in the space provided for on the attached sheet and returning an approved copy to the undersigned.

Copies of this 1995 Plan of Development are being sent to the Working Interest Owners as shown on the attached sheet.

Respectfully,

PHILLIPS PETROLEUM COMPANY




Patrick H. Noah
Senior Land Specialist
San Juan Basin
(505) 599-3410

San Juan 32-7 Unit
#14-08-001-441
1995 Plan of Development
March 3, 1995
Page 4

APPROVED _____ DATE _____
Assistant District Manager, Minerals
Bureau of Land Management
Subject to like approval by the
Commissioner of Public Lands and the
Oil Conservation Division

APPROVED _____ DATE _____
Commissioner of Public Lands
Subject to like approval by the
Area Oil and Gas Supervisor and the
Oil Conservation Division

APPROVED  _____ DATE 3-20-95
Oil Conservation Division
Subject to like approval by the
Area Oil and Gas Supervisor and the
Commissioner of Public Land

The foregoing approvals are for the 1995 Plan of Development for the San Juan 32-7 Unit #14-08-001-441.

cc: SJ 32-7 Unit WIO's
J. W. Taylor (r) Local Supervisors
L. E. Hasely
J. L. Mathis (r) GF-5464

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

Elizabeth Calloway

Meridian Oil Production Inc.

Phillips Petroleum Company

Phillips-San Juan Partners, L.P.

San Juan Basin Partnership

Fred E. Turner

J. Glenn Turner, Jr.

John L. Turner

Mary Francis Turner, Jr.

Williams Production Company



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

October 27, 1994

Assistant District Manager, Minerals
Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

State of New Mexico
Commissioner Of Public Lands
Attn: Mr. Floyd O. Prando
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

Re: San Juan 32-7 Unit
#14-08-001-441
Commerciality Determination
Fruitland Formation
San Juan County, NM
GF-5464

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 16, 1953, Phillips Petroleum Company ("Phillips"), as Operator, determined whether or not the wells listed below are capable of producing unitized substances in paying quantities from the Fruitland coal member of the Fruitland formation.

Phillips is seeking confirmation of the enclosed paying well determinations as listed hereinbelow. The remaining well [listed below as "NS" {not submitted} under column (5) below] is mentioned for reference only and Phillips is neither confirming nor denying the paying well status of this well at this time. As adequate production history from this well is received, an additional submittal will be provided.

This alternative approach has been acknowledged by the Branch of Reservoir Management at the Farmington District Office of the Bureau of Land Management as acceptable to facilitate individual well commerciality determinations that are ordinarily filed in order of "date of test" during completion operations.

Upon receipt of response from the BLM and concurring responses from the Commissioner of Public Lands and New Mexico Oil Conservation Division, the formal Participating Area ("PA") application with accompanying Lease Schedules with unit tract descriptions and working interest ownerships for each well will be prepared for each expansion of the Participating Area based on those wells confirmed for inclusion therewith. Based on previous commerciality determination received from the regulatory agencies and approval of the formal PA applications, this Unit is expanded through the Fourth Expansion of the Fruitland PA.

San Juan 32-7 Unit
#14-08-001-441
Commerciality Determination
October 27, 1994
Page 2

(1)	(2)	(3)	(4)	(5)	(6)**
<u>Test Date</u>	<u>Well Number</u>	<u>T32N-R7W Drill Block</u>	<u>Acres</u>	<u>Date Submitted for Paying Well Determination</u>	<u>Disposition</u>
07-20-53	3	E/2 Section 18	320.00	08-04-53	Initial PA
08-23-53	6	E/2 Sec. 17-31N-7W	320.00	08-26-53	1st Expansion
10-24-77	*Yager Com 3	NW/4 SE/4 Sec. 3 T31N-R7W	40.00	11-06-78	2nd Expansion
11-23-89	204	E/2 Section 36	320.00	08-23-93	3rd Expansion
11-26-89	203	Lots 1, 2, 7-12 Section 22	320.00	08-23-93	Non-PA Approved
11-30-89	202	Lots 1-4, E/2 W/2 Section 18	320.00	08-23-93	Non-PA Approved
04-17-90	210	W/2 Section 36	320.00	08-23-93	4th Expansion
05-09-90	*Yager Com N 5	Additional Well to Second Expansion	- 0 -	-----	Additional Well - 2nd
07-07-90	*Federal Com G 4	NE/4 SE/4 Section 3 T31N-R7W	40.00	02-07-94	5th Expansion
09-17-90	207	Lots 1-8 Section 27	305.10	08-23-93	6th Expansion
10-01-90	208	E/2 Section 34	320.00	10-27-94	Non-PA
10-13-90	209	E/2 Section 35	320.00	10-27-94	Paying Well
11-19-90	*227 Com	E/2 SW/4, SE/4 NW/4, Lots 8-10, NE/4 SE/4, SW/4 SE/4 18-31N-7W	241.61	08-23-93	Paying Approved
01-02-91	215	W/2 Section 32	320.00	08-23-93	Paying Approved
03-20-91	219	Lots 6-8, SE/4, E/2 SW/4 Sec. 5-31N-7W	321.66	08-23-93	Paying Approved
04-01-91	*213 Com	Lots 8,9, SE/4 SE/4 Sec. 7; Lots 5,6,7, E/2 NE/4 18-31N-7W	205.68	10-27-94	Non-PA
04-13-91	218	SW/4 SW/4 Sec. 5; S/2 SE/4, Lots 12, 14,15 Sec. 6; Lot 5, E/2 NE/4, NW/4 NE/4 Section 7-31N-7W	324.39	08-23-93	Paying Approved
04-27-91	221	E/2 Sec. 8-31N-7W	320.00	02-07-94	Paying Approved
05-10-91	217	Lots 5-8, W/2 SW/4 Sec. 3; Lot 5, E/2 SE/4, SW/4 SE/4 Section 4-T31N-R7W	320.00	NS	
05-24-91	214	W/2 Section 34	320.00	10-27-94	Non-PA
06-02-91	211	W/2 Section 35	320.00	10-27-94	Non-PA
06-10-91	*Grassy Canyon 3	SE/4 NE/4, E/2 SE/4 Section 31	120.00	02-07-94	Paying Approved
06-14-91	231	W/2 Sec. 17-31N-7W	320.00	08-23-93	Paying Approved

San Juan 32-7 Unit
 #14-08-001-441
 Commerciality Determination
 October 27, 1994
 Page 3

(1)	(2)	(3)	(4)	(5)	(6)**
<u>Test Date</u>	<u>Well Number</u>	<u>T32N-R7W Drill Block</u>	<u>Acres</u>	<u>Date Submitted for Paying Well Determination</u>	<u>Disposition</u>
06-14-91	231	W/2 Sec. 17-31N-7W	320.00	08-23-93	Paying Approved
06-27-91	229	N/2 Sec. 9-31N-7W	320.00	08-23-93	Paying Approved
08-27-92	222	E/2 Section 20	320.00	10-27-94	Non-PA
09-10-92	234	E/2 Section 32	320.00	10-27-94	Paying Well
09-22-92	235	W/2 Section 29	320.00	02-07-94	Paying Approved
10-22-92	*224 Com	SW/4, E/2 NW/4 Sec 21	240.00	02-07-94	Paying Approved
10-16-92	216	Lot 5 Sec 5; Lots 6-8, SW/4, NW/4 SE/4 Section 4-31N-7W	323.15	02-07-94	Paying Approved
10-30-92	232	W/2 Sec. 8-31N-7W	320.00	10-27-94	Paying Well-IDB
11-18-92	233	W/2 Section 20	320.00	02-07-94	Paying Approved
11-22-92	237	E/2 Section 28	320.00	10-27-94	Non-PA
12-04-92	238	Lots 1-4, SE/4 Sec 29	332.22	02-07-94	Paying Approved
12-04-92	236	W/2 Section 28	320.00	10-27-94	Non-PA

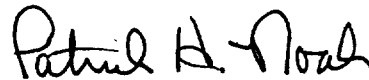
*Those are wells requiring communitization of lands inside the San Juan 32-7 Unit with lands outside the Unit. Only Unit lands are described under columns (4) and (5).

**Those wells previously approved for inclusion in a PA are listed by PA expansion number. Those wells previously evaluated by the regulatory agencies are indicated either as "Paying Approved" or "Non-PA Approved". Wells submitted herewith that are capable of producing in paying quantities are listed as "Paying Well". Those wells submitted herewith that are not capable of producing in paying quantities are listed as "Non PA". Wells which are IDB wells are labeled above as "Paying Well-IDB".

Copies of this submittal with enclosures are being sent to the working interest owners on the attached sheet.

Very truly yours,

PHILLIPS PETROLEUM COMPANY



Patrick H. Noah
 Area Landman
 San Juan Basin
 (505) 599-3410

w/o attachments
 cc: J. W. Taylor
 K. L. Czirr
 w/attachments
 SJ 32-7 Unit Owners

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

Elizabeth Calloway

Meridian Oil Production Inc.

Phillips Petroleum Company

Phillips-San Juan Partners, L.P.

San Juan Basin Partnership

Fred E. Turner

J. Glenn Turner, Jr.

John L. Turner

Mary Francis Turner, Jr.

Williams Production Company

PHILLIPS PETROLEUM COMPANY
Commerciality Determination

San Juan 32-7 Unit #208
Fruitland Coal
E/2 Section 34-T32N-R7W
San Juan County, New Mexico

Date of First Delivery: 10/08/91

Date of Commerciality Submittal: _____

Well Cost Data

Total Well Costs:	287,484		
Production Taxes & Royalty:	20.438587%	BLM	12.50
		Severance	3.750000
		School	4.000000
		Conservation	0.180000
		Ad Valorem	0.008587

Average Product Pricing

1994 1.46/ MCF

Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	<u>Gas (MMCF)</u>	<u>* Operating Expenses (\$)</u>
1991 (2.2 mo)	0.4 (Actual)	6,096 (Actual)
1992 (5.4 mo)	9 (Actual)	30,084 (Actual)
1993 (10.2 mo)	54 (Actual)	42,647 (Actual)
1994	59	
1995	56	
1996	51	
1997	47	
1998	44	
1999	41	
2000	39	
2001	36	
2002	34	
2003	32	
2004	31	
2005	29	

* Operating Expenses were not escalated for inflation.

SAN JUAN 32-7 UNIT #208

COMMERCIALITY DETERMINATION

The subject well was spudded on 07/25/90 in the east half of Section 34, T32N-R7W. After a total depth of 3055' was reached on 07/28/90, 7" casing was set at (3045'). The casing was cemented with 650 sacks of cement with 142 sacks of cement circulated to surface.

After cementing the casing, the drilling rig moved off location, and a completion rig moved onto the well for the dynamic openhole completion. After drilling the cement and Fruitland Coal formation to 3505', the subject well was completed openhole by means of cavitation. Following cavitation, the well did not respond as desired. In fact on 10/01/90, the pitot test indicated only 559 MCFD.

Following the dynamic openhole completion, a 5-1/2" liner was set at 3505' with the liner top at 3253'. The liner was perforated with 4 SPF from 3370' - 3378', 3382' - 3390', 3428' - 3462', 3469' - 3473', and 3498' - 3502' for a total of 232 holes. The 2-3/8" production tubing was set at 3487', and the subject well was allowed to produce. The well is currently making 174 MCFD.

Taking into account the subject well's past history and current rates, the well will obviously not be deemed commercial in the 32-7 Unit Participating Area. As a result, the economic evaluation and operating expenses were not prepared for this commerciality determination report.

MEP81-01

PARPI - WELLZONE PRODUCTION BROWSE

Date: 10/03/94

YEARLY TOTALS

User: #AM3

Wellzone F8932 01 Yr: 1991 Mth: 01 Property: 650086 SAN JUAN 32-7 UNIT #
 Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: 000208
 Type: T (T-Total, D-Daily Avg) Field: BASIN
 Period: Y (M-Monthly, Y-Yearly, C-Cumm) Reserv: 20001 FRUITLAND COAL

ADJ	PRODUCED			DAYS		WELL		
FLG DATE	OIL (BBL)	GAS (MCF)	WATER (BBL)	PROD	OP	ST	CL	TY
1991	0.00	418	1,760	67.00	67			
1992	0.00	8,943	13,160	163.00	201			
1993	0.00	54,427	24,124	309.00	342			
1994	0.00	50,365	18,807	243.00	243			

NO MORE DATA AVAILABLE

PA1=ICE PA2=Exit PF1=Help

PF3=End

PF11=GRAPH

Transfer->

PF7=Backward

PF8=Forward

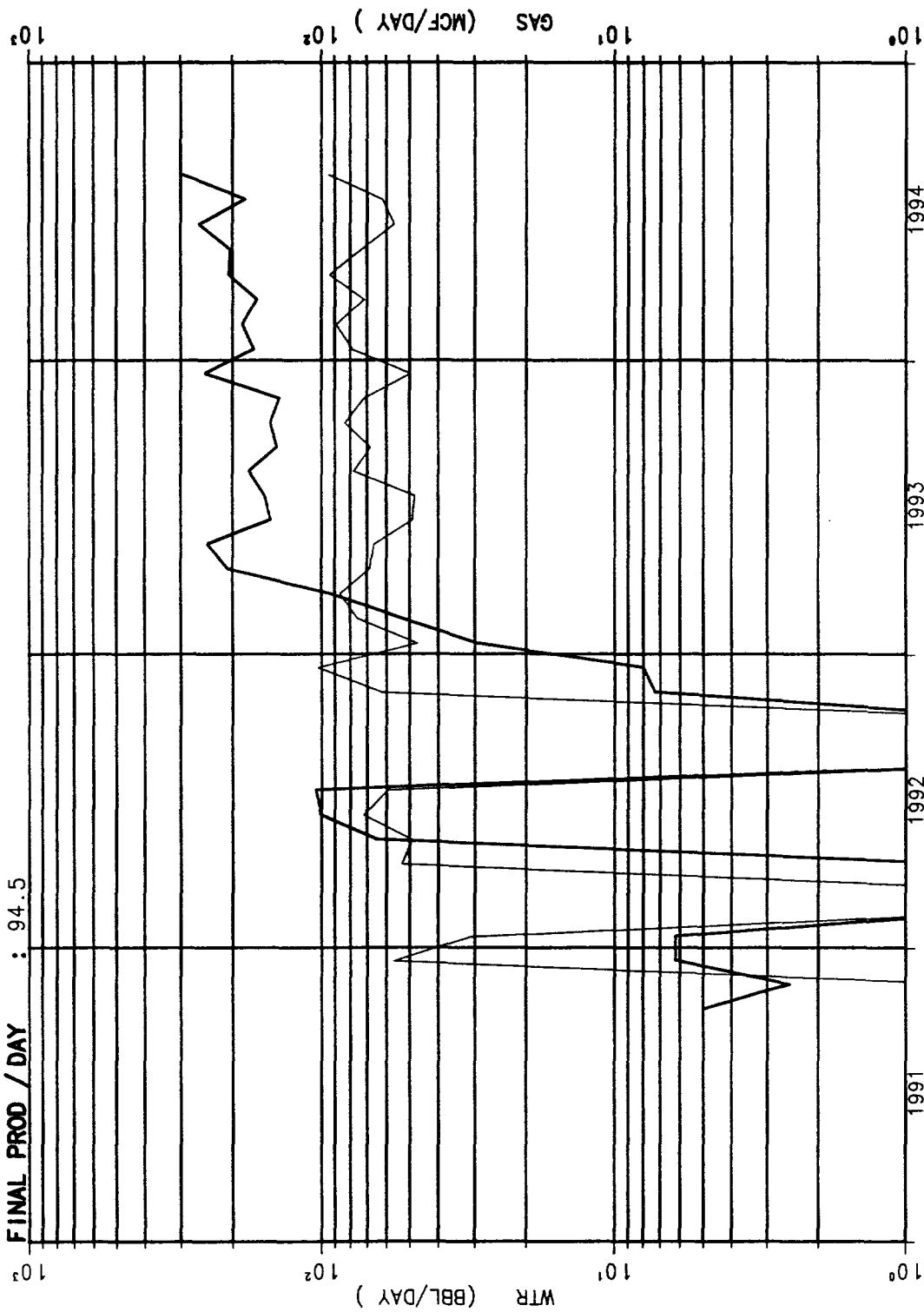
PF10=GRAND MENU

PF12=LOG GRAPH

10/91-8/94

INITIAL PROD / DAY : 0.0
REMAINING LIFE : 2.92
CUM PRODUCTION : 57854.
FINAL PROD / DAY : 94.5

Current Cum
57854. BBL WTR
114157. MCF GAS



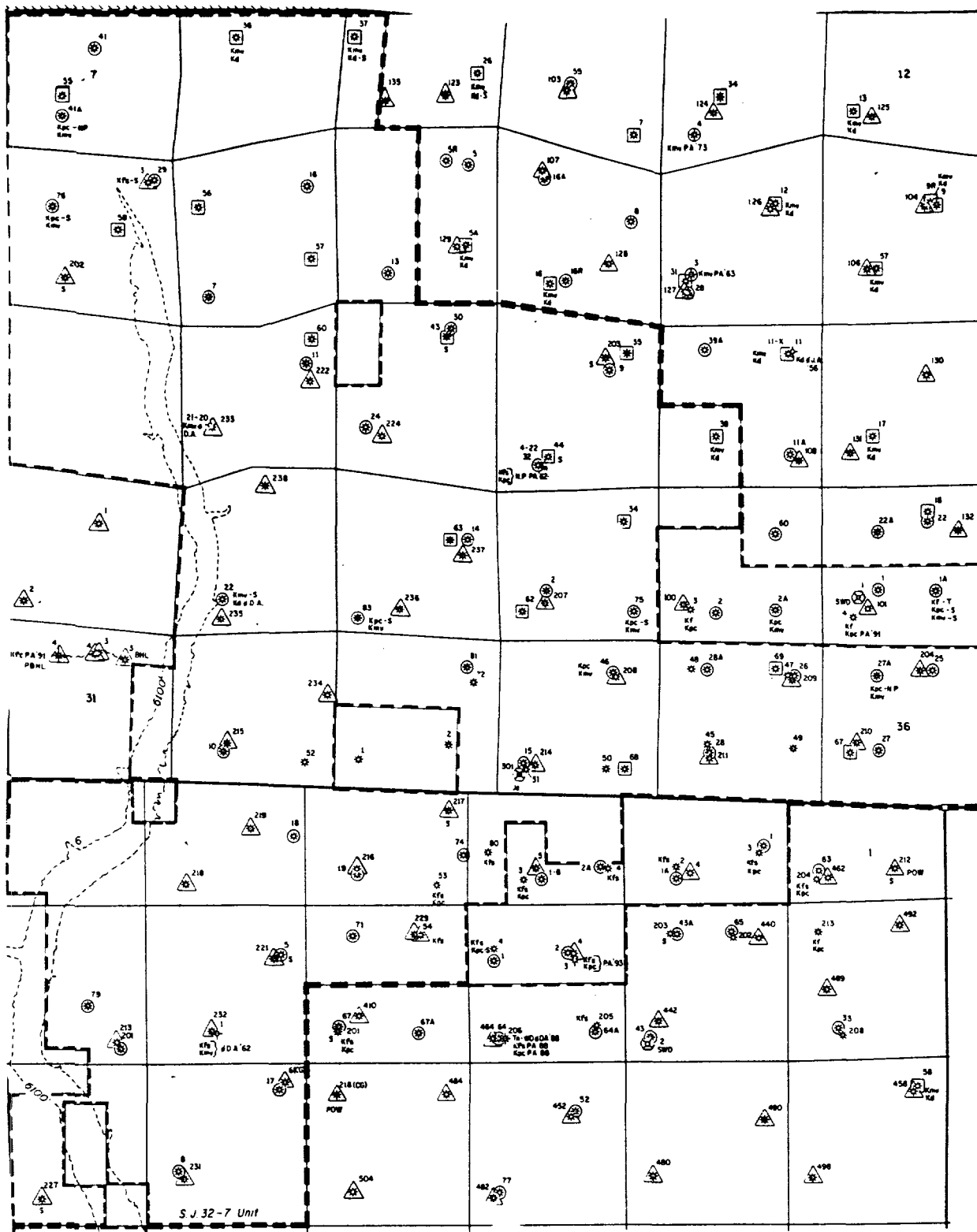
LEASE- 650086 : SAN JUAN 32-7 UNIT #208
RESVR- 001 : BASIN FRUITLAND COAL
WELL - 000208 PHS WELL PRODUCTION

F893201
ZONE-650086001000208 F893201
API-30045277460000

SWD AND GATHERING SYSTEM COSTS

The SWD facility and gathering system costs were allocated equally back to each well in the unit. The allocated costs were then charged against the well by including them in the operating cost in the fifteen year forecast.

R-7-W



T
32
N

T
31
N

PRODUCING INTERVAL

Kfm	FARMINGTON	Kfm
Kk	KIRTLAND	Kk
△	FRUITLAND	Kf
☆	PICTURED CLIFFS	Kpc
⊗	CHACRA	Kc
⊙	LA VENTANA	Klv
⊛	MESAVERDE	Kmv
◇	GALLUP	Kpl
⊠	DAKOTA	Kd
		Kch CLIFFHOUSE
		Km MENEFEE
		Kpl POINT LOOKOUT
		Ki TOCITO
		Kgh GREENHORN



PHILLIPS PETROLEUM COMPANY
FARMINGTON AREA

S.J. 32-7 UNIT

San Juan Co., New Mexico

0 1/4 1/2 1 MILE

SCALE

GEOL. R. HAWKS

DATE: 1-24-94

PHILLIPS PETROLEUM COMPANY
Commerciality Determination

San Juan 32-7 Unit #209
Fruitland Coal
E/2 Section 35-T32N-R7W
San Juan County, New Mexico

Date of First Delivery: 03/22/91

Date of Commerciality Submittal: _____

Well Cost Data

Total Well Costs:	263,801		
Production Taxes & Royalty:	20.438587%	BLM	12.50
		Severance	3.750000
		School	4.000000
		Conservation	0.180000
		Ad Valorem	0.008587

Average Product Pricing

1994 1.46/ MCF

Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	<u>Gas (MMCF)</u>	<u>* Operating Expenses (\$)</u>
1991 (7.7 mo)	41 (Actual)	49,755 (Actual)
1992 (6.7 mo)	46 (Actual)	80,796 (Actual)
1993 (9 mo)	45 (Actual)	39,919 (Actual)
1994	126	65,150
1995	121	65,150
1996	109	65,150
1997	102	65,150
1998	95	65,150
1999	89	65,150
2000	83	65,150
2001	78	65,150
2002	74	65,150
2003	69	65,150
2004	65	65,150
2005	62	65,150

* Operating Expenses were not escalated for inflation.

MEP81-01

PARPI - WELLZONE PRODUCTION BROWSE

Date: 10/03/94

YEARLY TOTALS

User: #AM3

Wellzone F8933 01 Yr: 1991 Mth: 01 Property: 650087 SAN JUAN 32-7 UNIT #
Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: 000209
Type: T (T-Total, D-Daily Avg) Field: BASIN
Period: Y (M-Monthly, Y-Yearly, C-Cumm) Reserv: 20001 FRUITLAND COAL

ADJ	PRODUCED	DAYS	WELL		
FLG DATE	OIL (BBL)	GAS (MCF)	WATER (BBL)	PROD	OP ST CL TY
1991	0.00	40,895	22,000	233.00	263
1992	0.00	45,753	28,480	203.00	275
1993	0.00	44,501	25,707	275.00	334
1994	0.00	89,295	14,753	230.00	230

NO MORE DATA AVAILABLE

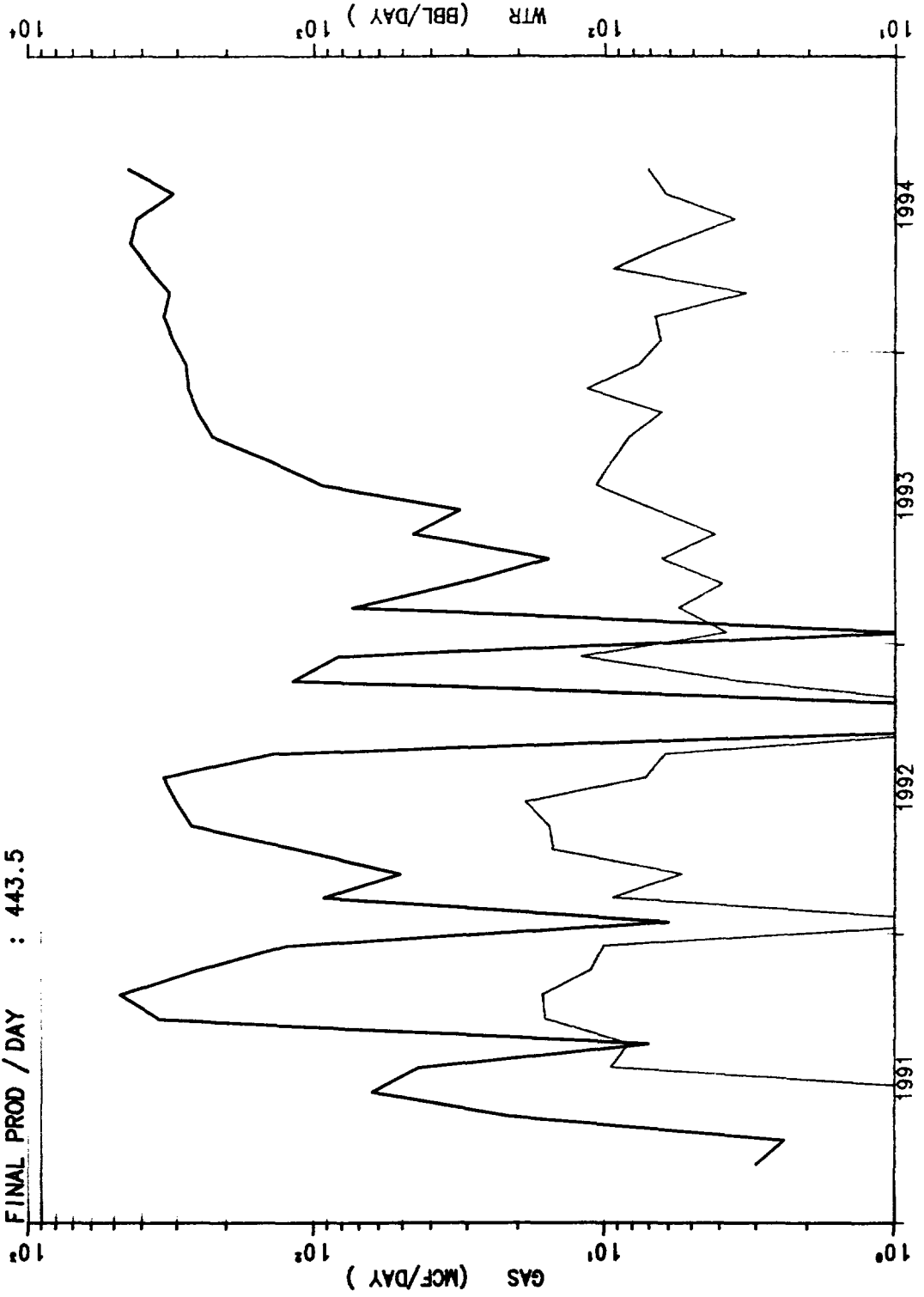
PA1=ICE PA2=Exit PF1=Help PF3=End PF11=GRAPH
Transfer-> PF7=Backward PF8=Forward PF10=GRAND MENU PF12=LOG GRAPH

3/91-8/94

INITIAL PROD / DAY : 3.0
REMAINING LIFE : 3.50

CUM PRODUCTION : 220353.
FINAL PROD / DAY : 443.5

Current Cums
220353. MCF GAS
90846. BBL WTR



LEASE- 650087 : SAN JUAN 32-7 UNIT #209
RESVR- 001 : BASIN
WELL - 000209 PHS WELL PRODUCTION

F893301
ZONE-650087001000209 F893301
API-30045278240000

CASE : CD 32-7 #209 ** ECONOMICS CASE SUMMARY **

DESCRIPTION: COMMERCIALITY DETERMINATIONS

WORKING INT : 100.000%

CASE REVENUE INT : 79.561% OIL REV INT : 79.561%

GAS REV INT : 79.561%

CASE LIFE -FIRST MO-YR : 7-1990

PROD MO-YR : 3-1991

LAST YEAR : 2005

MEASURES OF MERIT

AARR (%) : 7.4
BREAKEVEN POINT (YRS.) : 7.7
PAYOUT (YRS.) : 7.0
NTER : 1.7
ECONOMIC LIFE (YRS.) : 14.8

RESERVES SUMMARY

OIL-GROSS MBBLS :
NET MBBLS :
NET REVENUE (M\$) :
BBL/DAY TO PAYOUT:
GAS_GROSS MMCF : 1205.0
NET MMCF : 958.7
NET REVENUE (M\$) : 1399.7
MCF/DAY TO PAYOUT: 237.3

PRESS "ENTER" TO CONTINUE...

NET CASH FLOW SUMMARY (M\$)

CAPITAL OUTLAY : 263.8
TOTAL REVENUE : 1399.7
TOTAL EXPENSES : 952.3
IBRT : 447.5
CURRENT INCOME TAX :
SALVAGE :
CASH RETURNED : 447.5
CASH FLOW : 183.7
NET PRESENT VALUE (M\$) P.I.
@ 13.0 %: -79.2 .70
@ 10.0 %: -41.1 .84
@ 8.0 %: -10.1 .96
@ 6.0 %: 26.4 1.10

GOWEE_CASE_SUM

↓
PESSIMISTIC CASE

- CAPITAL INVESTMENT @ SPUD DATE (7/90)

CASE : CD 32-7 #209 ** ECONOMICS CASE SUMMARY **
 DESCRIPTION: COMMERCIALITY DETERMINATIONS WORKING INT : 100.000%
 CASE REVENUE INT : 79.561% OIL REV INT : 79.561% GAS REV INT : 79.561%
 CASE LIFE -FIRST MO-YR : 3-1991 PROD MO-YR : 3-1991 LAST YEAR : 2005

MEASURES OF MERIT

AARR (%) : 8.2
 BREAK EVEN POINT (YRS.) : 7.0
 PAYOUT (YRS.) : 7.0
 NTER : 1.7
 ECONOMIC LIFE (YRS.) : 14.8

RESERVES SUMMARY

OIL-GROSS MBBLS :
 NET MBBLS :
 NET REVENUE (M\$) :
 BBL/DAY TO PAYOUT:
 GAS_GROSS MMCF : 1205.0
 NET MMCF : 958.7
 NET REVENUE (M\$) : 1399.7
 MCF/DAY TO PAYOUT: 237.3

PRESS "ENTER" TO CONTINUE...

NET CASH FLOW SUMMARY (M\$)

CAPITAL OUTLAY : 263.8
 TOTAL REVENUE : 1399.7
 TOTAL EXPENSES : 952.3
 IBRT : 447.5
 CURRENT INCOME TAX :
 SALVAGE :
 CASH RETURNED : 447.5
 CASH FLOW : 183.7
 NET PRESENT VALUE (M\$) P.I.
 @ 13.0 %: -63.5 .76
 @ 10.0 %: -26.5 .90
 @ 8.0 %: 3.2 1.01
 @ 6.0 %: 37.9 1.14

GOWEE_CASE_SUM

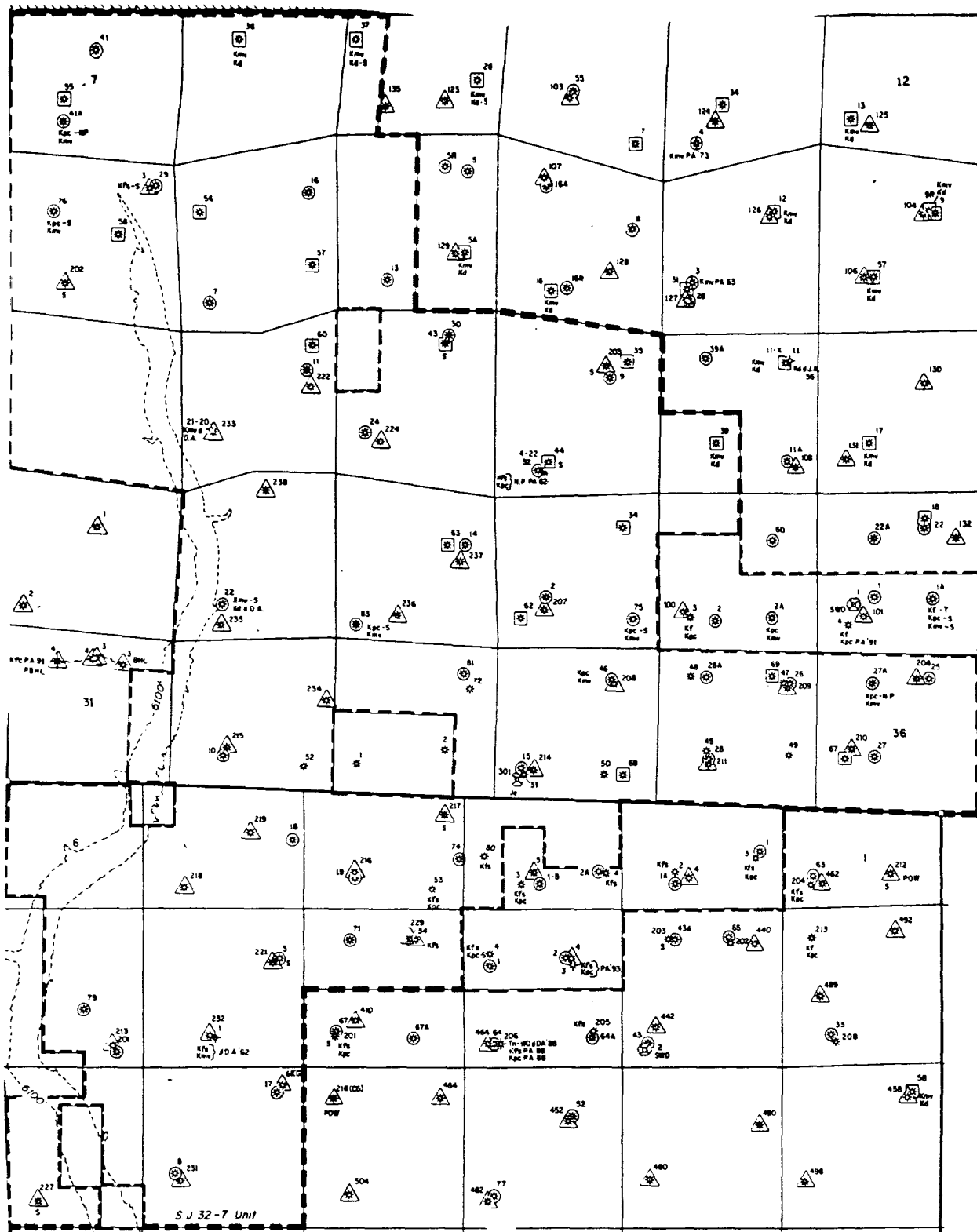
Optimistic Case

- CAPITAL INVESTMENT @ 1st DELIVERY
 (3/91)

SWD AND GATHERING SYSTEM COSTS

The SWD facility and gathering system costs were allocated equally back to each well in the unit. The allocated costs were then charged against the well by including them in the operating cost in the fifteen year forecast.

R-7-W



PRODUCING INTERVAL

Kfm	FARMINGTON	Kfm	
Kk	KIRTLAND	Kk	
△	FRUITLAND	Kf	
☆	PICTURED CLIFFS	Kpc	
⊗	CHACRA	Kc	
⊙	LA VENTANA	Klv	
⊛	MESAVERDE	Kmv	
◇	GALLUP	Kgl	
⊛	TAHOE	Kd	
		Kch	CLIFFHOUSE
		Km	MENEFEE
		Kpl	POINT LOOKOUT
		Ks	TOCITO
		Kgn	GREENHORN



PHILLIPS PETROLEUM COMPANY
FARMINGTON AREA

S.J. 32-7 UNIT

San Juan Co., New Mexico

0 1/4 1/2 1 MILE

SCALE

GEOL. R. HAWKS

DATE: 1-24-94

PHILLIPS PETROLEUM COMPANY
Commerciality Determination

San Juan 32-7 Unit #213
Fruitland Coal
E/2 Section 7 & 18 T31N-R7W
San Juan County, New Mexico

Date of First Delivery: 09/26/91

Date of Commerciality Submittal:

Well Cost Data

Total Well Costs:	241,012		
Production Taxes & Royalty:	20.438587%	BLM	12.50
		Severance	3.750000
		School	4.000000
		Conservation	0.180000
		Ad Valorem	0.008587

Average Product Pricing

1994 1.46/ MCF

Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	<u>Gas (MMCF)</u>	<u>* Operating Expenses (\$)</u>
1991 (1.3 mo)	0.3 (Actual)	16,831 (Actual)
1992 (2.9 mo)	1.6 (Actual)	58,158 (Actual)
1993 (7.9 mo)	29 (Actual)	37,581 (Actual)
1994	59	
1995	56	
1996	51	
1997	47	
1998	44	
1999	41	
2000	39	
2001	36	
2002	34	
2003	32	
2004	31	
2005	29	

* Operating Expenses were not escalated for inflation.

SAN JUAN 32-7 UNIT #213

COMMERCIALITY DETERMINATION

The subject well was spudded on 11/14/90 in the east half of Section 7 and 18, T31N-R7W. After a total depth of 3048' was reached on 11/17/90, 7" casing was set at (3048'). The casing was cemented with 650 sacks of cement with 210 sacks of cement circulated to surface.

After cementing the casing, the drilling rig moved off location, and a completion rig moved onto the well for the dynamic openhole completion. After drilling the cement and Fruitland Coal formation to 3222', the subject well was completed openhole by means of cavitation. Following cavitation, the well did not respond as desired. In fact on 04/02/91, the pitot test indicated 1470 MCFD.

Following the dynamic openhole completion, a 4-1/2" liner was set at 3221' with the liner top at 2949'. The liner was perforated with 4 SPF from 3054'-3096', 3130'-3148', and 3190'-3216' for a total of 344 holes. The 2-3/8" production tubing was set at 3207', and the subject well was allowed to produce. The well is currently making 180 MCFD.

Taking into account the subject well's past history and current rates, the well will obviously not be deemed commercial in the 32-7 Unit Participating Area. As a result, the economic evaluation and operating expenses were not prepared for this commerciality determination report.

MEP81-01

PARPI - WELLZONE PRODUCTION BROWSE

Date: 10/07/94

YEARLY TOTALS

User: #AM3

Wellzone F8983 01 Yr: 1991 Mth: 01 Property: 650170 SAN JUAN 32-7 COM #2
 Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: 000213
 Type: T (T-Total, D-Daily Avg) Field: BASIN
 Period: Y (M-Monthly, Y-Yearly, C-Cumm) Reserv: 20001 FRUITLAND COAL

ADJ	PRODUCED			DAYS		WELL	
FLG DATE	OIL (BBL)	GAS (MCF)	WATER (BBL)	PROD	OP	ST	CL TY
1991	0.00	305	0	38.00	48		
1992	0.00	1,639	4,520	87.00	257		
1993	0.00	29,171	17,337	239.00	342		
1994	0.00	27,934	11,593	224.00	224		

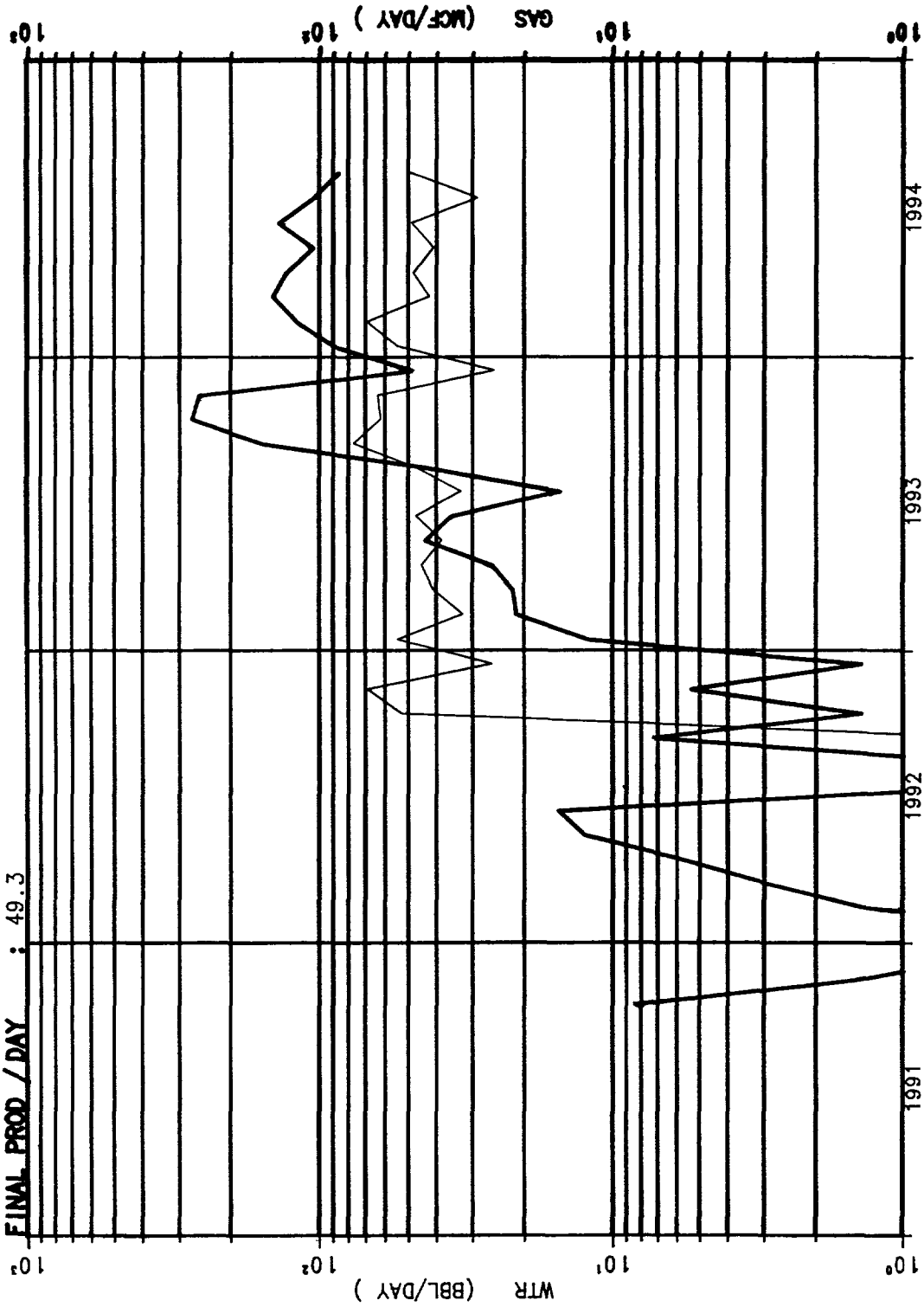
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 Transfer-> PF7=Backward PF8=Forward PF10=GRAND MENU PF12=LOG GRAPH

10/91-8/94

INITIAL PROD / DAY : 0.0
REMAINING LIFE : 2.92

CUM PRODUCTION : 33454.
FINAL PROD / DAY : 49.3

Current Cums
33454. BBL WTR
59044. MCF GAS



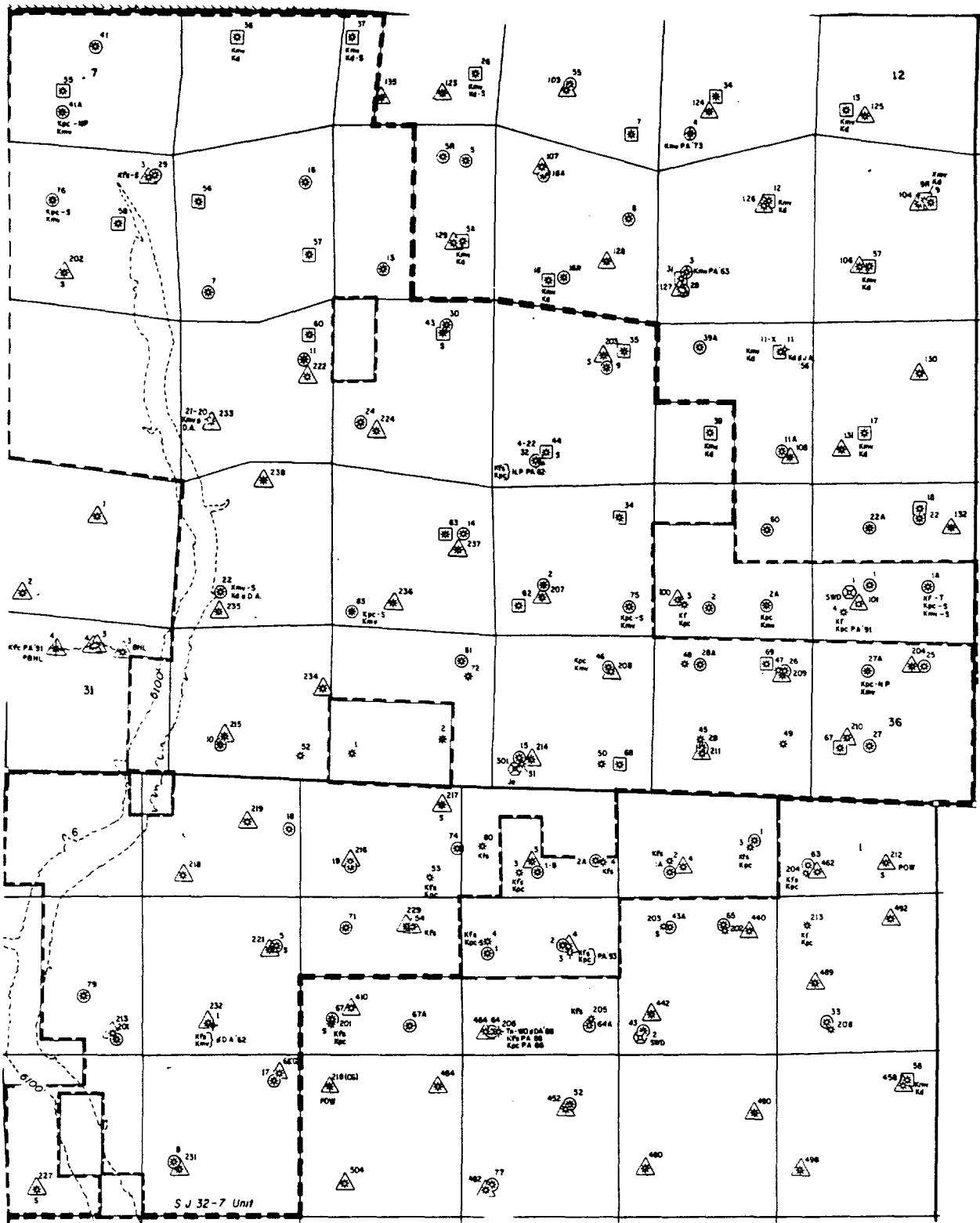
LEASE- 650170 : SAN JUAN 32-7 COM #213
RESVR- 001 : BASIN
WELL - 000213 PHS WELL PRODUCTION

F898301
ZONE-650170001000213 F898301
API-30045283610000

SWD AND GATHERING SYSTEM COSTS

The SWD facility and gathering system costs were allocated equally back to each well in the unit. The allocated costs were then charged against the well by including them in the operating cost in the fifteen year forecast.

R-7-W



PRODUCING INTERVAL

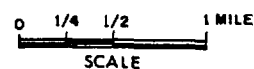
Kfm	FARMINGTON	Kfm
Kk	KIRTLAND	Kk
△	FRUITLAND	Kf
☆	PICTURED CLIFFS	Kpc
⊙	CHACRA	Kc
⊗	LA VENTANA	Klv
⊛	MESAVERDE	Kmv
⊠	GALLUP	Kgl
⊡	SAKOTA	Kd
		{ Kch CLIFFHOUSE
		{ Km MENEFEE
		{ Kpl POINT LOOKOUT
		{ Kt TOCITO
		{ Kgh GREENHORN



PHILLIPS PETROLEUM COMPANY
FARMINGTON AREA

S.J. 32-7 UNIT

San Juan Co., New Mexico



GEOL. R. HAWKS

DATE: 1-24-94

PHILLIPS PETROLEUM COMPANY
Commerciality Determination

San Juan 32-7 Unit #214
Fruitland Coal
W/2 Section 34-T32N-R7W
San Juan County, New Mexico

Date of First Delivery: 10/08/91

Date of Commerciality Submittal:

Well Cost Data

Total Well Costs:	272,931		
Production Taxes & Royalty:	20.438587%	BLM	12.50
		Severance	3.750000
		School	4.000000
		Conservation	0.180000
		Ad Valorem	0.008587

Average Product Pricing

1994 1.46/ MCF

Estimated Gross Annual Production and Operating Expenses

Year	Gas (MMCF)	* Operating Expenses (\$)
1991 (2.2 mo)	1.5 (Actual)	3,428 (Actual)
1992 (6.8 mo)	38 (Actual)	63,265 (Actual)
1993 (10.8 mo)	73 (Actual)	36,770 (Actual)
1994	88	
1995	84	
1996	76	
1997	71	
1998	66	
1999	62	
2000	58	
2001	55	
2002	51	
2003	48	
2004	46	
2005	43	

* Operating Expenses were not escalated for inflation.

SAN JUAN 32-7 UNIT #214

COMMERCIALITY DETERMINATION

The subject well was spudded on 11/22/90 in the west half of Section 34, T32N-R7W. After a total depth of 3311' was reached on 11/25/90, 7" casing was set at (3311'). The casing was cemented with 650 sacks of cement with 112 sacks of cement circulated to surface.

After cementing the casing, the drilling rig moved off location, and a completion rig moved on the well for the dynamic openhole completion. After drilling the cement and Fruitland Coal formation to 3452, the subject well was completed openhole by means of cavitation. Following cavitation, the well did not respond as desired. In fact on 05/26/91, the pitot test indicated only 1065 MCFD.

Following the dynamic openhole completion, a 4-1/2" liner was set at 3451' with the liner top at 3186'. The liner was perforated with 4 SPF from 3314'-3342', 3348'-3366', and 3400'-3448' for a total of 376 holes. The 2-3/8" production tubing was set at 3439', and the subject well was allowed to produce. The well is currently making only 3 MCFD.

Taking into account the subject well's past history and current rates, the well will obviously not be deemed commercial in the 32-7 Unit Participating Area. As a result, the economic evaluation and operating expenses were not prepared for this commerciality determination report.

MEP81-01

PARPI - WELLZONE PRODUCTION BROWSE

Date: 10/13/94

YEARLY TOTALS

User: #AM3

Wellzone F8A67 01 Yr: 1991 Mth: 01 Property: 650243 SAN JUAN 32-7 UNIT #
 Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: 000214
 Type: T (T-Total, D-Daily Avg) Field: BASIN
 Period: Y (M-Monthly, Y-Yearly, C-Cumm) Reserv: 20001 FRUITLAND COAL

ADJ	PRODUCED			DAYS		WELL	
FLG DATE	OIL (BBL)	GAS (MCF)	WATER (BBL)	PROD	OP	ST	CL TY
1991	0.00	1,501	640	66.00	66		
1992	0.00	37,508	5,450	208.00	305		
1993	0.00	73,143	5,928	328.00	330		
1994	0.00	33,088	2,628	230.00	230		

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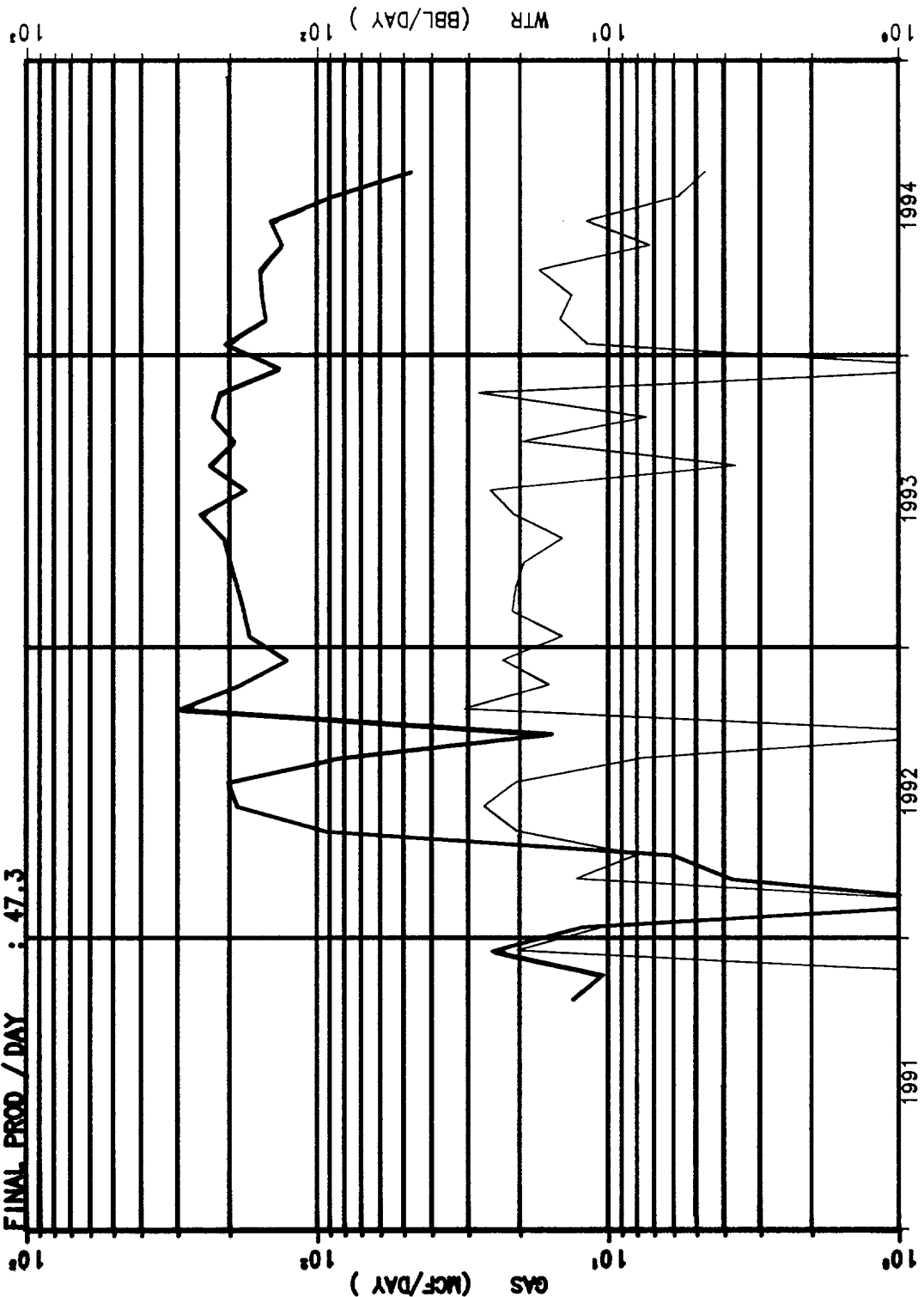
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 Transfer-> PF7=Backward PF8=Forward PF10=GRAND MENU PF12=LOG GRAPH

10/91-8/94

INITIAL PROD / DAY : 13.2
REMAINING LIFE : 2.92

CUM PRODUCTION : 145233.
FINAL PROD / DAY : 47.3

Current Cums
145233. MCF GAS
14643. BBL WTR



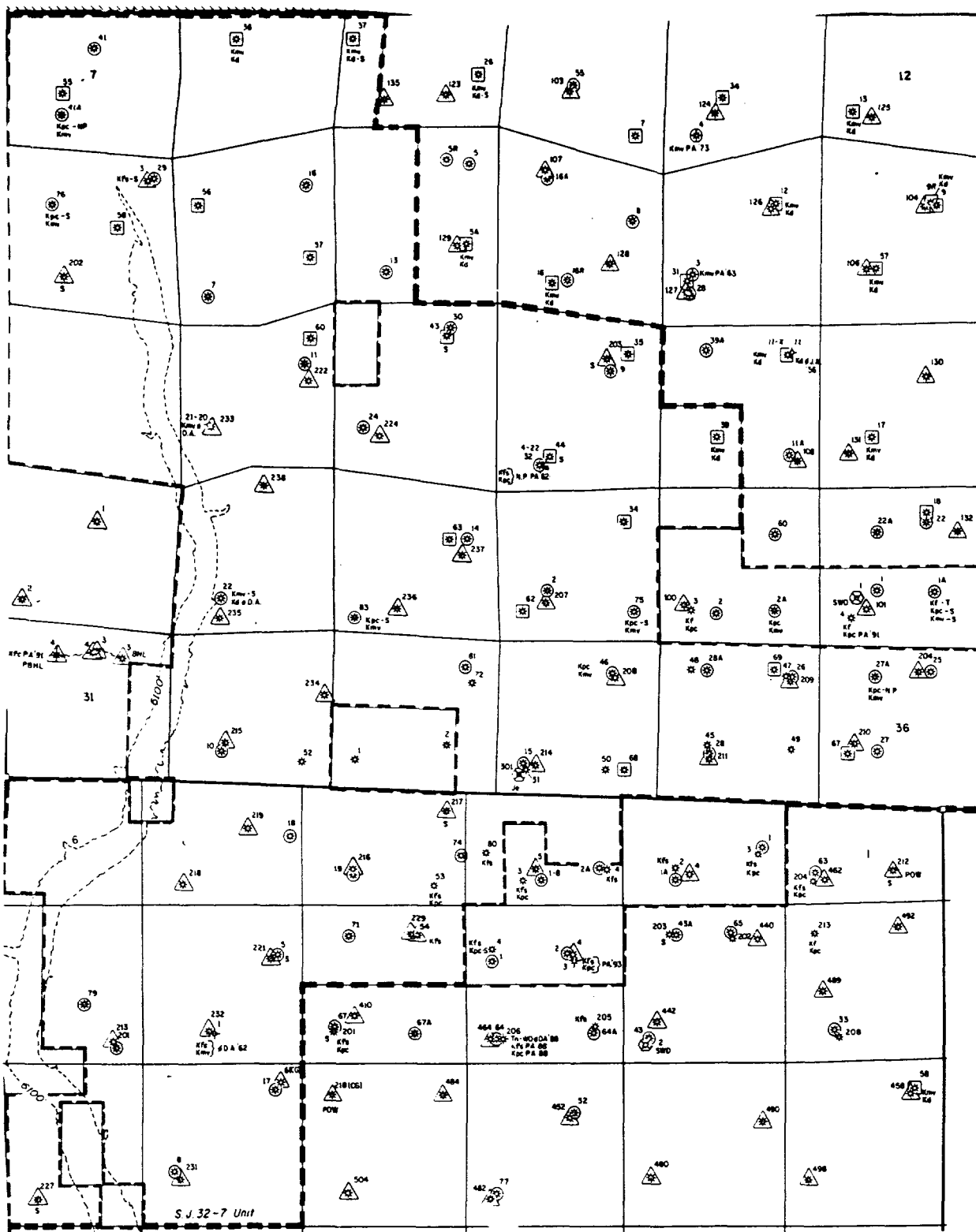
LEASE- 650243 : SAN JUAN 32-7 UNIT #214
RESV- 001 : BASIN
WELL - 000214 PHS WELL PRODUCTION

F8A6701
ZONE-650243001000214 F8A6701
API-30045282720000

SWD AND GATHERING SYSTEM COSTS


The SWD facility and gathering system costs were allocated equally back to each well in the unit. The allocated costs were then charged against the well by including them in the operating cost in the fifteen year forecast.

R-7-W



PRODUCING INTERVAL

Kfm	FARMINGTON	Kfm
Kk	KIRTLAND	Kk
△	FRUITLAND	Kf
☆	PICTURED CLIFFS	Kpc
⊗	CHACRA	Kc
⊙	LA VENTANA	Klv
⊕	MESAVERDE	Kmv
⊛	GALLUP	Kgl
⊞	DAKOTA	Kd
		Kch CLIFFHOUSE
		Km MENEFEE
		Kpl POINT LOOKOUT
		Kt TOCITO
		Kgh GREENHORN

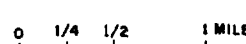


PHILLIPS PETROLEUM COMPANY
FARMINGTON AREA

S.J. 32-7 UNIT

San Juan Co., New Mexico

0 1/4 1/2 1 MILE



SCALE

DATE: 1-24-94

GEOL. R.HAWKS

PHILLIPS PETROLEUM COMPANY
Commerciality Determination

San Juan 32-7 Unit #211
Fruitland Coal
W/2 Section 35-T32N-R7W
San Juan County, New Mexico

Date of First Delivery: 04/14/93

Date of Commerciality Submittal:

Well Cost Data

Total Well Costs:	210,841		
Production Taxes & Royalty:	20.438587%	BLM	12.50
		Severance	3.750000
		School	4.000000
		Conservation	0.180000
		Ad Valorem	0.008587

Average Product Pricing

1994 1.46/ MCF

Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	<u>Gas (MMCF)</u>	<u>* Operating Expenses (\$)</u>
1993 (4 mo)	9 (Actual)	7,077 (Actual)
1994	30	
1995	30	
1996	30	
1997	30	
1998	30	
1999	30	
2000	30	
2001	30	
2002	30	
2003	30	
2004	30	
2005	30	
2006	30	
2007	30	

* Operating Expenses were not escalated for inflation.

SAN JUAN 32-7 UNIT #211

COMMERCIALITY DETERMINATION

The subject well was spudded on 10/24/90 in the west half of Section 35, T32N-R7W. After a total depth of 3200' was reached on 11/08/90, 7" casing was set at (3200'). The casing was cemented with 650 sacks of cement with 131 sacks of cement circulated to surface.

After cementing the casing, the drilling rig moved off location, and a completion rig moved on the well for the dynamic openhole completion. After drilling the cement and Fruitland Coal formation to 3330, the subject well was completed openhole by means of cavitation. Following cavitation, the well did not respond as desired. In fact on 06/02/91, the pitot test indicated only 166 MCFD.

Following the dynamic openhole completion, the subject well was left openhole without a linear being set in the coal interval. The 2-3/8" production tubing was set at 3174', and the subject well was allowed to produce for 4 months. The subject well only averaged 88 MCFD at the end of the 4 months. As a result, the well was shut-in due to low production.

Taking into account the subject well's past history and current shut-in status, the well will obviously not be deemed commercial in the 32-7 Unit Participating Area. As a result, the economic evaluation and operating expenses were not prepared for this commerciality determination report.

MEP81-01

PARPI - WELLZONE PRODUCTION BROWSE

Date: 10/13/94

YEARLY TOTALS

User: #AM3

Wellzone F8982 01 Yr: 1993 Mth: 01 Property: 650169 SAN JUAN 32-7 UNIT #
Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: 000211
Type: T (T-Total, D-Daily Avg) Field: BASIN
Period: Y (M-Monthly, Y-Yearly, C-Cumm) Reserv: 20001 FRUITLAND COAL

ADJ	FLG DATE	OIL (BBL)	GAS (MCF)	WATER (BBL)	PROD	OP	ST	CL	TY
	1993	0.00	8,650	1,383	122.00	122			
	1994	0.00	0	0	0.00	0			

NO MORE DATA AVAILABLE

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PF3=End

PF11=GRAPH

Transfer->

PF7=Backward

PF8=Forward

PF10=GRAND MENU

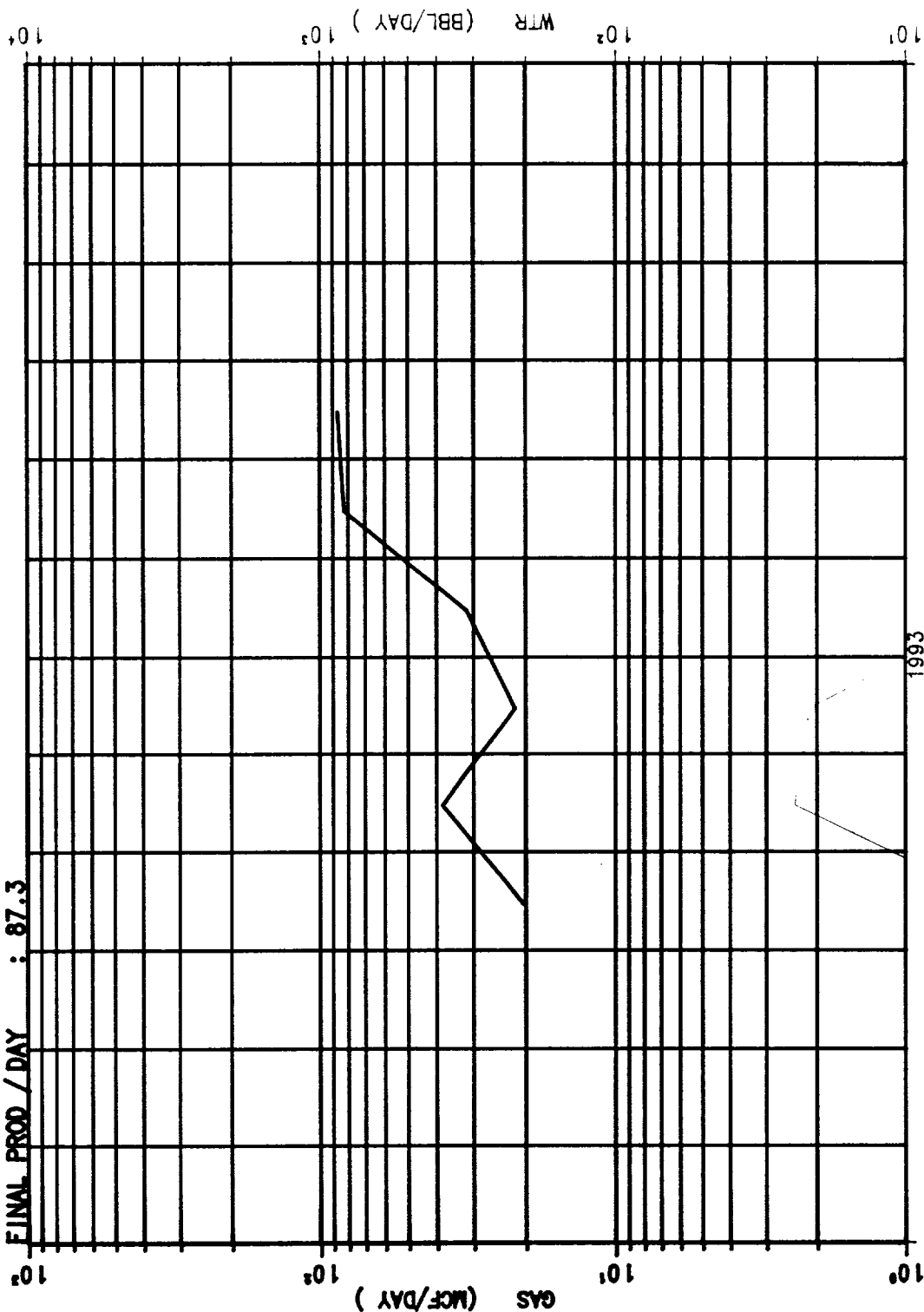
PF12=LOG GRAPH

4/93-8/93

INITIAL PROD / DAY : 20.6
REMAINING LIFE : 0.50

CUM PRODUCTION : 8649.
FINAL PROD / DAY : 87.3

Current Cums
8649. MCF GAS
1383. BBL WTR



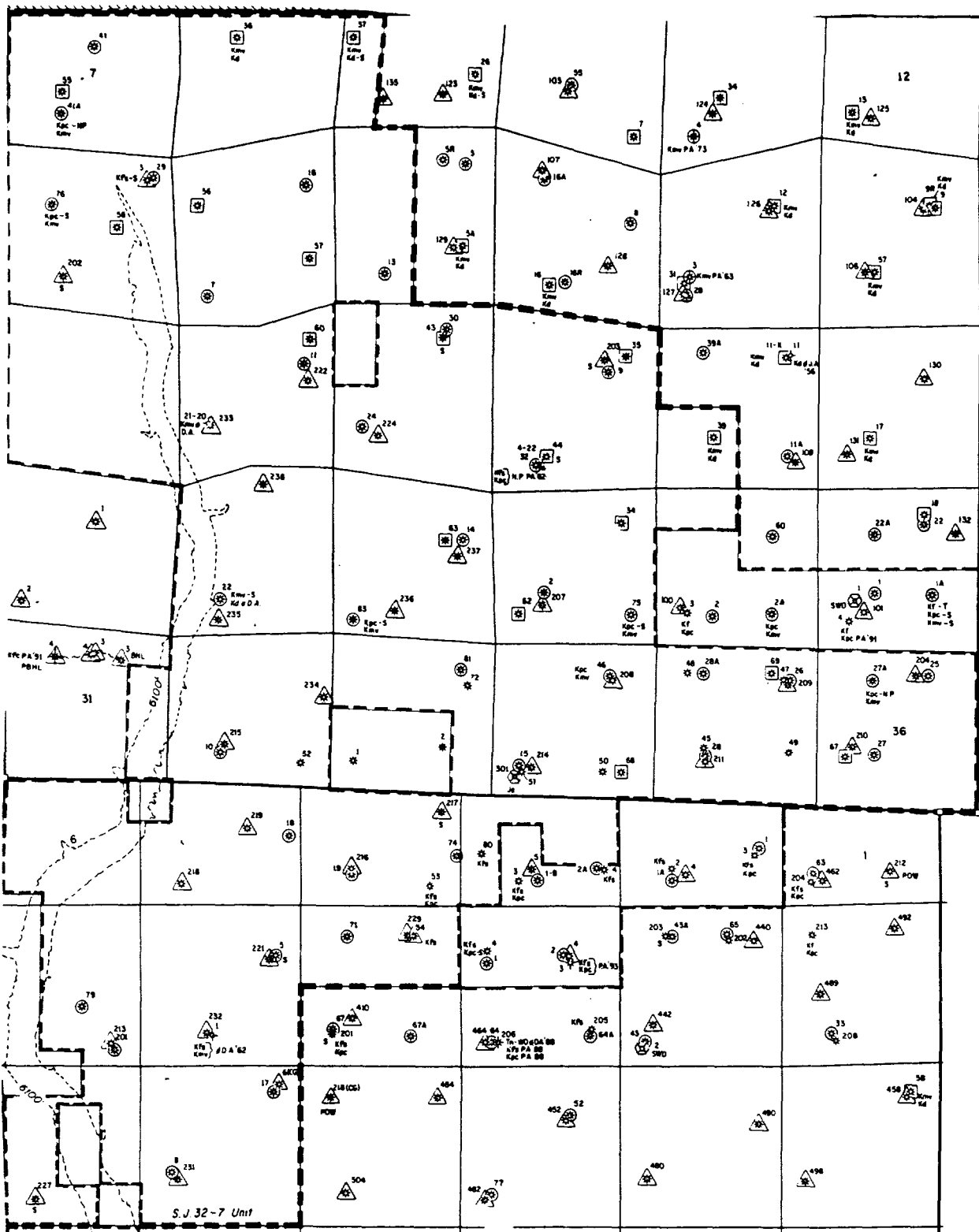
LEASE- 650169 : SAN JUAN 32-7 UNIT #211
RESVR- 001 : BASIN FRUITLAND COAL
WELL - 000211 PHS WELL PRODUCTION

F898201
ZONE-650169001000211 F898201
API-30045262380000

SWD AND GATHERING SYSTEM COSTS

The SWD facility and gathering system costs were allocated equally back to each well in the unit. The allocated costs were then charged against the well by including them in the operating cost in the fifteen year forecast.

R-7-W




T
32
N

T
31
N

PRODUCING INTERVAL

- | | | | |
|-----|-----------------|-----|--|
| Kfm | FARMINGTON | Kfm | |
| Kb | KIRTLAND | Kb | |
| Kf | FRUITLAND | Kf | |
| Kpc | PICTURED CLIFFS | Kpc | |
| Kc | CHACRA | Kc | |
| Kiv | LA VENTANA | Kiv | |
| Krv | MESAVERDE | Krv | |
| Kgl | GALLUP | Kgl | |
| Kd | DAKOTA | Kd | |
| Kch | CLIFFHOUSE | Kch | |
| Kcm | MENELEE | Kcm | |
| Kcl | POINT LOOKOUT | Kcl | |
| Kpl | | Kpl | |
| Kph | TOCITO | Kph | |
| Kgh | GREENHORN | Kgh | |
| Kgd | | Kgd | |



PHILLIPS
66

PHILLIPS PETROLEUM COMPANY
FARMINGTON AREA

S.J. 32-7 UNIT

San Juan Co., New Mexico

0 1/4 1/2 1 MILE

SCALE

GEOL. R. HAWKS

DATE: 1-24-94

PHILLIPS PETROLEUM COMPANY
Commerciality Determination

San Juan 32-7 Unit #222
Fruitland Coal
E/2 Section 20-T32N-R7W
San Juan County, New Mexico

Date of First Delivery: 01/26/93

Date of Commerciality Submittal:

Well Cost Data

Total Well Costs:	274,753		
Production Taxes & Royalty:	20.438587%	BLM	12.50
		Severance	3.750000
		School	4.000000
		Conservation	0.180000
		Ad Valorem	0.008587

Average Product Pricing

1994 1.46/ MCF

Estimated Gross Annual Production and Operating Expenses

Year	Gas (MMCF)	* Operating Expenses (\$)
1993 (7.7 mo)	13 (Actual)	69,092 (Actual)
1994	30	
1995	30	
1996	30	
1997	30	
1998	30	
1999	30	
2000	30	
2001	30	
2002	30	
2003	30	
2004	30	
2005	30	
2006	30	
2007	30	

* Operating Expenses were not escalated for inflation.

SAN JUAN 32-7 UNIT #222

COMMERCIALITY DETERMINATION

The subject well was spudded on 08/05/92 in the east half of Section 20, T32N-R7W. After a total depth of 2855' was reached on 08/09/92, 7" casing was set at (2855'). The casing was cemented with 602 sacks of cement.

After cementing the casing, the drilling rig moved off location, and a completion rig moved on the well for the dynamic openhole completion. After drilling the cement and Fruitland Coal formation to 3010, the subject well was completed openhole by means of cavitation. Following cavitation, the well did not respond as desired. In fact on 08/27/92, the pitot test indicated only 1065 MCFD.

Following the dynamic openhole completion, a 5-1/2" liner was set at 3009' with the liner top at 2775'. The liner was perforated with 4 SPF from 2880'-2906', 2954'-2968', and 2976'-3002' for a total of 264 holes. The 2-3/8" production tubing was set at 2993', and the subject well was allowed to produce. The well is currently making only 100 MCFD with the assistance of a compressor.

Taking into account the subject well's past history and current rates, the well will obviously not be deemed commercial in the 32-7 Unit Participating Area. As a result, the economic evaluation and operating expenses were not prepared for this commerciality determination report.

MEP81-01

PARPI - WELLZONE PRODUCTION BROWSE

Date: 10/18/94

YEARLY TOTALS

User: #AM3

Wellzone F8B26 01 Yr: 1993 Mth: 01 Property: 650361 SAN JUAN 32-7 UNIT #
Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: 000222
Type: T (T-Total, D-Daily Avg) Field: BASIN
Period: Y (M-Monthly, Y-Yearly, C-Cumm) Reserv: 20001 FRUITLAND COAL

ADJ	PRODUCED			DAYS		WELL		
FLG DATE	OIL (BBL)	GAS (MCF)	WATER (BBL)	PROD	OP	ST	CL	TY
1993	0.00	13,022	17,066	234.00	323			
1994	0.00	23,074	10,396	230.00	230			

NO MORE DATA AVAILABLE

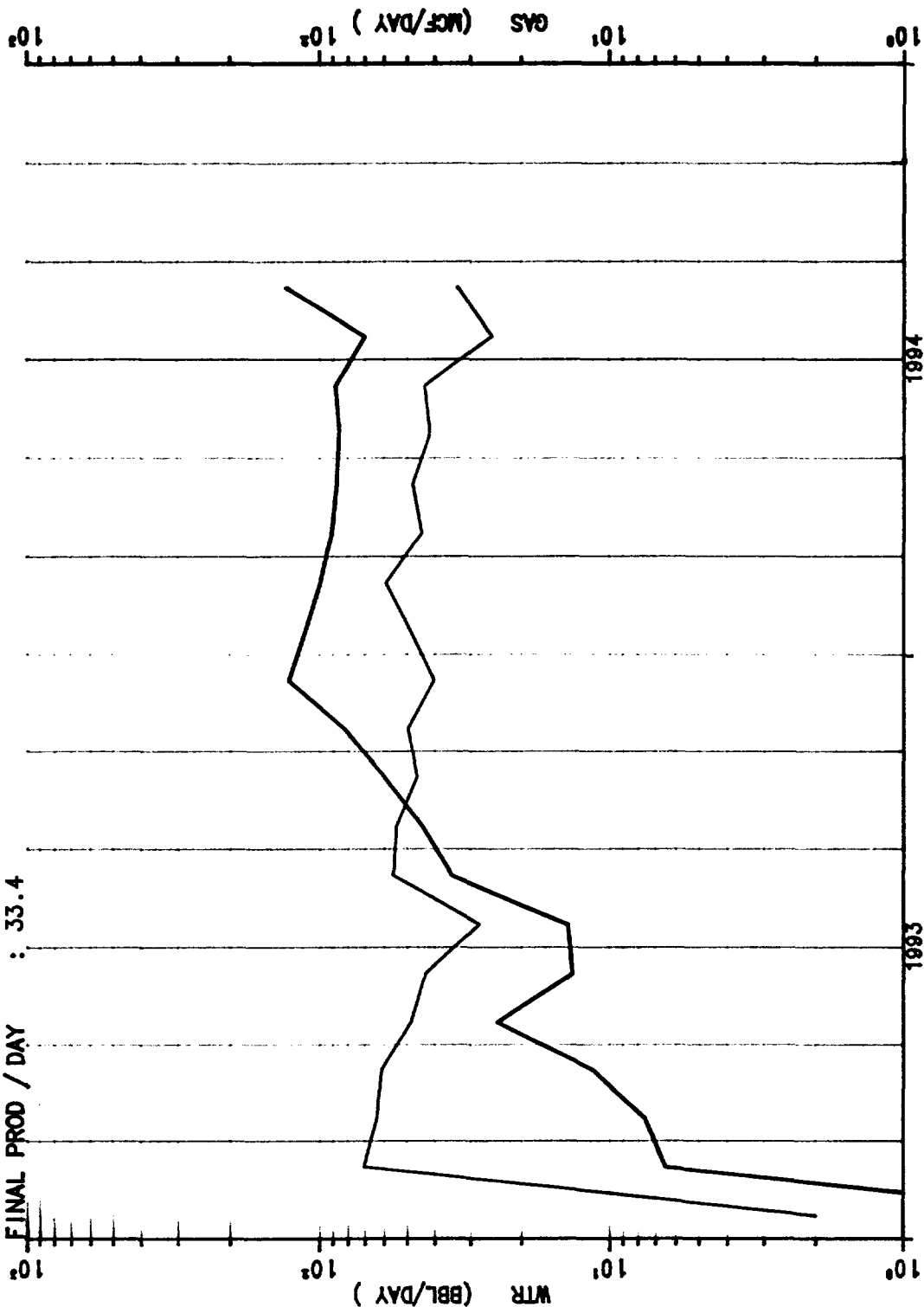
PA1=ICE PA2=Exit PF1=Help PF3=End PF11=GRAPH
Transfer-> PF7=Backward PF8=Forward PF10=GRAND MENU PF12=LOG GRAPH

1/93-8/94

INITIAL PROD / DAY : 2.0
REMAINING LIFE : 1.67

CUM PRODUCTION : 27467.
FINAL PROD / DAY : 33.4

Current Cums
27467. BBL WTR
36093. MCF GAS



LEASE- 650361 : SAN JUAN 32-7 UNIT #222
RESVR- 001 : BASIN FRUITLAND COAL
WELL - 000222 PHS WELL PRODUCTION

F8B2601
ZONE-650361001000222 F8B2601
API-30045287350000

SWD AND GATHERING SYSTEM COSTS

The SWD facility and gathering system costs were allocated equally back to each well in the unit. The allocated costs were then charged against the well by including them in the operating cost in the fifteen year forecast.

PHILLIPS PETROLEUM COMPANY
Commerciality Determination

San Juan 32-7 Unit #234
Fruitland Coal
E/2 Section 32-T32N-R7W
San Juan County, New Mexico

Date of First Delivery: 01/19/93

Date of Commerciality Submittal:

Well Cost Data

Total Well Costs:	228,454		
Production Taxes & Royalty:	20.438587%	BLM	12.50
		Severance	3.750000
		School	4.000000
		Conservation	0.180000
		Ad Valorem	0.008587

Average Product Pricing

1994 1.46/ MCF

Estimated Gross Annual Production and Operating Expenses

Year	Gas (MMCF)	* Operating Expenses (\$)
1993 (9.1 mo)	47 (Actual)	95,935 (Actual)
1994	155	57,152
1995	148	57,152
1996	134	57,152
1997	125	57,152
1998	117	57,152
1999	109	57,152
2000	102	57,152
2001	96	57,152
2002	90	57,152
2003	85	57,152
2004	80	57,152
2005	76	57,152
2006	72	57,152
2007	68	57,152

* Operating Expenses were not escalated for inflation.

MEP81-01

PARPI - WELLZONE PRODUCTION BROWSE
YEARLY TOTALS

Date: 10/24/94

User: #AM3

Wellzone F8B23 01 Yr: 1993 Mth: 01 Property: 650358 SAN JUAN 32-7 UNIT #

Screen: 1 (1-Prod, 2-Inj, 3-Both)

Well No: 000234

Type: T (T-Total, D-Daily Avg)

Field: BASIN

Period: Y (M-Monthly, Y-Yearly, C-Cumm)

Reserv: 20001 FRUITLAND COAL

ADJ	FLG DATE	OIL (BBL)	GAS (MCF)	WATER (BBL)	PROD	OP	ST	CL	TY
	1993	0.00	47,338	28,350	277.00	330			
	1994	0.00	78,998	14,816	240.00	240			

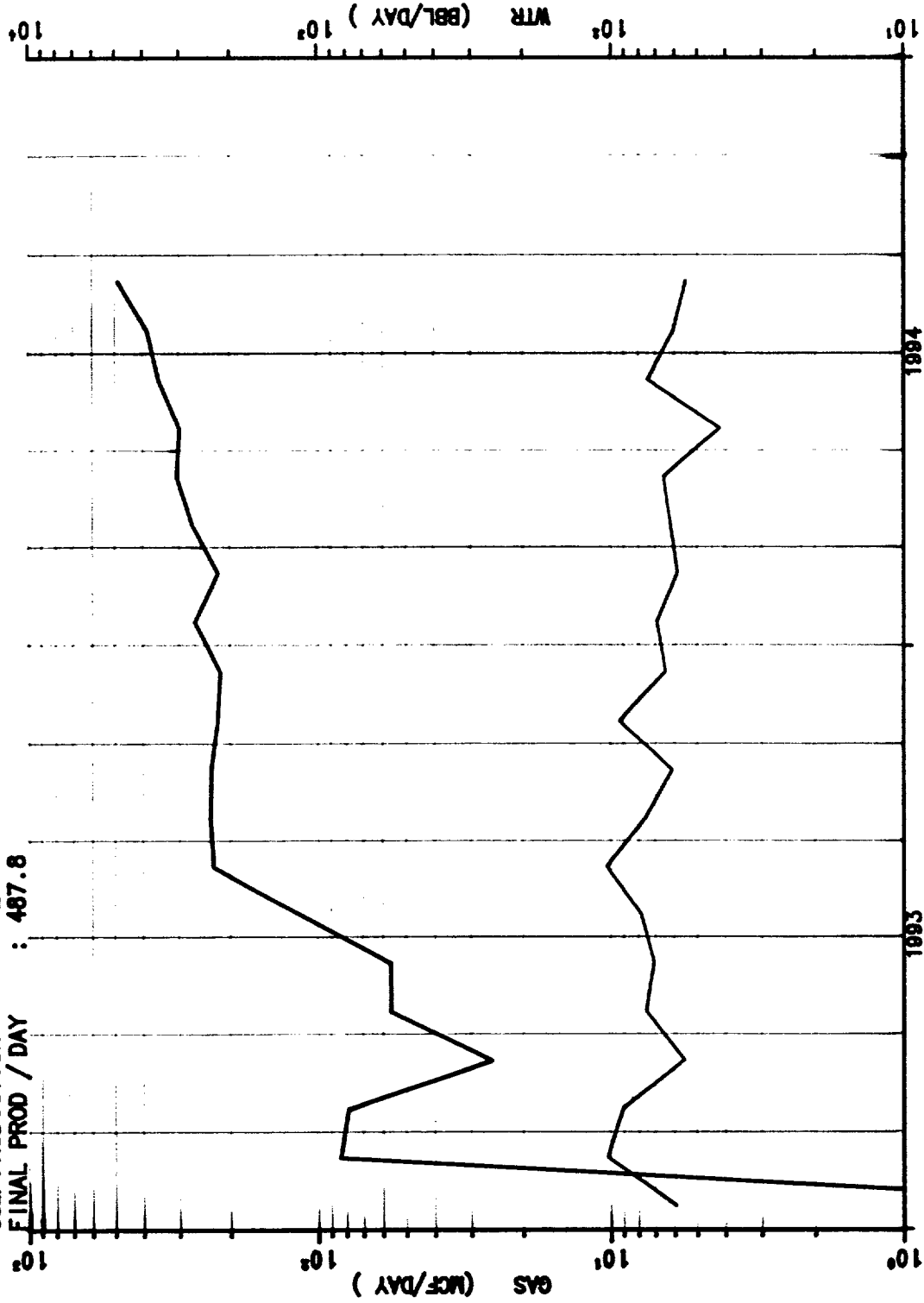
PA1=ICE	PA2=Exit	PF1=Help	PF3=End	PF11=GRAPH
Transfer->		PF7=Backward	PF8=Forward	PF10=GRAND MENU
				PF12=LOG GRAPH

1/93-8/94

INITIAL PROD / DAY : 0.1
REMAINING LIFE : 1.67

CUM PRODUCTION : 126340.
FINAL PROD / DAY : 487.8

Current Cum
126340. MCF GAS
43169. BBL WTR



LEASE- 650358 : SAN JUAN 32-7 UNIT #234
RESVR- 001 : BASIN
WELL - 000234 PHS WELL PRODUCTION

F882301
ZONE-650358001000234 F882301
API-30045286890000

CASE : CD 32-7 #234 ** ECONOMICS CASE SUMMARY **
 DESCRIPTION: COMMERCIALITY DETERMINATIONS WORKING INT : 100.000%
 CASE REVENUE INT : 79.561% OIL REV INT : 79.561% GAS REV INT : 79.561%
 CASE LIFE -FIRST MO-YR : 8-1992 PROD MO-YR : 1-1993 LAST YEAR : 2007

MEASURES OF MERIT		NET CASH FLOW SUMMARY (M\$)	
AARR (%)	: 27.0	CAPITAL OUTLAY	: 228.4
BREAKEVEN POINT (YRS.)	: 3.7	TOTAL REVENUE	: 1747.0
PAYOUT (YRS.)	: 3.3	TOTAL EXPENSES	: 896.1
NTER	: 3.7	IBRT	: 851.0
ECONOMIC LIFE (YRS.)	: 15.0	CURRENT INCOME TAX	:
RESERVES SUMMARY		SALVAGE	:
OIL-GROSS MBBLS	:	CASH RETURNED	: 851.0
NET MBBLS	:	CASH FLOW	: 622.5
NET REVENUE (M\$)	:	NET PRESENT VALUE (M\$)	P.I.
BBL/DAY TO PAYOUT:	:	@ 13.0 %:	179.3 1.78
GAS_GROSS MMCF	: 1504.0	@ 10.0 %:	244.7 2.07
NET MMCF	: 1196.6	@ 8.0 %:	297.3 2.30
NET REVENUE (M\$)	: 1747.0	@ 6.0 %:	358.9 2.57
MCF/DAY TO PAYOUT:	324.3		
PRESS "ENTER" TO CONTINUE...		GOWEE_CASE_SUM	

PESSIMISTIC CASE

**- CAPITAL INVESTMENT @ SPUD DATE
(8/92)**

CASE : CD 32-7 #234 ** ECONOMICS CASE SUMMARY **
 DESCRIPTION: COMMERCIALITY DETERMINATIONS WORKING INT : 100.000%
 CASE REVENUE INT : 79.561% OIL REV INT : 79.561% GAS REV INT : 79.561%
 CASE LIFE -FIRST MO-YR : 1-1993 PROD MO-YR : 1-1993 LAST YEAR : 2007

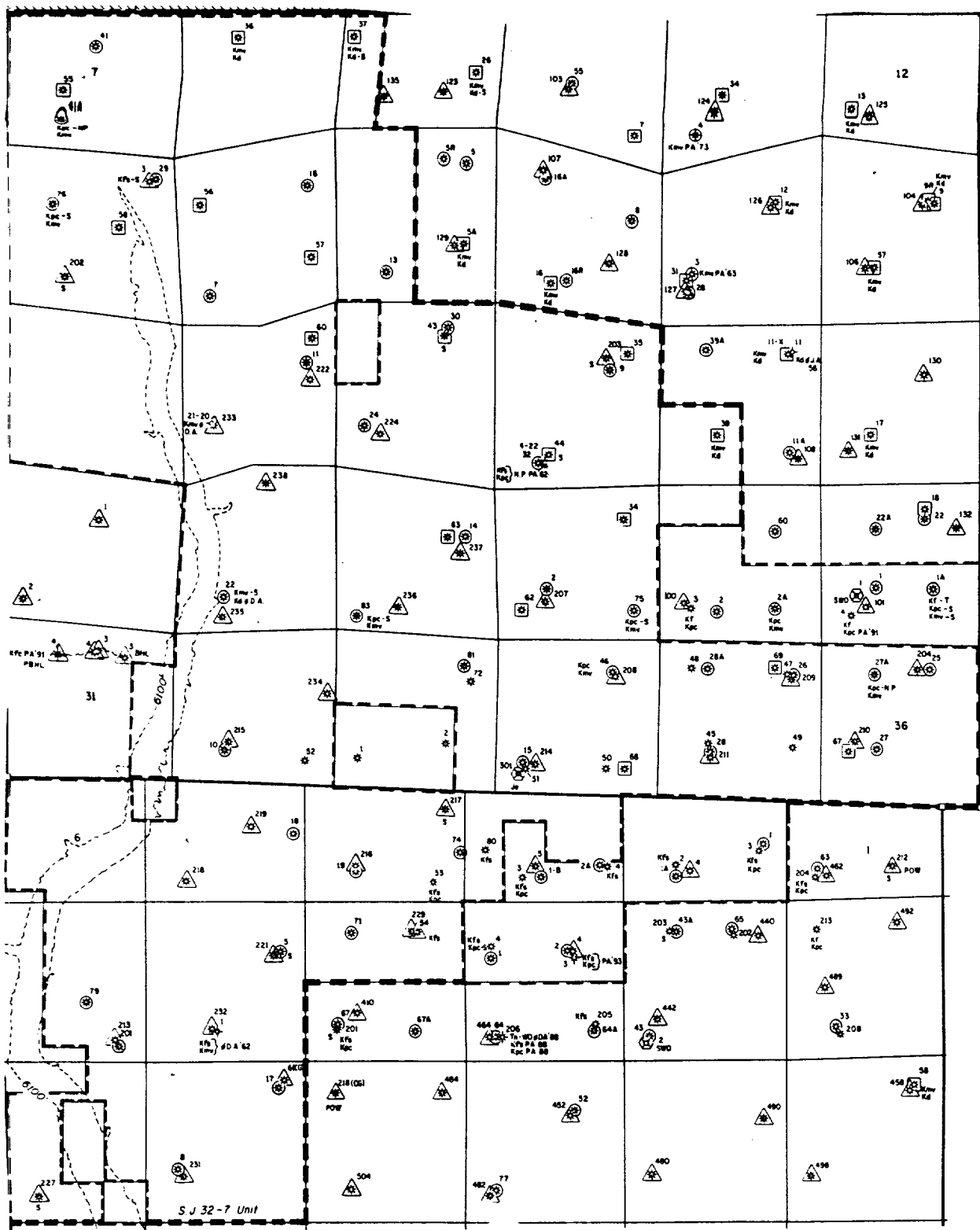
MEASURES OF MERIT		NET CASH FLOW SUMMARY (M\$)	
AARR (%)	: 30.1	CAPITAL OUTLAY	: 228.4
BREAKEVEN POINT (YRS.)	: 3.3	TOTAL REVENUE	: 1747.0
PAYOUT (YRS.)	: 3.3	TOTAL EXPENSES	: 896.1
NTER	: 3.7	IBRT	: 851.0
ECONOMIC LIFE (YRS.)	: 15.0	CURRENT INCOME TAX	:
RESERVES SUMMARY		SALVAGE	:
OIL-GROSS MBBLS	:	CASH RETURNED	: 851.0
NET MBBLS	:	CASH FLOW	: 622.5
NET REVENUE (M\$)	:	NET PRESENT VALUE (M\$)	P.I.
BBL/DAY TO PAYOUT:	:	@ 13.0 %:	200.6 1.88
GAS_GROSS MMCF	: 1504.0	@ 10.0 %:	263.8 2.15
NET MMCF	: 1196.6	@ 8.0 %:	314.4 2.38
NET REVENUE (M\$)	: 1747.0	@ 6.0 %:	373.3 2.63
MCF/DAY TO PAYOUT:	: 324.3		
PRESS "ENTER" TO CONTINUE...		GOWEE_CASE_SUM	

↓
Optimistic Case

- CAPITAL INVESTMENT @ 1st Delivery
 (1/93)

SWD AND GATHERING SYSTEM COSTS

The SWD facility and gathering system costs were allocated equally back to each well in the unit. The allocated costs were then charged against the well by including them in the operating cost in the fifteen year forecast.



PRODUCING INTERVAL

Kfm	FARMINGTON	Kfm
Kk	KIRTLAND	Kk
	FRUITLAND	Kf
	PICTURED CLIFFS	Kpc
	CHACRA	Kc
	LA VENTANA	Klv
	MESAVERDE	Kmv
	GALLUP	Kgl
	DAKOTA	Kd
		<div> <div> <div>Kch</div> <div>Km</div> <div>Kpl</div> </div> <div> <div>CLIFFHOUSE</div> <div>MENEFEE</div> <div>POINT LOOKOUT</div> </div> </div>
		<div> <div>K1</div> <div>Kgh</div> </div> <div> <div>TOCITO</div> <div>GREENHORN</div> </div>



PHILLIPS PETROLEUM COMPANY
FARMINGTON AREA

S.J. 32-7 UNIT

San Juan Co., New Mexico



SCALE

GEOL. R. HAWKS

DATE: 1-24-94

PHILLIPS PETROLEUM COMPANY
Commerciality Determination

San Juan 32-7 Unit #237
Fruitland Coal
E/2 Section 28-T32N-R7W
San Juan County, New Mexico

Date of First Delivery: 09/08/93

Date of Commerciality Submittal: _____

Well Cost Data

Total Well Costs:	<u>397,674</u>		
Production Taxes & Royalty:	<u>20.438587%</u>	BLM	12.50
		Severance	3.750000
		School	4.000000
		Conservation	0.180000
		Ad Valorem	0.008587

Average Product Pricing

1994 1.46/ MCF

Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	<u>Gas (MMCF)</u>	<u>* Operating Expenses (\$)</u>
1993 (3.1 mo)	13 (Actual)	19,731 (Actual)
1994	86	
1995	82	
1996	75	
1997	69	
1998	65	
1999	61	
2000	57	
2001	53	
2002	50	
2003	47	
2004	45	
2005	42	
2006	40	
2007	38	

* Operating Expenses were not escalated for inflation.

SAN JUAN 32-7 UNIT #237

COMMERCIALITY DETERMINATION

The subject well was spudded on 11/15/92 in the east half of Section 28, T32N-R7W. After a total depth of 3240' was reached on 11/18/92, 7" casing was set at (3240'). The casing was cemented with 625 sacks of cement while circulating 45 bbls of cement to surface.

After cementing the casing, the drilling rig moved off location, and a completion rig moved on the well for the dynamic openhole completion. After drilling the cement and Fruitland Coal formation to 3350', the subject well was completed openhole by means of cavitation. Following cavitation, the well did not respond as desired. In fact on 07/02/93, the pitot test indicated only 1100 MCFD.

Following the dynamic openhole completion, a 5-1/2" liner was set at 3349' with the liner top at 3123'. The liner was perforated with 4 SPF from 3248'-3265', 3295'-3313', and 3321'-3342' for a total of 224 holes. The 2-3/8" production tubing was set at 3331', and the subject well was allowed to produce. The well is currently making only 141 MCFD.

Taking into account the subject well's past history and current rates, the well will obviously not be deemed commercial in the 32-7 Unit Participating Area. As a result, the economic evaluation and operating expenses were not prepared for this commerciality determination report.

MEP81-01

PARPI - WELLZONE PRODUCTION BROWSE

Date: 10/24/94

YEARLY TOTALS

User: #AM3

Wellzone F8B44 01 Yr: 1993 Mth: 01 Property: 650380 SAN JUAN 32-7 UNIT #
 Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: 000237
 Type: T (T-Total, D-Daily Avg) Field: BASIN
 Period: Y (M-Monthly, Y-Yearly, C-Cumm) Reserv: 20001 FRUITLAND COAL

ADJ	PRODUCED			DAYS		WELL	
FLG DATE	OIL (BBL)	GAS (MCF)	WATER (BBL)	PROD	OP	ST	CL TY
1993	0.00	12,999	5,119	93.00	103		
1994	0.00	45,006	9,720	230.00	230		

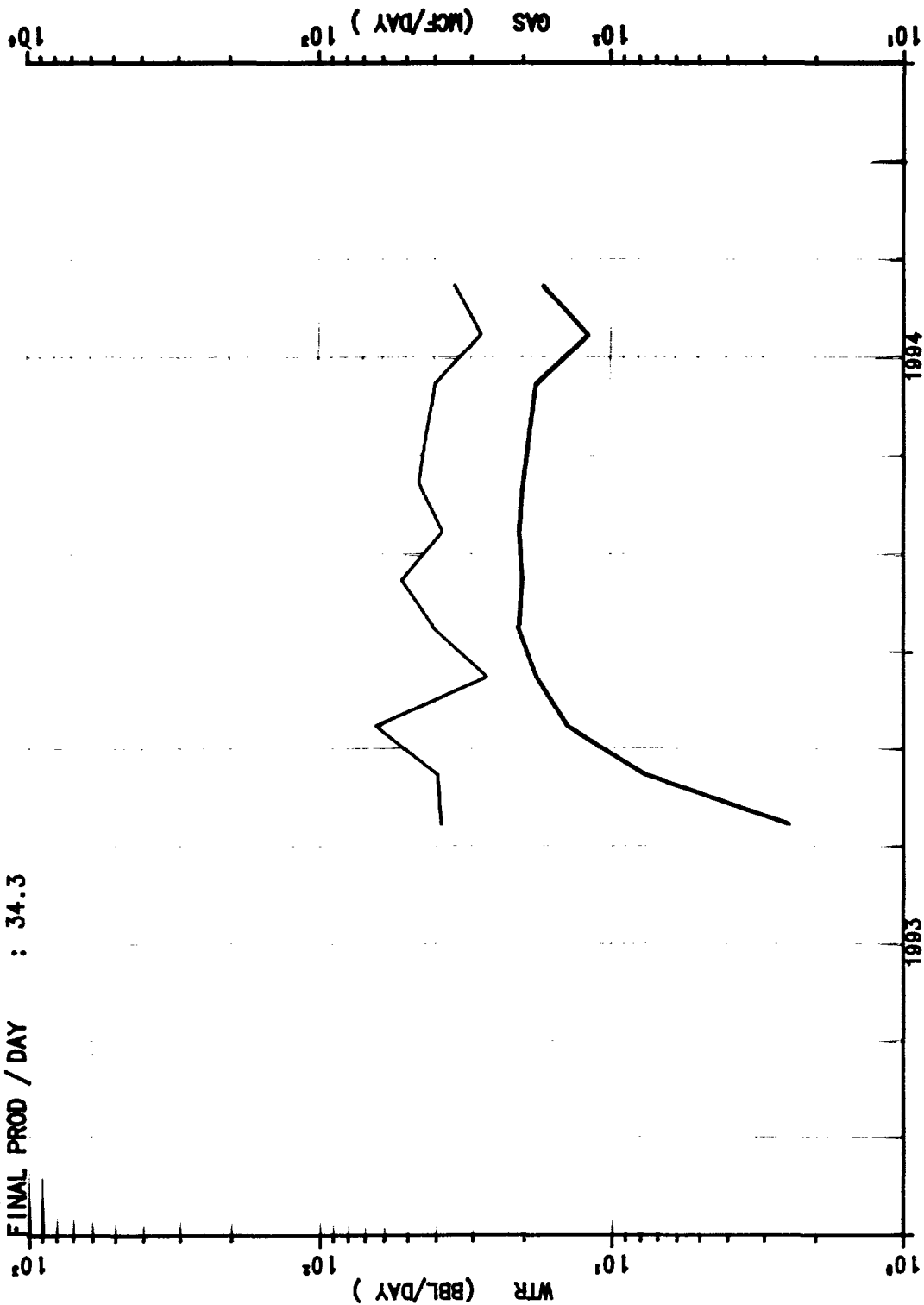
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 Transfer-> PF7=Backward PF8=Forward PF10=GRAND MENU PF12=LOG GRAPH

9/93-8/94

INITIAL PROD / DAY : 38.3
REMAINING LIFE : 1.00

CUM PRODUCTION : 14842.
FINAL PROD / DAY : 34.3

Current Cums
14842. BBL WTR
58006. MCF GAS

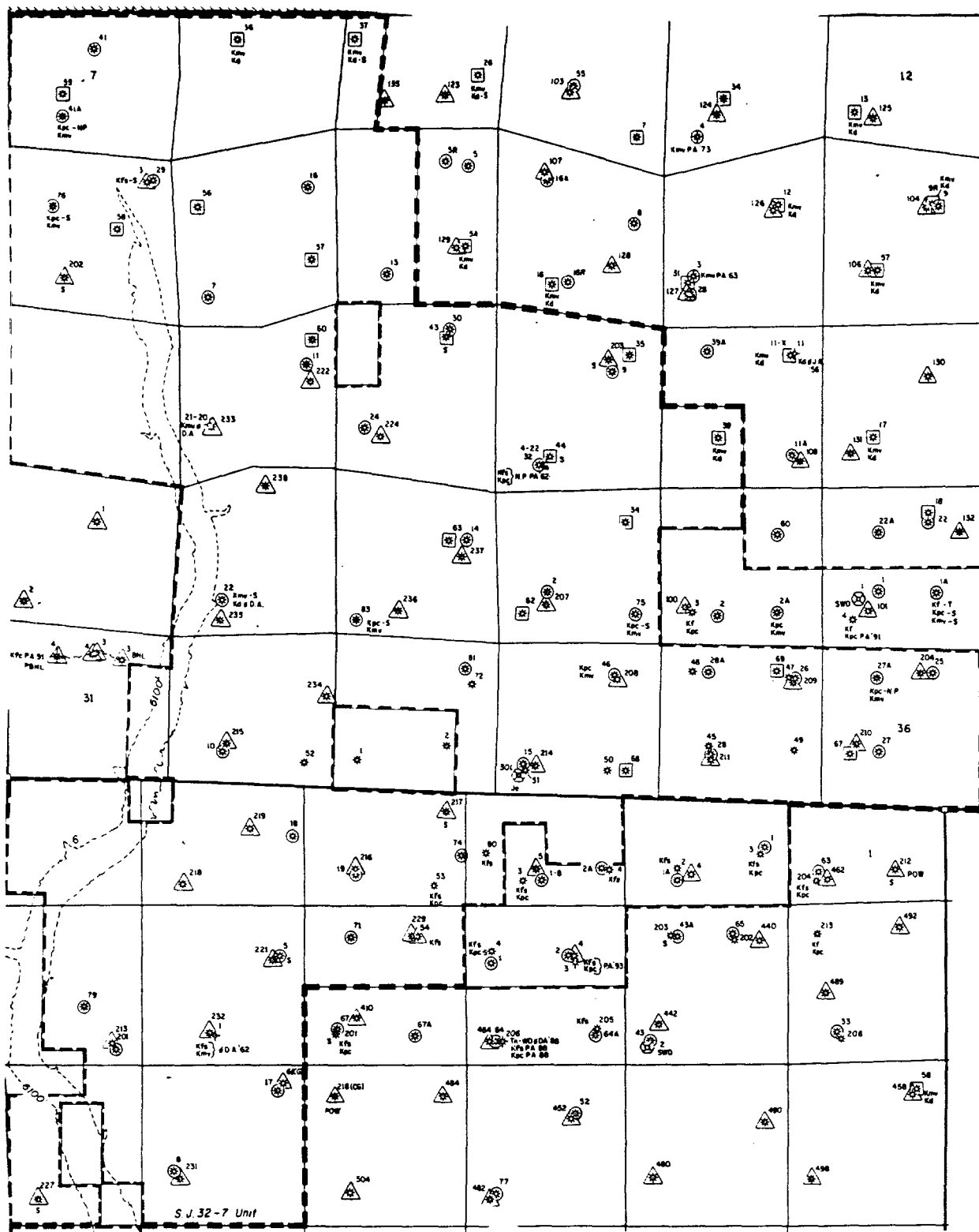


LEASE- 650380 : SAN JUAN 32-7 UNIT #237
RESVR- 001 : BASIN
WELL - 000237 PHS WELL PRODUCTION

F884401
ZONE-650380001000237 F884401
API-30045288100000

SWD AND GATHERING SYSTEM COSTS

The SWD facility and gathering system costs were allocated equally back to each well in the unit. The allocated costs were then charged against the well by including them in the operating cost in the fifteen year forecast.



PRODUCING INTERVAL

Kfm	FARMINGTON	Kfm
Kk	KIRTLAND	Kk
△	FRUITLAND	Kf
☆	PICTURED CLIFFS	Kpc
⊗	CHACRA	Kc
⊙	LA VENTANA	Klv
⊕	MESAVERDE	Kmv
◇	GALLUP	Kgl
⊛	DAKOTA	Kd
		Kch CLIFFHOUSE
		Km MENEFEE
		Kpl POINT LOOKOUT
		K1 TOCITO
		Kgh GREENHORN



PHILLIPS PETROLEUM COMPANY
FARMINGTON AREA

S.J. 32-7 UNIT

San Juan Co., New Mexico

0 1/4 1/2 1 MILE

SCALE

GEOL. R. HAWKS

DATE: 1-24-94

PHILLIPS PETROLEUM COMPANY
Commerciality Determination

San Juan 32-7 Unit #236
Fruitland Coal
W/2 Section 28-T32N-R7W
San Juan County, New Mexico

Date of First Delivery: 09/10/93

Date of Commerciality Submittal: _____

Well Cost Data

Total Well Costs:	<u>242,382</u>	
<u>Production Taxes & Royalty:</u>	<u>20.438587%</u>	BLM 12.50
		Severance 3.750000
		School 4.000000
		Conservation 0.180000
		Ad Valorem 0.008587

Average Product Pricing

1994 1.46/ MCF

Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	<u>Gas (MMCF)</u>	<u>* Operating Expenses (\$)</u>
1993 (1.7 mo)	1 (Actual)	12,957 (Actual)
1994	10	
1995	10	
1996	10	
1997	10	
1998	10	
1999	10	
2000	10	
2001	10	
2002	10	
2003	10	
2004	10	
2005	10	
2006	10	
2007	10	

* Operating Expenses were not escalated for inflation.

100-443887-100

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MEP81-01

PARPI - WELLZONE PRODUCTION BROWSE

Date: 10/25/94

YEARLY TOTALS

User: #AM3

Wellzone F8B43 01 Yr: 1993 Mth: 01 Property: 650379 SAN JUAN 32-7 UNIT #
Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: 000236
Type: T (T-Total, D-Daily Avg) Field: BASIN
Period: Y (M-Monthly, Y-Yearly, C-Cumm) Reserv: 20001 FRUITLAND COAL

ADJ	PRODUCED			DAYS		WELL		
FLG DATE	OIL (BBL)	GAS (MCF)	WATER (BBL)	PROD	OP	ST	CL	TY
1993	0.00	999	3,537	52.00	91			
1994	0.00	2,149	8,656	87.00	87			

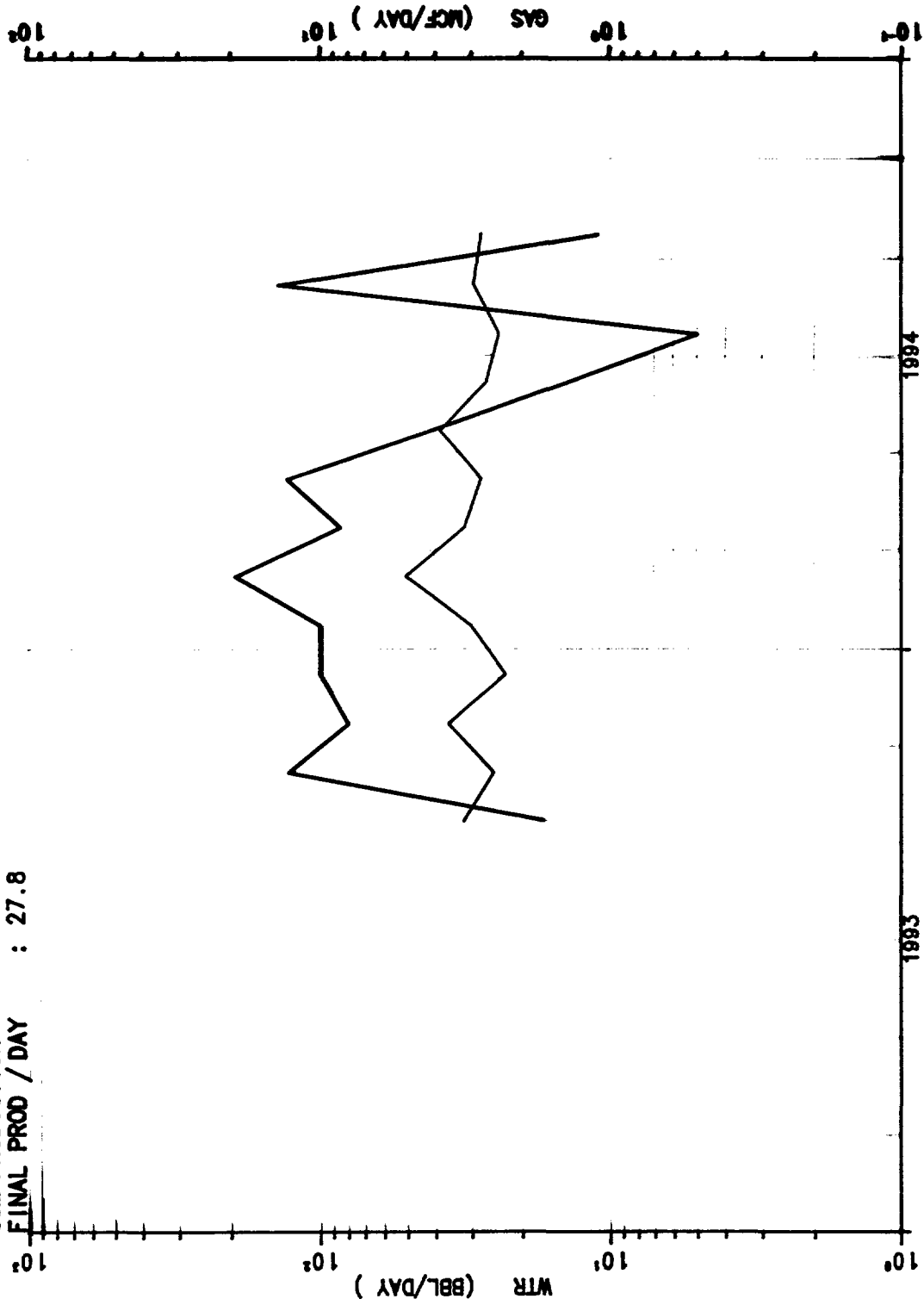
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9/93-9/94

INITIAL PROD / DAY : 32.0
REMAINING LIFE : 1.08
0.00

CUM PRODUCTION : 12194.
FINAL PROD / DAY : 27.8

Current Cum
12194. BBL WTR
3147. MCF GAS

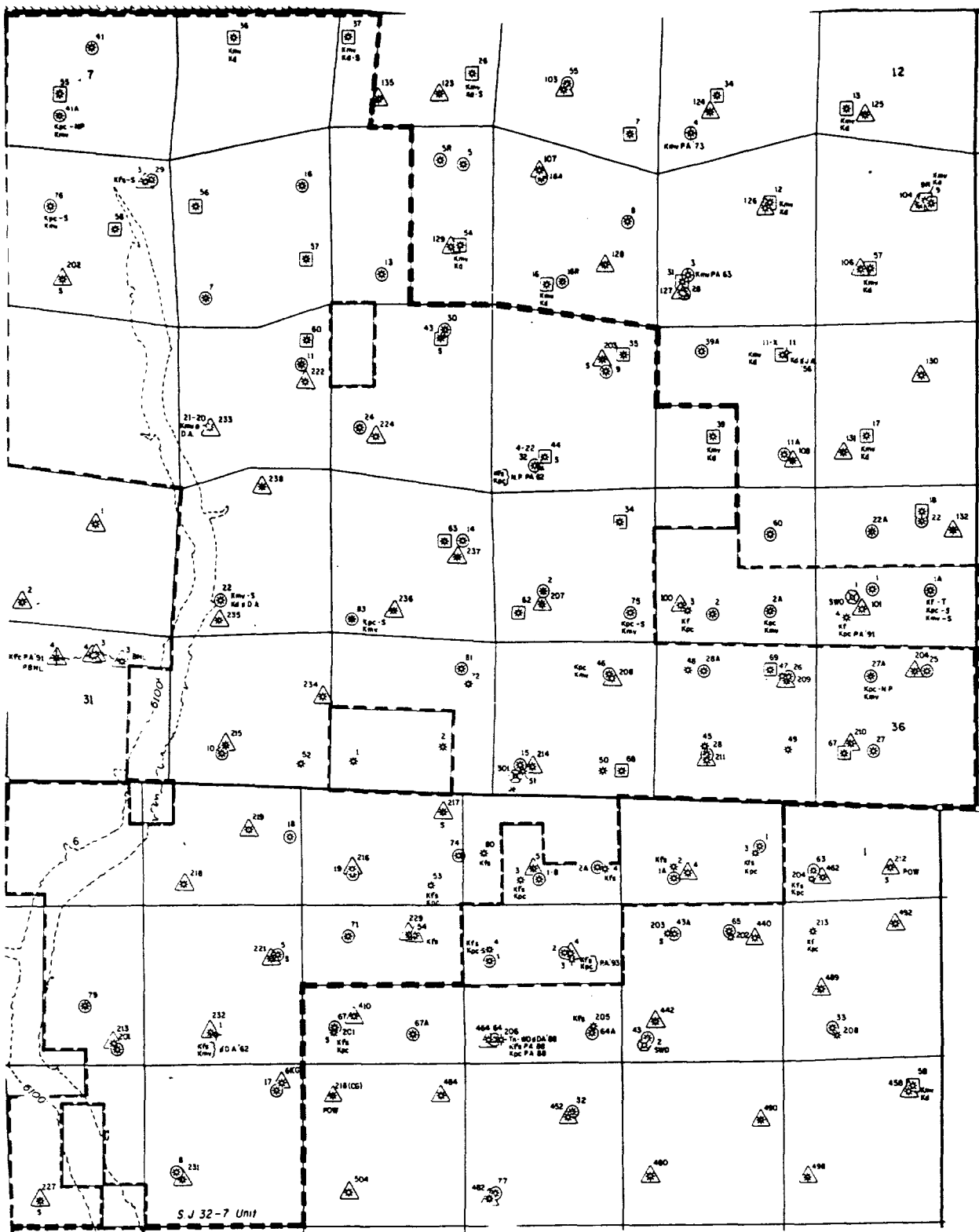


LEASE- 650379 : SAN JUAN 32-7 UNIT #236
RESVR- 001 : BASIN
WELL - 000236 PHS WELL PRODUCTION

F884301
ZONE-650379001000236 F884301
API-30045288220000

SWD AND GATHERING SYSTEM COSTS

The SWD facility and gathering system costs were allocated equally back to each well in the unit. The allocated costs were then charged against the well by including them in the operating cost in the fifteen year forecast.



T
32
N

T
31
N

PRODUCING INTERVAL

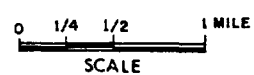
- | | | |
|-----|-----------------|-----|
| Kfm | FARMINGTON | Kfm |
| Kk | KIRTLAND | Kk |
| △ | FRUITLAND | Kf |
| ☆ | PICTURED CLIFFS | Kpc |
| ⊗ | CHACRA | Kc |
| ⊙ | LA VENTANA | Klv |
| ⊛ | MESAVERDE | Kmv |
| ◇ | GALLUP | Kgl |
| ⊠ | DAKOTA | Kd |
-
- | | | | | |
|-----|---|---|-----|---------------|
| Kgl | — | { | Kch | CLIFFHOUSE |
| | | | Km | MENEFEE |
| | | | Kpl | POINT LOOKOUT |
| Kgl | — | { | K1 | TOCITO |
| | | | Kqh | GREENHORN |



PHILLIPS PETROLEUM COMPANY
FARMINGTON AREA

S.J. 32-7 UNIT

San Juan Co., New Mexico



GEOL. R. HAWKS

DATE: 1-24-94



State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

August 29, 1994

Phillips Petroleum Company
5525 Highway 64 NBU 3004
Farmington, New Mexico 87401

Attn: Mr. A. J. Kieke

Re: San Juan 32-7 Unit
Fruitland Participating Area
5th Expansion - Effective 8/1/90
6th Expansion - Effective 10/1/90
San Juan County, New Mexico

Dear Mr. Kieke:

This office is in receipt of your letter of July 13, 1994 requesting approval of the Fifth and Sixth Expansions of the Fruitland Participating Area for the San Juan 32-7 Unit, San Juan County, New Mexico.

The Bureau of Land Management has advised this office of their approval to these expansions by their letter of July 29, 1994.

Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the expansion of the above mentioned participating areas effective as follows:

Fifth Revision; Federal G Com Well No. 4, Township 31N-7W, W/2SW/4, Section 2, E/2SE/4 Section 3, NE/4 Section 10, containing 40.00 committed Acres, effective August 1, 1990.

Sixth Revision; San Juan 32-7 Unit Well No. 207, W/2 Sec. 27-32N-7W, containing 305.10 Acres, Effective October 1, 1990.



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

RECEIVED
OIL CONSERVATION DIVISION
JUL 13 1994
10 04 50

July 13, 1994

United States Department of Interior
Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401
(4 Copies Enclosed)

State of New Mexico
Commissioner of Public Lands
Attn: Mr. Floyd Prando
P. O. Box 1148
Santa Fe, New Mexico 87504-1148
(2 Copies Enclosed)

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. Lemay
State of Land Office Building
P. O. Box 2088
Santa Fe, New Mexico 87504
(2 Copies Enclosed)

Re: San Juan 32-7 Unit
#14-08-001-441
Application for Expansion
Fruitland Participating Area
5th Expansion - Effective 08-01-90
6th Expansion - Effective 10-01-90
San Juan County, New Mexico
GF-5464; LCN 650115

Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 16, 1952, Phillips Petroleum Company, as Unit Operator, determined on the dates indicated below that the wells listed below are capable of producing unitized substances in paying quantities from the Fruitland Formation. Therefore, application for the Fifth and Sixth expansions of the Participating Area established for the Fruitland Formation are submitted for your review as follows:

FIFTH EXPANDED PARTICIPATING AREA - EFFECTIVE AUGUST 1, 1990

Drilling Block
W/2 SW/4 Section 2,
E/2 SE/4 Section 3,
NE/4 Section 10-T31N-R7W

New Acres
320

Well Number
Federal G No. 4

San Juan 32-7 Unit
#14-08-001-441
Application for Expansion
Fifth - Sixth
July 13, 1994
Page 2

The Federal G Well No. 4 was completed July 6, 1990 by Quinoco Petroleum Inc. (now Hallwood Energy Companies). The Fruitland Coal member of the Fruitland Formation was tested on July 7, 1990, with cumulative gas production of 190,511 mcf through December 31, 1993. The spacing unit for this well is described as the W/2 SW/4 Section 2, E/2 SE/4 Section 3, NE/4 Section 10-T31N-R7W containing 320 acres. Since the Spacing Unit is comprised of lands not subject to the San Juan 32-7 Unit Agreement the Unit Lands were communitized under Contract No. NM 87094. Unit lands for this spacing unit include the NE/4 SE/4 Section 3 only.

SIXTH EXPANDED PARTICIPATING AREA - EFFECTIVE OCTOBER 1, 1990

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
Lots 1-8 (W/2)	305.10	207
Section 27-T32N-R7W		

The San Juan 32-7 Unit #207 was completed September 18, 1990. The Fruitland Coal member of the Fruitland Formation was tested on September 17, 1990, with cumulative gas production of 219,577 mcf through December 31, 1993. The spacing unit for this well is described as Lots 1 - 8 (W/2) Section 27-T32N-R7W, containing 305.10 acres.

Enclosed herewith are Schedules VI, and VII for the Fifth and Sixth expanded Participating Areas for the Fruitland Formation of the San Juan 32-7 Unit Area. These schedules describe the leases comprising each expansion comprising the Participating Area and indicate the percentages of unitized substances allocated to the unit tracts according to the Fruitland ownership of such tracts.

Unless this application is disapproved or contested in whole or in part the Fifth and Sixth Expanded Participating Areas are effective August 1, 1990 and October 1, 1990, respectively. Copies of this application with enclosures are being sent to the Unit working interest owners on the attached sheet. This application completes operator filings for these wells submitted under our letters dated February 7, 1994 and August 23, 1993 and is consistent with those findings set forth in letters dated November 8, 1993 and March 24, 1994 from the Bureau of Land Management to the undersigned.

Very truly yours,

PHILLIPS PETROLEUM COMPANY



A. J. Kieke, CPL
Area Landman
San Juan Basin
(505) 599-3410

cc: J. W. Taylor (r) Supervisors
San Juan 32-7 Unit Owners

San Juan 32-7 Unit
#14-08-001-441
Application for Expansion
Fifth - Sixth
July 13, 1994
Page 3

The signatory approvals below are for the Fifth and Sixth expanded participating areas of the Fruitland Formation in the San Juan 32-7 Unit #14-08-001-441

APPROVED

Assistant District Manager, Minerals
Bureau of Land Management
Subject to like approval by the
Commissioner of Public Lands and the
Oil Conservation Division

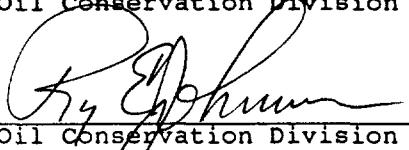
DATE

APPROVED

Commissioner of Public Lands
Subject to like approval by the
Area Oil and Gas Supervisor and the
Oil Conservation Division

DATE

APPROVED


Oil Conservation Division
Subject to like approval by the
Area Oil and Gas Supervisor and the
Commissioner of Public Lands

DATE

7-15-94

DATE 07/12/94

PAGE 1

PHILLIPS PETROLEUM COMPANY
SCHEDULE VI
THE 005 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE PARTICIPATION
NM 28749	T31N R7W SEC. 10 NE/4	160.00	ORRI: ROYALTY: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000
			TOTAL		100.000000	
REMARKS: FEDERAL G NO. 4 (CA NM 87094)						
SF-078996	T31N R7W SEC. 3 N/2 SE/4	80.00	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	TRACT: 010	5.000000 12.500000 14.850000 67.650000	5.882353
			TOTAL		100.000000	
REMARKS: YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)						
SF-078998	T31N R7W SEC. 17 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	TRACT: 011	5.000000 12.500000 14.850000 67.650000	23.529412
			TOTAL		100.000000	
REMARKS: SAN JUAN 32-7 UNIT #6						

EFFECTIVE 90/08/01

DATE 07/12/94

PAGE 2

PHILLIPS PETROLEUM COMPANY
SCHEDULE VI
THE 005 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK	OWNERSHIP	PERCENTAGE COMMITTED	PERCENTAGE PART	ACTUAL IPATION
E-503-13	T32N R7W SEC. 36 ALL	640.00	TRACT: 17A	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	5.000000 12.500000 14.850000 67.650000	5.000000 12.500000 14.850000 67.650000	47.058823
				TOTAL	100.000000	100.000000	

REMARKS: SAN JUAN 32-7 UNIT #204
SAN JUAN 32-7 UNIT #210

NM LG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00	TRACT: 018 FORMER UNIT TRACT	ORRI: ROYALTY: HALLWOOD ENERGY COMPANIES, ET AL	0.000000 12.500000 87.500000	0.000000 12.500000 87.500000	0.000000
				TOTAL	100.000000	100.000000	

REMARKS: FEDERAL G NO. 4

FEE	T32N R7W SEC. 18 East 441 feet of NE/4 NE/4	13.36	TRACT: 021	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	0.000000 12.500000 15.750000 71.750000	0.000000 12.500000 15.750000 71.750000	0.982353
				TOTAL	100.000000	100.000000	

REMARKS: SAN JUAN 32-7 UNIT #3

EFFECTIVE 90/08/01

DATE 07/12/94

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PHILLIPS PETROLEUM COMPANY
SCHEDULE VI
THE 005 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	132N R7W SEC. 18 West 879 feet of NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	TRACT: 022	3.000000 12.500000 15.210000 69.290000	22.547059
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #3

FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 026 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	TOTAL				100.000000	

REMARKS: YAGER COM 3 (CA SRM-1376)
FEDERAL G NO. 4 (CA NM 87094)

FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	TOTAL				100.000000	

REMARKS: YAGER COM N 5 (CA NIMNM 87095)

TOTAL	1360.00 -COMMITTED					100.000000
	560.00 -NOT COMMITTED					

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THE 005 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

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RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

RIO ARriba COUNTY, NEW MEXICO
TOWNSHIP 31N, RANGE 7W
SECTION 3 : N/2 SE/4
SECTION 17 : E/2

TOWNSHIP 32N, RANGE 7W
SECTION 18 : E/2
SECTION 36 : ALL

TOTAL COMMITTED ACRES:

1360.00

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

1920.00

DESCRIPTION OF NON-COMMITTED LANDS IN PARTICIPATING AREA:

RIO ARriba COUNTY, NEW MEXICO
TOWNSHIP 31N, RANGE 7W
SECTION 2 : W/2 SW/4
SECTION 3 : E/2 SW/4, S/2 SE/4
SECTION 10 : N/2

TOTAL NON-COMMITTED ACRES:

560.00

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PHILLIPS PETROLEUM COMPANY
SCHEDULE VII
THE 006 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84) 2 (37.93), 3 (37.97), 4 (37.88) (NW/4)	151.62	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	TRACT: 003	5.000000 12.500000 14.850000 67.650000 100.000000	9.105759
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #207

SF-078543	T32N R7W SEC. 27 LOTS 5 (38.49) 6 (38.21), 7 (38.25), 8 (38.53) (SW/4)	153.48	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	TRACT: 006	5.000000 12.500000 14.850000 67.650000 100.000000	9.217465
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #207

NM 28749	T31N R7W SEC. 10 NE/4	160.00	ORRI: ROYALTY: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT TRACT	0.000000 12.500000 87.500000 100.000000	0.000000
	TOTAL				100.000000	

REMARKS: FEDERAL G.N.O. 4 (CA NM 87094)

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PHILLIPS PETROLEUM COMPANY
SCHEDULE VII
THE 006 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W SEC. 3 N/2 SE/4	80.00	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	TRACT: 010	5.00000 12.50000 14.85000 67.65000	4.804516
			TOTAL		100.000000	
REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)						
SF-078998	T31N R7W SEC. 17 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	TRACT: 011	5.00000 12.50000 14.85000 67.65000	19.218065
			TOTAL		100.000000	
REMARKS: SAN JUAN 32-7 UNIT #6						
E-503-13	T32N R7W SEC. 36 ALL	640.00	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	TRACT: 17A	5.00000 12.50000 14.85000 67.65000	38.436130
			TOTAL		100.000000	
REMARKS: SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210						

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THE 006 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM LG 3876	131N R7W SEC. 2 W/2 SW/4	80.00	ORRI: ROYALTY: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 018 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000
	TOTAL				100.000000	
REMARKS: FEDERAL G NO. 4 (CA NM-87094)						
FEE	T32N R7W SEC. 18 East 441 feet of NE/4 NE/4	13.36	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	TRACT: 021	0.000000 12.500000 15.750000 71.750000	0.802354
	TOTAL				100.000000	
REMARKS: SAN JUAN 32-7 UNIT #3						
FEE	T32N R7W SEC. 18 West 879 feet of NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	TRACT: 022	3.000000 12.500000 15.210000 69.290000	18.415711
	TOTAL				100.000000	
REMARKS: SAN JUAN 32-7 UNIT #3						

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 026 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
			TOTAL		100.000000	

REMARKS: YAGER COM 3 (CA SRM-1376)
FEDERAL G.N.O. 4 (CA NM 87094)

FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
			TOTAL		100.000000	

REMARKS: YAGER COM N 5 (CA NMNM 87095)

TOTAL	1665.10 -COMMITTED 560.00 -NOT COMMITTED	100.000000
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