

March 21, 1994

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

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

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

Re: San Juan 32-7 Unit

#14-08-001-441

San Juan County, New Mexico 1994 Plan of Development

GF-5464

Gentlemen:

By letter dated March 8, 1993 Phillips Petroleum Company as Unit Operator, filed the 1993 Plan of Development (POD) for the San Juan 32-7 Unit. By letter dated April 28, 1993, Phillips filed the First Supplemental POD. The initial POD indicated that nine (9) Fruitland Coal wells would be drilled during 1993 and that the SJ 32-7 #201 well would be recompleted in the Mesaverde formation. The First Supplemental POD indicated that one (1) Mesaverde infill well would be drilled during 1993. Note the following list describing the wells, the POD under which the well was submitted, and disposition.

Well Number	1993 POD	Disposition
San Juan 32-7 #201	Initial	Drilled/Deepened
San Juan 32-7 #206	Initial	Carried over to 1994 POD
San Juan 32-7 #220	Initial	Carried over to 1994 POD
San Juan 32-7 #225	Initial	Carried over to 1994 POD
San Juan 32-7 #228	Initial	Carried over to 1994 POD
San Juan 32-7 #230	Initial	Carried over to 1994 POD

San Juan 32-7 Unit #14-08-001-441 1994 Plan of Development March 21, 1994 Page 2

Well Number	1993 POD	Dispostion
San Juan 32-7 Com #239	Initial	Carried over to 1994 POD
San Juan 32-7 #240	Initial	Carried over to 1994 POD
San Juan 32-7 #241	Initial	Carried over to 1994 POD
Middle Mesa Com 32-7 #201	Initial	Carried over to 1994 POD
San Juan 32-7 #39A	1st Supplemental	Drilled

As part of 1993 operations Phillips initiated closure of earthen pits serving all Unit owned production equipment, replacing with double bottom steel tanks with leak detection. This work will continue in 1994. Phillips also initiated and completed its plans to equip certain wells with telemetry equipment for remote readings and/or well control. Additional wells will be considered for such equipment in 1994.

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 are as follows:

Fruitland Coal, commercial	2
Fruitland Coal, undetermined	18
Fruitland Coal, non commercial	2
Fruitland Coal, commercial, pending PA inclusion	
Fruitland Sand, commercial	. 2
Fruitland/Pictured Cliffs, plugged & abandoned	
	1
Entrada, Water Disposal Facility	3
Pictured Cliffs, non-commercial	
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	34
Mesaverde, non-commercial	1
Mesaverde, plugged and abandoned	4
Mesaverde/Dakota, commercial	1
Mesaverde/Dakota (Mesaverde commercial,	_
Dakota non-commercial)	2
•	4
Dakota, commercial	
Dakota, non-commercial	. 10
TOTAL	110

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

FORMATION	REVISION	EFFECTIVE
Fruitland	Fourth	May 1, 1990
Pictured Cliffs	Seventh	January 1, 1982
Mesaverde	Twenty-Third	November 1, 1982
Dakota	Third	May 1, 1981

San Juan 32-7 Unit #14-08-001-441 1994 Plan of Development March 21, 1994 Page 3

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 Fruitland Coal Wells in the 1994 Plan of Development:

	WELL	NUMBER	ર		DRIL	LING BL	OCK	
	San Juan	32-7	≇ 206	E/2 S	ection	27-32N-	7W	
	San Juan	32-7 #						l, 13, NE/4 n 6-31N-7W
	San Juan	32-7	‡ 225	7/2 S	ection	17-32N-	7W	
	San Juan	32-7 #					, Lots 6 s 6 & 7-3	cion 7;
	San Juan	32-7	# 230	E/2 S	ection	17-31N-	7W	
San	Juan 32-	7 Com	# 239	E/2 S	ection	33-32ท-	7W	
	San Juan	32-7	‡ 240	E/2 S	ection	19-32N-	7W	
	San Juan	32-7	# 241	W/2 S	ection	19-32N-	7W	
Middle	Mesa Com	32-7	# 201	7/2 S	ection	33-32 n -	7W	

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 1994 Plan of Development are being sent to the Working Interest Owners as shown on the attached sheet.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

W. Frank Hulse, III Land Specialist, CPL San Juan Basin

(505) 599-3458

cc: SJ 32-7 Unit WIO's

R. G. Flesher (r) Supervisors, Unit File

L. E. Hasely

D. B. Evans (r) J. L. Mathis, GF-5464

San Juan 32-7 Unit #14-08-001-441 1994 Plan of Development March 21, 1994 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	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	DATE 3/24/94

The foregoing approvals are for the 1994 Plan of Development for the San Juan 32-7 Unit #14-08-001-441.

Commissioner of Public Land

SAN JUAN 32-7 UNIT WORKING INTEREST OWNERS

Elizabeth Calloway

Meridian Oil Production Inc.

Fred E. Turner

J. Glenn Turner, Jr.

John L. Turner

Mary Francis Turner, Jr.

Valero Coal Company

Williams Production Company

- 44 6 55

February 7, 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 wells [listed below as "NS" {not submitted} under column (5) below] are mentioned for reference only and Phillips is neither confirming nor denying the paying well status of such wells at this time. As adequate production history from these wells is received, additional submittals will be provided using this format.

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 February 7, 1994 Page 2

(1)	(2)	(3)	(4)	(5) Date Submitted	(6)**
Test Date	Well Number	T32N-R7W Drill Block	Acres	for Paying Well Determination	Disposition
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
06-10-90	*Grassy Canyon 3	SE/4 NE/4, E/2 SE/4 Section 31	120.00	02-07-94	Paying Well
07-07-90	*Federal Com G 4	NE/4 SE/4 Section 3 T31N-R7W	40.00	02-07-94	Non-PA
09-17-90	207	Lots 1-8 Section 27	305.10	08-23-93	Paying Approved
10-01-90	208	E/2 Section 34	320.00	NS	
10-13-90	209	E/2 Section 35	320.00	NS	
11-19-90	*227 Com	E/2 SW/4,SE/4 NW/4, Lots8-10,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	NS	
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 Well
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	

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

(1)	(2)	(3)	(4)	(5) Date Submitted	(6)**
		T32N-R7W		for Paying Well	
Test Date	Well Number	Drill Block	Acres	<u>Determination</u>	Disposition
05-24-91	214	W/2 Section 34	320.00	NS	
06-02-91	211	W/2 Section 35	320.00	NS	
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	NS	
09-10-92	234	E/2 Section 32	320.00	NS	
09-22-92	235	W/2 Section 29	320.00	02-07-94	Paying Well
10-22-92	*224 Com	SW/4,E/2 NW/4 Sec 21	240.00	02-07-94	Paying Well
10-16-92	216	Lot 5 Sec 5;Lots6-8, SW/4, NW/4 SE/4 Section 4-31N-7W	323.15	02-07-94	Paying Well
10-30-92	232	W/2 Sec. 8-31N-7W	320.00	NS	
11-18-92	233	W/2 Section 20	320.00	02-07-94	Paying Well
11-22-92	237	E/2 Section 28	320.00	NS	
12-04-92	238	Lots 1-4,SE/4 Sec 29	332.22	02-07-94	Paying Well
12-04-92	236	W/2 Section 28	320.00	NS	

^{*}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".

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

Very truly yours,

PHILLIPS PETROLEUM COMPANY

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

w/o attachments

cc: R. G. Flesher

K. L. Czirr

D. B. Evans (r) J. L. Mathis

w/attachments

SJ 32-7 Unit Owners

San Juan 32-7 Unit Working Interest Owners 6/8/92

Elizabeth Calloway 4801 St. Johns Drive Dallas, TX 75205

Fred E. Turner One Energy Sq., St. 852 4925 Greenville Ave. Dallas, TX 75206-4079

J. Glenn Turner, Jr. 3131 Turtle Creek Suite 1201 Dallas, TX 75219

John L. Turner P. O. Box 797215 Dallas, TX 75379-7215

Mary Francis Turner, Jr. Trust (6743) Ameritrust TX NA Trustee P.O. Box 2320 Dallas, TX 75221-2320

Meridian Oil Production Land Department P. O. Box 4289 Farmington, NM 87401

Attn: Mgr. Leasehold Oprs.

P. O. Box 58900

Salt Labo Cit P. O. Box 58900 San Antonio, TX 78292-0500 Salt Lake City, UT 84158-0900 Attn: Travis Crow

Grassy Canyon #3 Com - E/2 Section 3, Township 32 North, Range 7 West

This directionally drilled coalseam well is located outside the San Juan 32-7 Unit, having a surface location of 2430' FEL and 815' FNL and a bottom hole location of 1690' FEL and 945' FNL Section 31. The well is operated by CNG Producing Company but the E/2 drill block has necessitated the communitization of San Juan 32-7 Unit lands (SE/4 NE/4, E/2 SE/4) and non-unit lands (Lots 5, 6, 7, 8, 9). This well is physically isolated from the Unit water gathering and disposal facilities. Therefore, the well did not share in such costs. Higher operating costs were averaged over the life of the well for water hauling and disposal expenses.

DWIGHTS ENERGYDATA, INC.
GRASSY CANYON #3
NEW MEXICO GAS NORTH

RUN DATE: 02-01-94
DATA CURRENT THRU: 09/30/93
(#251,045,32N07W31B00FT,S,S)

CNG GRASSY CANYON 3 COM

*** PRODUCTION AND RUNNING CUMULATIVE ***

DATE	GAS/MCF	GAS CI	UM COND/BBL	COND CUM	FLOW	LIFT
ANNUAL-91 ANNUAL-92 ANNUAL-93	22168 122719 118269	22: 144: 263:		0 0 0	1 1 1	

DWIGHTS ENERGYDATA, INC.
GRASSY CANYON #3
NEW MEXICO GAS NORTH

RUN DATE: 02-01-94
DATA CURRENT THRU: 09/30/93
(#251,045,32N07W31B00FT,S,S)

CNG GRASSY CANYON 3 COM

*** PRODUCTION AND RUNNING CUMULATIVE ***

DATE	GAS/MCF	GAS CUM	COND/BBL	COND CUM	FLOW	LIFT
CUM PRIOR	TO 93	144887		0		
01/93	11613	156500		0	1	
02/93	6649	163149		0	1	
03/93	10788	173937		0	1	
04/93	7459	181396		0	1	
05/93	14188	195584		0	1	
06/93	14131	209715		0	1	
07/93	15928	225643		0	1	
08/93	18383	244026		0	1	
09/93	19130	263156		0	1	

PHILLIPS PETROLEUM COMPANY Commerciality Determination

Grassy Canyon 3 Fruitland Coal E/2 Section 31-T32N-R7W San Juan County, New Mexico

Date of First Delivery:	06/10/90		
Date of Commerciality Submittal:			
Well Cost Data			
Total Well Costs:	300,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		Severance Ad Valorem	4.60 3.62

Average Product Pricing

1993

1.09/ MCF

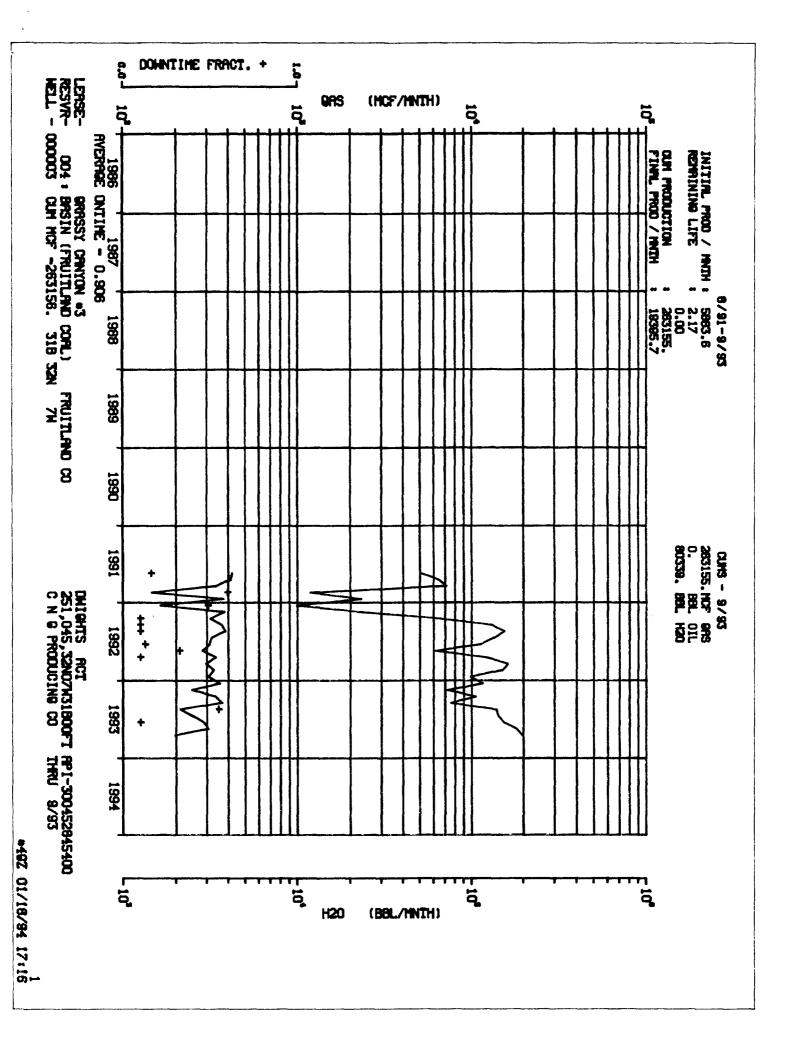
Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	Gas (MMCF)	* Operating Expenses (\$)
1991	22	40,000
1992	123	45,000
1993	146	45,000
1994	160	45,000
1995	150	45,000
1996	140	45,000
1997	135	45,000
1998	128	45,000
1999	122	45,000
2000	118	45,000
2001	112	45,000
2002	105	45,000
2003	100	45,000
2004	95	45,000
2005	90	45,000
2006	85	45,000

** OIL & GAS WELL **

ASC NAME: GRASSYCANTON BETERNINATION

C:		
o m	() (1)	
CASE REVENUE INT: 79.280%		
79.280%	MO-YR: A	
OIL REU INT:	6-1990	○
U INT:	FRUD MO-YR	CASE SUMBARY
0.000%	10 YR :	ŧ
DAS REV	S -1 991	ALL CASE ANGUN
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Federal G 4 Com - NE/4 Section 10; W/2 SW/4 Section 2; E/2 SE/4 Section 3, Township 31 North, Range 7 West

This well is located 1620' FNL and 1685' FEL Section 10-T31N-R7W, outside the Unit boundaries and is operated by Hallwood Petroleum Inc. However, the spacing unit for this well includes the NE/4 SE/4 Section 3, being inside the Unit boundaries. This well did not share in the Unit water gathering and disposal facility costs. However, high operating costs were averaged over the life of the well for water hauling and disposal expenses.

>

DWIGHTS ENERGYDATA, INC. FEDERAL NEW MEXICO GAS NORTH

DATA CURRENT THRU: 09/30/93

(#251,045,31N07W10G00FT,S,S)

RUN DATE: 02-01-94

HALLWOOD FEDERAL G 4 COM

*** PRODUCTION AND RUNNING CUMULATIVE ***

		~~~~~~				
DATE	GAS/MCF	GAS CUM	COND/BBL	COND CUM	FLOW	LIFT
ANNUAL-90	13407	13407		0	1	
ANNUAL-91	48633	62040		0	1	
ANNUAL-92	54655	116695		0	1	
ANNUAL-93	53123	169818		0	1	

DWIGHTS ENERGYDATA, INC.

FEDERAL
NEW MEXICO GAS NORTH

RUN DATE: 02-01-94
DATA CURRENT THRU: 09/30/93
(#251,045,31N07W10G00FT,S,S)

HALLWOOD FEDERAL G 4 COM

*** PRODUCTION AND RUNNING CUMULATIVE ***

DATE	GAS/MCF	GAS CUM	COND/BBL	COND CUM	FLOW	LIFT
CUM PRIOR	TO 93	116695		0		
01/93	5927	122622		0	1	
02/93	5327	127949		0	1	
03/93	5236	133185		0	1	
04/93	5000	138185		0	1	
05/93	6051	144236		0	1	
06/93	5941	150177		0	1	
07/93	6628	156805		0	1	
08/93	6540	163345		0	1	
09/93	6473	169818		0	1	

# PHILLIPS PETROLEUM COMPANY Commerciality Determination

# Federal G 4 Fruitland Coal NE/4 Section 10-T31N-R7W San Juan County, New Mexico

Date of First Delivery:	07/07/90					
Date of Commerciality Submittal:						
Well Cost Data						
Total Well Costs:	300,000					
Production Taxes & Royalty:	20.72%	BLM	12.50			
		Severance Ad Valorem	4.60 3.62			

# Average Product Pricing

1993

1.09/ MCF

# Estimated Gross Annual Production and Operating Expenses

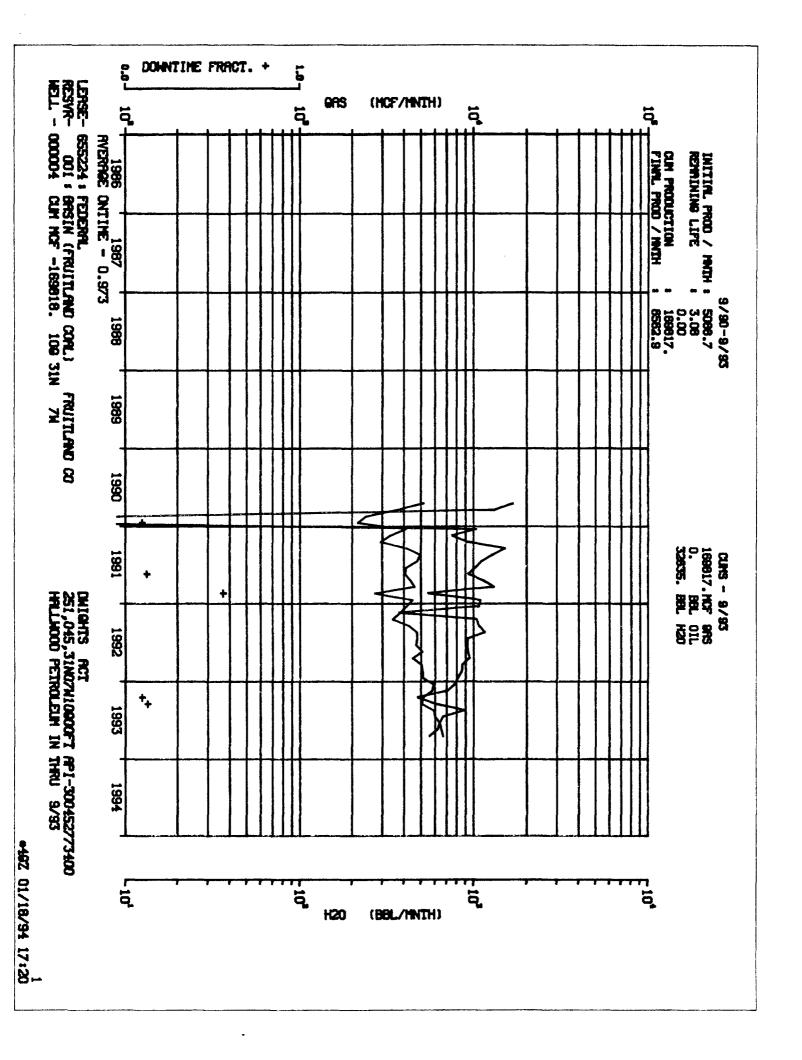
<u>Year</u>	Gas (MMCF)	* Operating Expenses (\$)
1990	18	37,800
1991	48	40,000
1992	54	40,000
1993	72	40,000
1994	72	40,000
1995	65	40,000
1996	61	40,000
1997	60	40,000
1998	58	40,000
1999	57	40,000
2000	55	40,000
2001	52	40,000
2002	50	40,000
2003	48	40,000
2004	47	40,000
2005	46	40,000

** COUNCAIC EVALUATION **

# ASSENTATION: SECTERALSA DETERMINATION

CASE LIFE - FIRST MO-YR: 7-1990 FROO MO-YR : 9-1990 LAST YEAR : CASE REVENUE INT: 79.280% OIL REVINT: 0.000% GAS REVINT: 0.000% 2005 WORKING INT: 100.000% ROYALTY : 0.000%

NET BACE NET REVENUE(M#) NCF/DAY TO PAYOUT	NET MBBLS  OAS - GROSS MMCF	OIL - GROSS MBBLS RESERVES SUMMARY RESERVES	MEASURES OF MERIT AARR (%) Breakeden Point (yrs.) Payout (yrs.)
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00.00 00.00 22.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20 12.20	CASH FLOW NET PRESENT VALUE (M\$) @ 13.0 % -278.3 @ 9.0 % -269.2	IBRT CURRENT INCOME TAX CASH RETURNED	WET CASH FLOW SUMMARY(M*) CAPITAL OUTLAY TOTAL REVENUE TOTAL EXPENSE
00  MM HH	 		5450 5450 5300 5300



### SWD AND GATHERING SYSTEM COST

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

MEP81-01

PARPI - WELLZONE PRODUCTION BROWSE

YEARLY TOTALS

Date: 2/01/94 User: #2YJ

Wellzone F8B14 01 Yr: 1992 Mth: Screen: 1 (1-Prod, 2-Inj, 3-Both) Type: T (T-Total, D-Daily Avg)

Property: 650344 SAN JUAN 32-7 UNIT #

Well No: 000216

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
1992	0.00	0	0	0.00	0	
1993	0.00	125,445	4,886	328.00	328	

# PHILLIPS PETROLEUM COMPANY Commerciality Determination

# San Juan 32-7 Unit #216 Fruitland Coal W/2 Section 4-T31N-R7W San Juan County, New Mexico

Date of First Delivery:		01/20/93					
Date of Commerciality Submittal	:						
Well Cost Data							
Total Well Costs:	242,000						
Production Taxes & Royalty:	20.72%	BLM	12.50				
		Severance Ad Valorem	4.60 3.62				

# Average Product Pricing

1993

1.09/ MCF

## Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	Gas (MMCF)	* Operating Expenses (\$)
1993	119	40,000
1994	183	40,000
1995	175	40,000
1996	170	40,000
1997	165	40,000
1998	160	40,000
1999	150	40,000
2000	140	40,000
2001	125	40,000
2002	115	40,000
2003	105	40,000
2004	100	40,000
2005	95	40,000
2006	90	40,000
2007	85	40,000

** FICE-ORIC EVALUATION **

SCRIPTION: COMMERCIALITY DETERMINATION

INDIAN DI AMIZIN		ALL AMOR		1	MET REVENUE (MA)			3	TOWARD CIET (YES.)		PAYOUT (78%.)	-		MEASURES OF BERTH	CASE LIFE - FIRST HO YR: 10-1982 FROD CASE REVENUE INT: 29.280% DIL REV INT:
N	Z O S	() ·	977	O	<u>ာ</u>	0.0	<u>ာ</u>		15.0	()) - 	원 - જ	()) - -	130° . 7		PROD NOTER TO
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	10 	60 - - -	143		- -	55 50 14	×62.4		#05. ≯	1067.5	♠	1708.4	2000 CO		2007 WORKING INT: 100.0008 ROYALTY : 0.000%

PA1=ICE PA2=Exit PF1=Help PF3=End PF11=GRAPH

PF7=Backward PF8=Forward PF10=GRAND MENU PF12=LOG GRAPH Transfer-> PARPI - WELLZONE PRODUCTION BROWSE Date: 2/01/94 MEP81-01

YEARLY TOTALS User: #2YJ

Wellzone F8A40 01 Yr: 1992 Mth: Property: 650216 SAN JUAN 32-7 UNIT #
Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: 000221
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
1992	0.00	120,306	21,280	355.00	359	
1993	0.00	135,243	20,979	333.00	333	

# PHILLIPS PETROLEUM COMPANY Commerciality Determination

# San Juan 32-7 Unit #221 Fruitland Coal E/2 Section 8-T31N-R7W San Juan County, New Mexico

Date of First Delivery:		09/24/91	<del></del>
Date of Commerciality Submittal:			
Well Cost Data			
Total Well Costs:	261,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		Severance Ad Valorem	4.60 3.62

# Average Product Pricing

1993

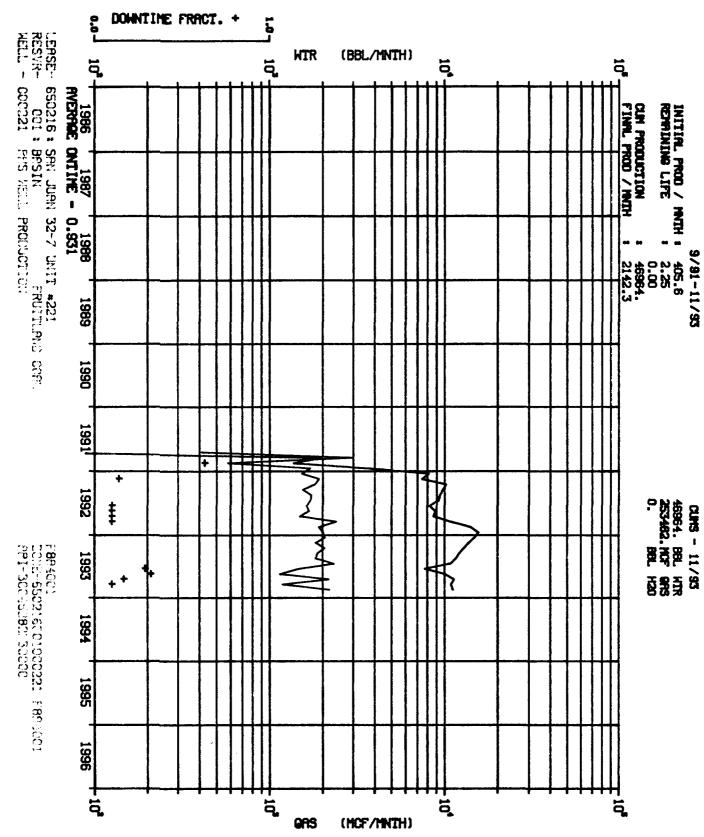
1.09/ MCF

# Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	Gas (MMCF)	* Operating Expenses (\$)
1991	7	7,500
1992	120	32,600
1993	139	37,800
1994	141	37,800
1995	135	37,800
1996	130	37,800
1997	125	37,800
1998	120	37,800
1999	110	37,800
2000	105	37,800
2001	95	37,800
2002	90	37,800
2003	80	37,800
2004	70	37,800
2005	65	37,800

	(1) (2) (3) (4)	
CASE REVENUE INTO		
7		
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	4-1991	
OIL REV INT:	PROD RU-YR	CASE SUMMARY -
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2 *461 01/18/91 16:00 NO MORE DATA AVAILABLE

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

PARPI - WELLZONE PRODUCTION BROWSE Date: 2/01/94 User: #2YJ MEP81-01

YEARLY TOTALS

Wellzone F8B25 01 Yr: 1993 Mth: Property: 650360 SAN JUAN 32-7 UNIT C

Well No: 000224 Screen: 1 (1-Prod, 2-Inj, 3-Both)

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

Period: Y (M-Monthly, Y-Yearly, C-Cumm) Reserv: 20001 FRUITLAND COAL

----- PRODUCED ------ DAYS ---- WELL -ADJ OIL (BBL) GAS (MCF) PROD OP ST CL TY WATER (BBL) FLG DATE

1993 0.00 84,799 79,292 292.00 322

# PHILLIPS PETROLEUM COMPANY Commerciality Determination

# San Juan 32-7 Unit #224 Fruitland Coal W/2 Section 21-T32N-R7W San Juan County, New Mexico

Date of First Delivery:		01/26/93	
Date of Commerciality Submittal:			
Well Cost Data			
Total Well Costs:	296,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		Severance Ad Valorem	4.60 3.62

# Average Product Pricing

1993

1.09/ MCF

# Estimated Gross Annual Production and Operating Expenses

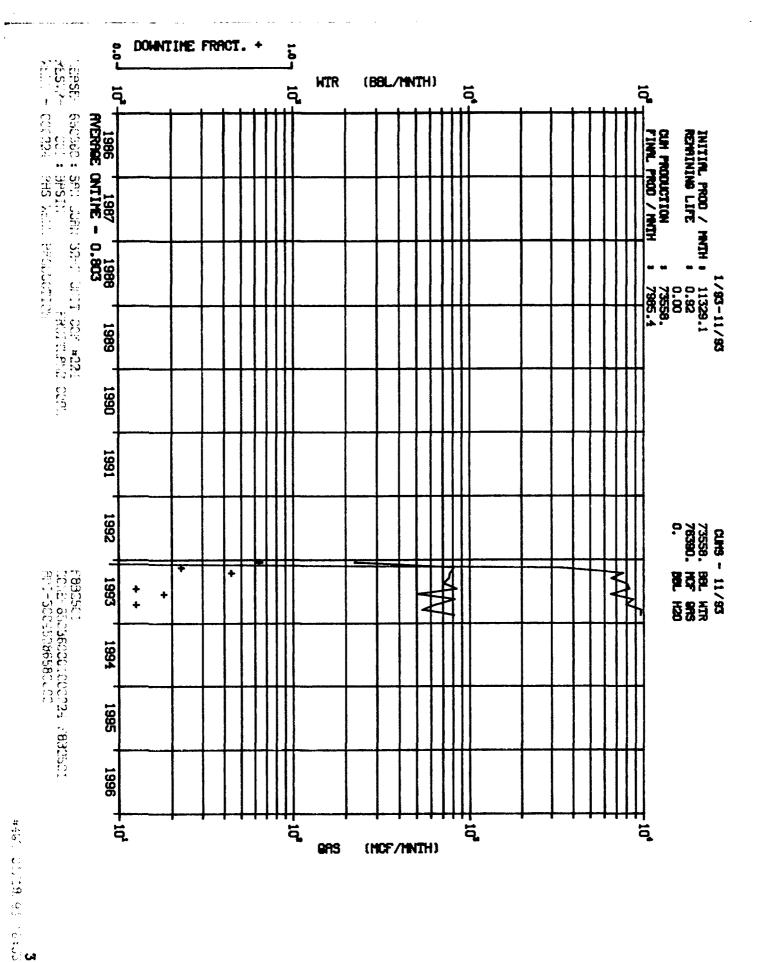
86 182	40,000
	40.000
	40,000
180	40,000
175	40,000
170	40,000
165	40,000
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** POTTANTAND DIVIDAD OF **

CACHTANES CONSERCIALITY DETERMINATION

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PA1=ICE PA2=Exit PF1=Help PF3=End PF11=GRAPH

Transfer-> PF7=Backward PF8=Forward PF10=GRAND MENU PF12=LOG GRAPH PARPI - WELLZONE PRODUCTION BROWSE MEP81-01

Date: 2/01/94

YEARLY TOTALS User: #2YJ

Wellzone F8B42 01 Yr: 1992 Mth: Property: 650378 SAN JUAN 32-7 UNIT # Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: 000233

Screen: 1 (1-Prod, 2-Inj, 3-Both)
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
1992	0.00	0	0	0.00	0	
1993	0.00	28,063	14,354	96.00	110	

# PHILLIPS PETROLEUM COMPANY Commerciality Determination

# San Juan 32-7 Unit #233 Fruitland Coal W/2 Section 20-T32N-R7W San Juan County, New Mexico

Date of First Delivery:		09/03/93	
Date of Commerciality Submittal:	<del>-</del>		
Well Cost Data			
Total Well Costs:	152,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		Severance Ad Valorem	4.60 3.62

# Average Product Pricing

1993

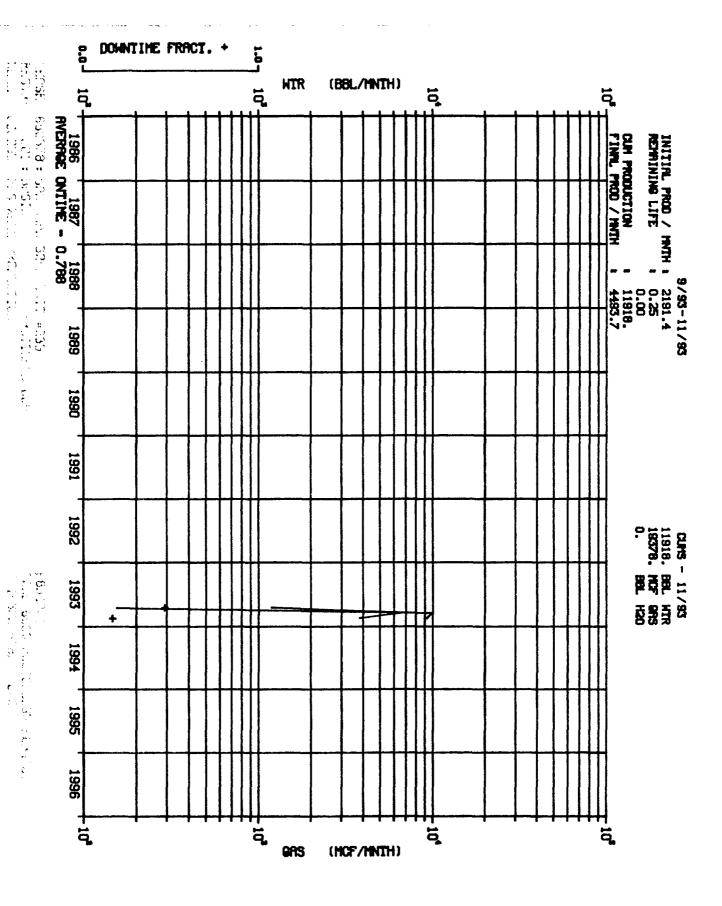
1.09/ MCF

## Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	Gas (MMCF)	* Operating Expenses (\$)
1993	44	20,000
1994	250	40,600
1995	240	40,600
1996	230	40,600
1997	220	40,600
1998	200	40,600
1999	180	40,600
2000	160	40,600
2001	140	40,600
2002	130	40,600
2003	125	40,600
2004	120	40,600
2005	115	40,600
2006	110	40,600
2007	105	40,600

** MULLMINGS DINUADES **

NET REVENUE (M+)	NET Mich	CAS - GRUSS MACK	68 TO	;					, <u> </u>		CASE REVENUE INT: 79.280% OIL REVIND HU-YR CASE REVENUE INT: 79.280% OIL REVIND HU-YR
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6.10			53 - 53 42		\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	20 No. 10	**************************************	6.43 6.5 0.5	2009.2		2007 WORKING INT: 100.000%



PARPI - WELLZONE PRODUCTION BROWSE MEP81-01 Date: 2/01/94

YEARLY TOTALS

User: #2YJ Wellzone F8B24 01 Yr: 1992 Mth: Property: 650359 SAN JUAN 32-7 UNIT #
Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: 000235
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
1992	0.00	0	0	0.00	0	
1993	0.00	246,815	71,172	319.00	330	

# San Juan 32-7 Unit #235 Fruitland Coal W/2 Section 29-T32N-R7W San Juan County, New Mexico

Date of First Delivery:		01/19/93	, , , , , , , , , , , , , , , , , , , ,
Date of Commerciality Submittal:			
Well Cost Data			
Total Well Costs:	321,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		Severance Ad Valorem	4.60 3.62

### Average Product Pricing

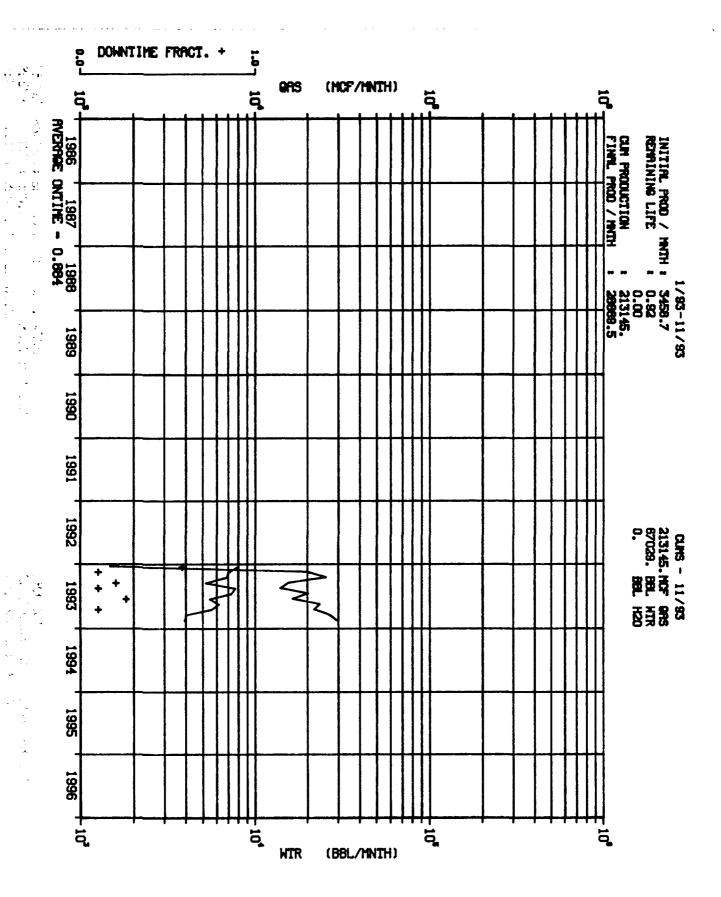
1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expenses (\$)
1993	275	140,000
1994	400	40,000
1995	380	40,000
1996	350	40,000
1997	325	40,000
1998	300	40,000
1999	275	40,000
2000	225	40,000
2001	200	40,000
2002	150	40,000
2003	140	40,000
2004	130	40,000
2005	120	40,000
2006	110	40,000
2007	100	40,000

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	CASE LIFE - FIRST BB-18: 9-1892	
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< >	36 00 13	\\ \\ \\		П		CASH RETURNED		15.0 CURRENT INCOME TAX	70 70 71	TOTAL MYTHRES	TOTAL REVENUE	CAPITAL OUTLAY	THE CHOIL FILLS SCHOOL
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PA1=ICE PA2=Exit PF1=Help PF3=End PF11=GRAPH

PF7=Backward PF8=Forward PF10=GRAND MENU PF12=LOG GRAPH Transfer-> PARPI - WELLZONE PRODUCTION BROWSE Date: 2/01/94 MEP81-01

YEARLY TOTALS User: #2YJ

Wellzone F8B45 01 Yr: 1992 Mth: Property: 650381 SAN JUAN 32-7 UNIT #

Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: Type: T (T-Total, D-Daily Avg) Field: Well No: 000238

BASIN

Period: Y (M-Monthly, Y-Yearly, C-Cumm) Reserv: 20001 FRUITLAND COAL

ADJ ----- PRODUCED ----- DAYS ---- WELL -OIL (BBL) GAS (MCF) WATER (BBL) PROD OP ST CL TY
0.00 0 0.00 0
0.00 53,906 28,139 106.00 106 FLG DATE 1992 1993

# San Juan 32-7 Unit #238 Fruitland Coal E/2 Section 29-T32N-R7W San Juan County, New Mexico

Date of First Delivery:		09/08/93	
Date of Commerciality Submittal:			
Well Cost Data			
Total Well Costs:	226,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		Severance Ad Valorem	4.60 3.62

### Average Product Pricing

1993

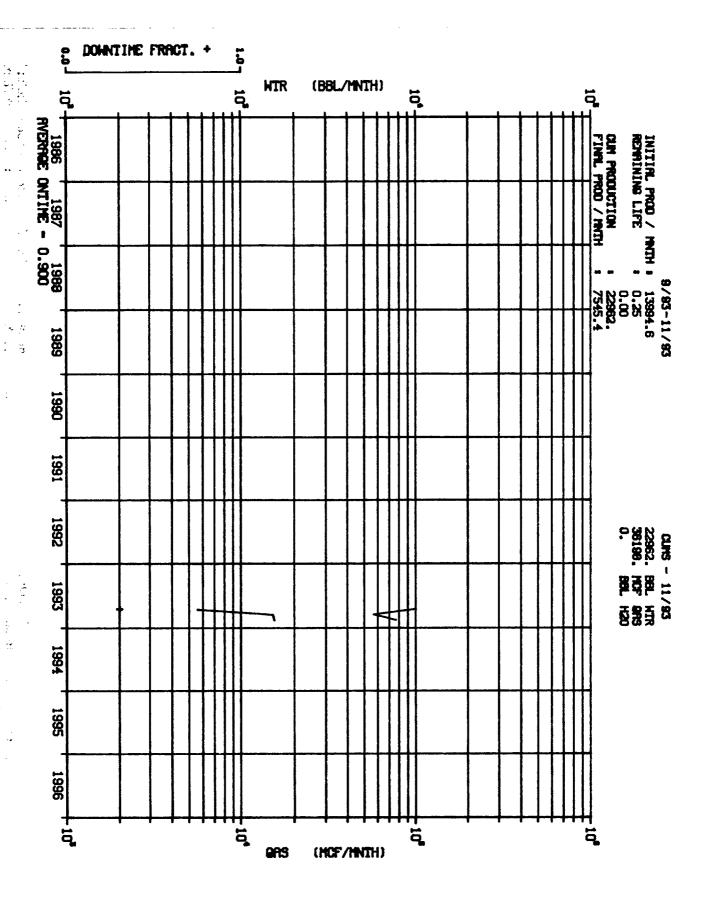
1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expenses (\$)
1993	60	12,500
1994	275	37,600
1995	325	37,600
1996	315	37,600
1997	300	37,600
1998	275	37,600
1999	250	37,600
2000	225	37,600
2001	200	37,600
2002	175	37,600
2003	165	37,600
2004	150	37,600
2005	145	37,600
2006	140	37,600
2007	135	37,600
		3

LISERIPTION: CONMERCIALITY DETERMINATION

# AFE SUMMARY

		### ##################################	63	ECONOMIC ANALYSIS  I. @ 13.0 %  V (M#) @ 13.0 %  RR (%) EAKEVEN POINT (YRS.)  ER ONOMIC LIFE (YRS.)  T OIL (MBBLS)  T OAS (MMCF)  T MBOE T INU/60E (#/DBL)	22225255775 6666677776 644408576 2227 13500
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TOTAL CAPITAL EXP (M#)	(#/MCE) FRICE Sees	PROBUCTION (BCF/DAY)	01L PRICE (#/88C)	OIL PRODUCTION (BBLS/DAY)	





### State of New Mexico Commissioner of Public Lands

(505) 827-5760

FAX (505) 827-5766

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

310 OLD SANTA FE TRAIL P.O. BOX 1148

December 21, 1993

SANTA FE, NEW MEXICO 87504-1148

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

Attention: Mr. A. J. Kieke, CPL

Re: San Juan 32-7 Unit

San Juan County, New Mexico

Application for Approval of 3rd and 4th Expanded

Participating Area

Fruitland Formation

Dear Kieke:

The Bureau of Land Management by their letter of December 10, 1993, has notified this office that the Third and Fourth revisions to the Fruitland Participating Area for the San Juan 32-7 Unit, San Juan County, New Mexico, have been approved. Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management and has this date also approved your application for the above-mentioned Participating Areas.

The 3rd revision adds 320 acres to the Fruitland Participating Area effective 12-01-89 and is described as:

Et of Section 36-32N-07W, Well 204

The 4th revision adds 320 acres to the Fruitland Participating Area effective 05-01-90 and is described as:

Wig of Section 36-32N-07W, Well 210

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

Very truly yours,

RAY B. POWELL, M.S., D.V.M COMMISSIONER OF PUBLIC LANDS

BY: Daylle Shoul

FLOYD O. PRANDO, Director Oil/Gas and Minerals Division

(505) 827-5744

RBP/FOP/pm

cc: Reader File

OCD

TRD

BLM

GL CONSER. REC. STOWNSION *93 DE : 15 FM 8 40

DEC. 10 1993

San Juan 32-7 Unit (PA) 3180 (07327)

CERTIFIED MAIL-RETURN RECEIPT REQUESTED P 863 186 862

Mr. A. J. Kieke, CPL Phillips Petroleum Company 5525 Hwy 64 NEBU 3004 Farmington, NM 87401

Dear Mr. Kieke:

Your application for the 3rd and 4th Revisions to the Fruitland Participating Area in the San Juan 32-7 Unit is hereby approved. The wells involved and effective dates are as follows.

Revision	Well	Acreage	Effective Date
3rd	204	E½ 36-32N-7W W½ 36-32N-7W	12/01/89
4th	210		05/01/90

Please notify all affected parties of this approval.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order 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 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 approval, please call Janice Easley at (505) 599-6355.

Sincerely,

Duane W. Spencer Chief, Branch of Reservoir Mangement

Enclosures

1 - Exhibit A, 3rd and 4th Rev. 1 - Exhibit B, 3rd and 4th Rev.

bcc:

see attached

Minerals Management Service Royalty Management Program Reference Data Branch P.O. Box 5760-(MS3240) Denver, CO 80217 w/enclosure

New Mexico Oil Conservation Division 310 Old Santa Fe Trail, Room 206 Santa Fe, NM w/o enclosure

Commissioner of Public Lands State of New Mexico P.O. Box 1148 Santa Fe, NM 87504 w/o enclosure

bcc:

Unit (San Juan 32-7 FR PA w/encl) AIRS w/o enclosure 3180 w/o enclosure DOMR Reader 070:JEasley:je:12/9/93



### 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

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

December 8, 1993

SANTA FE, NEW MEXICO 87504-1148

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

Attention: Mr. A. J. Kieke

Re: Commercial Determinations

San Juan 32-7 Unit Fruitland Formation

San Juan County, New Mexico

Dear Mr. Kieke:

This office is in receipt of your letter dated August 23, 1993, together with commercial determinations for several Fruitland wells recently completed in the San Juan 32-7 Unit.

This office concurs with Phillips Petroleum Company and the Bureau of Land Management's determinations that the San Juan 32-7 Unit Well Nos. 204, 207, 210, 215, 218, 219, 227, 229 and 231 are capable of producing unitized substances in paying quantities and therefore entitled to a participating area. Please submit an application for the respective expansions to the Fruitland Coal participating area.

This office also concurs with Phillips Petroleum Company and the Bureau of Land Management's determinations that the San Juan 32-7 Well Nos. 202 and 203 are not capable of producing unitized substances and are not entitled to a participating area. The San Juan 32-7 Unit Well Nos. 202 and 203 should be reported 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,

RAY B. POWELL, M.S., D.V.M. COMMISSIONER OF PUBLIC LANDS

FLOYD O. PRANDO, Director Oil/Gas and Minerals Division (505) 827-5744

RBP/FOP/pm

encls.

cc: Reader File

TRD OCD BLM



2 - 21 × 141 8 50

November 30, 1993

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 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 3rd Expansion - Eff. 12-01-89 4th Expansion - Eff. 05-01-90 San Juan County, New Mexico

GF-5464; LCN 650115

### Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-464, 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 Third and Fourth expansions of the Participating Area established for the Fruitland Formation are submitted for your review as follows:

### THIRD EXPANDED PARTICIPATING AREA - EFFECTIVE DECEMBER 1, 1989

Drilling Block
E/2 Section 36-32N-7W

New Acres 320 Well Number 204

The San Juan 32-7 Unit #204 was completed November 23, 1989. The Fruitland Coal member of the Fruitland Formation was tested on November 23, 1989, with cumulative gas production of 587,138 mcf through September 30, 1993. The spacing unit for this well is described as the E/2 Section 36-32N-7W, containing 320 acres.

November 30, 1993
San Juan 32-7 Unit
#14-08-001-441
Application for Expansion
Fruitland Participating Area

### FOURTH EXPANDED PARTICIPATING AREA - EFFECTIVE MAY 1, 1990

<u>Drilling Block</u> W/2 Section 36-32N-7W New Acres

Well Number

The San Juan 32-7 Unit #210 was completed April 19, 1990. The Fruitland Coal member of the Fruitland Formation was tested on April 12, 1990, with cumulative gas production of 682,811 mcf through September 30, 1993. The spacing unit for this well is described as the W/2 Section 36-32N-7W, containing 320 acres.

Enclosed herewith are Schedules IV, and V for the Third and Fourth expanded Participating Areas for the Fruitland Formation of the San Juan 32-7 Unit Area. These schedules describe the Participating Areas 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 Third and Fourth Expanded Participating Areas are effective December 1, 1989 and May 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 submitted under our August 23, 1993 letter and is consistent with those findings set forth in letter dated November 8, 1993 from the Bureau of Land Management to the undersigned.

To complete documentation necessary to file through the Fourth Expanded Participating Area the attached Schedules IV and V include the non-committed acreage for the Hallwood Yager Com N 5 well. Non-committed lands in the Drill Block for this well were communitized under Communitization Agreement NMNM 87095. This information was submitted to you under my August 25, 1993 letter.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

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

cc: R.G. Flesher (r) Supervisors
 San Juan 32-7 Unit Owners

### San Juan 32-7 Unit Working Interest Owners 6/8/92

Elizabeth Calloway 4801 St. Johns Drive Dallas, TX 75205

Fred E. Turner One Energy Sq., St. 852 4925 Greenville Ave. Dallas, TX 75206-4079

J. Glenn Turner, Jr. 3131 Turtle Creek Suite 1201 Dallas, TX 75219

John L. Turner P. O. Box 797215 Dallas, TX 75379-7215

Mary Francis Turner, Jr. Trust (6743) Ameritrust TX NA Trustee P.O. Box 2320 Dallas, TX 75221-2320

Meridian Oil Production Land Department P. O. Box 4289 Farmington, NM 87401

Williams Production Co. Attn: Mgr. Leasehold Oprs. P. O. Box 58900 Salt Lake City, UT 84158-0900 Attn: Travis Crow

Valero Coal Company P. O. Box 500 San Antonio, TX 78292-0500

# PHILLIPS PETROLEUM COMPANY

# THE 003 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION SAN JUAN 32-7 UNIT AREA SCHEDULE IV

PAGE 1

SERIAL NUMBER SF-078996 E-503-13 SF-078998 T32N SEC. T31N SEC. SEC. T31N REMARKS: SAN JUAN 32-7 UNIT #6 REMARKS: SAN JUAN 32-7 UNIT YAGER 3 ω 17 36 R7W R7W R7W DESCRIPTION NW/4 SE/4 E/2 E/2 OF ACRES NUMBER 320.00 320.00 40.00 ORRI: ORRI: TOTAL ORRI: TOTAL WORKING INTEREST: ROYALTY: TOTAL WILLIAMS PRODUCTION COMPANY WORKING INTEREST: ROYALTY: WILLIAMS PRODUCTION COMPANY WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P. PHILLIPS-SAN JUAN PARTNERS, L.P. WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. ROYALTY: OWNERSHIP DRILLING BLOCK TRACT: 011 TRACT: 010 TRACT: 17A PERCENTAGE 100.000000 100.000000 100.000000 5.000000 12.500000 67.650000 67.650000 14.850000 67.650000 14.850000 12.500000 14.850000 12.500000 5.000000 5.000000 PERCENTAGE COMMITTED 100.000000 100.000000 100.000000 5.000000 12.500000 67.650000 67.650000 67.650000 14.850000 14.850000 12.500000 14.850000 12.500000 5.000000 5.000000 PERCENT ACTUAL PARTICIPATION 32,000000 32.000000 4.000000

REMARKS: SAN JUAN 32-7 UNIT #204

EFFECTIVE 89/12/01

PAGE 2

# PHILLIPS PETROLEUM COMPANY SCHEDULE IV THE 003 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION SAN JUAN 32-7 UNIT AREA

			E	NUMBER	SERIAL	
	NE/4 NE/4	SEC. 18 East 441 feet of	T32N R7W	DESCRIPTION		
₹ ₹	尹	Q	13.36	OF ACRES	NUMBER	
WORKING INTEREST: WILLIAMS PRODUCTION COMPAN	ROYALTY:	33:		OWNERSHIP		
OMPANY			TRACT: 021		DRILLING BLOCK	
15.750000	12.500000	0.00000		PERCENTAGE		
15.750000	12.500000	0.00000		COMMITTED	PERCENTAGE	
			1.336000	PARTICIPATION	PERCENT ACTUAL	

TRACT: 028
100.000000
TRACT: 026 FORMER UNIT TRACT 0.000000 20.000000
100,00000
3,000000 12,500000 15,210000 69,280000
100.000000
0.00000 12.500000 15.750000 71.750000

EFFECTIVE 89/12/01

REWARKS: YAGER COM N.5 CA NIMNIM 87095

TOTAL

100,000000 75.000000

0.000000

100.000000

TOTAL

1000.00 -COMMITTED 280.00 -NOT COMMITTED

DATE 11/30/93

# PHILLIPS PETROLEUM COMPANY

SCHEDULE IV

# THE 003 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION SAN JUAN 32-7 UNIT AREA

RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA: DESCRIPTION OF NON-COMMITTED LANDS IN PARTICIPATING AREA:

RIO ARRIBA COUNTY, NEW MEXICO TOWNSHIP 31N, RANGE 7W SECTION 3 : SECTION 10 :

: NW/4

: E/2 SW/4, SW/4 SE/4

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

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

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

TOTAL COMMITTED:

1000.00

TOTAL ACRES NOT COMMITTED:

280.00

1280.00

PAGE 1

# PHILLIPS PETROLEUM COMPANY SCHEDULE V THE 004 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION SAN JUAN 32-7 UNIT AREA

REM		SEC	E-503-13 T32N SEC.	REM/			SEC.	SF-078998 T31N	REM/			onc.	SF-078996 T31N	SERIAL NUMBER
REMARKS: SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210		36 W/2	<b>7</b>	REMARKS: SAN JUAN 32-7 UNIT #6			17 E/2	R7W	REMARKS: SAN JUAN 32-7 UNIT YAGER 3			3 144/4 30.4	R7V	DESCRIPTION
VIT #204 VIT #210	TOTAL	WILL WILL PHIL	640.00 ORRI:	VIT #6	TOTAL	WILL	ORRI:	320.00	UIT YAGER 3	TOTAL	WILL PHILL	ROYA	40.00	NUMBER OF ACRES
	AL.	ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS—SAN JUAN PARTNERS, L.P.			<u>۲</u>	WILLIAMS PRODUCTION COMPANY PHILLIPS—SAN JUAN PARTNERS, L.P.	ORRI: ROYALTY:	TRAC		ŕ	WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS—SAN JUAN PARTNERS, L.P.	ROYALTY:		DRIL OWNERSHIP
		ָּים <del>(</del>	TRACT: 17A			ָּס <u>.</u>		TRACT: 011			<del>.0</del>		TRACT: 010	DRILLING BLOCK
	100.000000	12.500000 14.850000 67.650000	5.000000		100.000000	14.850000 67.650000	5.000000 12.500000			100,000000	14.850000 67.650000	12.500000	7	PERCENTAGE
	100.000000	14.850000 67.650000	5.000000		100.000000	14.850000 67.650000	5.000000 12.500000			100.000000	14.850000 67.650000	12.500000	50000	PERCENTAGE COMMITTED
			48.484849					24.242424					3.030303	PERCENT ACTUAL PARTICIPATION

EFFECTIVE 90/05/01

PAGE 2

PHILLIPS PETROLEUM COMPANY
SCHEDULE V
THE 004 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL		NUMBER	DRILLING BLOCK	PERCENTAGE	PERCENTAGE	PERCENT ACTUAL
FEE	R7W	13.36	TRACT: 021		COMME	1.012121
	SEC. 18 East 441 feet of NE/4 NE/4		ORRI: ROYALTY:	0.000000 12.500000	0.000000 12.500000	
			WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	15.750000 71.750000	15.750000 71.750000	
			TOTAL	100.000000	100,000000	
	REMARKS: SAN JUAN 32-7 UNIT #3	*3				
FEE	T32N R7W SEC. 18 West 879 feet of NE/4 NE/4, W/2 NE/4,	306.64	TRACT: 022 ORRI: ROYALTY:	3.00000 12.500000	3.00000 12.500000	23,230303
	SE(4 NE/4, SE/4		WILLIAMS PRODUCTION COMPANY PHILLIPS—SAN JUAN PARTNERS, L.P.	15.210000 69.290000	15.210000 69.290000	
			TOTAL	100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #3	#3				
FEE	T31N R7W SEC. 3 E/2 SW/4, SW/4 SE/4	120.00		0.000000	0.000000	0.000000
			HALLWOOD ENERGY COMPANIES, ET AL	80.000000	0.000000	
	REMARKS: SAN JUAN 32-7 UNIT YAGER 3	YAGER 3	TOTAL	100.000000	0.000000	
FEE	T31N R7W SEC. 10 NW/4	160.00	TRACT: 026 ORRI: FORMER UNIT TRACT ROYALTY:	0.000000 25,000000	0.000000	0.000000
			WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	75.000000	0.000000	
			TOTAL	100.000000	0.000000	
	REMARKS: YAGER COM N 5 CA NMNM 87095					
	TOTAL	1320.00 280.00	1320.00 - COMMITTED 280.00 - NOT COMMITTED			100.000000

EFFECTIVE 90/05/01

# PHILLIPS PETROLEUM COMPANY

DATE 11/30/93

SCHEDULE VIII

THE 007 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION SAN JUAN 32-7 UNIT AREA

RECAPITULATION

PAGE 1

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA: DESCRIPTION OF NON-COMMITTED LANDS IN PARTICIPATING AREA:

RIO ARRIBA COUNTY, NEW MEXICO TOWNSHIP 31N, RANGE 7W SECTION 3 :

SECTION 10

: NW/4

: E/2 SW/4, SW/4 SE/4

RIO ARRIBA COUNTY, NEW MEXICO TOWNSHIP 31N, RANGE 7W

SECTION 3
SECTION 17 : NW/4 SE/4 : E/2

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

TOTAL COMMITTED:

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

1600.00

1320.00

TOTAL ACRES NOT COMMITTED:

280.00



San Juan 32-7 Unit (PA/NC) 3180 (07327)

### NOV 8 1993

CERTIFIED--RETURN RECEIPT REQUESTED P 863 183 843

Mr. Jay Kieke, 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. Kieke:

In response to your letter dated August 23, 1993, 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.

### **NON-PAYING WELLS**

- 1. No. 202 San Juan 32-7 Unit, Sec. 18, T. 32 N., R. 7 W.
- 2. No. 203 San Juan 32-7 Unit, Sec. 22, T. 32 N., R. 7 W.

### **PAYING WELLS**

- 1. No. 204 San Juan 32-7 Unit, Sec. 36, T. 32 N., R. 7 W.
- 2. No. 207 San Juan 32-7 Unit, Sec. 27, T. 32 N., R. 7 W.
- 3. No. 210 San Juan 32-7 Unit, Sec. 36, T. 32 N., R. 7 W.
- 4. No. 215 San Juan 32-7 Unit, Sec. 32, T. 32 N., R. 7 W.
- 5. No. 218 San Juan 32-7 Unit, Sec. 5, T. 31 N., R. 7 W.
- 6. No. 219 San Juan 32-7 Unit, Sec. 5, T. 31 N., R. 7 W.
- 7. No. 227 San Juan 32-7 Unit, Sec. 18, T. 31 N., R. 7 W.
- 8. No. 229 San Juan 32-7 Unit, Sec. 9, T. 31 N., R. 7 W.
- 9. No. 231 San Juan 32-7 Unit, Sec. 17, T. 31 N., R. 7 W.

The wells submitted for commerciality determinations are listed above as either paying or non-paying. The No. 202 and No. 203 were determined to be non-paying and should continue to be reported on a lease basis. The No. 204, 207, 210, 215, 218, 219, 227, 229, and 231 were determined to be paying wells. Once we receive the respective expansions to the Fruitland Coal Participating Area, the approval process will only require the verification of acreage dedication and ownership for the wells in each expansion.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such a 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 orders 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,

151 Duane Spencer

Duane W. Spencer Chief, Branch of Reservoir Management

### 1 Enclosure

1 - Paying Well Determination

cc.

Minerals Management Service (w/enclosure) Royalty Management Program Reference Data Branch P. O. Box 5760 - (MS-3240) Denver, CO 80217

Commissioner of Public Lands State of New Mexico P. O. Box 1148 Santa Fe, NM 87504

New Mexico Oil Conservation Division 310 Old Santa Fe Trail, Room 206 Santa Fe, NM 87503

August 25, 1993

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

Hallwood Yager Com N 5 Notice of Completion of

Additional Well

San Juan County, New Mexico

Fruitland Formation

LCN 655225; LCN 650115-FR 2nd

- P. 15 10 S

GF-5464

### Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, Phillips Petroleum Company, as Unit Operator, has determined that an additional well capable of producing unitized substances in paying quantities from the Fruitland Formation has been completed and communitized with acreage committed to the Participating Area established for the Fruitland Formation in the referenced Unit.

The well data is as follows:

The "Quinoco Yager N 5 Well" (now operated by Hallwood Energy Companies) is located 1160 feet from the South line and 2315 feet from the West line of Section 3, Township 31 North, Range 7 West, N.M.P.M., San Juan County, New Mexico. The well was spudded April 11, 1990, completed May 4, 1990 and tested May 9, 1990.

This well produces from the Basin Fruitland Coal open hole interval from 3,090' - 3247'. Seven inch (7") casing is set to 3,090' and 2% tubing string set to 3072.97'. During the May 9, 1990 twenty four test the well produced 199MCF and 30BW.

San Juan 32-7 Unit #14-08-001-441 Hallwood Yager Com N 5 August 25, 1993 Page 2

This well is located in the spacing unit for the Yager Com 3 well communitized by Contract Number SRM - 1376, effective October 1, 1977 and approved May 17, 1979. This Communitization Agreement (CA) includes the W/2 SE/4, E/2 SW/4 Section 3, Township 31 North, Range 7 West, N.M.P.M., as to natural gas and associated liquid hydrocarbons in the Pictured Cliffs-Fruitland formations.

CA Contract Number NMNM 87095, effective April 1, 1990 and approved October 9, 1991 was prepared due to the subject well. Lands covered by this CA include the W/2 SE/4, E/2 SW/4 Section 3 and the NW/4 Section 10-T31N-R7W, N.M.P.M., San Juan County, New Mexico, as to natural gas and associated liquid hydrocarbons producible from the Fruitland coal formation.

The Drilling Block for the Yager Com 3 was included in the Participating Area established for the Fruitland Formation under the second revision, effective November 1, 1977. The only SJ 32-7 Unit lands included in this Participating Area is the NW/4 SE/4 Section 3-31N-7W.

Since this well was drilled within the drilling block communitized with lands within the Fruitland Participating Area, the Participating Area is not enlarged by virtue of this well, and the percentage of participation remains the same. Allocation from production from the subject well to the Participating Area is governed by CA NMNM 87095 and associated operating agreement.

Copies of this letter are being sent to the Unit Owners listed on the attached sheet.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

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

cc: R. G. Flesher (r) Supervisors (r) Unit File
J. L. Mathis (r) D. B. Evans

SJ 32-7 Unit Owners

### San Juan 32-7 Unit Working Interest Owners 6/8/92

Elizabeth Calloway 4801 St. Johns Drive Dallas, TX 75205

Fred E. Turner One Energy Sq., St. 852 4925 Greenville Ave. Dallas, TX 75206-4079

J. Glenn Turner, Jr. 3131 Turtle Creek Suite 1201 Dallas, TX 75219

John L. Turner P. O. Box 797215 Dallas, TX 75379-7215

Mary Francis Turner, Jr. Trust (6743) Ameritrust TX NA Trustee P.O. Box 2320 Dallas, TX 75221-2320

Meridian Oil Production Land Department P. O. Box 4289 Farmington, NM 87401

Williams Production Co. Valero Coal Company Attn: Mgr. Leasehold Oprs. P. O. Box 500 P. O. Box 58900 San Antonio, TX 78292-0500 Salt Lake City, UT 84158-0900 Attn: Travis Crow

August 23, 1993

Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, New Mexico 87401 420

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 wells [listed below as "NS" {not submitted} under column (5) below] are mentioned for reference only and Phillips is neither confirming nor denying the paying well status of such wells at this time. As adequate production history from these wells is received, additional submittals will be provided using this format.

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 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.

San Juan 32-7 Unit #14-08-001-441 Commerciality Determination August 23, 1993 Page 2

(1)	(2)	(3)	(4)	(5) Date Submitted	(6)**
Test Date	Well Number	T32N-R7W Drill Block	Acres	for Paying Well Determination	
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	Paying Well
11-26-89	203	Lots 1, 2, 7-12 Section 22	320.00	08-23-93	Non-PA
11-30-89	202	Lots 1-4, E/2 W/2 Section 18	320.00	08-23-93	Non-PA
04-17-90	210	W/2 Section 36	320.00	08-23-93	Paying Well
05-09-90	*Yager Com N 5	Additional Well to Second Expansion			
06-10-90	*Grassy Canyon 3	SE/4 NE/4, E/2 SE/4 Section 31	120.00	NS	
07-07-90	*Federal Com G 4	NE/4 SE/4 Section 3 T31N-R7W	40.00	NS	
09-17-90	207	Lots 1-8 Section 27	305.10	08-23-93	Paying Well
10-01-90	208	E/2 Section 34	320.00	NS	
10-13-90	209	E/2 Section 35	320.00	NS	
11-19-90	*227 Com	E/2 SW/4,SE/4 NW/4, Lots8-10,NE/4 SE/4, SW/4 SE/4 18-31N-7W	241.61	08-23-93	Paying Well
01-02-91	215	W/2 Section 32	320.00	08-23-93	Paying Well
03-20-91	219	Lots 6-8, SE/4, E/2 SW/4 Sec. 5-31N-7W	321.66	08-23-93	Paying Well
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	NS	
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 Well
04-27-91	221	E/2 Sec. 8-31N-7W	320.00	NS	Paying Well
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	

San Juan 32-7 Unit **#14-08-001-441** Commerciality Determination August 23, 1993 Page 3

(1)	(2)	(3)	(4)	(5) Date Submitted	(6)**
		T32N-R7W		for Paying Well	
Test Date	Well Number	Drill Block	Acres	<u>Determination</u>	Disposition
05-24-91	214	W/2 Section 34	320.00	NS	
06-02-91	211	W/2 Section 35	320.00	NS	
06-14-91	231	W/2 Sec. 17-31N-7W	320.00	08-23-93	Paying Well
06-27-91	229	N/2 Sec. 9-31N-7W	320.00	08-23-93	Paying Well
08-27-92	222	E/2 Section 20	320.00	NS	
09-10-92	234	E/2 Section 32	320.00	NS	
09-22-92	235	W/2 Section 29	320.00	NS	
10-22-92	*224 Com	SW/4,E/2 NW/4 Sec 21	240.00	NS	
10-16-92	216	Lot 5 Sec 5;Lots6-8, SW/4, NW/4 SE/4 Section 4-31N-7W	323.15	NS	
10-30-92	232	W/2 Sec. 8-31N-7W	320.00	NS	
11-18-92	233	W/2 Section 20	320.00	ns	
11-22-92	237	E/2 Section 28	320.00	NS	
12-04-92	238	Lots 1-4,SE/4 Sec 29	332.22	NS	
12-04-92	236	W/2 Section 28	320.00	NS	

^{*}These 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 as producing in paying quantities are listed by expansion number. 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".

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

Very truly yours,

PHILLIPS PETROLEUM COMPANY

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

w/o attachments

cc: R. G. Flesher

K. L. Czirr
D. B. Evans (r) J. L. Mathis

w/attachments

SJ 32-7 Unit Owners

### San Juan 32-7 Unit Working Interest Owners 6/8/92

Elizabeth Calloway 4801 St. Johns Drive Dallas, TX 75205

Fred E. Turner One Energy Sq., St. 852 4925 Greenville Ave. Dallas, TX 75206-4079

J. Glenn Turner, Jr. 3131 Turtle Creek Suite 1201 Dallas, TX 75219

John L. Turner P. O. Box 797215 Dallas, TX 75379-7215

Mary Francis Turner, Jr. Trust (6743) Ameritrust TX NA Trustee P.O. Box 2320 Dallas, TX 75221-2320

Meridian Oil Production Land Department P. O. Box 4289 Farmington, NM 87401

Williams Production Co. Attn: Mgr. Leasehold Oprs. P. O. Box 58900 Salt Lake City, UT 84158-0900 Attn: Travis Crow

P. O. Box 500 Valero Coal Company San Antonio, TX 78292-0500

### San Juan 32-7 Unit #202 Fruitland Coal W/2 Sec. 18- T32N - R7W San Juan County, NM

Date of First Delivery:	02/06/90		
Date of Commerciality Submittal:			<del></del>
Well Cost Data		ı	
Total Well Costs:	\$295,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		4	ence 4.60 orem 3.62

### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1990	42.5	64,600 actual
1991	44.6	57,500 actual
1992	11.2	50,000
1993	18	38,200
1994	36	38,200
1995	36	38,200
1996	35	38,200
1997	33	38,200
1998	32	38,200
1999	32	38,200
2000	31	38,200
2001	30	38,200
2002	30	38,200
2003	29	38,200
2004	28	38,200

^{*} Operating expenses were not escalated for inflation.

## San Juan 32-7 Unit #203 Fruitland Coal E/2 Sec. 22- T32N - R7W San Juan County, NM

Date of First Delivery:	01/11/90		
Date of Commerciality Submittal:			***
Well Cost Data			
Total Well Costs:	\$319,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
			nce 4.60 rem 3.62

### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1990	1.7	32,000 Actual
1991	0	14,800 Actual
1992	0	7,300 Actual
1993	18	36,000
1994	27	36,000
1995	23	36,000
1996	20	36,000
1997	18	36,000
1998	17	36,000
1999	16	36,000
2000	15	36,000
2001	14	36,000
2002	13	36,000
2003	12	36,000
2004	11	36,000

^{*} Operating expenses were not escalated for inflation. wp\327203.com

# San Juan 32-7 Unit #204 Fruitland Coal E/2 Sec. 36- T32N - R7W San Juan County, NM

Date of First Delivery:	01/	23/90	
Date of Commerciality Submittal:			
Well Cost Data			
Total Well Costs:	\$330,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
			ence 4.60 orem 3.62

### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1990	53	83,000 Actual
1991	124	74,000 Actual
1992	185	115,000 Actual
1993	200	51,000
1994	195	39,000
1995	190	39,000
1996	187	39,000
1997	180	39,000
1998	173	39,000
1999	170	39,000
2000	162	39,000
2001	158	39,000
2002	155	39,000
2003	151	39,000
2004	148	39,000

^{*} Operating expenses were not escalated for inflation. wp\327204.com

## San Juan 32-7 Unit #207 Fruitland Coal W/2 Sec. 27- T32N - R7W San Juan County, NM

Date of First Delivery:	09/	25/91	
Date of Commerciality Submittal:			
Well Cost Data		j	
Total Well Costs:	\$334,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		1	ence 4.60 orem 3.62

### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1991	5.1	11,000 Actual
1992	88.7	24,000 Actual
1993	120	73,200
1994	170	37,200
1995	165	37,200
1996	160	37,200
1997	155	37,200
1998	150	37,200
1999	140	37,200
2000	135	37,200
2001	125	37,200
2002	120	37,200
2003	110	37,200
2004	105	37,200
2005	100	37,200

^{*} Operating expenses were not escalated for inflation.  $wp\327207.com$ 

# San Juan 32-7 Unit #210 Fruitland Coal W/2 Sec. 36 - T32N - R7W San Juan County, NM

Date of First Delivery:	05/25/90		
Date of Commerciality Submittal:			
Well Cost Data		,	
Total Well Costs:	\$345,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		1	ence 4.60 orem 3.62

### Average Product Pricing

1993

1.09/ MCF

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1990	11	49,500 Actual
1991	137	57,200 Actual
1992	266	96,500 Actual
1993	421	78,700
1994	392	70,700
1995	332	67,700
1996	319	65,700
1997	284	62,700
1998	259	60,200
1999	240	60,200
2000	223	60,200
2001	224	60,200
2002	209	60,200
2003	193	60,200
2004	178	60,200
2005	164	60,200

^{*} Operating expenses were not escalated for inflation. wp\327210.com

# San Juan 32-7 Unit #215 Fruitland Coal W/2 Sec. 32- T32N - R7W San Juan County, NM

Date of First Delivery:	08/19/91		
Date of Commerciality Submittal:			
Well Cost Data			
Total Well Costs:	\$269,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
			ence 4.60 orem 3.62

### Average Product Pricing

1993

1.09/ MCF

Year	Gas (MMCF)	* Operating Expense (\$)
1991	13.6	15,000 ACTUAL
1992	112.2	56,000 ACTUAL
1993	190	77,500
1994	199	65,700
1995	201	47,100
1996	218	40,000
1997	217	40,000
1998	214	40,000
1999	210	40,000
2000	206	40,000
2001	200	40,000
2002	191	40,000
2003	182	40,000
2004	172	40,000
2005	163	40,000

^{*} Operating expenses were not escalated for inflation.

# San Juan 32-7 Unit #218 Fruitland Coal W/2 Sec. 5- T31N - R7W San Juan County, NM

Date of First Delivery:	10/	08/91	
Date of Commerciality Submittal:			
Well Cost Data			
Total Well Costs:	\$280,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
			ence 4.60 orem 3.62

## Average Product Pricing

1993

1.09/ MCF

## Estmiated Gross Annual Production and Operating Expenses

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1991	20.1	8,800 ACTUAL
1992	248.6	38,000 ACTUAL
1993	475	39,000
1994	619	39,000
1995	607	39,000
1996	507	39,000
1997	409	39,000
1998	321	39,000
1999	305	39,000
2000	262	39,000
2001	233	39,000
2002	212	39,000
2003	194	39,000
2004	204	39,000
2005	188	39,000

^{*} Operating expenses were not escalated for inflation.

# San Juan 32-7 Unit #219 Fruitland Coal E/2 Sec. 5- T31N - R7W San Juan County, NM

Date of First Delivery:	08/	28/91	
Date of Commerciality Submittal:			
Well Cost Data		1	
Total Well Costs:	\$333,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		Servere Ad Valo	ence 4.60 erem 3.62

### Average Product Pricing

1993

1.09/ MCF

## Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1991	21.0	12,500 ACTUAL
1992	115.6	49,300 ACTUAL
1993	168	39,400
1994	223	39,400
1995	213	39,400
1996	194	39,400
1997	172	39,400
1998	173	39,400
1999	163	39,400
2000	156	39,400
2001	152	39,400
2002	147	39,400
2003	153	39,400
2004	147	39,400
2005	141	39,400

^{*} Operating expenses were not escalated for inflation.

# San Juan 32-7 Unit #227 Fruitland Coal W/2 Sec. 18- T31N - R7W San Juan County, NM

Date of First Delivery:	03/	11/91	
Date of Commerciality Submittal:			
Well Cost Data		1	
Total Well Costs:	\$367,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
		i i	ence 4.60 prem 3.62

## Average Product Pricing

1993

1.09/ MCF

## Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1991	12.2 (130 DAYS)	48,900 ACTUAL
1992	1.0 ( 85 DAYS)	52,300 ACTUAL
1993	400	65,000
1994	615	47,000
1995	600	47,000
1996	595	47,000
1997	590	47,000
1998	575	47,000
1999	525	47,000
2000	485	47,000
2001	420	47,000
2002	375	47,000
2003	275	47,000
2004	250	47,000
2005	240	47,000

^{*} Operating expenses were not escalated for inflation.

# Fruitland Coal E/2 Sec. 19- T31N - R7W San Juan County, NM

Date of First Delivery:	04/	22/92	
Date of Commerciality Submittal:			
Well Cost Data		ı	
Total Well Costs:	\$245,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
			ence 4.60 orem 3.62

## Average Product Pricing

1993

1.09/ MCF

## Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
1991		<u>-</u>
1992	64.4	12,500 ACTUAL
1993	255	37,000
1994	304	37,000
1995	302	37,000
1996	265	37,000
1997	228	37,000
1998	228	37,000
1999	210	37,000
2000	198	37,000
2001	188	37,000
2002	180	37,000
2003	184	37,000
2004	174	37,000
2005	163	37,000
2006	152	37,000

^{*} Operating expenses were not escalated for inflation.

# San Juan 32-7 Unit #231 Fruitland Coal W/2 Sec. 17- T31N - R7W San Juan County, NM

Date of First Delivery:	01/06/92		
Date of Commerciality Submittal:			
Well Cost Data			
Total Well Costs:	\$257,000		
Production Taxes & Royalty:	20.72%	BLM	12.50
			ence 4.60 orem 3.62

## Average Product Pricing

1993

1.09/ MCF

## Estmiated Gross Annual Production and Operating Expenses

<u>Year</u>	Gas (MMCF)	* Operating Expense (\$)
_ 1991	-	_
1992	215.1	20,700 ACTUAL
1993	339	38,000
1994	383	38,000
1995	365	38,000
1996	305	38,000
1997	283	38,000
1998	247	38,000
1999	221	38,000
2000	201	38,000
2001	184	38,000
2002	184	38,000
2003	170	38,000
2004	156	38,000
2005	143	38,000
2006	131	38,000

^{*} Operating expenses were not escalated for inflation.



# State of New Mexico

OFFICE OF THE

# Commissioner of Public Lands

Santa Fe

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

SLO REF NO. OG-1303

May 5, 1993

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

Attn: Mr. A. J. Kieke

Re: 1993 First Supplemental Plan of Development

San Juan 32-7 Unit

San Juan County, New Mexico

### Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You will be contacted at a later date regarding these possibilities.

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

Very truly yours,

JIM BACA

COMMISSIONER OF PUBLIC LANDS

BY:

FLOYD O. PRANDO, Director Oil and Gas Division

Deonpero Vhan

(505) 827-5744

JB/FOP/pm (505)

JB/FOP/pm cc: OCD BLM

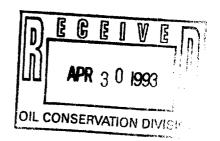


April 28, 1993

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

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

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



Re: San

San Juan 32-7 Unit #14-08-001-441

San Juan County, New Mexico First Supplemental 1993 Plan of Development

GF-5464

#### Gentlemen:

By letter dated March 8, 1993 Phillips Petroleum Company filed the 1993 Plan of Development (POD) for the San Juan 32-7 Unit. Said plan has been approved by the Bureau of Land Management and the Oil Conservation Commission. Approval from the Commissioner of Public Lands, State of New Mexico, has not been received as of this date.

Subsequent to filing the original 1993 Plan of Development, it was proposed that an additional Fruitland Coal well be included in this First Supplemental 1993 Plan of Development under the 1993 Drilling Program. Phillips Petroleum Company as unit operator of the San Juan 32-7 Unit has contacted each Working Interest Owner in accordance with Section 7 of the Unit Operating Agreement.

The NW/4 of Section 23, T32N, R7W is within the boundary of the Allison Unit. Meridian Oil Inc., as operator of the Allison Unit proposes to drill and complete and equip the well, after which time Phillips will operate as an infill Mesaverde well for the San Juan 32-7 Unit area. The remainder of the Drilling Block (SW/4) is within the Unit Area.

The proposed Fruitland Coal well is as follows:

Well Number
San Juan 32-7 #39A

Drilling Block
W/2 Section 23, T32N, R7W

San Juan 32-7 Unit #14-08-001-441 April 28, 1993 Page 2

If this First Supplemental 1993 Drilling Program for the San Juan 32-7 meets with your approval, please signify by signing in the space provided and returning an approved copy to the attention of the undersigned.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

Michi J.

A. J. Kieke, CPL

Area Landman

San Juan Basin

(505) 599-3410

cc: Working Interest Owners

PPROVED DATE	
Assistant District Manager, Minerals Bureau of Land Management Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission	
APPROVED	DATE
Commissioner of Public Lands Subject to like approval by the	
Area Oil and Gas Supervisor and the	
Oil Conservation Commission	
APPROVED Dy Clohun	DATE 5-3-93
Oil Conservation Commission	
Subject to like approval by the	
Area Oil and/Gas Supervisor and the	
Commissioner of Public Lands	

The foregoing approvals are for the First Supplemental 1993 Plan of Development for the San Juan 32-7 Unit \$14-08-001-441.



# State of New Mexico

OFFICE OF THE

# Commissioner of Public Lands

Santa Fe

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

SLO REF NO. OG-1270

March 17, 1993

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

Attn: Mr. A. J. Kieke, CPL

Re: 1993 Plan of Development

San Juan 32-7

San Juan County, New Mexico

#### Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You will be contacted at a later date regarding these possibilities.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744

JB/FOP/pm cc: OCD BLM

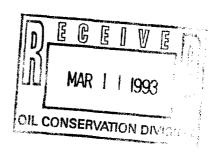


March 8, 1993

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

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

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



Re:

San Juan 32-7 Unit #14-08-001-441

San Juan County, New Mexico 1993 Plan of Development

GF-5464

#### Gentlemen:

By letter dated March 2, 1992 Phillips Petroleum Company as Unit Operator, filed the 1992 Plan of Development (POD) for the San Juan 32-7 Unit. By letter dated June 15, 1992, Phillips filed the First Supplemental POD. The POD's indicated that sixteen (16) Fruitland Coal wells would be drilled during 1992 and that the SJ 32-7 #201 well would be recompleted in the Mesaverde formation. Note the following list describing the wells, the POD under which the well was submitted, and disposition.

Well Number	1992 POD	Disposition
San Juan 32-7 <b>#</b> 201	Initial	Carried over to 1993 POD
San Juan 32-7 #206	Initial	Carried over to 1993 POD
San Juan 32-7 <b>#</b> 216	Initial	Drilled
San Juan 32-7 <b>#</b> 222	Initial	Drilled
San Juan 32-7 #224 Com	1st Supplemental	Drilled
San Juan 32-7 <b>#</b> 225	Initial	Carried over to 1993 POD

San Juan 32-7 Unit #14-08-001-441 1993 Plan of Development March 8, 1993 Page 2

Well Number	1992 POD	Dispostion
San Juan 32-7 #228	Initial	Carried over to 1993 POD
San Juan 32-7 #230	Initial	Carried over to 1993 POD
San Juan 32-7 #233	Initial	Drilled
San Juan 32-7 #234	Initial	Drilled
San Juan 32-7 #235	Initial	Drilled
San Juan 32-7 #236	Initial	Drilled
San Juan 32-7 #237	Initial	Drilled
San Juan 32-7 #238	Initial	Drilled
San Juan 32-7 #239 Com	Initial	Carried over to 1993 POD
Middle Mesa Com 32-7 #201	Initial	Carried over to 1993 POD

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 are as follows:

Fruitland Coal, undetermined	29
Fruitland, commercial	2
Fruitland/Pictured Cliffs, commercial	1
Entrada, Water Disposal Facility	1
Pictured Cliffs, non-commercial	3
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, commercial	33
Mesaverde, non-commercial	1
Mesaverde, plugged and abandoned	4
Mesaverde/Dakota, commercial	1
Mesaverde/Dakota (Mesaverde commercial,	-
Dakota non-commercial)	2
	4
Dakota, commercial	
Dakota, non-commercial	10
TOTAL	108

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

FORMATION	REVISION	EFFECTIVE
Fruitland (Sand)	Second	November 1, 1977
Pictured Cliffs	Seventh	January 1, 1982
Mesaverde	Twenty-Third	November 1, 1982
Dakota	Third	May 1, 1981

San Juan 32-7 Unit **#14-08-001-441** 1993 Plan of Development March 8, 1993 Page 3

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 #201 Mesaverde recompletion and Fruitland Coal Wells in the 1993 Plan of Development:

WELL NUMBER	DRILLING BLOCK
San Juan 32-7 #201 (Mesaverde Recompletion)	Lots 8, 9, SE/4 SE/4, Tract 55 in Sec. 7; Lots 5, 6, 7, E/2 NE/4, SW/4 NE/4, Tract 55 in Section 18-31N-7W
San Juan 32-7 <b>#</b> 206	E/2 Section 27-32N-7W
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
San Juan 32-7 <b>#</b> 225	W/2 Section 17-32N-7W
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
San Juan 32-7 #230	E/2 Section 17-31N-7W
San Juan 32-7 Com #239	E/2 Section 33-32N-7W
San Juan 32-7 #240	E/2 Section 19-32N-7W
San Juan 32-7 #241	W/2 Section 19-32N-7W
Middle Mesa Com 32-7 #201	W/2 Section 33-32N-7W

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 1993 Plan of Development are being sent to the Working Interest Owners as shown on the attached sheet.

Respectfully,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke, CPL Area Landman San Juan Basin

SJ 32-7 Unit WIO's cc:

R. G. Flesher (r) Supervisors, Unit File J. G. Bearden

D. B. Evans (r) J. L. Mathis, GF-5464

San Juan 32-7 Unit #14-08-001-441 1993 Plan of Development March 8, 1993 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	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 Land	DATE_	3-11-93

The foregoing approvals are for the 1993 Plan of Development for the San Juan 32-7 Unit #14-08-001-441.

### San Juan 32-7 Unit Working Interest Owners 6/8/92

Elizabeth Calloway 4801 St. Johns Drive Dallas, TX 75205

Fred E. Turner One Energy Sq., St. 852 4925 Greenville Ave. Dallas, TX 75206-4079

J. Glenn Turner, Jr. 3131 Turtle Creek Suite 1201 Dallas, TX 75219

John L. Turner
P. O. Box 797215
Dallas, TX 7537 Dallas, TX 75379-7215

Mary Francis Turner, Jr. Trust (6743) Ameritrust TX NA Trustee P.O. Box 2320 Dallas, TX 75221-2320

Meridian Oil Production Land Department P. O. Box 4289 Farmington, NM 87401

Williams Production Co.
Attn: Mgr. Leasehold Oprs.
P. O. Box 58900

Valero Coal Company
P. O. Box 500 P. O. Box 58900 Salt Lake City, UT 84158-0900 Attn: Travis Crow

San Antonio, TX 78292-0500



## State of New Mexico

OFFICE OF THE

# Commissioner of Public Lands

Santa Fe

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

SLO REF NO. OG-1204

September 29, 1992

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

Attn: A.J. Kieke, CPL

Re: 1992 (First Supplemental) Plan of Development

San Juan 32-7 Unit

San Juan County, New Mexico

#### Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You will be contacted at a later date regarding these possibilities.

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

Very truly yours,

JIM BACA COMMISSIONER OF PUBLIC LANDS

FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744

JB/FOP/pm cc: OCD BLM



# State of New Mexico

OFFICE OF THE

# Commissioner of Public Lands

Santa **F**e

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

SLO REF NO. OG-1203

September 29, 1992

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

Attn: A.J. Kieke, CPL

Re: 1992 Plan of Development

San Juan 32-7 Unit

San Juan County, New Mexico

### Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You will be contacted at a later date regarding these possibilities.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: Doyle Thurs FLOYD O. PRANDO, Director Oil and Gas Division

(505) 827-5744

JB/FOP/pm cc: OCD BLM

July 22, 1992

San Juan 29-5 Unit Owners San Juan 29-6 Unit Owners San Juan 30-5 Unit Owners San Juan 31-6 Unit Owners

San Juan 32-7 Unit Owners San Juan 32-8 Unit Owners Bull 8 49

David

David

# Division

OH CONSER,

Re: San Juan 29-5 Unit - GF-5395
San Juan 29-6 Unit - GF-5396
San Juan 30-5 Unit - GF-5397
San Juan 31-6 Unit - GF-5469
San Juan 32-7 Unit - GF-5464
San Juan 32-8 Unit - GF-5465
Rio Arriba and San Juan Counties

#### Gentlemen:

Find enclosed the Bureau of Land Management response to my July 1, 1992 letter requesting interpretation of Section 11(a) respective referenced Unit Agreements.

Please note that under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described therein within twenty (20) days from July 21, 1992.

Advise if you have any questions or comments.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

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

cc: New Mexico Oil Conservation Division New Mexico Commissioner of Public Lands

# Certified mand - P 081-702.526



# United States Department of the Interior

BÜREAU OF LAND MANAGEMENT

Area 1235 Laplata Highway '92 JU 23

IN REPLY REFER TO Farmington, New Mexico 87401 San Juan 29-5 Unit et al. (GC)

3180 (019)



JUL 22 1952

PHILLIPS PETROLEUM CO. FARMINGTON AREA

JUL. 2 1 1992

CERTIFIED -- RETURN RECEIPT REQUESTED P 081 702 526

Mr. Jay Kieke Phillips Petroleum Company 5525 Highway 64, NBU 3004 Farmington, NM 87401

Dear Mr. Kieke:

Your letter dated July 1, 1992, requested our interpretation of Section 11(a) of the San Juan 29-5 Unit, and its affect on establishing separate Fruitland Coal and Fruitland Sand participating areas (PAs). This section states that for the purposes of the agreement, all wells completed for production in the Fruitland Formation shall be regarded as producing from a single zone or pool. This language is common to the San Juan 29-5, 29-6, 30-5, 31-6, 32-7, and 32-8 Unit Agreements.

This language is very straight forward. The agreement eliminates any distinction between the varying zones within the formation. It requires that any paying Fruitland Formation well, whether sand or coal, be included in a common PA. Therefore, separate PAs cannot be established.

In your letter, you provided some of the problems with combining both Fruitland coal and sand wells within the same PA, such as owners of non-Fruitland coal wells having to share in costs and potential problems with drainage protection. While these problems would be eliminated if separate PAs were formed, the terms of the agreement do not allow it.

You also referred to a number of PA approval letters from both our office and NMOCD. These letters have approved both the establishment and revision of Fruitland Coal PAs. We regret that the language in our approval letters has caused some confusion on this matter. Per the unit agreement, these approvals are for Fruitland Formation PAs, not Fruitland Coal PAs. We will issue clarification letters stating that these PAs are not Fruitland Coal PAs, but rather Fruitland Formation PAs.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders 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.

We hope that this letter clarifies our position on this matter. We request that you provide other working interest owners in the unit a copy of this decision. If you need any additional information, please call Duane Spencer at (505) 599-8950.

Sincerely,

Deane in Specifor Mike Pool Area Manager



## PHILLIPS PETROLEUM COMPANY

192 JUN 24 FM 9 01

June 15, 1992

#420

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

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

State of New Mexico
Oil Conservation Commission
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503
(2 copies)

Re: San Juan 32-7 Unit

#14-08-001-441

San Juan County, New Mexico First Supplemental 1992 Plan of Development

GF-5464

#### Gentlemen:

By letter dated March 2, 1992 Phillips Petroleum Company filed the 1992 Plan of Development (POD) for the San Juan 32-7 Unit. Said plan has been approved by the Bureau of Land Management and the Oil Conservation Commission. Approval from the Commissioner of Public Lands, State of New Mexico, has not been received as of this date.

Subsequent to filing the original 1992 Plan of Development, it was proposed that an additional Fruitland Coal well be included in this First Supplemental 1992 Plan of Development under the 1992 Drilling Program. Phillips Petroleum Company as unit operator of the San Juan 32-7 Unit has contacted each Working Interest Owner in accordance with Section 7 of the Unit Operating Agreement.

The W/2 NW/4 of Section 21, T32N, R7W is outside the boundary of the San Juan 32-7 Unit. The appropriate party has been contacted and arrangements for participation under a separate communitization and joint operating agreement will be negotiated. The remainder of the Drilling Block (SW/4 and E/2 NW/4) is within the Unit Area.

The proposed Fruitland Coal well is as follows:

Well Number

Drilling Block

San Juan 32-7 #224

W/2 Section 21, T32N, R7W

San Juan 32-7 Unit #14-08-001-441 June 15, 1992 Page 2

If this First Supplemental 1992 Drilling Program for the San Juan 32-7 meets with your approval, please signify by signing in the space provided and returning an approved copy to the attention of the undersigned.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

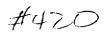
A. J. Kieke, CPL Area Landman San Juan Basin (505) 599-3410

Julied.

cc: Working Interest Owners

APPROVED		DATE	
	Assistant District Manager, Minerals Bureau of Land Management Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission	_	
APPROVED	Commissioner of Public Lands Subject to like approval by the	DATE	
	Area Oil and Gas Supervisor and the Oil Conservation Commission		
APPROVEL	Ju Shokum	DATE	7-8-92
	Oil Conservation Commission Subject to like approval by the Area Oil and Gas Supervisor and the Commissioner of Public Lands	<del></del>	

The foregoing approvals are for the First Supplemental 1992 Plan of Development for the San Juan 32-7 Unit #14-08-001-441.





orgidossam — Alemano en vab

FARMINGTON, NEW MEXICO 87401 5525 HWY. 64 NBU 3004

March 2, 1992 92 Fine to FM 10 10

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

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

State of New Mexico
Oil Conservation Commission
Attn: Mr. William J. LeMay
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503
(2 copies)

Re: San Juan 32-7 Unit #14-08-001-441

San Juan County, New Mexico

1992 Plan of Development

GF-5464

#### Gentlemen:

By letter dated March 26, 1991 Northwest Pipeline Corporation (Northwest) as Unit Operator, filed the 1991 Plan of Development (POD) for the San Juan 32-7 Unit except for Fruitland development. By letter dated February 7, 1991, Phillips Petroleum Company (Phillips) as sub-operator of the Fruitland formation filed the 1991 POD for the captioned unit area. Effective April 1, 1991, Phillips was approved as successor Unit Operator to Northwest. By letter dated June 7, 1991, Phillips filed the First Supplemental POD. By letter dated September 16, 1991, Phillips filed the Second Supplemental POD. The POD's indicated that seven (7) Fruitland Coal wells would be drilled during 1991 and that the SJ 32-7 #201 well would be recompleted in the Mesaverde formation. Note the following list describing the wells, the POD under which the well was submitted, and disposition.

Well Number	1991 POD	Disposition
San Juan 32-7 #201	Initial - Northwest	Carried over to 1992 POD
San Juan 32-7 #206	Initial - Phillips	Carried over to 1992 POD
San Juan 32-7 <b>#216</b>	Initial - Phillips	Carried over to 1992 POD
San Juan 32-7 #220	Initial - Phillips	Dropped
San Juan 32-7 <b>#</b> 228	Initial - Phillips	Carried over to 1992 POD
San Juan 32-7 #301SWD	Initial - Phillips	Drilled
San Juan 32-7 #233	1st Supplemental	Carried over to 1992 POD
San Juan 32-7 #230	2nd Supplemental	Carried over to 1992 POD
San Juan 32-7 #225	2nd Supplemental	Carried over to 1992 POD

San Juan 32-7 Unit
#14-08-001-441
1992 Plan of Development
March 2, 1992
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 are as follows:

Fruitland Coal, undetermined	20
Fruitland, commercial	2
Fruitland/Pictured Cliffs, commercial	1
Entrada, Water Disposal Facility	1
Pictured Cliffs, non-commercial	3
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, commercial	33
Mesaverde, non-commercial	1
Mesaverde, plugged and abandoned	4
Mesaverde/Dakota, commercial	1
Mesaverde/Dakota (Mesaverde commercial,	
Dakota non-commercial)	2
Dakota, commercial	4
Dakota, non-commercial	<u>10</u>
TOTAL	99

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

FORMATION	REVISION	EFFECTIVE
Fruitland (Sand)	Second	November 1, 1977
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 #201 Mesaverde recompletion and Fruitland Coal Wells in the 1992 Plan of Development:

WELL NUMBER	DRILLING BLOCK
San Juan 32-7 #201 (Mesaverde Recompletion)	Lots 8, 9, SE/4 SE/4, Tract 55 in Sec. 7; Lots 5, 6, 7, E/2 NE/4, SW/4 NE/4, Tract 55 in Section 18-31N-7W
San Juan 32-7 #206	E/2 Section 27-32N-7W
San Juan 32-7 #216	Lot 5 Section 5; Lots 6 - 8, $SW/4$ , $NW/4$ $SE/4$ Section 4-31N-7W
San Juan 32-7 #222	E/2 Section 20-32N-7W

San Juan 32-7 Unit #14-08-001-441 1992 Plan of Development March 2, 1992 Page 3

WELL	NUMBER	DRILLING BLOCK
San Juan	32-7 #225	W/2 Section 17-32N-7W
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
San Juan	32-7 #230	E/2 Section 17-31N-7W
San Juan	32-7 #233	Lots 1, 2, 3, 4, 7, E/2 NW/4, SW/4 SW/4 Section 20-32N-7W
San Juan	32-7 #234	E/2 Section 32-32N-7W
San Juan	32-7 #235	W/2 Section 29-32N-7W
San Juan	32-7 #236	W/2 Section 28-32N-7W
San Juan	32-7 #237	E/2 Section 28-32N-7W
San Juan	32-7 #238	E/2 Section 29-32N-7W
San Juan 32-	7 Com #239	E/2 Section 33-32N-7W
Middle Mesa Com	32-7 #201	W/2 Section 33-32N-7W

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 1992 Plan of Development are being sent to the Working Interest Owners as shown on the attached sheet.

Respectfully,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke, CPL Area Landman San Juan Basin

SJ 32-7 Unit WIO's cc:

N. L. Maddox (r) GF-5464

R. G. Flesher (r) K. L. Czirr (r) T. R. Moore R. A. Allred

J. G. Bearden

R. T. Hillburn

O. J. Mitchell

San Juan 32~7 Unit #14-08-001-441 1992 Plan of Development March 2, 1992 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 Commission

**APPROVED** 

DATE

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

APPROVED

DATE 3-6-92

Oil Conservation Commission Subject to like approval by the Area Oil and Gas Supervisor and the Commissioner of Public Land

The foregoing approvals are for the 1992 Plan of Development for the San Juan 32-7 Unit \$#14-08-001-441.

# San Juan 32-7 Unit Working Interest Owners 2/27/92

Elizabeth Calloway 4801 St. Johns Drive Dallas, TX 75205 Fred E. Turner
One Energy Sq., St. 852
4925 Greenville Ave.
Dallas, TX 75206-4079

J. Glenn Turner, Jr. 500 LTV Center 2001 Ross Ave. Dallas, TX 75201

John L. Turner P. O. Box 797215 Dallas, TX 75379-7215

Mary Francis Turner, Jr. Trust (6743) Ameritrust TX NA Trustee P.O. Box 2320 Dallas, TX 75221-2320 Meridian Oil Production Land Department P. O. Box 4289 Farmington, NM 87401



*91 SEP MIN TIM 9 05

5525 HWY. 64 NBU 3004

September 16, 1991

#420

Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, New Mexico 87401 (4 copies enclosed)

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

State of New Mexico
Oil Conservation Commission
Attn: Mr. William J. LeMay
310 Old Sante Fe Trail, Room 206
Sante Fe, New Mexico 87503
(2 copies enclosed)

Re: San Juan 32-7 Unit #14-08-001-441

Rio Arriba County, New Mexico

Second Supplemental 1991

Drilling Program

GF-5464

### Gentlemen:

By letter dated March 26, 1991, Northwest Pipeline Corporation, as Unit Operator, filed the 1990 Drilling Program for the San Juan 32-7 Unit, except for Fruitland development. Phillips Petroleum Company, as sub-operator of the Fruitland formation filed the 1991 Drilling Program for the subject unit. By letter dated June 7, 1991, Phillips Petroleum Company, as Unit Operator, filed the First Supplemental 1991 Drilling Program for this Unit.

Subsequent to filing the original and First Supplemental 1991 Drilling Programs, it has been proposed that two (2) Fruitland Coal wells be drilled under the 1991 Drilling Program. Phillips Petroleum Company as Unit Operator of the San Juan 32-7 Unit has

Second Supplemental 1991 Drilling Program San Juan 32-7 Unit September 16, 1991 Page 2

contacted all Working Interest Owners in accordance with Section 7 of the Unit Operating Agreement.

The proposed Fruitland Coal wells are as follows:

WELL NUMBER	DRILLING BLOCK
SAN JUAN 32-7 UNIT #225	W/2 SEC. 17-T32N-R7W
SAN JUAN 32-7 UNIT #230	E/2 SEC. 17-T31N-R7W

If this Second Supplemental 1991 Drilling Program for the San Juan 32-7 unit meets your approval, please signify by signing in the space provided below and return an approved copy to the attention of the undersigned.

Copies of this letter are being sent to the Working Interest Owners as shown on the attached list.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke, CPL Area Landman

San Juan Basin (505) 599-3410 Second Supplemental 1991 Drilling Program San Juan 32-7 Unit September 16, 1991 Page 3

APPROVED		DATE		
	DISTRICT MANAGER,	MINERALS		

ASSISTANT DISTRICT MANAGER, MINERALS BUREAU OF LAND MANAGEMENT Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission

APPROVED	DATE

COMMISSION OF PUBLIC LANDS Subject to like approval by the Area Oil and Gas Supervisor, BLM and the Oil Conservation Commission

APPROVED By Chokum

DATE 9-20-91

OIL CONSERVATION COMMISSION
Subject to like approval by the
Area Oil and Gas Supervisor, BLM
and the Commissioner of Public Lands

The foregoing approvals are for the Second Supplemental 1991 Drilling Program for the San Juan 32-7 Units. #14-08-001-441.

Elizabeth Calloway 4801 St. Johns Drive Dallas, TX 75205

J. Glenn Turner, Jr. 500 LTV Center 2001 Ross Ave. Dallas, TX 75201

Mary Francis Turner, Jr. Trust (6743) Ameritrust TX NA Trustee P.O. Box 2320 Dallas, TX 75221-2320 Fred E. Turner
One Energy Sq., St. 852
4925 Greenville Ave.
Dallas, TX 75206-4079

John L. Turner P. O. Box 797215 Dallas, TX 75379-7215

Meridian Oil Production Land Department P. O. Box 4289 Farmington, NM 87401

June 7, 1991

Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, NM 87401 (4 copies enclosed)

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

State of New Mexico Oil Conservation Commission Attn: Mr. William J. LeMay 310 Old Santa Fe Trail, Room 206 Santa Fe, NM 87503 (2 copies enclosed)

Re: San Juan 32-7 Unit #14-08-001-441

Rio Arriba County, New Mexico

First Supplemental 1991

Drilling Program

GF-5464

#### Gentlemen:

By letter dated March 26, 1991, Northwest Pipeline Corporation, as Unit Operator, filed the 1990 Drilling Program for the San Juan 32-7 Unit, except for Fruitland development. Phillips Petroleum Company, as sub-operator of the Fruitland formation filed the 1991 Drilling Program for the subject unit.

Subsequent to filing the original 1991 Drilling Program, it has been proposed that one (1) additional Fruitland Coal well be drilled under the 1991 Drilling Program. Phillips Petroleum Company, as Unit Operator of the San Juan 32-7 Unit has contacted all Working Interest Owners in accordance with Section 7 of the Unit Operating Agreement.

June 7, 1991
First Supplemental 1991
Drilling Program
San Juan 32-7 Unit
Page two

The Proposed Fruitland Coal well is as follows:

WELL NUMBER

DRILLING BLOCK

SAN JUAN 32-7 UNIT #233

W/2 SEC. 20-T32N-R7W

If this First Supplemental 1991 Drilling Program for the San Juan 32-7 unit meets your approval, please signify by signing in the space provided below and return an approved copy to the attention of the undersigned.

Copies of this letter are being sent to the Working Interest Owners as shown on the attached list.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

A. J. Kieke, CPL Area Landman San Juan Basin

(505) 599-3410

32-7.91P

June 7, 1991
First Supplemental 1991
Drilling Program
San Juan 32-7 Unit
Page three

APPROVED	DATE

ASSISTANT DISTRICT MANAGER, MINERALS BUREAU OF LAND MANAGEMENT Subject to like approval by the Commissioner of Public Lands and the Oil Conservation Commission

APPROVED	DATE
	<del></del>

COMMISSIONER OF PUBLIC LANDS
Subject to like approval by the
Area Oil and Gas Supervisor, BLM
and the Oil Conservation Commission

OIL CONSERVATION COMMISSION

DATE____

7-1-91

Subject to like approval by the Area Oil and Gas Supervisor, BLM and the Commissioner of Public Lands

The foregoing approvals are for the First Supplemental 1991 Drilling Program for the San Juan 32-7 Unit. #14-08-001-41.



# State of New Mexico

OFFICE OF THE

# Commissioner of Public Lands

Santa Fe

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

April 11, 1991

Northwest Pipeline Corporation P.O. Box 8900 Salt Lake City, Utah 84108-0900

Attn: Mr. Darrell L. Gillen

Re: San Juan 32-7 Unit

San Juan County, New Mexico

1991 Plan of Development Approval

Dear Mr. Gillen:

The Commissioner of Public Lands has this date approved the 1991 Plan of Development for the San Juan 32-7 Unit. Our approval is subject to like approval by all other appropriate agencies.

There is a possibility of drainage by wells outside the Unit Area and the need for further development may exist.

If we may be of further assistance please contact our office at (505) 827-5791.

Sincerely,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

By:
Floyd O. Prando, Director
Oil, Gas & Minerals Division

JB/FOP/DM/dm

cc: OCD

Unit POD File

Unit Correspondence File Phillips Petroleum Company



P O BOX 8900 SALT ŁAKE CITY, UTAH 84108-0900 801-583-8800

March 26, 1991

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

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

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

> Re: San Juan 32-7 Unit, #14-08-001-441 San Juan County, New Mexico 1991 Plan of Development

#### Gentlemen:

By letter dated February 26, 1990 and September 19, 1990, Northwest Pipeline Corporation, as Unit Operator, filed the 1990 Plan of Development and Third 1990 Supplemental Plan of Development for the referenced unit. The Plan of Development indicated that six Fruitland Coal formation wells, and one Mesaverde recompletion would be drilled during 1990 in the Unit. In February of 1990 Northwest Pipeline Corporation designated Phillips Petroleum Company as Suboperator of the Fruitland formation within the unit, therefore Phillips Petroleum Company will provide an accounting of the Fruitland Coal formation wells drilled during 1990, as well as any wells drilled in the Fruitland formation under prior years drilling programs which are operated by Phillips.

The proposed Mesaverde recompletion of the San Juan 32-7 Unit #201 was not drilled during 1990, and will be carried over to the 1991 Plan of Development.

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission March 26, 1991 page 2

As of this date, the total number of wells drilled and operated by Northwest Pipeline Corporation in the San Juan 32-7 Unit on acreage committed to the unit is as follows:

Pictured Cliffs, commercial	12
Pictured Cliffs, non-commercial	3
Pictured Cliffs/Mesaverde, non-commercial	1
Pictured Cliffs/Mesaverde, commercial	2
Pictured Cliffs/Mesaverde, (Pictured Cliffs	
non-commercial, Mesaverde commercial)	2
Mesaverde, commercial	33
Mesaverde, non-commercial	1
Mesaverde, plugged and abandoned	4
Mesaverde/Dakota, commercial	1
Mesaverde/Dakota, (Mesaverde commercial,	
Dakota non-commercial	2
Dakota, commercial	4
Dakota, non-commercial	10
TOTAL	75

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

<u>Formation</u>	Revision	<u>Effective</u>
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, Northwest Pipeline Corporation, as Unit Operator, has contacted all of the Working Interest Owners and has received the necessary concurrence to propose the drilling of the following well during the calendar year 1991:

Well No.	Drilling Block	<u>Formation</u>
San Juan 32-7 Unit #201* (recompletion)	Lots 8, 9, SE/4SE/4, Tract 55 in Sec. 7, T31N, R7W, and Lots 5, 6 7, E/2NE/4, SW/4NE/4, Tract 55 in Sec. 18, T31N, R7W	Mesaverde,
*Carried over from 1990 P	lan of Development.	

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Committee March 26, 1991 page 3

Northwest Pipeline Corporation, as Unit Operator, will drill any offset wells that may be required to prevent drainage of unitized substances and any other wells deemed necessary or which are requested by the Unit Operator or the Working Interest Owners.

If this Plan of Development is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to Northwest Pipeline Corporation.

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

Sincerely,

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen

Danell Lkellen

Land Manager

DLG:jbl

.

Attachment

Working Interest Owners cc:

W.O. Curtis P.C. Thompson Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Committee March 26, 1991 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 Commission		
APPROVED		DATE	
	Commissioner of Public Lands		
	Subject to like approval by the		
	Area Oil and Gas Supervisor and the Oil Conservation Commission		
	- 1		
APPROVED	Ty Elokum	DATE	4-8-91
	Oil Conservation Commission		
	Subject to Yike approval by the		
	Area Oil and Gas Supervisor and		
	the Commissioner of Public Lands		

The foregoing approvals are for the 1991 Plan of Development for the San Juan 32-7 Unit #14-08-001-441.

FLIZABETH CALLOWAY 4801 SI, JOHNS DRIVE DALLAS, TX 75205 FRED F. TURNER ONE ENERGY SQUARE, SUITE 852 4925 GREENVILLE AVENUE DALLAS, TX 75206-4079

J. GLENN TURNER, JR. 500 LTV CENTER 2001 ROSS AVENUE DALLAS, TX 75201

JOHN L. TURNER BSBS NORTH STEMMONS, SUITE 925N DALLAS, IX 75247

MARY FRANCIS TURNFR, JR.
1RUSI (6743)
AMERITRUSI TEXAS N.A. TRUSTEE P.O. BOX 2320
DALLAS, 1A 7521-2320

MFRIDIAN DIE PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401 PHILLIPS PETROLFUM COMPANY ATIN: JAY KIEKE 300 WEST ARRINGTON, SUITE 200 FARMINGTON, NM 87401

# RESIGNATION OF UNIT OPERATOR AND DESIGNATION OF SUCCESSOR UNIT OPERATOR

SAN JUAN 32-7 UNIT AREA
COUNTY OF SAN JUAN, STATE OF NEW MEXICO
NO. 14-08-001-441

THIS INDENTURE, dated as of the 15th day of March, 1991, by and between Northwest Pipeline Corporation, operator and owner of unitized working interest, hereinafter called "Northwest" and Phillips Petroleum Company, successor operator and owner of unitized working interest, hereinafter called "Phillips",

#### WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C. §§181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the 16th day of December, 1952, approved the Unit Agreement for the Development and Operation of the San Juan 32-7 Unit Area, wherein Northwest is designated as Unit Operator; and

WHEREAS, under the provisions of an Act of Legislature (§1, Chap. 162, Laws of 1951, and §§ 1 and 2, Chap. 176, Laws of 1961, Sec. Chap. 7, Article 11, §§39, 40 and 41, New Mexico Statutes 1953 Annotated) (Now being Chap. 19, Article 10, §§ 45, 46 and 47 New Mexico Statutes Annotated 1978 Com.) the Commissioner of Public Lands on the 15th day of October, 1952, approved a Unit Agreement for the Development and Operation of the San Juan 32-7 Unit Area, wherein Northwest is designated as Unit Operator; and

WHEREAS, said Northwest has resigned as such Operator, and the designation of a successor Unit Operator is now required pursuant to the terms thereof; and

WHEREAS, in accordance with the terms and provisions of the San Juan Unit Agreement for the Development and Operation of the San Juan 32-7 Unit Area, Northwest has procured the necessary consent from working interest owners in the San Juan 32-7 Unit to resign as Unit Operator prior to the required 6-month waiting period after notification to working interest owners and regulatory agencies, and Phillips has procured the necessary consent from said owners to replace Northwest as Operator of the San Juan 32-7 Unit.

NOW, THEREFORE, effective April 1, 1991, Northwest hereby resigns as Unit Operator under the Unit Agreement for the Development and Operation of the San Juan 32-7 Unit Area and Phillips hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of the Unit Agreement for the Development and Operation of the San Juan 32-7 Unit Area, and Northwest covenants and agrees that, upon approval of this indenture by the Authorized Officer in the proper BLM office and the Commissioner of Public Lands, Phillips shall be granted the exclusive right and privilege of exercising any and all rights and privileges and Unit Operator, pursuant to the terms and conditions of said Unit Agreement; and said Unit Agreement being hereby incorporated hereby by references and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

Unit Operator and Working Interest Owner Northwest Pipeline Corporation

Attorney-in-Fact

Successor Unit Operator and Working Interest Owner Phillips Petroleum Company

Muddon





**EXPLORATION AND PRODUCTION** 

February 7, 1991

Assistant District Manager, Minerals Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, New Mexico 87401 (3 copies enclosed)

State of New Mexico Commissioner of Public Lands P. O. Box 1148 Santa Fe, New Mexico 87504-1148 (2 copies enclosed)

Attn: Mr. Floyd O. Prando

State of New Mexico Oil Conservation Commission 310 Old Santa Fe Trail, Room 206 Santa Fe, New Mexico 87503 (2 copies enclosed)

Attn: Mr. William J. Lemay

Re: San Juan 32-7 Unit #14-08-001-441 San Juan County, New Mexico 1991 Plan of Development GF-5464

#### Gentlemen:

By letter dated February 26, 1990 Northwest Pipeline Corporation, as Unit Operator, filed the Initial 1990 San Juan 32-7 Unit Plan of Development. By letters dated May 7, 1990 and July 20, 1990, Phillips Petroleum Company, as Unit sub-operator of the Fruitland Formation, filed the First and Second Supplemental 1990 San Juan 32-7 Unit Plans of Development. The drilling programs indicated that twenty-eight (28) Fruitland Coal wells and one (1) Entrada water disposal well would be drilled for the Unit. The following list describes those wells which have been drilled or dropped during 1990 and those wells carried over to the 1991 Plan of Development, if any.

San Juan 32-7 Unit #14-08-001-441 San Juan County, New Mexico 1991 Plan of Development February 7, 1991 Page 2

Well No.	1990 Plan of Development	Disposition
San Juan 32-7 Unit #205	Initial	Dropped
San Juan 32-7 Unit #206	Initial	Carried over
		to 1991 POD
San Juan 32-7 Unit #207	Initial	Drilled
San Juan 32-7 Unit #208	Initial	Drilled
San Juan 32-7 Unit #209	Initial	Drilled
San Juan 32-7 Unit #210	Initial	Drilled
San Juan 32-7 Unit #211	First	Drilled
San Juan 32-7 Unit #212	First	Dropped
San Juan 32-7 Unit #213	First	Drilled
San Juan 32-7 Unit #301	First	Carried over
		to 1991 POD
San Juan 32-7 Unit #214	Second	Drilled
San Juan 32-7 Unit #215	Second	Drilled
San Juan 32-7 Unit #216	Second	Carried over
		to 1991 POD
San Juan 32-7 Unit #217	Second	Drilled
San Juan 32-7 Unit #218	Second	Drilled
San Juan 32-7 Unit #219	Second	Drilled
San Juan 32-7 Unit #220	Second	Carried over
		to 1991 POD
San Juan 32-7 Unit #221	Second	Drilled
San Juan 32-7 Unit #222	Second	Dropped
San Juan 32-7 Unit #223	Second	Dropped
San Juan 32-7 Unit #224	Second	Dropped
San Juan 32-7 Unit #225	Second	Dropped
San Juan 32-7 Unit #226	Second	Dropped
San Juan 32-7 Unit #227	Second	Drilled
San Juan 32-7 Unit #228	Second	Carried over
		to 1991 POD
San Juan 32-7 Unit #229	Second	Drilled
San Juan 32-7 Unit #230	Second	Dropped
San Juan 32-7 Unit #231	Second	Drilled
San Juan 32-7 Unit #232	Second	Drilled

The total number of Fruitland wells drilled on acreage committed to the San Juan 32-7 Unit is as follows:

Fruitland Coal, undetermined	20
Fruitland, Commercial	2
Fruitland/Pictured Cliffs, Commercial	1

San Juan 32-7 Unit #14-08-001-441 San Juan County, New Mexico 1991 Plan of Development February 7, 1991 Page 3

The Participating Area which has been established in the San Juan 32-7 Unit is as follows:

Formation Fruitland (Sand) <u>Revision</u>

Effective Second November 1, 1977

There have been no changes to this Participating Area during 1990.

Pursuant to Section 10 of the San Juan 32-7 Unit Agreement, Phillips Petroleum Company, as Unit sub-operator of the Fruitland Formation, has solicited and received majority concurrence from the San Juan 32-7 Unit Working Interest Owners to include the following Fruitland Coal wells and water disposal well in the 1991 Plan of Development.

Well No	Drilling Block
San Juan 32-7 Unit #206	E/2 Section 27-32N-7W
San Juan 32-7 Unit #216	Lots 6-8, SW/4, NW/4 SE/4, Section 4, Lot 5
•	Section 5-31N-7W
San Juan 32-7 Unit #220	Lot 9, Tract 53 in Section 5
	Lots 8-11, 13, NE/4 SW/4,
	NW/4 SE/4, Tract 53 in
	Section 6-31N-7W
San Juan 32-7 Unit #228	Tract 54 in Section 6, Lots
	6, 7, SW/4 NE/4, N/2 SE/4,
San Juan 32-7 Unit #301 SWD	Tract 54 in Section 7-31N-7W SW/4 Section 34-32N-7W (location)

Phillips Petroleum Company will drill any wells that may be necessary to prevent drainage and any other wells deemed necessary or requested by the Unit sub-operator or 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. San Juan 32-7 Unit #14-08-001-441 Rio Arriba County, New Mexico 1991 Plan ofDevelopment February 7, 1991 Page 4

Copies of the 1991 Plan of Development are being sent to the Working Interest Owners as shown on the attached sheet. If you need additional information please advise.

Very truly yours,

Phillips Petroleum Company

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

cc: Unit Working Interest Owners

J. E. Carlton A. R. Lyons

R. T. Hillburn

#4 - 327pd.jay

San Juan 32-7 Unit #14-08-001-441 Rio Arriba County, New Mexico 1991 Plan ofDevelopment February 7, 1991 Page 5

APPROVED		_DATE
	Assistant District Manager, Minerals Bureau of Land Management Subject to like approval by the	
	Commissioner of Public Lands and the Oil Conservation Commission	
APPROVED		DATE
an i novid	Commissioner of Public Lands Subject to like approval by the Area Oil and Gas Supervisor and the Oil Conservation Commission	
APPROVED	Ky Elmun	DATE 2-14-9/
	Oil Conservation Commission	
	Subject to like approval by the	
	Area Oil and Gas Supervisor and the Commissioner of Public Lands	

The foregoing approvals are the 1991 Plan of Development for the San Juan 32-7 Unit #14-08-001-441.

# WORKING INTEREST OWNERS SAN JUAN 32-7 UNIT

ELIZABETH CALLOWAY
4801 ST. JOHNS DRIVE
DALLAS, TX 75205

FRED E TURNER
ONE ENERGY SQUARE, SUITE 852
4925 GREENVILLE AVENUE
DALLAS, TX 75206-4079

J. GLENN TURNER, JR. 500 LTV CENTER 2001 ROSS AVENUE DALLAS, TX 75201

JOHN L. TURNER 8585 NORTH STEMMONS, SUITE 925N DALLAS, TX 75247

MARY FRANCIS TURNER, JR. C/O MERCANTILE NAT'L BANK AT DALLAS P. O. BOX 2320 DALLAS, TX 75221

MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P. O. BOX 4289 FARMINGTON, NM 87401

PHILLIPS PETROLEUM COMPANY ATTN: A. J. KIEKE 300 WEST ARRINGTON, SUITE 200 FARMINGTON, NM 87401

#2 - A:\WIO327.JAY

NORTHWEST PIPELINE CORPORATION 3539 E. 30TH STREET FARMINGTON, NM 87401 ATTN; JEFF VAUGHN

NORTHWEST PIPELINE CORPORATION 295 CHIPETA WAY SALT LAKE CITY, UT 84108 ATTN: VERN HANSEN



EXPLORATION AND PRODUCTION

November 29, 1990

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

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

Re: Designation of Agent
San Juan 32-7 Unit
Contract #14-08-001-441
Unit Wells 227, 229 and 231
San Juan County, NM

GF-5464

#### Gentlemen:

Find enclosed for your review and approval two (2) copies of our Designation of Agent forms whereby Phillips Petroleum Company, as sub-operator of the Fruitland formation for the referenced unit, designates Northwest Pipeline Corporation as agent to drill the San Juan 32-7 Unit 227, 229 and 231 Fruitland Coal wells.

Note that the BLM has already approved same and I respectfully request your concurrent approval. Please forward an approved copy and/or approval letter to the undersigned.

Very truly yours
PHILLIPS PETROLEUM COMPANY

A. J. Kieke Area Landman San Juan Basin

Gut.

(505) 599-3410

### NORTHWEST PIPELINE CORPORATION ONE OF THE WILLIAMS COMPANIES

Charles Parksion 494-90

'90, SEP 240 671 10 04 SALT LAKE CITY, UTAH 84158-0900 801-584-7215

420

LAND DEPARTMENT

September 19, 1990

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

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

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

> Re: San Juan 32-7 Unit #14-08-001-441 San Juan County, New Mexico Third Supplemental 1990 Plan of Development

#### Gentlemen:

By letters dated February 6, 1990, May 7, 1990 and July 20, 1990, Northwest Pipeline Corporation and Phillips Petroleum Company, filed the 1990 Plan of Development, Supplemental, and Second Supplemental 1990 Plan of Development for the San Juan 32-7 Unit.

Subsequent to filing these 1990 Plans of Development it has been proposed that one well be re-worked to deepen and re-complete in the Mesaverde formation. All necessary Working Interest Owners have been contacted pursuant to Section 7 of the Unit Operating Agreement.

The proposed well is as follows:

Well No. Spacing Unit

Formation

San Juan 32-7 Unit #201

Lots 8, 9, SE/4SE/4, Tract 55 in Sec. 7, T31N, R7W, and Lots 5, 6, 7, E/2NE/4, SW/4NE/4, Tract 55 in Sec. 18, T31N, R7W

Mesaverde

Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission September 19, 1990 Page 2

If this Third Supplemental 1990 Plan of Development for the San Juan32-7 Unit meets with your approval, please signify your approval in the space provided and return an approved copy to Northwest Pipeline Corporation.

Copies of this letter are being sent to the Working Interest Owners shown on the attached sheet.

Sincerely,

NORTHWEST PIPELINE CORPORATION

Davil Levillen
Land Manager

DLG/lm Attachment

cc: Working Interest Owners

W. O. Curtis
P. C. Thompson

EXPLORATION AND PRODUCTION

September 12, 1990

#### DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

The undersigned is, on the records of the Minerals Management Service, Suboperator of the Fruitland Formation, hereafter referred to as "Suboperator", under the San Juan 32-7 Unit Agreement, San Juan County, New Mexico No. I Sec. No.: 14-08-001-441 approved December 16, 1952 and hereby designates:

NAME:

Northwest Pipeline Corporation

ADDRESS:

3539 E. 30th Street Farmington, NM 87401

as its agent, with full authority to act in its behalf in complying with the terms of the Unit Agreement and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing, completing and operating the unitized substances to a depth covering the top to the base of the Fruitland Coal Seam formation for the following wells:

San Juan 32-7 Unit #227 Lots 8-10, SE/4 Fruitland Coal E/2 SW/4, SE/4 NW/4 Sec 18, T31N, R8W

San Juan 32-7 Unit #229 N/2 Sec. 9, T31N, R7W Fruitland Coal San Juan 32-7 Unit #231 W/2 Sec. 17, T31N, R7W Fruitland Coal

It is understood that this Designation of Agent does not relieve the Suboperator of responsibility for compliance with the terms of the Unit Agreement and the Oil and Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute and assignment of any interest under the Unit Agreement or any lease committed thereto.

Designation of Agent San Juan 32-7 Unit Wells 227, 229, 231 September 12, 1990 Page No. 2

In case of default on the part of the designated agent, the Suboperator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representatives.

The Suboperator agrees promptly to notify the oil and gas supervisor of any change in the designated agent.

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement. This Designation of Agent is limited to field operations only and does not cover administrative action which shall require the specific authorization of the Suboperator. This Designation of Agent shall be effective on a well by well basis until each well has been drilled, completed and connected to the gas sales pipeline, but in no event later that March 31, 1991. Northwest shall give Suboperator 30 days written notice prior to connecting each such well to the gas sales pipeline. Suboperator will assume operatorship upon termination of this Designation of Agent.

This Designation of Agent is also subject to the terms and conditions contained in Exhibit "A" attached hereto.

Phillips Petroleum Company Suboperator

Data

#2 - DESOAGNT.JAY

### ACKNOWLEDGMENT

STATE OF _	1 E X A S	<del></del>
COUNTY OF	ECTOR	ss.
Fact of Pr	ping instrument was  1990 by	acknowledged before me this day of L. E. Carlton, as attorney-in- ompany, a Delaware corporation.
-	sion Expires:	Marane Bishop Notary Public
		MARIANNE BISHOP Notary Public STATE OF TEXAS  My Comm. Exp. Jan. 27, 1991

#### EXHIBIT "A"

#### DESIGNATION OF AGENT

#### SAN JUAN 32-7 UNIT WELLS 227, 229, 231

Northwest Pipeline Corporation ("Agent") indicates its acceptance of this Designation of Agent by placing its authorized signature in the space provided below and agrees to drill, complete, or plug and abandon said Fruitland Coal wells as a reasonable and prudent operator in accordance with the terms and conditions of the San Juan 32-7 Unit Agreement and the San Juan 32-7 Unit Operating Agreement, and also agrees to the following conditions. Agent shall:

- 1.) Submit to Suboperator's representative for approval all casing programs and equipment specifications prior to the drilling of any well.
- 2.) Notify Suboperator when drilling Operations are commenced.
- 3.) Furnish Suboperator with complete daily driller's tour report, at Agent's expense.
- 4.) Furnish Suboperator with daily reports by telephone call or facsimile at Agent's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
- 5.) Allow representatives of Suboperator access to the derrick floor at all times at their sole risk and expense.
- 6.) Notify Suboperator of intentions to core, drill stem test, stimulate, or run well surveys in sufficient time to enable Suboperator's representatives to be present; and also notify Suboperator in sufficient time in order that Suboperator may attend and witness any and all potential tests and packer leakage test.
- 7.) Cause all cores having shows of oil and gas to be analyzed by a competent core analysis laboratory. Three preliminary and three final copies of any conventional core analysis will be furnished to Suboperator. Any special core analysis performed at the request of Agent will be considered proprietary information and will be paid for solely by Agent.

- 8.) Furnish Suboperator three field prints and five final prints of all well surveys made during drilling or upon completion of wells.
- 9.) Furnish Suboperator a representative and adequate cut of all cores and ditch samples taken during the drilling of wells.
- 10.) Provide Suboperator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the wells.
- 11.) Notify Suboperator of any intention to plug and abandon wells and allow Suboperator forty-eight (48) hours in which to concur.
- 12.) Furnish the Bureau of Land Management and the Oil Conservation Commission of the State of New Mexico all proper and necessary reports and well data in the required numbers and time periods as specified by the Bureau of Land Management and the Oil Conservation Commission of the State of New Mexico, with a copy to Suboperator at the addresses hereinafter provided.
- 13.) Provide the Commissioner of Public Lands of the State of New Mexico with copies of all reports and other well data submitted in accordance with the preceding paragraph.
- 14.) Comply with all regulations of the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) as such may be amended from time to time, and pay any costs, fees, and claims including attorneys fees and penalties imposed because of Agent's failure to comply with FOGRMA regulations.

Agent agrees to indemnify and defend Suboperator and all of Suboperator's affiliated and subsidiary companies and the agents, servants and employees of Suboperator and all of its affiliated and subsidiary companies and to save and hold them harmless from and against any and all claims or liability (including court costs and attorney fees) for damage or loss of property of all character; from and against any and all claims for death, or injury to persons, including, but not limited to, employees or agents of Agent resulting from or arising out of the operations conducted or caused or permitted to be conducted by Agent in connection with the wells described hereinabove; and from and against any and all claims for labor and materials and any other costs and expense in connection with Agent's operations hereunder.

Such indemnity by Agent shall apply to any loss or damage or personal injury or death:

- (i) which arises directly, indirectly or incident to the Agent's operations;
- (ii) without regard to cause or causes thereof, including, without limitation, strict liability, breach of warranty (express or implied), imperfection of materials, condition of any premises or transport to or from such premises;
- (iii) whether the claim therefor is based on common law, civil law or statute.

However, such indemnity by Agent shall not apply and may not be relied upon by Suboperator to the extent that any claim or liability is found by a court or other tribunal of competent jurisdiction to have been caused by the gross negligence or willful misconduct of Suboperator.

All notices, samples or other information required to be furnished shall be sent to:

Phillips Petroleum Company Attn: Ralph Hawks 300 W. Arrington, Suite 200 Farmington, New Mexico 87401 Telephone (505) 599-3421 or 334-2073 Fax No. (505) 599-3442

hwest Pipelipe Corporation

F

_____

Approved as

Legal Departmen

Date

Date

### ACKNOWLEDGMENT

STATE OF <u>UTAH</u> COUNTY OF <u>SACT</u> LAKE	ss.
The foregoing instrument was a, 1990 by	cknowledged before me this day of
My Commission Expires:	Notary Public
Notary Public JAN M. SMITH 295 Chipeta Way Salt Lake City, Utah 84108 My Commission Expires June 11, 1992 State of Utah	



### United States Department of the Interior



BUREAU OF LAND MANAGEMENT ALBUQUERQUE DISTRICT OFFICE 435 MONTANO N.E. ALBUQUERQUE, NEW MEXICO 87107

San Juan 32-7 (POD) 3180 (015)

APR 1 0 1989

Northwest Pipeline Corp. ATTN: Darrell L. Gillen P.O. Box 8900 Salt Lake City, Utah 84108

39

Gentlemen:

Two approved copies of your 1989 Plan of Development for the San Juan 32-7 Unit Area, San Juan County, New Mexico are enclosed. Such plan, proposing the drilling of San Juan 32-7 Well No. 201, Fruitland Coal was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

The possibility of drainage by wells outside of the unit boundary may exist. You will be contacted at a later date about this possibility.

If you have any questions, please contact Gail Keller at the above address or telephone (505) 761-4503.

Sincerely,

(Orig. Signed) - Sid Vogslpohl

Assistant District Manager Mineral Resources

Enclosure

NMOCD, Santa Fe

### State of New Mexico





### Commissioner of Public Lands

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

April 4, 1989

Northwest Pipeline Corporation P.O. Box 8900

P.O. BOX 8900

Salt Lake City, Utah 84108-0899

ATTN: Darrell L. Gillen

RE: 1989 Plan of Development

San Juan 32-7 Unit

San Juan County, New Mexico

#### Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned 1989 Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

Enclosed is a copy for your files.

If we may be of further help, please do not hesitate to contact us.

Very truly yours,

W.R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

BY: Thopseles Y Lyacit

FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744

cc:OCD BLM

# NORTHWEST PIPELINE CORPORATION ONE OF THE WILLIAMS COMPANIES

LAND DEPARTMENT

18-89

P O BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

CIL COMSERVAT

January 12, 1989

Assistant District Manager, Minerals Bureau of Land Management 425 Montano, N.E. Albuquerque, NM 87107

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

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

Re: San Juan 32-7 Unit #14-08-001-441

San Juan County, New Mexico

NOTICE OF COMPLETION OF NON-COMMERCIAL WELL

Pictured Cliffs Formation

#### Gentlemen:

The Notice of Completion of Non-Commercial Well for the San Juan 32-7 Pictured Cliffs Unit #83 filed by letter dated October 25, 1988, has been approved by the regulatory agencies as follows:

Bureau of Land Management 11/29/88 Commissioner of Public Lands 12/30/88 Oil Conservation Commission 10/31/88

Copies of this letter are being sent to the Working Interest Owners shown on the attached sheet.

Sincerely,

NORTHWEST PIPELINE CORPORATION

CDarrell L. Gillen

Supervisor, Land Department

Bureau of Land Management Commissioner of Public Lands Oil Conservation Commission January 12, 1988 Page 2

DLG:cg Attachment

cc: Working Interest Owners
 K. J. Stracke
 W. S. West

L. G. Loving

C. N. Potter

R. L. Glenn

M. H. Johnson

R. P. Gregory L. K. Leaver

ELIZABETH CALLOWAY 4801 ST. JOHNS DRIVE DALLAS, TX 75205 FRED E. TÜRNER ONE ENERGY SQUARE, SUITE 852 4925 GREENVILLE AVENUE DALLAS, TX 75206-4079

J. GLENN TURNER, JR. 500 LTV CENTER 2001 ROSS AVENUE DALLAS, TX 75201 JOHN L. TURNER 8585 NORTH STEMMONS, SUITE 925N DALLAS, TX 75247 MARY FRANCIS TURNER, JR. C/O MERCANTILE NAT'L BANK AT DALLAS P.O. BOX 225415 DALLAS, TX 75265

MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401 PHILLIPS PETROLEUM COMPANY ATTN: PARTNERSHIP OPERATIONS P.O. BOX 1967 HOUSTON, TX 77251-1967



## United States Department of the Interior

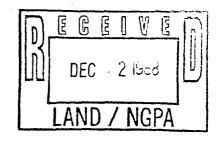


BUREAU OF LAND MANAGEMENT ALBUQUERQUE DISTRICT OFFICE 435 MONTANO N.E. ALBUQUERQUE, NEW MEXICO 87107

NOV 2 9 1958

San Juan 32-7 (PA) 3180 (015)

Northwest Pipeline Corporation Attn: Darrell L. Gillen P.O. Box 8900 Salt Lake City, UT 84108



Gentlemen:

By letter dated October 25, 1988, we received a Notice of Completion of Non-Commercial well, Pictured Cliffs Formation, San Juan 32-7 Unit, San Juan County, New Mexico. Northwest Pipeline Corporation, as unit operator, has determined that the San Juan 32-7 Unit Well No. 83 (located 460 feet from the south and 660 feet from the west of Section 28, T. 32 N., R. 7 W.) is not capable of producing unitized substances in paying quantities from the Pictured Cliff Formation. This notice is hereby accepted for the record.

If you have any further questions, please contact Gail Keller at (505) 761-4503.

Sincerely,

Assistant District Manager

Mineral Resources

Sidvogeboll

### SLO REF NO OG-987

# State of New Mexico

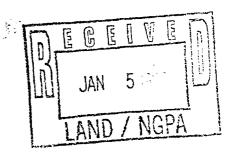






# Commissioner of Public Lands

December 30, 1988



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

Northwest Pipeline Corporation Attn: Mr. Darrell L. Gillen P. O. Box 8900 Salt Lake City, Ut 84108-0899

Re: San Juan 32-7 Unit
San Juan County, New Mexico
Notice of Completion of NC wells

Pictured Cliffs Formation

#### Gentlemen:

This office is in receipt of your letter of October 25, 1988, and an approval letter from the Bureau of Land Management, advising this office that the San Juan 32-7 Pictured Cliffs Unit Well No. 83 is not capable of producing unitized substances in paying quantities from the Pictured Cliffs formation.

Please be advised that the Commissioner of Public Lands, concurs with the Bureau of Land Management, that the above wells are non-commercial and should be produced on a lease basis.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744

loyd o Yhen

WRH/FOP/pm encls. cc: OCD BLM OGAD Assistant District Manager, Minerals Commissioner of Public Lands Oil Conservation Commission October 25, 1988 Page 3

APPROVED		DATE
	Assistant District Manager, Minerals	•
	Bureau of Land Management	
	Subject to like approval by the	
	Commissioner of Public Lands	
	and the Oil Conservation Commission	
APPROVED	·	DATE
	Commissioner of Public Lands	
	Subject to like approval by the	
	Area Oil and Gas Supervisor	
	and the Oil Conservation Commission	
		•
	(1/01/)	
APPROVED	To Chefum	DATE 10-31-88
	Oil Conservation Commission	
	Subject to like approval by the	
	Area Oil and Gas Supervisor	
	and the Commissioner of Public Lands	

The foregoing is the approval of Notice of Completion of Non-Commercial Well for the San Juan 32-7 Unit #83 Well, Pictured Cliffs Formation.

#### SLO REF NO OG-987

## State of New Mexico



W.R. HUMPHRIES

COMMISSIONER



# Commissioner of Public Lands

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

December 30, 1988

Northwest Pipeline Corporation Attn: Mr. Darrell L. Gillen P. O. Box 8900 Salt Lake City, Ut 84108-0899

Re: San Juan 32-7 Unit
San Juan County, New Mexico
Notice of Completion of NC wells
Pictured Cliffs Formation

#### Gentlemen:

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Please be advised that the Commissioner of Public Lands, concurs with the Bureau of Land Management, that the above wells are non-commercial and should be produced on a lease basis.

If we may be of further help please do not hesitate to call on us.

BY:

Very truly yours,

W. R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

FLOYD O. PRANDO, Director Oil and Gas Division

only When

(505) 827-5744

WRH/FOP/pm encls.

BLM

OGAD

/U/VLOCKI (WIO enew)



## United States Department of the Interior



BUREAU OF LAND MANAGEMENT ALBUQUERQUE DISTRICT OFFICE 435 MONTANO N.E. ALBUQUERQUE, NEW MEXICO 87107

NOV 2 9 1988

San Juan 32-7 (PA) 3180 (015)

Northwest Pipeline Corporation Attn: Darrell L. Gillen P.O. Box 8900 Salt Lake City, UT 84108

#### Gentlemen:

By letter dated October 25, 1988, we received a Notice of Completion of Non-Commercial well, Pictured Cliffs Formation, San Juan 32-7 Unit, San Juan County, New Mexico. Northwest Pipeline Corporation, as unit operator, has determined that the San Juan 32-7 Unit Well No. 83 (located 460 feet from the south and 660 feet from the west of Section 28, T. 32 N., R. 7 W.) is not capable of producing unitized substances in paying quantities from the Pictured Cliff Formation. This notice is hereby accepted for the record.

If you have any further questions, please contact Gail Keller at (505) 761-4503.

Sincerely,

Assistant District Manager

Mineral Resources

Sidvogepoll

## State of New Mexico

SLO REF NO OG-944



W.R. HUMPHRIES COMMISSIONER



# Commissioner of Public Lands

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

November 18, 1988

Northwest Pipeline Corporation Attn: Mr. Darrell L. Gillen P. O. Box 8900 Salt Lake City, UT 84108

#420

Re:

San Juan 32-7 Unit Non-Commercial Well No. 83 San Juan County, New Mexico

#### Gentlemen:

This office is in receipt of your letter of October 11, 1988 and the notification letter by BLM dated November 4, 1988 regarding non commercial well determination on the the above captioned well.

Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management that the San Juan 32-7 Unit Well No. 83-M located in Sec. 28-32N-7W is not capable of producing unitized substances in paying quantities from the Mesaverde Formation.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

FLOYD O. PRANDO, Director Oil and Gas Division

ourlo Y

(505) 827-5744

WRH/FOP/pm encls.

BLM



647-88

LAND DEPARTMENT

P.O. BOX 8900 SALT LAKE CITY, UTAH 84108-0899 801-584-7215

November 16, 1988

Assistant District Manager, Minerals Bureau of Land Management 425 Montano, N.E. Albuquerque, NM 87107

State of New Mexico Commissioner of Public Lands Attn: Mr. Floyd O. Prando P.O. Box 1148 Santa Fe, NM 87501

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

Re: San Juan 32-7 Unit #14-08-001-441

San Juan County, New Mexico

NOTICE OF COMPLETION OF NON-COMMERCIAL WELL

Mesaverde Formation

#### Gentlemen:

The Notice of Completion of Non-Commercial Well for the San Juan 32-7 Mesaverde Unit #83 filed by letter dated October 11, 1988, has been approved by the regulatory agencies as follows:

Bureau of Land Management
Oil Conservation Commission

11/4/88 10/20/88

Copies of this letter are being sent to the Working Interest Owners shown on the attached sheet.

Sincerely,

NORTHWEST PIPELINE CORPORATION

Narrell L. Gillen

Supervisor, Land Department

DLG:cg Attachment Bureau of Land Management Commissioner of Public Lands Oil Conservation Commission November 16, 1988 Page 2

cc: Working Interest Owners
 K. J. Stracke
 W. S. West

L. G. Loving C. N. Potter

R. L. Glenn

M. H. Johnson R. P. Gregory L. K. Leaver

ELIZABETH CALLOWAY 4801 ST. JOHNS DRIVE DALLAS, TX 75205 FRED E, TURNER ONE ENERGY SQUARE, SUITE 852 4925 GREENVILLE AVENUE DALLAS, TX 75206-4079

J. GLENN TURNER, JR. 500 LTV CENTER 2001 ROSS AVENUE DALLAS, TX 75201 JOHN L. TURNER 8585 NORTH STEMMONS, SUITE 925N DALLAS, TX 75247 MARY FRANCIS TURNER, JR. C/O MERCANTILE NAT'L BANK AT DALLAS P.O. BOX 225415 DALLAS, TX 75265

MERIDIAN OIL PRODUCTION INC. LAND DEPARTMENT P.O. BOX 4289 FARMINGTON, NM 87401

PHILLIPS PETROLEUM COMPANY ATTN: GARY KUSE 8055 E. TUFTS AVE. PKWY. DENVER, CO 80237

### State of New Mexico





ALEX J. ARMIJO

### Commissioner of Public Lands

December 27, 1982

P. O. BOX 1148 SANTA FE, N. M. 87504-1148

Northwest Pipeline Corporation 1125 Seventeenth Street, Suite 2140 Denver, Colorado 80202

Re: San Juan 32-7 Unit

Twentieth Expanded Participating Area Mesaverde Formation

Effective December 1, 1981 San Juan County, New Mexico

ATTENTION: Kathy Michael

Gentlemen:

This office is in receipt of the Twentieth Expanded Participating Area for the Mesaverde Formation, in the San Juan 32-7 Unit, San Juan County, New Mexico.

Since this needs no official approval, we have this date filed this information in our unit files. Enclosed is one copy for your files reflecting the date received in this office.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:

RAY D. GRAHAM, Director Oil and Gas Division AC 505/827-5744

AJA/RDG/pm encls.

cc:

OCD-Santa Fe, New Mexico USMMS-Albuquerque, New Mexico

Administration



### STATE OF NEW MEXICO

### ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

December 1, 1982

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Case 420

Northwest Pipeline Corp.
1125 Seventeenth St.
Suite 2140
Denver, CO 80202

ATTENTION: Kathy Michael

RE: San Juan Unit 32-7
Additional Well Completion

Mesaverde Formation San Juan County, NM

Dear Ms. Michael:

The above referenced submittal has been approved by the New Mexico Oil Conservation Division effective this date. Such approval is contingent upon like approval by the New Mexico Commissioner of Public Lands and the United States Minerals Management Service.

Sincerely,

Roy E. Johnson

Petroleum Geologist

REJ/dp

cc: Commissioner of Public Lands - Santa Fe Minerals Management Service - Albuquerque OCD District Office

Case # 420

### NORTHWEST PIPELINE CORPORATION

LAND DEPARTMENT

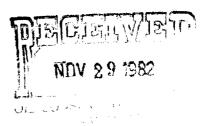
November 22, 1982

1125 Seventeenth Street, Suite 2140 Denver, Colorado 80202 303-620-3559

Assistant Area Oil and Gas Supervisor Minerals Management Service Western National Bank Building 505 Marquette NW, Suite 815 Albuquerque, New Mexico 87102

State of New Mexico Commissioner of Public Lands Attn: Mr. Ray D. Graham P. O. Box 1148 Santa Fe, New Mexico 87501

State of New Mexico
Oil Conservation Commission
Attn: Mr. Joe Ramey
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: San Juan 32-7 Unit #14-08-001-441 San Juan County, New Mexico

NOTICE OF COMPLETION OF ADDITIONAL WELL
MESAVERDE FORMATION

### Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, Northwest Pipeline Corporation, as Unit Operator, has determined that an additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to this Unit.

The well data is as follows:

The San Juan Unit No. 28A Well is located 920 feet from the North line and 1580 feet from the West Line, Section 35, Township 32 North, Range 7 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on July 24, 1981 and completed on November 25, 1981 in the Mesaverde Formation at a plug back depth of 6000'. The Mesaverde Formation was perforated with 22 holes at depths of:

5642' - 5973'

These perforations were treated with 10,000 gallons pad treated water followed by a sand/water fracturing. The well was shut-in with a SIPT of 1113 psig and SIPC of 1113 psig. On November 25, 1981, the well was tested and after flowing for three (3) hours through a  $2 \times .750$  inch variable choke on the 2 3/8 inch tubing, the well gauged 2697 MCFD with a calculated AOF of 3256 MCFD.

Minerals Management Service Commissioner of Public Lands Oil Conservation Commission November 22, 1982 Page Two

The committed drilling block upon which this well is located is described as the W/2 of Section 35, T32N-R7W, San Juan County, New Mexico containing 320.00 acres.

This drilling block was included in the San Juan 32-7 Unit Sixteenth Expanded Participating Area effective November 1, 1974.

Since this well was drilled within the existing Mesaverde Formation Participating Area, the Participating Area is not enlarged by virtue of this infill well, and the percentage of participation remains the same.

Copies of this letter are being sent to the Working Interest Owners shown on the attached sheet.

Very truly yours,

Kathy Michael

Supervisor/Land Department

KM:bs
attachment

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

Mr. J. Glenn Turner, Jr. 1700 Mercantile National Bank Building Dallas, Texas 75201

Mr. Fred E. Turner One Energy Square - Suite 852 4925 Greenville Avenue Dallas, Texas 75206

Elizabeth T. Calloway 4801 St. Johns Drive Dallas, Texas 75206

Mercantile National Bank of Dallas, Trustee Mary Frances Turner, Jr. Personal Trust Department P. O. Box 225415 Dallas, Texas 75206

General American Oil Company of Texas Attn: Mr. L. E. Dooley Meadows Building Dallas, Texas 75206

El Paso Natural Gas Company Attn: Mr. James R. Permenter P. O. Box 1492 El Paso, Texas 79978

Phillips Petroleum Company Attn: M. K. Study 8055 E. Tufts Avenue Parkway Denver, Colorado 80237

Amoco Production Co. Attn: M. R. Gile 1670 Broadway - Suite 1914 Amoco Building Denver, Colorado 80202

Case # 4/20

NORTHWEST PIPELINE CORPORATION

LAND DEPARTMENT

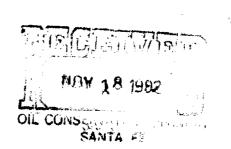
1125 Seventeenth Street, Suite 2140 Denver, Colorado 80202 303-620-3559

November 1, 1982

Assistant Area Oil and Gas Supervisor Minerals Management Service Western National Bank Building 505 Marquette NW, Suite 815 Albuquerque, New Mexico 87102

State of New Mexico Commissioner of Public Lands Attn: Mr. Ray D. Graham Post Office Box 1148 Santa Fe, New Mexico 87501

State of New Mexico Oil Conservation Commission Attn: Mr. Joe Ramey Post Office Box 2088 Santa Fe, New Mexico 87501



RE: San Juan 32-7 Unit
No. 14-08-001-441
San Juan County, New Mexico
Twentieth Expanded
Participating Area

Mesaverde Formation

Effective December 1, 1981

### Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, Northwest Pipeline Corporation, as Unit Operator, determined on the date indicated below that the following well which is capable of producing unitized substances in paying quantities from the Mesaverde formation has been completed upon a drilling block containing acreage committed to the unit and that the Participating Area for the Mesaverde Formation should be expanded as follows:

TWENTIETH EXPANDED PARTICIPATING AREA - Effective December 1, 1981

 $\frac{\text{Drilling Block}}{\text{T32N-R7W}}$ Sec 27:  $E^{1}_{2}$ 

Acres

Well Name and No.

320.00

San Juan 32-7. Unit #75

Minerals Management Service Commissioner of Public Lands Oil Conservation Commission November 1, 1982 Page Two

### Intervening Drilling Block

 $\frac{\text{T32N-R7W}}{\text{Sec. 34:}}$ 

320.00 acres

Intervening Drilling Block

The San Juan 32-7 Unit #46 Well has been proposed for drilling in the NE% of Section 34. Commencement of this well is anticipated prior to December 1, 1982.

Pertinent well data on this well is as follows:

The San Juan Unit No. 75 Well is located 970 feet from the South Line and 860 feet from the East Line, Section 27, Township 32 North, Range 7 West, N.M.P.M., San Juan County, New Mexico. This well was spudded on 7-16-81 and completed on 11-30-81 in the Mesaverde Formation at a plug back depth of 6140'. The Mesaverde Formation was perforated with 22 holes at depths of:

5754' - 6101'

These perforations were treated with 5,000 gal pad of treated water followed by a sand-water fracturing. The well was shutin with a SIPT of 1089 psig. On 11-30-81, the well was tested and after flowing for three (3) hours through a 2  $\times$  .750 inch variable choke on the 2 3/8 inch tubing, the well gauged 3555 MCFD with a calculated AOF of 4519 MCFD.

This well has been determined to be commercial.

Attached are Schedule XXII and ownership map showing the Twentieth Expanded Participating Area for the Mesaverde Formation of the San Juan 32-7 Unit Area. This Schedule describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each tract. Inasmuch as this needs no official approval, no provision is made therefor and in the absence of disapproval, the subject expansion will become effective December 1, 1981.

Copies of this letter, Schedule and map are being sent to the Working Interest Owners shown on the attached sheet.

Sincerely.

Kathy Michael

Supervisor/Land Department

KM:bs Attachments

CC: Working Interest Owners

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

MR. J. GLENN TURNER, JR. 1700 MERCANTILE NATIONAL BANK BUILDING DALLAS, TEXAS 75201 PHILLIPS PETROLEUM COMPANY ATTN: M. K. STUDY 8055 E. Tufts Avenue Parkway Denver, Colorado 80237

MR. FRED E. TURNER
ONE ENERGY SQUARE - SUITE 852
4925 GREENVILLE AVENUE
DALLAS, TEXAS 75206

ELIZABETH T. CALLOWAY 4801 ST. JOHNS DRIVE DALLAS, TEXAS 75205

MR. JOHN L. TURNER 800 DIAMOND SHAMROCK TOWER DALLAS, TEXAS 75201

MERCANTILE NATIONAL BANK AT DALLAS, TRUSTEE, MARY FRANCES TURNER, JR. PERSONAL TRUST DEPARTMENT POST OFFICE BOX 225415 DALLAS, TEXAS 75265

GENERAL AMERICAN OIL COMPANY OF TEXAS ATTN: MR. L. E. DOOLEY MEADOWS BUILDING DALLAS, TEXAS 75206

EL PASO NATURAL GAS COMPANY ATTN: MR. JAMES R. PERMENTER P. O. BOX 1492 EL PASO, TEXAS 79978

AMOCO PRODUCTION COMPANY ATTN: M. R. GILE 1670 BROADWAY - SUITE 1914 AMOCO BUILDING DENVER, COLORADO 80202

P 078996		N <u>-33052</u> KGS			:F 078669		SF 078543	SERIAL NUMBER
T-31-N, R-7-W Sec. 3: Lots, 5,6,7,8 136 N/2SE/4, W/2SW/4 Sec. 4: Lots, 5,6,7,8, S/2 Sec. 5: Lots 5,6,7,8 SE/4, E/2SW/4 Sec. 8: E/2		T-32-N, R-7-W Sec. 33: W/2SE/4		0000 210 07 2007 4	T-32-N, R-7-W	Sec. 27. 3W/4 Sec. 33: NE/4 Sec. 34: SE/4 Sec. 35: N/2	27. I	DESCRIPTION
1368.20 ₁		80.00	٠.		80.00		800.00	NUMBER OF ACRES
Royalty; Working Interest: Northwest Pipeline Corp. ORRI; Total	TRACT 10	Royalty; Working Interest: Northwest Exploration Company ORRI; Total	TRACT 8	Southland Royalty; ORRI; Total	TRACT 7  Royalty;  Royalty;	Northwest Pipeline Corp. ORRI; Total	TRACT 6 Royalty;	OWNERSHIP DRILLING BLOCK
12.500% 82.500% 5.000% 100.000%		12.500% 87.500% 00.000% 100.000%		87.500% 0.000% 100.000%	12.500%	82.500% 5.000% 100.000%	12.500%	PERCENTAGE
12.500% 82.500% 5.000% 100.000%		00.000%		00.000% 000.000%	00.000%	82.500% 5.000% 100.000%	12.500%	PERCENTAGE COMMITTED
13.767330%		0.00000%			0.00000%	)	8.049893%	PRESENT ACTUS PARTICIPATION

:3.

SCHEDULE XXII TWENTIETH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION SAN JUAN 32-7 UNIT AREA

	3-3			8-4			5540		)78998		IAL NUMBER	
26C. 10: E/ZM/Z	T-32-N, R-7-W		0ec. 10. W/ ZW/ Z	T-32-N, $R-7-W$		2000	T-32-N, R-7-W	Sec. 17: A11 T-32-N, R-7-W Sec. 33: E/2SE/4 Sec. 34: SE/4	T-31-N, R-7-N		DESCRIPTION	
	160.00			160.00	,		40.00		1200.00		NUMBER OF ACRES	••
WORKING INTEREST: El Paso Natural Gas ORRI; Total	Royalty;	TRACT 17	Unleased; ORRI; Total	Royalty;	TRACT 16	Northwest Pipeline Corp. ORRI; Total	Royalty;	Northwest Pipeline Corp.; ORRI; TRACT 15	Royalty;	TRACT 11	OWNERSHIP DRILLING BLOCK	
65.625% 21.875% 100.000%	12.500%		87.500% 00.000% 100.000%	12.500%	·	82.500% 5.000% 100.000%	12.500%	82.500% 5.000% 100.000%	12.500%		PERCENTAGE	
65.625% 21.875% 100.000%	12.500%		87.500% 00.000% 100.000%	12.500%		82.500% 5.000% 100.000%	12.500%	82.500% 5.000% 100.000%	12.500%		PERCENTAGE COMMITTED	
	1.609979%	Ġ		1.609979%			.402495%		12.074840%		PRESENT ACTU- PARTICIPATIO	

ree	E-503-12	SERIAL NUMBER
T-32-N, R-7-W Sec. 7: 1 acre out of SW/4SE/4SE/4	T-32-N, R-7-W Sec. 32: E/2W/2 Sec. 36: All  T-32-N, R-7-W Sec. 7: Lots 1,2,3 SE/4 & NE/4SW/4 Sec. 8: Lots 1,2,3 E/2SW/4 & W/2SE/4 & NE/4SE/4 Sec. 9: Lot 4 & NW/4SW/4 Sec 18: 13.36 acre tract in NE/4NE/4 Sec 21: W/2NE/4 & E/2NW/4	DESCRIPTION
1.00	800.00	NUMBER OF ACRES
Royalty; Working Interest: Northwest Pipeline Corp.; ORRI; Total	Royalty; Working Interest: Northwest Pipeline Corp.; ORRI;  TRACT 21  Royalty; Working Interest: Northwest Pipeline Corp.; ORRI;  Total  Tract 21  Total	OWNERSHIP DRILLING BLOCK
12.500% 87.500% 00.000%	12.500% 82.500% 5.000% 100.000% 12.500% 87.500% 100.000%	PERCENTAGE
12.500% 87.500% 00.000%	12.500% 82.500% 5.000% 12.500% 87.500% 100.000%	PERCENTAGE COMMITTED
.010062 %	8.049893%	PRESENT ACTU: PARTICIPATION

NUMBER

DRILLING BLOCK

PERCENTAGE

PRESENT ACTU

Fee Fee	T-32-N, R-7-W	OF ACRES	TRACT 22	PERCENTAGE	COMMITTED
	SE/4 4 & SI /4 & SI 4 acre 4NE/4 /4 &	out 603.73 E/4 tract	Royalty; Working Interest: Northwest Pipeline Corp.; ORRI; Total	12.500% 84.500% 3.000% 100.000%	12.500% 84.500% 3.000% 100.000%
			TRACT 23		
Fee	T-32-N, R-7-W	240.00	Royalty; Working Interest:	12.500%	12.500%
	Sec. 21: SW/4		Northwest Pipeline Corp., ORRI; Total	87.500% 00.000% 100.000%	87.500% 00.000% 100.000%
	·		TRACT 24		
Fee	T-32-N, R-7-W	160.00	Royalty;	12.500%	12.500%
	Sec. 32: W/2W/2		Northwest Pipeline Corp., ORRI;	87.500%	87.500%
			Total	100.000%	100.

		NUMBER	DRILLING BLOCK		PERCENTAGE	PRESENT ACT
SERIAL NUMBER	DESCRIPTION	OF ACRES	OWNERSHIP	PERCENTAGE	COMMITTED	PARTICIPATIO
			TRACT 25			·
Fee	T-32-N-, R-7-W	99.41	Royalty;	12.500%	12.500%	1.000300%
	Sec. 8: Lot 4 W/2SW/4		Working Interest: Northwest Pipeline Corp.,	87.500%	87.500%	
				00.000%	00.000%	
1	3 3 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	• •	TAKAUT 40			
(	Sec. 3: E/2SW/4		Working Interest:			0.00000
	9/205/4		ORRI;	00.000%	00.000%	
			Total	100.000%	100.000%	
			TRACT 28			
ffee	T-31-N, R-7-W	160.00	Royalty;	20.000%	00.000%	0.000000%
	Sec. 10: NW/4		working interest:	00 000%	0000	

ORRI;

Total

80.000% 00.000% 100.000%

2000.000 2000.000 2000.000

Palmer Oil and Gas;

### SCHEDULE XXII

## TWENTIETH EXPANDED PARTICIPATING AREA FOR THE MESAVERDE FORMATION SAN JUAN 32-7 UNIT AREA

			DESCRIPTION	ä
BLOCK PERCENTAGE PRESENT AC	DRILLING BLOCK	NUMBER		

SERIAL NUMBER

### RECAPITULATION

Township 31 North, Range 7 West, N. M. P. M. Section 3: Lots 5,6,7,8, S/2
Section 4: Lots 5,6,7,8, S/2
Section 5: Lots 5,6,7,8, SE/4 & E/2SW/4
Section 10: NW/4
Section 17: All

Township 32 North, Range 7 West, N. M. P. M. Section 7: (Frac.) All Section 8: (Frac.) All Section 9: (Frac.) W/2W/2 Sections 17,20,21,22, 27, 35, 36: All Sections 16,29, 32: W/2 Sections 23: SW/4 Sections: 18, 28, 33, 34: E/2

Total Number of Acres Not Committed to Participating Area: Total Number of Acres Committed to Participating Area: Total Number of Acres in Participating Area: 10,418.02 9,938.02 480.00

