



#446

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

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

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

March 27, 1995

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

Attention: Mr. Patrick H. Noah

Re: San Juan 32-8 Unit
Commerciality Determinations
Fruitland Formation
San Juan County, New Mexico

Dear Mr. Noah:

This office is in receipt of your letter of November 30, 1994, together with data that supports your commercial determinations regarding the San Juan 32-8 Unit Well Nos. 205, 219, 227, 228, 229, 231, 232, 235, 239, 241, 243, 248, 249 and 250.

The Bureau of Land Management by their letter of March 16, 1995, has advised this office that they have concurred with your determination that the San Juan 32-8 Unit Well Nos. 205, 219, 227, 228, 231, 232, 235, 239, 241, 243, 248 and 250 were determined to be capable of producing in paying quantities from the Fruitland formation. In addition, the Unit Well Nos. 229 and 249 were determined to be non-paying Fruitland wells and will be produced on a lease basis.

Please be advised that the Commissioner of Public Lands concurs with Phillips Petroleum Company and the Bureau of Land Management's determinations that the San Juan Unit Well Nos. 205, 219, 227, 228, 231, 232, 235, 239, 241, 243, 248 and 250 are commercial in the Fruitland formation and entitled to participate in the Fruitland Participating Area. The Well Nos. 229 and 249 are considered to be non-paying wells and will be produced on a lease basis.

Please submit an application for the appropriate expansion of the Fruitland Participating Area to this office for approval.

Phillips Petroleum Company

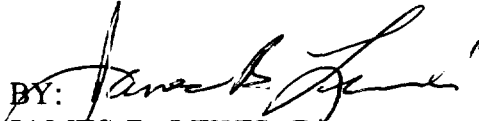
Page 2

March 27, 1995

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

BY: 

JAMES B. LEWIS, Director
Oil/Gas and Minerals Division
(505) 827-5744

RP/JBL/cpm

Enclosure

cc: Reader File

OCD-Santa Fe--Attention: Roy Johnson

TRD-Santa Fe--Attention: Valdean Severson

BLM-Farmington--Attention: Duane Spencer

OIL CONSERVATION DIVISION
RECEIVED

MAR 21 PM 8 52

San Juan 32-8 Unit (FRC PA)
3180 (07327)

MAR 16 1995

Mr. Patrick H. Noah
Phillips Petroleum Company
5525 Highway 64, NBU 3004
Farmington, NM 87401

Dear Mr. Noah;

We have concluded our review of your recent application for paying well determinations for 14 Fruitland Coal wells in the San Juan 32-8 Unit. We concur with your finding that 12 of the wells are capable of producing unitized substances in paying quantities, while 2 are non-commercial wells. The following chart indicates the status of each well.

WELL NUMBER	LOCATION	AFFECTED ACREAGE	STATUS
205	SEC 34, T. 32 N., R. 8 W.	E½	PAYING
219	SEC 35, T. 32 N., R. 8 W.	W½	PAYING
227	SEC 16, T. 31 N., R. 8 W.	W½	PAYING
228	SEC 16, T. 31 N., R. 8 W.	E½	PAYING
229	SEC 20, T. 32 N., R. 8 W.	W½	NON-PAYING
231	SEC 28, T. 32 N., R. 8 W.	W½	PAYING
232	SEC 29, T. 32 N., R. 8 W.	E½	PAYING
235	SEC 21, T. 31 N., R. 8 W.	E½	PAYING
239	SEC 30, T. 32 N., R. 8 W.	W½	PAYING
241	SEC 4, T. 31 N., R. 8 W.	E½	PAYING
243	SEC 11, T. 31 N., R. 8 W.	W½	PAYING
248	SEC 11, T. 31 N., R. 8 W.	E½	PAYING
249	SEC 3, T. 31 N., R. 8 W.	E½	NON-PAYING
250	SEC 33, T. 32 N., R. 8 W.	W½	PAYING

A formal participating area application will be required to include the paying wells into the Fruitland Participating Area. Production from non-paying wells will be reported to the original lease.

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

If you have any questions concerning this correspondence, please direct them to Ray Hager (505) 599-6366.

Sincerely,

/s/ Duane Spencer

Duane W. Spencer
Chief, Branch of Reservoir Management

cc:

Commissioner of Public Lands, Santa Fe
New Mexico Oil Conservation Division, Santa Fe



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

March 3, 1995

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

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

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

Re: San Juan 32-8 Unit
#14-08-001-446
Rio Arriba County, New Mexico
1995 Plan of Development
GF-5465

Gentlemen:

By letter dated March 21, 1994, Phillips Petroleum Company (Phillips) as Unit Operator, filed the 1994 Initial Plan of Development (POD) for the San Juan 32-8 Unit. The POD indicated that six wells were to be included in the 1994 POD. The following list describes these wells and their disposition:

<u>Well Number</u>	<u>Formation</u>	<u>Disposition</u>
San Juan 32-8 #3	Mesaverde PA owners concurrred in P&A of well	Well plugged and abandoned
San Juan 32-8 #4	Mesaverde PA owners concurrred in P&A of well	Plugging pending
San Juan 32-8 #246	Fruitland Coal	Carried over to 1995 POD
San Juan 32-8 #247	Fruitland Coal	Carried over to 1995 POD
San Juan 32-8 #251	Fruitland Coal	Carried over to 1995 POD
San Juan 32-8 #252	Fruitland Coal	Carried over to 1995 POD

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

San Juan 32-8 Unit
#14-08-001-446
1995 Plan of Development
March 3, 1995
Page 2

As of this date, the total number of wells drilled and operated by Phillips Petroleum Company our acreage committed to the San Juan 32-8 Unit is as follows:

Fruitland Coal, commercial, PA	14
Fruitland Coal, commercial, pending PA	5
Fruitland Coal, undetermined	19
Fruitland Sand, commercial, PA	3
Fruitland Sand, plugged and abandoned	1
Fruitland Sand/Pictured Cliffs (Fruitland commercial, Pictured Cliffs non-commercial)	1
Entrada, Water Disposal Facility	2
Pictured Cliffs/Mesaverde, commercial	2
Pictured Cliffs/Mesaverde, (Pictured Cliffs commercial/Mesaverde non-commercial)	1
Mesaverde, non-commercial	3
Mesaverde, commercial	33
Mesaverde, plugged and abandoned	7
Mesaverde/Dakota, plugged and abandoned	1
Dakota, commercial	1
Dakota, non-commercial	1
TOTAL	93

The Participating Areas which have been established in the San Juan 32-8 Unit are as follows:

<u>FORMATION</u>	<u>REVISION</u>	<u>EFFECTIVE</u>
Fruitland Coal	Ninth	April 1, 1991
Pictured Cliffs	First	January 1, 1983
Mesaverde	Nineteenth	July 1, 1983
Dakota	Initial	February 10, 1982

Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Phillips Petroleum Company, as Unit Operator, has solicited and received majority approval from the San Juan 32-8 Unit Working Interest Owners to include the following wells in the 1995 Plan of Development:

<u>Well Number</u>	<u>Formation</u>	<u>Drilling Block</u>
San Juan 32-8 #246	Fruitland Coal	S/2 Section 18-32N-8W
San Juan 32-8 #247	Fruitland Coal	W/2 Section 19-32N-8W
San Juan 32-8 #251	Fruitland Coal	W/2 Section 17-32N-8W
San Juan 32-8 #252	Fruitland Coal	E/2 Section 19-32N-8W

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.

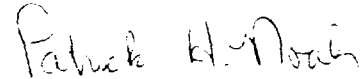
Please signify your approval as required under Section 10 of the Unit Agreement by signing in the space provided for on the attached sheet and returning an approved copy to the undersigned.

San Juan 32-8 Unit
#14-08-001-446
1995 Plan of Development
March 3, 1995
Page 3

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

Respectfully,

PHILLIPS PETROLEUM COMPANY



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

APPROVED _____

DATE _____

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

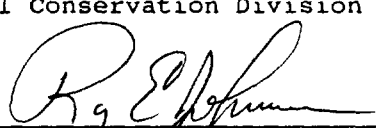
APPROVED _____

DATE _____

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

APPROVED _____

DATE 3-20-95



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

The foregoing approvals are for the 1995 Plan of Development for the San Juan 32-8 Unit #14-08-001-446.

cc: SJ 32-8 Unit WIO's
J. W. Taylor (r) Local Supervisors
L. E. Hasely
J. L. Mathis (r) GF-5397

**SAN JUAN 32-8 UNIT
WORKING INTEREST OWNERS**

Cinco General Partnership

Suzanna P. Kelly

Dr. Andrew B. Kelly

Dr. Charles E. Kelly

Susanna Phillips Kelly, Jr.

Meridian Oil Production Inc.

Phillips Petroleum Company

Phillips-San Juan Partners, L.P.

Texaco Exploration & Production Inc.

William G .Webb and Jane Webb

Williams Production Company

Wintergreen Energy Corporation



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

November 30, 1994

#446

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 32-8 Unit
#14-08-001-446
Commerciality Determination
Fruitland Formation
San Juan County, NM
GF-5465

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-8 Unit Agreement, #14-08-001-446, approved January 13, 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 determinations 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 32-8 Unit
#14-08-001-446
Commerciality Determination
November 30, 1994
Page 2

(1)	(2)	(3)	(4)	(5)	(6)*
<u>Test Date</u>	<u>Well Number</u>	<u>T32N-R8W Drill Block</u>	<u>Acres</u>	<u>Date Submitted for Paying Well Determination</u>	<u>Disposition</u>
11-30-76	36	E/2 Section 25	320.00	10-11-77	Initial PA
10-14-77	37	E/2 Section 23	320.00	10-04-78	1st Expansion
06-19-81	41	W/2 Section 23	320.00	01-15-82	2nd Expansion
12-08-89	207	W/2 Sec. 22-31N-8W	320.00	08-23-93	3rd Expansion
03-25-90	208	W/2 Section 29	320.00	08-23-93	4th Expansion
08-02-90	223	W/2 Sec. 10-31N-8W	320.00	02-07-93	5th Expansion
08-03-90	224	E/2 Sec. 10-31N-8W	320.00	02-07-93	5th Expansion
08-24-90	221	W/2 Sec. 9-31N-8W	320.00	02-07-93	5th Expansion
09-01-90	202	W/2 Section 27	320.00	02-07-93	6th Expansion
09-09-90	222-IDB	E/2 Sec. 9-31N-8W	320.00	07-13-94	5th Expansion
09-24-90	226	E/2 Sec. 15-31N-8W	320.00	02-07-93	6th Expansion
10-15-90	237	E/2 Sec. 23-31N-8W	320.00	08-23-93	7th Expansion
10-29-90	238	W/2 Sec. 23-31N-8W	320.00	08-23-93	7th Expansion
11-18-90	220	W/2 Sec. 24-31N-8W	320.00	08-23-93	8th Expansion
03-15-91	206	E/2 Sec. 24-31N-8W	320.00	02-07-93	9th Expansion
04-11-91	229	W/2 Section 20	320.00	11-30-94	Non-PA
04-28-91	230	E/2 Section 28	320.00	02-07-93	Paying- Approved
05-26-91	231	W/2 Section 28	320.00	11-30-94	Paying Well
05-11-91	232	E/2 Section 29	320.00	11-30-94	Paying Well
06-13-91	241	E/2 Sec. 4-31N-8W	320.00	11-30-94	Paying Well
06-22-91	239	Lots 1-4; E/2 W/2 Section 30	221.20	11-30-94	Paying Well
07-09-91	233-IDB	E/2 Section 30	320.00	11-30-94	Paying Well- IDB
07-23-91	240	Lots 3,4,S/2 NW/4, SW/4 Sec. 3-31N-8W	320.47	08-23-93	Paying- Approved
08-04-91	249	Lots 1,2,S/2 NE/4, SE/4 Sec. 3-31N-8W	320.57	11-30-94	Non-PA
08-20-91	250	W/2 Section 33	320.00	11-30-94	Paying Well
09-02-91	242-IDB	Lots 3,4,S/2 NW/4, SW/4 Sec. 4-31N-8W	320.57	11-30-94	Paying Well- IDB
09-28-91	228	E/2 Sec. 16-31N-8W	320.00	11-30-94	Paying Well

San Juan 32-8 Unit
 #14-08-001-446
 Commerciality Determination
 November 30, 1994
 Page 3

(1)	(2)	(3)	(4)	(5)	(6)*
<u>Test Date</u>	<u>Well Number</u>	<u>T32N-R8W Drill Block</u>	<u>Acres</u>	<u>Date Submitted for Paying Well Determination</u>	<u>Disposition</u>
10-11-91	245	W/2 Sec. 14-31N-8W	320.00	08-23-93	Paying- Approved
10-23-91	225-IDB	W/2 Sec. 15-31N-8W	320.00	08-23-93	5th Expansion
10-25-91	243	W/2 Sec. 11-31N-8W	320.00	11-30-94	Paying Well
11-10-91	236-IDB	E/2 Sec. 22-31N-8W	320.00	08-23-93	7th Expansion
11-07-91	227	W/2 Sec. 16-31N-8W	320.00	11-30-94	Paying Well
11-23-91	244	E/2 Sec. 14-31N-8W	320.00	08-23-93	Paying- Approved
11-28-91	248	E/2 Sec. 11-31N-8W	320.00	11-30-94	Paying Well
12-07-91	235	E/2 Sec. 21-31N-8W	320.00	11-30-94	Paying Well
12-18-91	234	W/2 Section 21	320.00	08-23-93	Paying- Approved
09-24-92	203-IDB	E/2 Section 33	320.00	11-30-94	Paying Well- IDB
09-17-92	204-IDB	W/2 Section 34	320.00	11-30-94	Paying Well- IDB
09-10-92	205	E/2 Section 34	320.00	11-30-94	Paying Well
09-03-92	219	W/2 Section 35	320.00	11-30-94	Paying Well
10-03-92	218	E/2 Section 35	320.00	NS	

*Those wells submitted herewith that have been determined to be capable of producing in paying quantities are listed as "Paying Well". 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 which are IDB wells are labeled above as "Paying Well-IDB".

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

Very truly yours,

PHILLIPS PETROLEUM COMPANY

Patrick H. Noah

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

w/o attachments

cc: J. W. Taylor
 K. L. Czirr
 J. L. Mathis

w/attachments

SJ 32-8 Unit Owners

**SAN JUAN 32-8 UNIT
WORKING INTEREST OWNERS**

Cinco General Partnership

Suzanna P. Kelly

Dr. Andrew B. Kelly

Dr. Charles E. Kelly

Susanna Phillips Kelly, Jr.

Meridian Oil Production Inc.

Phillips Petroleum Company

Phillips-San Juan Partners, L.P.

Texaco Exploration & Production Inc.

William G .Webb and Jane Webb

Williams Production Company

Wintergreen Energy Corporation



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

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

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

August 29, 1994

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

Attn: Mr. A. J. Kieke

Re: San Juan 32-8 Unit
Fruitland Participating Area
Fifth thru Ninth Expansions
3,840.00 Additional Acres
San Juan County, New Mexico

Dear Mr. Kieke:

This office is in receipt of your letter of July 13, 1994 requesting approval of the Fifth thru Ninth Expansions of the Fruitland Participating Area for the San Juan 32-8 Unit, San Juan County, New Mexico.

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

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

- The Fifth Expansion containing 1,600.00 acres is effective September 1, 1990.
- The Sixth Expansion containing 640.00 acres is effective October 1, 1990.
- The Seventh Expansion containing 960.00 acres is effective November 1, 1990.
- The Eighth Expansion containing 320.00 acres is effective December 1, 1990.
- The Ninth Expansion containing 320.00 acres is effective April 1, 1991.

Phillips Petroleum Company
SJ 32-8 Unit
5th-9th Fruitland PA Expansions
Page 2

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

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
RP/FOP/pm

cc: Reader File
OCD-Attn: Mr. Roy Johnson
TRD-Attn: Mr. Mike Holden
BLM - Farmington Attn: Mr. Duane Spencer

OIL CONSERVATION DIVISION
RECEIVED

'94 AUG 1 AM 8 50

San Juan 32-8 Unit
Fruitland PA
3186.1 (11) (07327)

JUL 29 1994

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

Dear Mr. Kieke:

We have reviewed your application for the 5th through the 9th revisions of the Fruitland Participating Area in San Juan 32-8 Unit. Supporting wells contained in your application were previously submitted to this office for economic analysis and determined to be capable of producing unitized substances in paying quantities. Some of the wells, located on Intervening Drill Blocks (IDB), were not submitted for economic determinations because the drill block would be included by geological and engineering inference from wells adjacent to at least two sides of the IDB.

The following charts will indicate the effective date, affected acreage, and the wells involved in each revision.

REVISION NUMBER	EFFECTIVE DATE	TOTAL ACRES	LOCATION SEC T R			ALLOCATED DRILL BLOCK	UNIT WELL(S)
5TH	9-1-90	320	10	31N	8W	W/2	223
		320	10	31N	8W	E/2	224
		320	9	31N	8W	W/2	221
		320	9	31N	8W	E/2	222*
		320	15	31N	8W	W/2	225*
TOTAL		1600					

REVISION NUMBER	EFFECTIVE DATE	TOTAL ACRES	LOCATION SEC T R			ALLOCATED DRILL BLOCK	UNIT WELL(S)
6TH	10-1-90	320	27	32N	8W	W/2	202
		320	15	31N	8W	E/2	226
TOTAL		640					

REVISION NUMBER	EFFECTIVE DATE	TOTAL ACRES	LOCATION SEC T R	ALLOCATED DRILL BLOCK	UNIT WELL(S)
7TH	11-1-90	320	23 31N 8W	E/2	237
		320	23 31N 8W	W/2	238
		320	22 31N 8W	E/2	236*
TOTAL		960			

REVISION NUMBER	EFFECTIVE DATE	TOTAL ACRES	LOCATION SEC T R	ALLOCATED DRILL BLOCK	UNIT WELL(S)
8TH	12-1-90	320	24 31N 8W	W/2	220
TOTAL		320			

REVISION NUMBER	EFFECTIVE DATE	TOTAL ACRES	LOCATION SEC T R	ALLOCATED DRILL BLOCK	UNIT WELL(S)
9TH	4-1-91	320	24 31N 8W	E/2	206
TOTAL		320			

* Intervening Drill Block

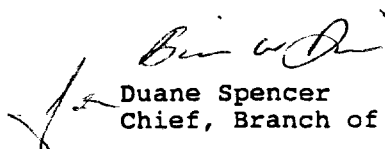
Your application, which will add 3840 additional acres to the existing Fruitland Participating Area, is hereby approved as submitted. The effective date for each Revision is indicated on the chart. All production is to be reported under 891000446A.

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

We appreciate the detailed information contained in your application and the fact that your wells were submitted for economic analysis prior to submittal of the formal application for revision of the Fruitland Participating Area. This process enabled our staff to process the formal application without delay.

If you have any questions, please contact Ray Hager at (505) 599-6366.

Sincerely,


Duane Spencer
Chief, Branch of Reservoir Management

Enclosures (5)

1. Exhibit B 5th Rev.
2. Exhibit B 6th Rev.
3. Exhibit B 7th Rev.
4. Exhibit B 8th Rev.
5. Exhibit B 9th Rev.

cc:

MMS, RMP, MS-3240, Denver, CO (W/encl)

Commissioner of Public Lands, Santa Fe, NM

New Mexico Oil Conservation Division, Santa Fe, NM



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

July 13, 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 32-8 UNIT
#14-08-001-446
Application for Expansion
Fruitland Participating Area
Fifth Expansion - Effective 09/01/90
Sixth Expansion - Effective 10/01/90
Seventh Expansion - Effective 11/01/90
Eighth Expansion - Effective 12/01/90
Ninth Expansion - Effective 04/01/91
San Juan County, New Mexico
GF-5465; LCN 650251, LCN 651251

Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-8 Unit Agreement, #14-08-001-446, approved January 13, 1953, Phillips Petroleum Company, as Unit Operator determined on the dates indicated below that the wells listed below are capable of producing unitized substances in paying quantities from the Fruitland Formation. Therefore, application for the Fifth through Ninth Expansions of the Participating Area established for the Fruitland formation are submitted as follows:

FIFTH EXPANDED PARTICIPATING AREA - EFFECTIVE SEPTEMBER 1, 1990

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Test Date</u>	<u>Well Number</u>
W/2 Sec. 10-T31N-R8W	320.00	08/02/90	223
E/2 Sec. 10-T31N-R8W	320.00	08/03/90	224
W/2 Sec. 9-T31N-R8W	320.00	08/24/90	221
E/2 Sec. 9-T31N-R8W	320.00	09/09/90	222-IDB
W/2 Sec. 15-T31N-R8W	320.00	10/29/91	225-IDB

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Wells 223, 221 and 224 were determined to be paying wells by BLM letter dated March 24, 1994. Well 225 was determined to be a paying well by BLM letter dated October 29, 1993 and is an intervening drill block. Well 222 is an intervening drill block.

The San Juan 32-8 Unit #223 was completed on August 19, 1990. The Fruitland Coal member of the Fruitland Formation was tested on August 2, 1990, with cumulative gas production of 138,003 MCF through December 31, 1994. The spacing unit for this well is described as the W/2 Section 10-T31N-R8W, containing 320.00 acres.

The San Juan 32-8 Unit #224 was completed on August 6, 1990. The Fruitland Coal member of the Fruitland Formation was tested on August 30, 1990, with cumulative gas production of 143,845 on December 31, 1994. The spacing unit for this well is described as the E/2 Section 10-T31N-R8W, containing 320.00 acres.

The San Juan 32-8 Unit #221 was completed on August 25, 1990. The Fruitland Coal member of the Fruitland Formation was tested on August 24, 1990, with cumulative gas production of 188,356 MCF through December 31, 1994. The spacing unit for this well is described as the W/2 Section 9-T31N-R8W, containing 320.00 acres.

The San Juan 32-8 Unit #222-IDB was completed on September 10, 1990. This is an Intervening Drill Block. The spacing unit for this well is described as the E/2 Section 9-T31N-R8W, containing 320.00 acres.

The San Juan 32-8 Unit #225-IDB was completed on October 25, 1991. This is an Intervening Drill Block. The spacing unit for this well is described as the W/2 Section 15-T31N-R8W, containing 320.00 acres.

SIXTH EXPANDED PARTICIPATING AREA - EFFECTIVE OCTOBER 1, 1990

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Test Date</u>	<u>Well Number</u>
W/2 Sec. 27-T32N-R8W	320.00	09/01/90	202
E/2 Sec. 15-T31N-R8W	320.00	09/24/90	226

Wells 202 and 226 were determined to be paying wells by BLM letter dated March 24, 1994.

The San Juan 32-8 Unit #202 was completed on September 2, 1990, the Fruitland Coal member of the Fruitland Formation was tested on September 1, 1990, with cumulative gas production of 158,130 MCF through December 31, 1993. The spacing unit for this well is described as the W/2 Section 27-T32N-R8W containing 320.00 acres.

The San Juan 32-8 Unit #226 was completed on October 5, 1990. The Fruitland Coal member of the Fruitland Formation was tested on September 24, 1990, with cumulative gas production of 262,768 MCF through December 31, 1993. The spacing unit for this well is described as the E/2 Section 15-T32N-R8W, containing 320.00 acres.

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SEVENTH EXPANDED PARTICIPATING AREA - EFFECTIVE NOVEMBER 1, 1990

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Test</u> <u>Date</u>	<u>Well Number</u>
E/2 Sec. 23-T31N-R8W	320.00	10/25/90	237
W/2 Sec. 23-T31N-R8W	320.00	10/29/90	238
E/2 Sec. 22-T31N-R8W	320.00	11/10/91	236-IDB

Wells 237 and 238 and the IDB 236 were determined to be paying wells by BLM letter dated October 29, 1993.

The San Juan 32-8 Unit #237 was completed on October 17, 1990. The Fruitland Coal member of the Fruitland Formation was tested on October 15, 1990, with cumulative gas production of 1,033,780 MCF through December 31, 1993. The spacing unit for this well is described as the E/2 Section 23-T31N-R8W containing 320.00 acres.

The San Juan 32-8 Unit #238 was completed on November 2, 1990. The Fruitland Coal member of the Fruitland Formation was tested on October 29, 1990, with cumulative of 1,392,012 MCF through December 31, 1993. The spacing unit for this well is described as the W/2 Section 23-T31N-R8W containing 320.00 acres.

The San Juan 32-8 Unit #236-IDB was completed on November 14, 1991. This is an Intervening Drill Block. The spacing unit for this well is described as the E/2 Section 22-T31N-R8W, containing 320.00 acres.

EIGHTH EXPANDED PARTICIPATING AREA - EFFECTIVE DECEMBER 1, 1990

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Test</u> <u>Date</u>	<u>Well Number</u>
W/2 Sec. 24-T31N-R8W	320.00	11/18/90	220

Well 220 was determined to be a paying well by BLM letter dated October 29, 1993.

The San Juan 32-8 Unit #220 was completed on November 22, 1990. The Fruitland Coal member of the Fruitland Formation was tested on November 18, 1990, with cumulative gas production of 592,875 MCF through December 31, 1993. The spacing unit for this well is described as the W/2 Section 24-T31N-R8W containing 320.00 acres.

NINTH EXPANDED PARTICIPATING AREA - EFFECTIVE APRIL 1, 1991

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Test</u> <u>Date</u>	<u>Well Number</u>
E/2 Sec. 24-T31N-R8W	320.00	03/15/91	206

Well 206 was determined to be a paying well by BLM letter dated March 24, 1994.

The San Juan 32-8 Unit #206 was completed on March 17, 1991. The Fruitland Coal member of the Fruitland Formation was tested on March 15, 1991, with cumulative gas production of 103,900 through December 31, 1993. The spacing unit for this well is described as the E/2 Section 24-T31N-R8W containing 320.00 acres.

San Juan 32-8 Unit
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Enclosed herewith are schedules VI through X for the Fifth through the Ninth expanded Participating Areas for the Fruitland Formation of the San Juan 32-8 Unit Area. These schedules describe the leases and tracts for each expanded Participating Area and indicate the percentages of unitized substances allocated to the unit tracts according to the Fruitland ownership of such tracts.

Unless this application is disapproved or contested in whole or in part the Fifth, Sixth, Seventh, Eighth and Ninth Participating Areas are effective September 1, 1990, October 1, 1990, November 1, 1990, December 1, 1990 and April 1, 1991, 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 for the respective wells under our letters dated August 23, 1993 and February 7, 1994 respectively. It is also consistent with the BLM responses and findings set forth in letters dated October 29, 1993 and March 24, 1994, respectively. Please signify approval and return one copy of this application to my attention.

Very truly yours,

PHILLIPS PETROLEUM COMPANY



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

The signatory approvals below are for the Fifth, Sixth, Seventh, Eighth, and Ninth expanded participating areas of the Fruitland Formation in the San Juan 32-8 Unit #14-08-001-446.

APPROVED _____

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

DATE _____

APPROVED _____

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

DATE _____

APPROVED _____



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

DATE 8-2-94

cc: J. Taylor
San Juan 32-8 Unit Owners

PHILLIPS PETROLEUM COMPANY
SCHEDULE VI
THE 005 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF - 079004	T31N R8W	1440.00		TRACT: 004		45.000000
	SEC. 9 ALL		ORRI:		5.000000	
	SEC. 10 ALL		ROYALTY:		12.500000	
	SEC. 15 NW/4		WORKING INTEREST:			
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TEXACO EXPLORATION & PRODUCTION, INC.		67.650000	
			TOTAL		100.000000	
REMARKS: SAN JUAN 32-8 UNIT #221 SAN JUAN 32-8 UNIT #222-IDB SAN JUAN 32-8 UNIT #223 SAN JUAN 32-8 UNIT #224 SAN JUAN 32-8 UNIT #225-IDB						
SF - 079013	T32N R8W	320.00		TRACT: 005		10.000000
	SEC. 29 W/2		ORRI:		5.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			WILLIAMS PRODUCTION COMPANY		14.850000	
			PHILLIPS - SAN JUAN PARTNERS, L.P.		67.650000	
			TOTAL		100.000000	
REMARKS: SAN JUAN 32-8 UNIT #208						
SF - 079380	T32N R8W	640.00		TRACT: 015		20.000000
	SEC. 23 ALL		ORRI:		5.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS PETROLEUM COMPANY		55.000688	
			MERIDIAN OIL PRODUCTION, INC.		13.749656	
			CINCO GENERAL PARTNERSHIP		12.033698	
			WILLIAM G. WEBB		1.715958	
			TOTAL		100.000000	
REMARKS: SAN JUAN 32-8 UNIT #37 SAN JUAN 32-8 UNIT #41						

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PHILLIPS PETROLEUM COMPANY
SCHEDULE VI
THE 005 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079381	T32N R8W SEC. 25 E/2	320.00	TRACT: 016 ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY MERIDIAN OIL PRODUCTION, INC. CINCO GENERAL PARTNERSHIP WILLIAM G. WEBB	5.000000 12.500000 55.000688 13.749656 12.033698 1.715958	5.000000 12.500000 55.000688 13.749656 12.033698 1.715958	10.000000
	TOTAL			100.000000	100.000000	

REMARKS: SAN JUAN 32-8 UNIT #36

NM-03402	T31N R8W SEC. 15 SW/4 SEC. 22 W/2	480.00	TRACT: 021 ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS-SAN JUAN PARTNERS, L.P.	5.000000 12.500000 14.850000 67.650000	5.000000 12.500000 14.850000 67.650000	15.000000
	TOTAL			100.000000	100.000000	

REMARKS: SAN JUAN 32-8 UNIT #207
SAN JUAN 32-8 UNIT #225

TOTAL 3200.00 100.000000

EFFECTIVE 90/09/01

DATE 07/11/94

PHILLIPS PETROLEUM COMPANY

SCHEDULE VI

THE 005 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION

SAN JUAN 32-8 UNIT AREA

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DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:		RECAPITULATION		DESCRIPTION OF NON - COMMITTED LANDS IN PARTICIPATING AREA:	
SAN JUAN COUNTY, NEW MEXICO					
TOWNSHIP 31N, RANGE 8W					
SECTION 9	: ALL				
SECTION 10	: ALL				
SECTION 15	: W/2				
SECTION 22	: W/2				
TOWNSHIP 32N, RANGE 8W					
SECTION 23	: ALL				
SECTION 25	: E/2				
SECTION 29	: W/2				

TOTAL COMMITTED :	3200.00	TOTAL ACRES NON - COMMITTED:	0.00
TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:			
		3200.00	

PHILLIPS PETROLEUM COMPANY
SCHEDULE VII
THE 006 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32 - 8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF - 079004	T31N R8W	1720.00		TRACT: 004			44.791667
	SEC. 9 ALL		ORRI:		5.000000	5.000000	
	SEC. 10 ALL		ROYALTY:		12.500000	12.500000	
	SEC. 15 NE/4, E/2 SE/4, NW/4 SE/4, NW/4		WORKING INTEREST: WILLIAMS PRODUCTION COMPANY TEXACO EXPLORATION & PRODUCTION, INC.		14.850000 67.650000	14.850000 67.650000	
			TOTAL		100.000000	100.000000	

REMARKS: SAN JUAN 32 - 8 UNIT #221
SAN JUAN 32 - 8 UNIT #222-IDB
SAN JUAN 32 - 8 UNIT #223
SAN JUAN 32 - 8 UNIT #224
SAN JUAN 32 - 8 UNIT #225-IDB
SAN JUAN 32 - 8 UNIT #226

SF - 079013	T32N R8W	320.00		TRACT: 005			8.333333
	SEC. 29 W/2		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS - SAN JUAN PARTNERS, L.P.		14.850000 67.650000	14.850000 67.650000	
			TOTAL		100.000000	100.000000	

REMARKS: SAN JUAN 32 - 8 UNIT #208

SF - 079380	T32N R8W	640.00		TRACT: 015			16.666667
	SEC. 23 ALL		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST: PHILLIPS PETROLEUM COMPANY MERIDIAN OIL PRODUCTION, INC. CINCO GENERAL PARTNERSHIP WILLIAM G. WEBB		55.000688 13.749656 12.033698 1.715958	55.000688 13.749656 12.033698 1.715958	
			TOTAL		100.000000	100.000000	

REMARKS: SAN JUAN 32 - 8 UNIT #37
SAN JUAN 32 - 8 UNIT #41

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PHILLIPS PETROLEUM COMPANY
SCHEDULE VII
THE 006 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32 - 8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE PARTICIPATION
SF - 079381	T32N R8W SEC. 25 E/2	320.00		TRACT: 016		8.333333
	ORRI:				5.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS PETROLEUM COMPANY				55.000688	
	MERIDIAN OIL PRODUCTION, INC.				13.749656	
	CINCO GENERAL PARTNERSHIP				12.033698	
	WILLIAM G. WEBB				1.715958	
	TOTAL				100.000000	

REMARKS: SAN JUAN 32 - 8 UNIT #36

SF - 079717	T32N R8W SEC. 27 W/2 SW/4, SE/4 SW/4	120.00		TRACT: 017		3.125000
	ORRI:				5.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	WILLIAMS PRODUCTION COMPANY				14.850000	
	PHILLIPS - SAN JUAN PARTNERS, L.P.				67.650000	
	TOTAL				100.000000	

REMARKS: SAN JUAN 32 - 8 UNIT #202

SF - 080412 - A	T32N R8W SEC. 27 NW/4, NE/4 SW/4	200.00		TRACT: 018		5.208333
	ORRI:				2.500000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS PETROLEUM COMPANY				85.000000	
	TOTAL				100.000000	

REMARKS: SAN JUAN 32 - 8 UNIT #202

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PHILLIPS PETROLEUM COMPANY
SCHEDULE VII
THE 006 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE ACTUAL PARTICIPATION
NM-03402	T31N R8W	520.00	TRACT: 021			13.541667
	SEC. 15 SW/4, SW/4 SE/4		ORRI:		5.000000	
	SEC. 22 W/2		ROYALTY:		12.500000	
			WORKING INTEREST:			
			WILLIAMS PRODUCTION COMPANY		14.850000	
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
			TOTAL		100.000000	
			REMARKS: SAN JUAN 32-8 UNIT #207			
			SAN JUAN 32-8 UNIT #225			
			SAN JUAN 32-8 UNIT #226			
			TOTAL		3840.00	
						100.000000

EFFECTIVE 90/10/01

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PHILLIPS PETROLEUM COMPANY
SCHEDULE VII
THE 006 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32 - 8 UNIT AREA

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:		RECAPITULATION		DESCRIPTION OF NON - COMMITTED LANDS IN PARTICIPATING AREA:	
SAN JUAN COUNTY, NEW MEXICO					
TOWNSHIP 31N, RANGE 8W					
SECTION 9	: ALL				
SECTION 10	: ALL				
SECTION 15	: ALL				
SECTION 22	: W/2				
TOWNSHIP 32N, RANGE 8W					
SECTION 23	: ALL				
SECTION 25	: E/2				
SECTION 27	: W/2				
SECTION 29	: W/2				

TOTAL COMMITTED :	3840.00	TOTAL ACRES NON - COMMITTED:	0.00
TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:			3840.00

PHILLIPS PETROLEUM COMPANY
SCHEDULE VIII
THE 007 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF - 079004	T31N R8W	1720.00		TRACT: 004		35.833333
SEC. 9	ALL		ORRI:	5.000000	5.000000	
SEC. 10	ALL		ROYALTY:	12.500000	12.500000	
SEC. 15	NE/4, E/2 SE/4, NW/4 SE/4, NW/4		WORKING INTEREST: WILLIAMS PRODUCTION COMPANY TEXACO EXPLORATION & PRODUCTION, INC.	14.850000 67.650000	14.850000 67.650000	
			TOTAL	100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #221 SAN JUAN 32-8 UNIT #222-IDB SAN JUAN 32-8 UNIT #223 SAN JUAN 32-8 UNIT #224 SAN JUAN 32-8 UNIT #225-IDB SAN JUAN 32-8 UNIT #226						
SF - 079013	T32N R8W	320.00		TRACT: 005		6.666667
SEC. 29	W/2		ORRI:	5.000000	5.000000	
			ROYALTY:	12.500000	12.500000	
			WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS - SAN JUAN PARTNERS, L.P.	14.850000 67.650000	14.850000 67.650000	
			TOTAL	100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #208						
SF - 079047	T31N R8W	320.00		TRACT: 008		6.666667
SEC. 23	W/2		ORRI:	5.000000	5.000000	
			ROYALTY:	12.500000	12.500000	
			WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS - SAN JUAN PARTNERS, L.P.	14.850000 67.650000	14.850000 67.650000	
			TOTAL	100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #238						

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PHILLIPS PETROLEUM COMPANY
SCHEDULE VIII
THE 007 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF - 079380	T32N RBW	640.00		TRACT: 015		13.333333
	SEC. 23 ALL					
			ORRI:		5.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS PETROLEUM COMPANY		55.000688	
			MERIDIAN OIL PRODUCTION, INC.		13.749656	
			CINCO GENERAL PARTNERSHIP		12.033698	
			WILLIAM G. WEBB		1.715958	
			TOTAL		100.000000	

REMARKS: SAN JUAN 32-8 UNIT #37
SAN JUAN 32-8 UNIT #41

SF - 079381	T32N RBW	320.00		TRACT: 016		6.666667
	SEC. 25 E/2					
			ORRI:		5.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS PETROLEUM COMPANY		55.000688	
			MERIDIAN OIL PRODUCTION, INC.		13.749656	
			CINCO GENERAL PARTNERSHIP		12.033698	
			WILLIAM G. WEBB		1.715958	
			TOTAL		100.000000	

REMARKS: SAN JUAN 32-8 UNIT #36

SF - 079717	T32N RBW	120.00		TRACT: 017		2.500000
	SEC. 27 W/2 SW/4, SE/4 SW/4					
			ORRI:		5.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			WILLIAMS PRODUCTION COMPANY		14.850000	
			PHILLIPS - SAN JUAN PARTNERS, L.P.		67.650000	
			TOTAL		100.000000	

REMARKS: SAN JUAN 32-8 UNIT #202

EFFECTIVE 90/11/01

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THE 007 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

REMARKS: SAN JUAN 32 - 8 UNIT #202REMARKS: SAN JUAN 32-8 UNIT #237REMARKS: SAN JUAN 32 - 8 UNIT # 207
SAN JUAN 32 - 8 UNIT # 225
SAN JUAN 32 - 8 UNIT # 226
SAN JUAN 32 - 8 UNIT # 236

100 000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE VIII
THE 007 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32 - 8 UNIT AREA

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

DESCRIPTION OF NON - COMMITTED LANDS IN PARTICIPATING AREA:

SECTION 9	: ALL
SECTION 10	: ALL
SECTION 15	: ALL
SECTION 22	: ALL
SECTION 23	: ALL

SECTION 23	: ALL
SECTION 25	: E/2
SECTION 27	: W/2
SECTION 29	: W/2

0.00

4800.00

PHILLIPS PETROLEUM COMPANY
SCHEDULE IX
THE 008 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32 - 8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF - 079004	T31N R8W	1720.00		TRACT: 004			33.593750
	SEC. 9 ALL		ORRI:		5.000000	5.000000	
	SEC. 10 ALL		ROYALTY:		12.500000	12.500000	
	SEC. 15 NE/4, E/2 SE/4, NW/4 SE/4, NW/4		WORKING INTEREST: WILLIAMS PRODUCTION COMPANY TEXACO EXPLORATION & PRODUCTION, INC.		14.850000 67.650000	14.850000 67.650000	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32 - 8 UNIT #221 SAN JUAN 32 - 8 UNIT #222 - IDB SAN JUAN 32 - 8 UNIT #223 SAN JUAN 32 - 8 UNIT #224 SAN JUAN 32 - 8 UNIT #225 - IDB SAN JUAN 32 - 8 UNIT #226							
SF - 079013	T32N R8W	320.00		TRACT: 005			6.250000
	SEC. 29 W/2		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS - SAN JUAN PARTNERS, L.P.		14.850000 67.650000	14.850000 67.650000	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32 - 8 UNIT #208							
SF - 079047	T31N R8W	320.00		TRACT: 008			6.250000
	SEC. 23 W/2		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS - SAN JUAN PARTNERS, L.P.		14.850000 67.650000	14.850000 67.650000	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32 - 8 UNIT #238							

DATE 07/11/94

PHILLIPS PETROLEUM COMPANY
SCHEDULE IX
THE 008 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079351	T31N R8W SEC. 24 E/2 NW/4	80.00		TRACT: 013		1.562500
	ORRI:				2.500000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS PETROLEUM COMPANY				85.000000	
	TOTAL				100.000000	
REMARKS: SAN JUAN 32-8 UNIT #220						
SF-079380	T32N R8W SEC. 23 ALL	640.00		TRACT: 015		12.500000
	ORRI:				5.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS PETROLEUM COMPANY				55.000688	
	MERIDIAN OIL PRODUCTION, INC.				13.749656	
	CINCO GENERAL PARTNERSHIP				12.033698	
	WILLIAM G. WEBB				1.715958	
	TOTAL				100.000000	
REMARKS: SAN JUAN 32-8 UNIT #37 SAN JUAN 32-8 UNIT #41						
SF-079381	T32N R8W SEC. 25 E/2	320.00		TRACT: 016		6.250000
	ORRI:				5.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS PETROLEUM COMPANY				55.000688	
	MERIDIAN OIL PRODUCTION, INC.				13.749656	
	CINCO GENERAL PARTNERSHIP				12.033698	
	WILLIAM G. WEBB				1.715958	
	TOTAL				100.000000	
REMARKS: SAN JUAN 32-8 UNIT #36						

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PHILLIPS PETROLEUM COMPANY
SCHEDULE IX
THE 008 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079717	T32N R8W	120.00		TRACT: 017			2.343750
SEC. 27	W/2 SW/4, SE/4 SW/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			PHILLIPS - SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			TOTAL		100.000000	100.000000	

REMARKS: SAN JUAN 32-8 UNIT #202

SF-080412-A	T32N R8W	200.00		TRACT: 018			3.906250
SEC. 27	NW/4, NE/4 SW/4		ORRI:		2.500000	2.500000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS PETROLEUM COMPANY		85.000000	85.000000	
			TOTAL		100.000000	100.000000	

REMARKS: SAN JUAN 32-8 UNIT #202

SF-080854	T31N R8W	240.00		TRACT: 019			4.687500
SEC. 24	W/2 NW/4, SW/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			PHILLIPS - SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			TOTAL		100.000000	100.000000	

REMARKS: SAN JUAN 32-8 UNIT #220

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PHILLIPS PETROLEUM COMPANY
SCHEDULE IX
THE 008 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF - 081089	T31N R8W SEC. 23 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS - SAN JUAN PARTNERS, L.P.	TRACT: 020	5.000000 12.500000 14.850000 67.650000	5.000000 12.500000 14.850000 67.650000	6.250000
TOTAL					100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #237							
NM - 03402	T31N R8W SEC. 15 SW/4, SW/4 SE/4 SEC. 22 ALL	840.00	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS - SAN JUAN PARTNERS, L.P.	TRACT: 021	5.000000 12.500000 14.850000 67.650000	5.000000 12.500000 14.850000 67.650000	16.406250
TOTAL					100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #207 SAN JUAN 32-8 UNIT #225 SAN JUAN 32-8 UNIT #226 SAN JUAN 32-8 UNIT #236							
TOTAL					5120.00		100.000000

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PHILLIPS PETROLEUM COMPANY
SCHEDULE IX
THE 008 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:		RECAPITULATION		DESCRIPTION OF NON - COMMITTED LANDS IN PARTICIPATING AREA:	
SAN JUAN COUNTY, NEW MEXICO					
TOWNSHIP 31N, RANGE 8W					
SECTION 9	: ALL				
SECTION 10	: ALL				
SECTION 15	: ALL				
SECTION 22	: ALL				
SECTION 23	: ALL				
SECTION 24	: W/2				
TOWNSHIP 32N, RANGE 8W					
SECTION 23	: ALL				
SECTION 25	: E/2				
SECTION 27	: W/2				
SECTION 29	: W/2				
TOTAL COMMITTED :		5120.00		TOTAL ACRES NON - COMMITTED:	0.00
TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:			5120.00		

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PHILLIPS PETROLEUM COMPANY
SCHEDULE X
THE 009 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

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

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 31N, RANGE 8W

SECTION 9 : ALL
SECTION 10 : ALL
SECTION 15 : ALL
SECTION 22 : ALL
SECTION 23 : ALL
SECTION 24 : ALL

TOWNSHIP 32N, RANGE 8W

SECTION 23 : ALL
SECTION 25 : E/2
SECTION 27 : W/2
SECTION 29 : W/2

TOTAL COMMITTED :

5440.00

TOTAL ACRES NON - COMMITTED:

0.00

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

5440.00

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PHILLIPS PETROLEUM COMPANY
 SCHEDULE X
 THE 009 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32 - 8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF - 079004	T31N R8W	1720.00		TRACT: 004		31.817647
SEC. 9	ALL		ORRI:		5.000000	
SEC. 10	ALL		ROYALTY:		12.500000	
SEC. 15	NE/4, E/2 SE/4, NW/4 SE/4, NW/4		WORKING INTEREST: WILLIAMS PRODUCTION COMPANY TEXACO EXPLORATION & PRODUCTION, INC.		14.850000 67.650000	
			TOTAL		100.000000	

REMARKS: SAN JUAN 32 - 8 UNIT #221
 SAN JUAN 32 - 8 UNIT #222 - IDB
 SAN JUAN 32 - 8 UNIT #223
 SAN JUAN 32 - 8 UNIT #224
 SAN JUAN 32 - 8 UNIT #225 - IDB
 SAN JUAN 32 - 8 UNIT #226

SF - 079013	T32N R8W	320.00		TRACT: 005		5.882353
SEC. 29	W/2		ORRI:		5.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS - SAN JUAN PARTNERS, L.P.		14.850000 67.650000	
			TOTAL		100.000000	

REMARKS: SAN JUAN 32 - 8 UNIT #208

SF - 079047	T31N R8W	320.00		TRACT: 008		5.882353
SEC. 23	W/2		ORRI:		5.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS - SAN JUAN PARTNERS, L.P.		14.850000 67.650000	
			TOTAL		100.000000	

REMARKS: SAN JUAN 32 - 8 UNIT #238

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PHILLIPS PETROLEUM COMPANY
SCHEDULE X
THE 009 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF - 079351	T31N R8W SEC. 24 E/2, E/2 NW/4	400.00		TRACT: 013		7.352941
	ORRI:				2.500000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS PETROLEUM COMPANY				85.000000	
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-8 UNIT #220
SAN JUAN 32-8 UNIT #206

SF - 079380	T32N R8W SEC. 23 ALL	640.00		TRACT: 015		11.764706
	ORRI:				5.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS PETROLEUM COMPANY				55.000688	
	MERIDIAN OIL PRODUCTION, INC.				13.749656	
	CINCO GENERAL PARTNERSHIP				12.033698	
	WILLIAM G. WEBB				1.715958	
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-8 UNIT #37
SAN JUAN 32-8 UNIT #41

SF - 079381	T32N R8W SEC. 25 E/2	320.00		TRACT: 016		5.882353
	ORRI:				5.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS PETROLEUM COMPANY				55.000688	
	MERIDIAN OIL PRODUCTION, INC.				13.749656	
	CINCO GENERAL PARTNERSHIP				12.033698	
	WILLIAM G. WEBB				1.715958	
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-8 UNIT #36

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PHILLIPS PETROLEUM COMPANY
SCHEDULE X
THE 009 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32 - 8 UNIT AREA

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF - 079717	T32N R8W SEC. 27 W/2 SW/4, SE/4 SW/4	120.00		TRACT: 017		2.205882
	ORRI:				5.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	WILLIAMS PRODUCTION COMPANY				14.850000	
	PHILLIPS - SAN JUAN PARTNERS, L.P.				67.650000	
	TOTAL				100.000000	
REMARKS: SAN JUAN 32 - 8 UNIT #202						
NM - 84809	T32N R8W SEC. 27 NW/4, NE/4 SW/4	200.00		TRACT: 018		3.676471
	ORRI:				2.500000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS PETROLEUM COMPANY				85.000000	
	TOTAL				100.000000	
REMARKS: SAN JUAN 32 - 8 UNIT #202						
SF - 080854	T31N R8W SEC. 24 W/2 NW/4, SW/4	240.00		TRACT: 019		4.411765
	ORRI:				5.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	WILLIAMS PRODUCTION COMPANY				14.850000	
	PHILLIPS - SAN JUAN PARTNERS, L.P.				67.650000	
	TOTAL				100.000000	
REMARKS: SAN JUAN 32 - 8 UNIT #220						

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PHILLIPS PETROLEUM COMPANY
SCHEDULE X
THE 009 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32 - 8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE PARTICIPATION
SF - 081089	T31N R8W SEC. 23 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS - SAN JUAN PARTNERS, L.P.	TRACT: 020	5.000000 12.500000 14.850000 67.650000	5.882353
	TOTAL				100.000000	

REMARKS: SAN JUAN 32 - 8 UNIT #237

NM - 03402	T31N R8W SEC. 15 SW/4, SW/4 SE/4 SEC. 22 ALL	840.00	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS - SAN JUAN PARTNERS, L.P.	TRACT: 021	5.000000 12.500000 14.850000 67.650000	15.441178
	TOTAL				100.000000	

REMARKS: SAN JUAN 32 - 8 UNIT #207
SAN JUAN 32 - 8 UNIT #225
SAN JUAN 32 - 8 UNIT #226
SAN JUAN 32 - 8 UNIT #236

TOTAL 5440.00 100.000000

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