

211351710 PC NA

PHOENIX HYDROCARBONS OPERATING CORPORATION

415 WEST WALL, SUITE 703
MIDLAND, TX 79701

P. O. BOX 3638
Midland, Texas 79702

Phone 915 686-9869
FAX 915 683-1649

June 18, 2002

JUN 20 2002

Mr. William V. Jones, Jr., PE
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: **SECOND** PROPOSAL TO COMMINGLE
NATURAL GAS

Dear Mr. Jones:

Please find attached **second** proposal to commingle four Federal wells on Lease number NM 05791 located in San Juan, New Mexico. Bobby Vigil directed me to use a Sundry Notice to accomplish this proposal. There are four wells on NM 05791. Proposed commingling should be as follows:

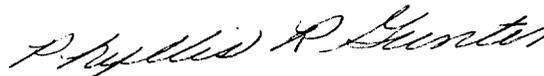
~~Federal M#1 (20317) commingled with Federal M#3 (25888)
Sent individually in duplicate.~~

Federal M#1A (25846) commingled with Federal M#2 (25855)
Sent individually in duplicate.

For you information, the only changes from the first transmittal are in the cover letter and attachments. In the cover letter additional questions from William Jones and Jim Lovato are addressed. As for the attachments, please find gas analysis for all of the wells and a copy of the letter sent out to interest owners.

Thanking you in advance for your prompt attention, 915 686-9869, Phyllis R. Gunter.

Sincerely,



Phyllis R. Gunter

Prg

attachments

Phoenix (Prop: 26852) wells in Sec 3, T27N, R8W. All Federal, All Gas, No Plugged.

API	WELL NAME	NS	EW	UL1	UL2	TVD	Orig FORM (or NOTES)	STATUS	Latest Pool	GAS2002	OIL2002	WAT2002	GAS2001	OIL2001	WAT2001	GAS2000	OIL2000	WAT2000	2002 POOL	
30-045-20317	Fed M #001	1190S	1800W	N	N	6644		ACTIVE	BLANCO-Mvrd (Pro GAS)	4308	0	0	0	19883	5	45	19591	0	0	72319
30-045-25846	Fed M #001A	1500N	1680W	F	F	4850		ACTIVE	BLANCO-Mvrd (Pro GAS)	10714	0	0	43599	0	0	43413	3	0	0	72319
30-045-25855	Fed M #002	1220N	1590W	C	3	3311		ACTIVE	OTERO CHACRA (GAS)	670	0	0	829	0	0	825	0	0	0	82329
30-045-25888	Fed M #003	1700S	1800W	K	K	3325		ACTIVE	OTERO CHACRA (GAS)	740	0	0	1451	0	0	1431	0	0	0	82329
30-045-30807	Fed M #001B	1850S	1850W	K	K	0	BLANCO MESAVERDE	NO COMPL		0	0	0	0	0	0	0	0	0	0	0

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MIDLAND, TX 79701

P. O. BOX 3638
Midland, Texas 79702

Phone 915 686-9869
FAX 915 686-7798

June 18, 2002

Mr. William V. Jones, Jr., PE
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Jim Lovato
Bureau of Land Management
1235 La Plata Highway, Suite A
Farmington, NM 87401

RE: **SECOND** APPLICATION FOR PROPOSED SURFACE COMMINGLING & LEASE MEASUREMENT
WELLS OPERATED BY PHOENIX HYDROCARBONS
FEDERAL M #1A AND FEDERAL M #2
SAN JUAN COUNTY, NM

Dear Mr. Jones and Mr. Lovato:

Phoenix is submitting this **Second** Sundry Notice to request your approval for the surface commingling of natural gas produced from two wells operated by Phoenix, the Federal M#1A and Federal M#2. Both wells are located on Federal Lease NM-05791. The CPD sales meter is located on the lease and will not require off-lease measurement, but will require approval for surface commingling. (**Attachment #1**)

Only natural gas will be surface commingled. Phoenix took over operations August 1, 2000 and there has been no water or condensate production from the M#2 since we took operations over. The M#1A does make less than one barrel of water per month and less oil per month.

The Federal M#1A was completed January 23, 1984 in the Blanco Mesaverde, API #30-045-25846. The Federal M #1A is located in Section 3, T-27N, R-8W; 1500' FSL and 1680' FWL. (**Attachment #2**)

The Federal M#2 is approximately 280' North of the M#1A. The wells share a 3 Phase Separator and Universal compressor. The Federal M#2 was completed February 28, 1984 in the Largo Chacra, API #30-045-25855. The M#2 is located in Section 3, T-27N, R-8W; 1220' FNL and 1590' FWL. (**Attachment #3**)

Attachment #4 is a hand drawn map of the San Juan Basin wells operated by Phoenix. The Federal M #1A is highlighted.

Attachment #5 shows the interest ownership summary for the Federal M #1A and the Federal M#2. **Attachment 6** includes the address of the interest owners.

PROPOSED ALLOCATION PROCEDURE

72 hour test on the M#1A = 110 MCFPD
M#1A(CPD) average sales = 128 MCFPD
Production for the M#2 128 (-) 110 = 18 MCFPD

M#1A =	110 MCFPD	86%
M#2 =	<u>18 MCFPD</u>	14%
	128 MCFPD	100%

Phoenix's method of allocation for the properties will be based on a well test. This office was in contact with Mr. Lovato, (505) 599-6367; he stated that the method Phoenix has been using is acceptable to the BLM provided the owners do not object. The pumper will shut one well (M#1A) in for 72 hours to calculate the production from the producing well (M#2); and, by deducting (M#2) from the commingled total volume from both wells (M#1A & M#2), following 72 hours volume, (M#1A & M#2)-(M#2)=volume for well (M#1A). The production will be allocated by these percentages, provided both wells produce the same number of days per month. The days produced monthly will come from the pumper's report.

In answer to Mr. Lovato's additional questions:

The M#1A and M#2 are purged or vented individually; therefore there is no allocation methodology for purging or venting.

The M#1A and M#2 go through a 3 Phase Separator, although the Chacra is dry gas. The M#1A Mesaverde produces \pm barrel of water per month and less oil per month. The Separator uses no fuel.

The M#1A and M#2 go through a compressor that requires 6 MCFPD to operate.

M#1A	=	86% x 6 =	5 MCFPD
M#2	=	14% x 6 =	1 MCFPD

Gas analysis reports are attached, M#1A CPD (**Attachment 8**), M#1A (**Attachment 9**) and M2 (**Attachment 10**).

	<i>BTU</i>	
	<i>DRY</i>	<i>WET</i>
<i>M#1A</i>	<i>1367</i>	<i>1343</i>
<i>M#2</i>	<i>1167</i>	<i>1146</i>
<i>M#1A CPD</i>	<i>1323</i>	<i>1300</i>

The commercial value is greater commingled than sold individually. Weaker wells, i.e. M#2, often do not have enough pressure to enter the sales line, but when commingled with a stronger well both are able to enter the sales line. Selling gas from both the M#1A and M#2 is of greater value than plugging or shutting the M#1A or M#2 in because they can't buck the line pressure.

The sound mechanical integrity of the surface commingling system is dependent upon physical monitoring of the wells. The wells are flowing gas wells that do not use an allocation meter.

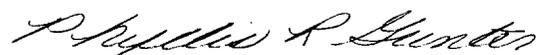
Physically monitoring and verifying that both wells are producing test the surface commingled system's integrity daily.

Testing frequency of each well for accurate allocation verification would be a 72-hour well test performed annually on each well.

As per Mr. Jones' letter dated May 17, 2002, please fund (**Attachment 7**) which is a copy of the letter sent to each interest owner.

Thanking you in advance for your prompt attention. Please do not hesitate to contact me, Phyllis R. Gunter at 915 686-9869.

Sincerely,



Phyllis R. Gunter

Prg

Cc: files
Jim Lovato

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Phoenix Hydrocarbons Operating Corp.

3a. Address
 P. O. Box 3638, Midland, TX 79702

3b. Phone No. (include area code)
 (915) 686-9869

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 1500' FNL & 1680' FWL; Sec. 3, T27N, R8W

5. Lease Serial No.
 NM 05791

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
 Federal M #1A

9. API Well No.
 30-045-25846

10. Field and Pool, or Exploratory Area
 Blanco Mesaverde

11. County or Parish, State
 San Juan NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Surface</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Commingle</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Proposal to Surface Commingle Natural Gas with:

NM 05791
 Federal #2
 30 045-25855

Proposal Attached

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Phyllis R. Gunter Title Agent

Signature *Phyllis R. Gunter* Date 6-18-02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office _____

PHOENIX HYDROCARBONS OPERATING CORPORATION

415 WEST WALL, SUITE 703
MIDLAND, TX 79701

P. O. BOX 3638
Midland, Texas 79702

Phone 915 686-9869
FAX 915 686-7798

April 18, 2002

Ms. Lori Wrotenbery
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Jim Lovato
Bureau of Land Management
1235 La Plata Highway, Suite A
Farmington, NM 87401

RE: PROPOSED SURFACE COMMINGLING & LEASE MEASUREMENT
TWO WELLS OPERATED BY PHOENIX HYDROCARBONS
FEDERAL M #1A AND FEDERAL M #2
SAN JUAN COUNTY, NM

Dear Ms. Wrotenbery and Mr. Lovato:

Phoenix is submitting this Sundry Notice to request your approval for the surface commingling of natural gas produced from two wells operated by Phoenix, the Federal M#1A and Federal M#2. Both wells are located on Federal Lease NM-05791. The CPD sales meter is located on the lease and will not require off-lease measurement, but will require approval for surface commingling. (**Attachment #1**)

Only natural gas will be surface commingled. Phoenix took over operations August 1, 2000 and there has been no condensate production since we took operations over. The M#1A does make 1-1/2 barrels water per month.

The Federal M#1A was completed January 23, 1984 in the Blanco Mesaverde, API #30-045-25846. The Federal M #1A is located in Section 3, T-27N, R-8W; 1500' FSL and 1680' FWL. (**Attachment #2**)

The Federal M#2 is approximately 280' North of the M#1A. The wells share a 3 phase separator and Universal compressor. The Federal M#2 was completed February 28, 1984 in the Largo Chacra, API #30-045-25855. The M#2 is located in Section 3, T-27N, R-8W; 1220' FNL and 1590' FWL. (**Attachment #3**)

Attachment #4 is a hand drawn map of the San Juan Basin wells operated by Phoenix. The Federal M #1A is highlighted.

Attachment #5 shows the interest ownership summary for the Federal M #1A and the Federal M#2. **Attachment 6** includes the address of the interest owners.

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Please do not hesitate to call, 915 686-9869, Phyllis R. Gunter.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM 05791
2. Name of Operator Phoenix Hydrocarbons Operating Corp.		6. If Indian, Allottee or Tribe Name
3a. Address P O Box 3638, Midland, TX 79702	3b. Phone No. (include area code) (915) 686-9869	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1220' FNL & 1590' FWL; Sec. 3, T27N, R8W		8. Well Name and No. Federal M #2
		9. API Well No. 30-045-25855
		10. Field and Pool, or Exploratory Area Otera Chacra
		11. County or Parish, State San Juan, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
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Proposal to Surface Commingle Natural Gas with:
NM 05791
Federal M #1A
30-045-25846

Proposal Attached

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Phyllis R. Gunter	Title Agent
Signature: <i>Phyllis R. Gunter</i>	Date 6-18-02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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	128 MCFPD	100%

Please do not hesitate to call, 915 686-9869, Phyllis R. Gunter.

All distances must be from the outer boundaries of the Section.

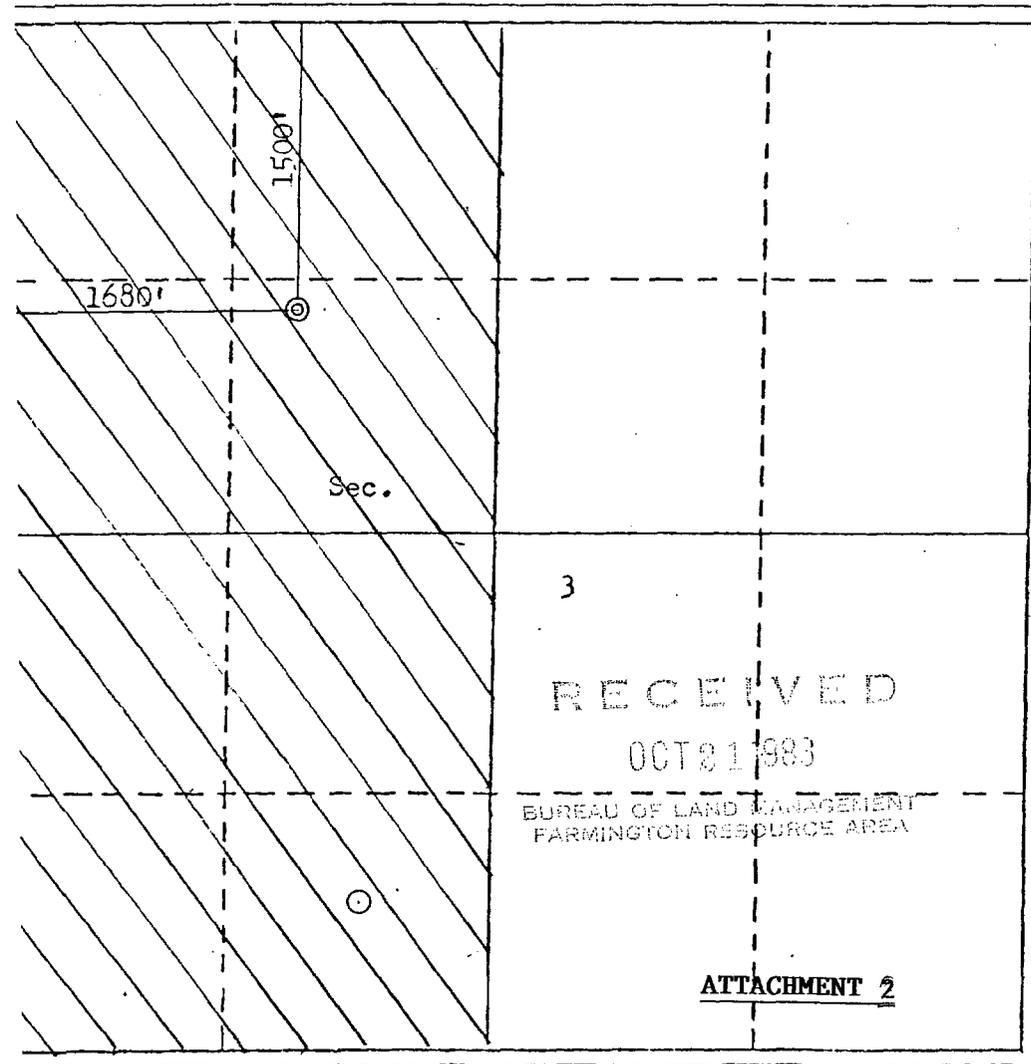
Tractor AAA OPERATING COMPANY, INC.		Lease FEDERAL "M"			Well No. 1A
Tract Letter F	Section 3	Township 27N	Range 8W	County SAN JUAN	
Well Footage Location of Well: 1500 feet from the North line and 1680 feet from the West line					
Well Level Elev. 5835	Producing Formation Mesa Verde		Pool	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes," type of consolidation _____

DEC-5 1983

If answer is "no," list the owners and tract descriptions which have actually been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.

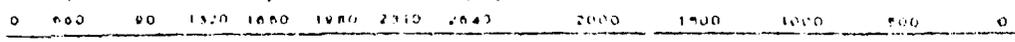
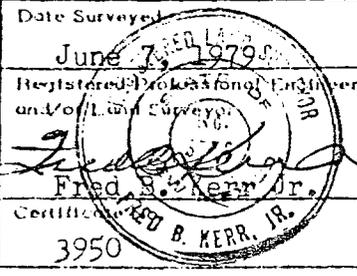
WYNN CORPORATIONS



RECEIVED
OCT 21 1983
BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

ATTACHMENT 2

CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	R. C. WYNN
Position	PRESIDENT
Company	AAA OPERATING COMPANY, INC.
Date	October 3, 1983
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed	June 7, 1979
Registered Professional Engineer and/or Land Surveyor	Fred B. Kerr, Jr.
Certificate No.	3950



FEDERAL M #1 A(CPD)

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

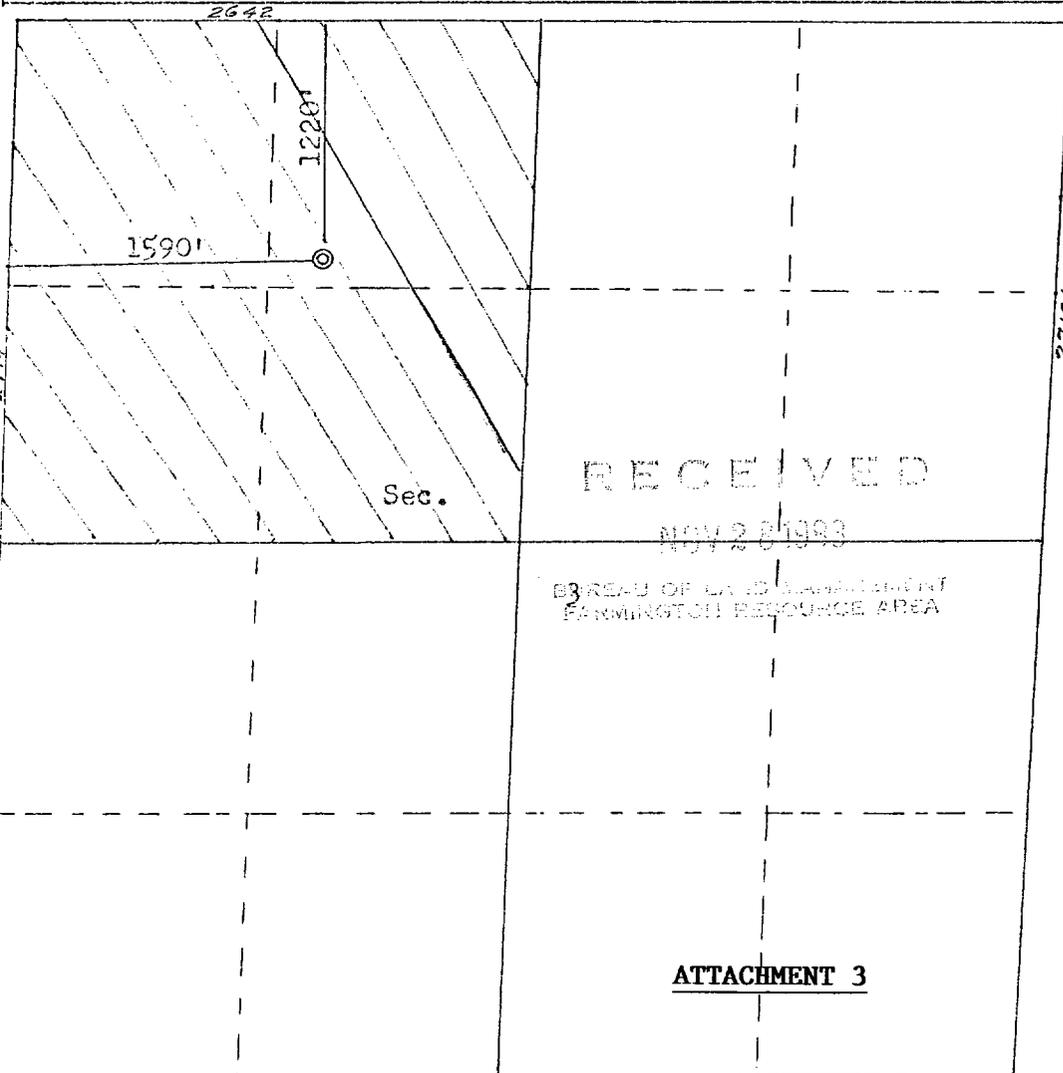
Operator AAA OPERATING COMPANY, INC.			Lease FEDERAL "M"		Well No. 2
Unit Letter C	Section 3	Township 27N	Range 8W	County San Juan	
Actual Footage Location of Well: 1220 feet from the North line and 1590 feet from the West line					
Ground Level Elev: 5835	Producing Formation Chacra		Pool	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



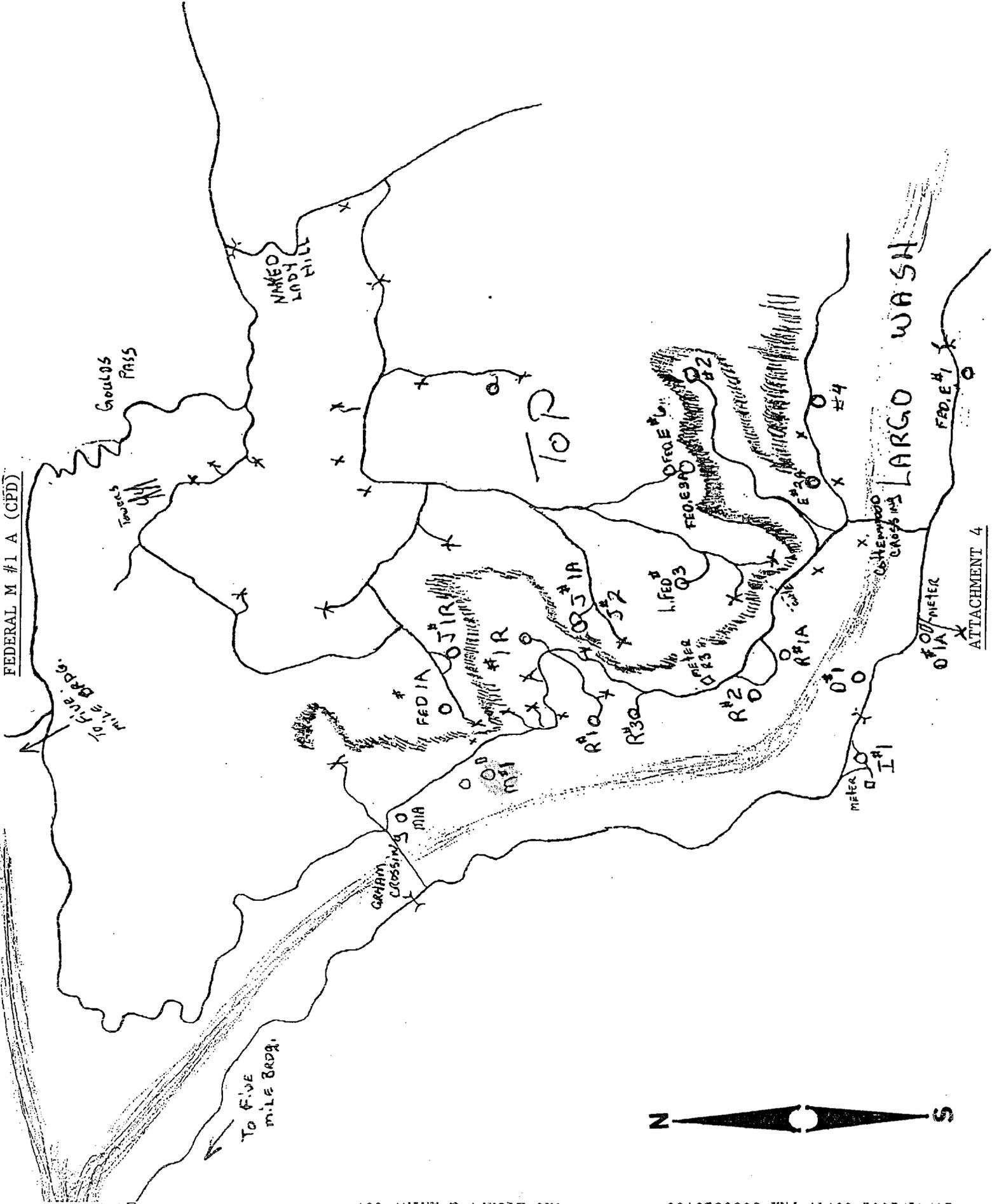
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name *R. C. Wynn*
R. C. WYNN - PRESIDENT
Position
AAA OPERATING COMPANY, INC.
Company
10-03-83
Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
June 7, 1973
Registered Professional Engineer
and Land Surveyor
Fred B. Kerr
Fred B. Kerr, Jr.
Certificate No.
3950



Federal M #1A (CPD)

RUN DATE: Thursday April 18, 2002 3:17 PM

PAGE 2

PHOENIX HYDROCARBONS OPER CORP

L E A S E D D I L I S T I N G B Y L E A S E

FOR LEASES 351017 THRU 351020

-----LEASE-----	-----OWNER-----	OWN	TAX	SUS	HND	INT	COSTS	OIL REV	GAS REV
351019	FEDERAL M-2	SAN JUAN				NM			
		BC500 BURK C. MURCHISON (BCM TRUST)	P		1		.00700000	.00502500	.00502500
		BE110 W.R. BEAVERS, M.D.	P		1		.16406250	.11777344	.11777344
		BL130 BLACK HOLE RANCH CORP.	P		1		.08750000	.06281250	.06281250
		BP110 BPAMERICA PRODUCTION COMPANY	P		2		.00000000	.10000000	.10000000
		BR553 E.B. BROOKS, JR.	P		2		.00000000	.02000000	.02000000
		CA500 BURK C. MURCHISON (CAM TRUST)	P		1		.00700000	.00502500	.00502500
		CE500 BURK C. MURCHISON (CEM TRUST)	P		1		.00700000	.00502500	.00502500
		CO826 JESSICA ANN CORTEZ TRUST	P		2		.00000000	.00250000	.00250000
		DA955 DAWSON FAMILY TRUST	P		2		.00000000	.01000000	.01000000
		DE112 DEALEY FAMILY LTD.	P		1		.05468750	.03925780	.03925780
		DL500 BURK C. MURCHISON (DLM TRUST)	P		1		.00700000	.00502500	.00502500
		EN375 ENERGEN RESOURCES CORPORATION	P		2		.00000000	.01750000	.01750000
		GFB GFB ACQUISITIONS - I, LLP	P		1		.32986113	.23405147	.23405147
		HE150 HEARN CAPITAL, LTD.	P		1		.17500000	.12562500	.12562500
		MMS MINERALS MANAGEMENT SERVICE	T	G	5		.00000000	.12500000	.12500000
		PU761 PURE RESOURCES, L.P.	P		2		.00000000	.00750000	.00750000
		RU663 MURCHISON CAPITAL PTNRS LLC	P		1		.14000000	.10050000	.10050000
		RU774 THE A. WILLIAM RUTTER TRUST	P		2		.00000000	.00125000	.00125000
		RU775 THE DOROTHY T. RUTTER TRUST	P		2		.00000000	.00125000	.00125000
		TRI TRANSREPUBLIC RESOURCES, INC.	P		1		.01388887	.00985479	.00985479
		WK500 BURK C. MURCHISON (WKM TRUST)	P		1		.00700000	.00502500	.00502500
	TOTALS:	21 OWNERS					1.00000000	1.00000000	1.00000000

351018	FEDERAL M-1A	SAN JUAN				NM			
		BC500 BURK C. MURCHISON (BCM TRUST)	P		1		.00700000	.00513000	.00513000
		BE110 W.R. BEAVERS, M.D.	P		1		.16406250	.12023440	.12023440
		BL130 BLACK HOLE RANCH CORP.	P		1		.08750000	.06412500	.06412500
		BP110 BPAMERICA PRODUCTION COMPANY	P		2		.00000000	.08500000	.08500000
		BR553 E.B. BROOKS, JR.	P		1		.12500000	.08875000	.08875000
		BR553 E.B. BROOKS, JR.	P		2		.00000000	.02000000	.02000000
		CA500 BURK C. MURCHISON (CAM TRUST)	P		1		.00700000	.00513000	.00513000
		CE500 BURK C. MURCHISON (CEM TRUST)	P		1		.00700000	.00513000	.00513000
		DA955 DAWSON FAMILY TRUST	P		2		.00000000	.01000000	.01000000
		DE112 DEALEY FAMILY LTD.	P		1		.05468750	.04007810	.04007810
		DL500 BURK C. MURCHISON (DLM TRUST)	P		1		.00700000	.00513000	.00513000
		EN375 ENERGEN RESOURCES CORPORATION	P		2		.00000000	.01750000	.01750000
		GFB GFB ACQUISITIONS - I, LLP	P		1		.20991163	.15623422	.15623422
		HE150 HEARN CAPITAL, LTD.	P		1		.17500000	.12825000	.12825000
		MMS MINERALS MANAGEMENT SERVICE	T	G	5		.00000000	.12500000	.12500000
		PU761 PURE RESOURCES, L.P.	P		2		.00000000	.00750000	.00750000
		RU663 MURCHISON CAPITAL PTNRS LLC	P		1		.14000000	.10260000	.10260000
		RU774 THE A. WILLIAM RUTTER TRUST	P		2		.00000000	.00125000	.00125000
		RU775 THE DOROTHY T. RUTTER TRUST	P		2		.00000000	.00125000	.00125000
		TRI TRANSREPUBLIC RESOURCES, INC.	P		1		.00883837	.00657828	.00657828
		WK500 BURK C. MURCHISON (WKM TRUST)	P		1		.00700000	.00513000	.00513000
	TOTALS:	21 OWNERS					1.00000000	1.00000000	1.00000000

FEDERAL M #1A (CPD)

RUN DATE: Thursday April 18, 2002 11:13 AM

PAGE 47

PHOENIX HYDROCARBONS OPER CORP

L E A S E D D I O W N E R S R E P O R T

CURRENT LEASE: 351018 FEDERAL M-1A

-----LEASE-----	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INTEREST TYPE
-----	WK500 75-6393054 BURK C. MURCHISON (WKM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00513000	.00513000	WORKING INTEREST
	BP110 73-0466080 BPAMERICA PRODUCTION COMPANY P.O. BOX 277897 ATLANTA, GA 30384-7985 918 925-4800	.00000000	.08500000	.08500000	OVERRIDING ROYALTY
	BR553 462-44-4282 E.B. BROOKS, JR. 4925 GREENVILLE AVE, #1025 DALLAS, TX 75206	.12500000	.08875000	.08875000	WORKING INTEREST
	BR553 462-44-4282 E.B. BROOKS, JR. 4925 GREENVILLE AVE, #1025 DALLAS, TX 75206	.00000000	.02000000	.02000000	OVERRIDING ROYALTY
	CA500 75-6399738 BURK C. MURCHISON (CAM TRUST) 1450 THREE LINCOLN CENTER 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00513000	.00513000	WORKING INTEREST
	CE500 75-6392939 BURK C. MURCHISON (CEM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00513000	.00513000	WORKING INTEREST
	DA955 76-6049139 DAWSON FAMILY TRUST C/O ROBBIN R. DAWSON P.O. BOX 1507 PANHANDLE, TX 79068-1507	.00000000	.01000000	.01000000	OVERRIDING ROYALTY
	DE112 75-2824870 DEALEY FAMILY LTD. 250 HIGHLAND PARK VILLAGE SUITE 100-311 DALLAS, TX 75205-2789	.05468750	.04007810	.04007810	WORKING INTEREST
	DL500 75-6392940 BURK C. MURCHISON (DLM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00513000	.00513000	WORKING INTEREST

PHOENIX HYDROCARBONS OPER CORP

LEASE DDI OWNERS REPORT

CURRENT LEASE: 351018 FEDERAL M-1A

-----LEASE-----	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INTEREST TYPE
	EN375 63-0808872 ENERGEN RESOURCES CORPORATION 605 21ST STREET NORTH BIRMINGHAM, AL 35203-2707	.00000000	.01750000	.01750000	OVERRIDING ROYALTY
	GFB 01-0552588 GFB ACQUISITIONS - I, LLP P.O. BOX 3638 MIDLAND, TX 79702 915 686-9869	.20991163	.15623422	.15623422	WORKING INTEREST
	HE150 75-2929693 HEARN CAPITAL, LTD. 109 NORTH RIVERCREST DRIVE FT WORTH, TX 76107 817 625-9974	.17500000	.12825000	.12825000	WORKING INTEREST
	MMS 84-0848646 MINERALS MANAGEMENT SERVICE RMP P.O. BOX 580 DENVER, CO 80217	.00000000	.12500000	.12500000	MINERAL INTEREST
	PU761 75-2715696 PURE RESOURCES, L.P. P.O. BOX 910552 DALLAS, TX 75391-0552	.00000000	.00750000	.00750000	OVERRIDING ROYALTY
	RU663 75-2403305 MURCHISON CAPITAL PTNRS LLC 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.14000000	.10260000	.10260000	WORKING INTEREST
	RU774 75-6415363 THE A. WILLIAM RUTTER TRUST P.O. BOX 3186 MIDLAND, TX 79702	.00000000	.00125000	.00125000	OVERRIDING ROYALTY
	RU775 75-6467231 THE DOROTHY T. RUTTER TRUST P.O. BOX 3186 MIDLAND, TX 79702	.00000000	.00125000	.00125000	OVERRIDING ROYALTY
	TRI 75-2768707 TRANSREPUBLIC RESOURCES, INC. P.O. BOX 3638 MIDLAND, TX 79702	.00883837	.00657828	.00657828	WORKING INTEREST

BC500 75-6392937 .00700000 .00513000 .00513000 WORKING INTEREST
BURK C. MURCHISON (BCM TRUST)
1450 THREE LINCOLN CENTRE
5430 LBJ FREEWAY
DALLAS, TX 75240

BE110 463-52-8798 .16406250 .12023440 .12023440 WORKING INTEREST
W.R. BEAVERS, M.D.
3613 CEDAR SPRINGS RD
DALLAS, TX 75219
214 528-4718

BL130 75-2402678 .08750000 .06412500 .06412500 WORKING INTEREST
BLACK HOLE RANCH CORP.
C/O GLENN SODD
P.O. BOX 837
CORSICANA, TX 75151

PHOENIX HYDROCARBONS OPER CORP

LEASE DDI OWNERS REPORT

CURRENT LEASE: 351019 FEDERAL M-2

LEASE	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INTEREST TYPE
351019 FEDERAL M-2					
	BC500 75-6392937 BURK C. MURCHISON (BCM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00502500	.00502500	WORKING INTEREST
	BE110 463-52-8798 W.R. BEAVERS, M.D. 3613 CEDAR SPRINGS RD DALLAS, TX 75219 214 528-4718	.16406250	.11777344	.11777344	WORKING INTEREST
	BL130 75-2402678 BLACK HOLE RANCH CORP. C/O GLENN SODD P.O. BOX 837 CORNICANA, TX 75151	.08750000	.06281250	.06281250	WORKING INTEREST
	BP110 73-0466080 BPAMERICA PRODUCTION COMPANY P.O. BOX 277897 ATLANTA, GA 30384-7985 918 925-4800	.00000000	.10000000	.10000000	OVERRIDING ROYALTY
	BR553 462-44-4282 E.B. BROOKS, JR. 4925 GREENVILLE AVE, #1025 DALLAS, TX 75206	.00000000	.02000000	.02000000	OVERRIDING ROYALTY
	CA500 75-6399738 BURK C. MURCHISON (CAM TRUST) 1450 THREE LINCOLN CENTER 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00502500	.00502500	WORKING INTEREST
	CE500 75-6392939 BURK C. MURCHISON (CEM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00502500	.00502500	WORKING INTEREST
	CO826 75-6545956 JESSICA ANN CORTEZ TRUST CORTEZ MICHELLE BLEDSOE TTEE 4811 HALLMARK DRIVE DALLAS, TX 75229 214 692-9840	.00000000	.00250000	.00250000	OVERRIDING ROYALTY
	DA955 76-6049139 DAWSON FAMILY TRUST C/O ROBBIN R. DAWSON P.O. BOX 1507 PANHANDLE, TX 79068-1507	.00000000	.01000000	.01000000	OVERRIDING ROYALTY
	DE112 75-2824870 DEALEY FAMILY LTD. 250 HIGHLAND PARK VILLAGE SUITE 100-311	.05468750	.03925780	.03925780	WORKING INTEREST

PHOENIX HYDROCARBONS OPER CORP

LEASE DDI OWNERS REPORT

CURRENT LEASE: 351019 FEDERAL M-2

LEASE	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INTEREST TYPE
DL500 75-6392940	BURK C. MURCHISON (DLM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00502500	.00502500	WORKING INTEREST
EN375 63-0808872	ENERGEN RESOURCES CORPORATION 605 21ST STREET NORTH BIRMINGHAM, AL 35203-2707	.00000000	.01750000	.01750000	OVERRIDING ROYALTY
GFB 01-0552588	GFB ACQUISITIONS - I, LLP P.O. BOX 3638 MIDLAND, TX 79702 915 686-9869	.32986113	.23405147	.23405147	WORKING INTEREST
HE150 75-2929693	HEARN CAPITAL, LTD. 109 NORTH RIVERCREST DRIVE FT WORTH, TX 76107 817 625-9974	.17500000	.12562500	.12562500	WORKING INTEREST
MMS 84-0848646	MINERALS MANAGEMENT SERVICE RMP P.O. BOX 580 DENVER, CO 80217	.00000000	.12500000	.12500000	MINERAL INTEREST
PU761 75-2715696	PURE RESOURCES, L.P. P.O. BOX 910552 DALLAS, TX 75391-0552	.00000000	.00750000	.00750000	OVERRIDING ROYALTY
RU663 75-2403305	MURCHISON CAPITAL PTNRS LLC 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.14000000	.10050000	.10050000	WORKING INTEREST
RU774 75-6415363	THE A. WILLIAM RUTTER TRUST P.O. BOX 3186 MIDLAND, TX 79702	.00000000	.00125000	.00125000	OVERRIDING ROYALTY
RU775 75-6467231	THE DOROTHY T. RUTTER TRUST P.O. BOX 3186 MIDLAND, TX 79702	.00000000	.00125000	.00125000	OVERRIDING ROYALTY
TRI 75-2768707	TRANSREPUBLIC RESOURCES, INC. P.O. BOX 3638 MIDLAND, TX 79702	.01388887	.00985479	.00985479	WORKING INTEREST
WK500 75-6393054	BURK C. MURCHISON (WKM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY	.00700000	.00502500	.00502500	WORKING INTEREST

PHOENIX HYDROCARBONS OPERATING CORPORATION

415 WEST WALL, SUITE 703
MIDLAND, TX 79701

P. O. BOX 3638
Midland, Texas 79702

Phone 915 686-9869
FAX 915 683-1649

June 6, 2002

RE: COMMINGLING OF FEDERAL M#1A
AND FEDERAL M#2, SAN JUAN, NM

Dear Working and Royalty Interest Owner:

As you know the above referenced wells have been surface commingled for the last ten years. The M#2 is a weak well and could not buck the sales line pressure, but when commingled with the M#1A the pressure is strong enough to sale gas from both wells. Phoenix is proposing to use the same well test allocation formula that Bledsoe had been using to allocate the production and sales from these wells. The Federal M#1A produces maybe ½ bbl of condensate and only trace of water.

PROPOSED ALLOCATION PROCEDURE

72 HOUR TEST ON THE M#1A = 110 MCFPD
M#1A(CPD) AVERAGE SALES = 128 MCFPD
PRODUCTION FOR THE M#2 $128(-)110 = 18$ MCFPD

M#1A = 110 MCFPD 86%
M#2 = 18 MCFPD 14%
128 MCFPD 100%

Phoenix proposes to perform the 72 hour well test monthly.

We have applied to the New Mexico Energy, Minerals and Natural Resources Department and Bureau of Land Management authorities, at the BLM's request, for a commingling permit. The New Mexico Energy, Minerals and Natural Resources Department does not consider the well test allocation method to be fair and prudent. To be fair and prudent we have been advised "*that allocation gas meters will be required on all wells in each of these applications. If all cost and revenue interests are identical, allocation meters are required on all but one (1) of the wells to be commingled.*" This applies to all products of which there is only gas.

I spoke with Mr William V. Jones, Jr., PE, New Mexico Energy, Minerals and Natural Resources, at 505-476-3448, who sent the requirements to Phoenix. Mr. Jones felt like we could secure and place the required continuous monitoring allocation meters for around \$4,000.00 each well or \$8,000.00 for both wells. Since these wells are marginal and you will be buying these meters, Phoenix is suggesting that you call Mr. Jones with any questions you might have as to the economic benefits of this requirement.

Sincerely,

Phyllis R. Gunter

Prg

files

Please elect below:

M#1A CPD

Continue monthly well test allocation _____

Install and maintain continuous monitoring allocation meters _____

Signature

Printed Name

Date

CORPORATE MEASUREMENT SYSTEM
GPM CERTIFICATE REPORT

03/27/2002 10:37:00

Prod Date : 01/01/2002 00:00:00

Page 1 of 1

EP FIELD SERVICES--SAN JUAN

Certificate of Gas Analysis

Sample Desc: FEDERAL M #1A CPD

Sample Id: 97559

Effective Date: 1/1/02 00:00:00

Sample Type: Spot

Sample Date: 12/8/01 00:00:00

Sampled By:

Chromatograph Id: N/A

Analyzed Date:

Analyzed By: FSLAB

Analysis Id:

Sample Frequency: SEMIANNUALLY

GPA Version: GPA 2145-97

Temperature:

Pressure Base: 14.73

Pressure:

<u>Component</u>	<u>Mole %</u>	<u>GPM</u>
Methane:	75.2600	
Ethane:	12.5000	3.3432
Propane:	6.7800	1.8682
Iso Butane:	1.0600	0.3468
Butane:	1.9500	0.6148
Iso Pentane:	0.5800	0.2122
Pentane:	0.4400	0.1594
Neo Pentane:	0.0000	0.0000
Hexane:	0.4700	0.2051
Heptane:	0.0000	0.0000
Nonane:	0.0000	0.0000
Octane:	0.0000	0.0000
Decane:	0.0000	0.0000
H2s:	0.0000	
Sub Total GPM:	99.0400	6.7496

<u>Inerts</u>	<u>Mole %</u>
Carbon Dioxide:	0.6500
Nitrogen:	0.3100
Hydrogen:	0.0000
Oxygen:	0.0000
Helium:	0.0000
Argon:	0.0000
Carbon Monoxide:	0.0000
Total Mole %:	100.0000

Gravity: 0.7670

BTU: 1323.0

Saturated BTU: 1300.3

Remarks:



2030 AFTON PLACE
 FARMINGTON, N.M. 87401
 (505) 325-6622

ANALYSIS NO. PH220004
 CUST. NO. 82300 - 10015

WELL/LEASE INFORMATION

CUSTOMER NAME PHOENIX HYDROCARBONS
 WELL NAME FEDERAL M #1A
 COUNTY/ STATE SAN JUAN NM
 LOCATION
 FIELD
 FORMATION MESA VERDE
 CUST. STN. NO.

SOURCE
 WELL HEAD PRESSURE 80 PSIG
 SAMPLE TEMP 72 DEG.F
 WELL FLOWING N
 DATE SAMPLED 6/5/02
 SAMPLED BY D. BAYS
 FOREMAN VENGRO

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.310	0.0000	0.00	0.0030
CO2	0.725	0.0000	0.00	0.0110
METHANE	72.128	0.0000	730.15	0.3995
ETHANE	14.119	3.7788	250.43	0.1488
PROPANE	7.637	2.1048	192.60	0.1163
I-BUTANE	1.164	0.3807	37.94	0.0234
N-BUTANE	2.136	0.6735	69.84	0.0429
I-PENTANE	0.617	0.2258	24.74	0.0154
N-PENTANE	0.474	0.1717	19.05	0.0118
HEXANE PLUS	0.690	0.3010	35.47	0.0222
TOTAL	100.000	7.6343	1,380.22	0.7920

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/2) 1.0044
 BTU/CU.FT (DRY) CORRECTED FOR (1/2) 1,366.6
 BTU/CU.FT (WET) CORRECTED FOR (1/2) 1,342.8
 REAL SPECIFIC GRAVITY 0.7958

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.660 1,359.2
 DRY BTU @ 14.696 1,363.4
 DRY BTU @ 14.730 1,368.8
 DRY BTU @ 15.025 1,394.0

CYLINDER # 030
 CYLINDER PRESSURE 71 PSIG
 DATE RUN 6/12/02
 ANALYSIS RUN BY JANA CARANTA



2030 AFTON PLACE
 FARMINGTON, N.M. 87401
 (505) 325-6622

ANALYSIS NO. PH220005
 CUST. NO. 62300 - 10020

WELL/LEASE INFORMATION

CUSTOMER NAME	PHOENIX HYDROCARBONS	SOURCE	WELL HEAD
WELL NAME	FEDERAL M #2	PRESSURE	30 PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	70 DEG.F
LOCATION		WELL FLOWING	N
FIELD		DATE SAMPLED	6/5/02
FORMATION	CHACRA	SAMPLED BY	D. BAYS
CUST.STN.NO.		FOREMAN/ENGR.	

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.180	0.0000	0.00	0.0017
CO2	0.397	0.0000	0.00	0.0060
METHANE	87.669	0.0000	887.47	0.4856
ETHANE	6.564	1.7559	116.43	0.0681
PROPANE	2.880	0.8213	75.15	0.0454
I-BUTANE	0.533	0.1743	17.37	0.0107
N-BUTANE	0.776	0.2447	25.37	0.0156
I-PENTANE	0.262	0.0959	10.51	0.0065
N-PENTANE	0.182	0.0659	7.31	0.0045
HEXANE PLUS	0.457	0.1994	23.49	0.0147
TOTAL	100.000	3.3574	1,163.10	0.6589

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z)	1.0029
BTUCU.FT (DRY) CORRECTED FOR (1/Z)	1,166.7
BTUCU.FT (WET) CORRECTED FOR (1/Z)	1,148.4
REAL SPECIFIC GRAVITY	0.6609

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	1,160.4
DRY BTU @ 14.698	1,164.0
DRY BTU @ 14.730	1,166.7
DRY BTU @ 15.025	1,190.1

CYLINDER #	KFL121
CYLINDER PRESSURE	23 PSIG
DATE RUN	6/12/02
ANALYSIS RUN BY	JANA CARANTA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. NM 05791
2. Name of Operator Phoenix Hydrocarbons Operating Corp.	6. If Indian, Allottee or Tribe Name
3a. Address P. O. Box 3638, Midland, TX 79702	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) (915) 686-9869	8. Well Name and No. Federal M #1A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1500' FNL & 1680' FWL; Sec. 3, T27N, R8W	9. API Well No. 30-045-25846
	10. Field and Pool, or Exploratory Area Blanco Mesaverde
	11. County or Parish, State San Juan NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Surface</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Commingle</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BLA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Proposal to Surface Commingle Natural Gas with:

NM 05791
Federal #2
30 045-25855

Proposal Attached

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Phyllis R. Gunter	Title Agent
Signature <i>Phyllis R. Gunter</i>	Date 6-18-02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Phoenix Hydrocarbons Operating Corp.

3a. Address

P O Box 3638, Midland, TX 79702

3b. Phone No. (include area code)

(915) 686-9869

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1220' FNL & 1590' FWL; Sec. 3, T27N, R8W

5. Lease Serial No.

NM 05791

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Federal M #2

9. API Well No.

30-045-25855

10. Field and Pool, or Exploratory Area

Otera Chacra

11. County or Parish, State

San Juan, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Surface
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Commingle</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Proposal to Surface Commingle Natural Gas with:

NM 05791

Federal M #1A

30-045-25846

Proposal Attached

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Phyllis R. Gunter

Title Agent

Signature

Phyllis R. Gunter

Date

6-18-02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

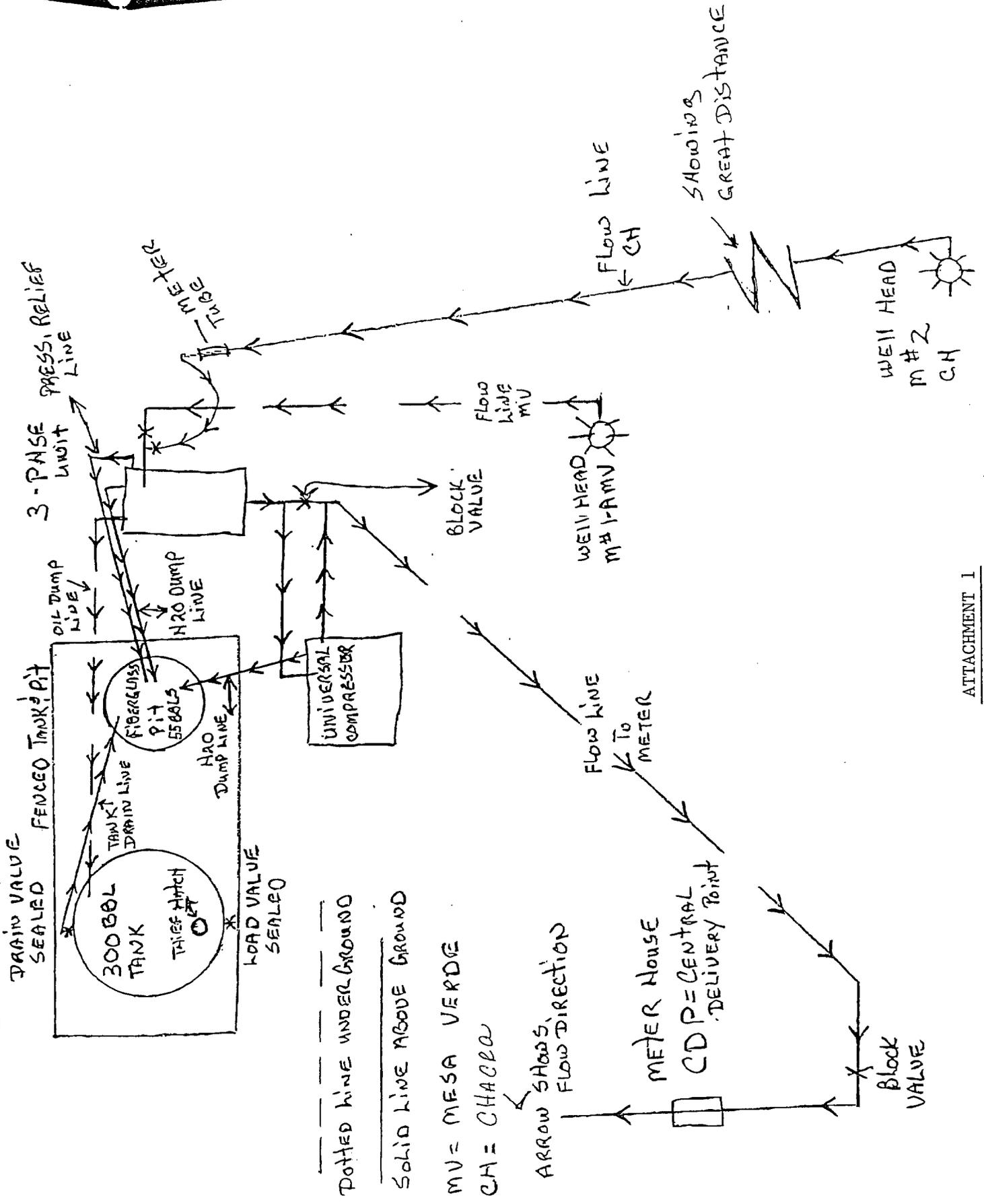
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office



LARGO FED. M # 1A MV
FEO M # 2CH

FEDERAL M # 1A (CPD)



DOTTED LINE UNDERGROUND

—
SOLID LINE ABOVE GROUND

MV = MESA VERDE

CH = CHACRA

ARROW SHOWS FLOW DIRECTION

METER HOUSE

CDP = CENTRAL DELIVERY POINT

Block VALVE

FLOW LINE TO METER

BLOCK VALVE

WELL HEAD M # 1-A MV

WELL HEAD M # 2 CH

SHOWING GREAT DISTANCE

FLOW LINE CH

3-PHASE UNIT PRESS. RELIEF LINE

OIL DUMP LINE N2O DUMP LINE

FENCED TANK PIT

FIBER GLASS PIT 55 BALLS

300 BBL TANK TANK HATCH

TANK DRAIN LINE

H2O DUMP LINE

LOAD VALVE SEALED

UNIVERSAL COMPRESSOR

FLOW LINE MV

METER

FEDERAL M #1A (CPD)

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

Owner AAA OPERATING COMPANY, INC.			Lease FEDERAL "M"		Well No. 1A
Section Letter F	Section 3	Township 27N	Range 8W	County WYNN, CORP San Juan	
Well Footage Location of Well: 1500 feet from the North line and 1680 feet from the West line					
Well Level Elev. 5835	Producing Formation Mesa Verde		Pool	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes," type of consolidation _____

DEC - 5 1983

If answer is "no," list the owners and tract descriptions which have actually been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.

CERTIFICATION

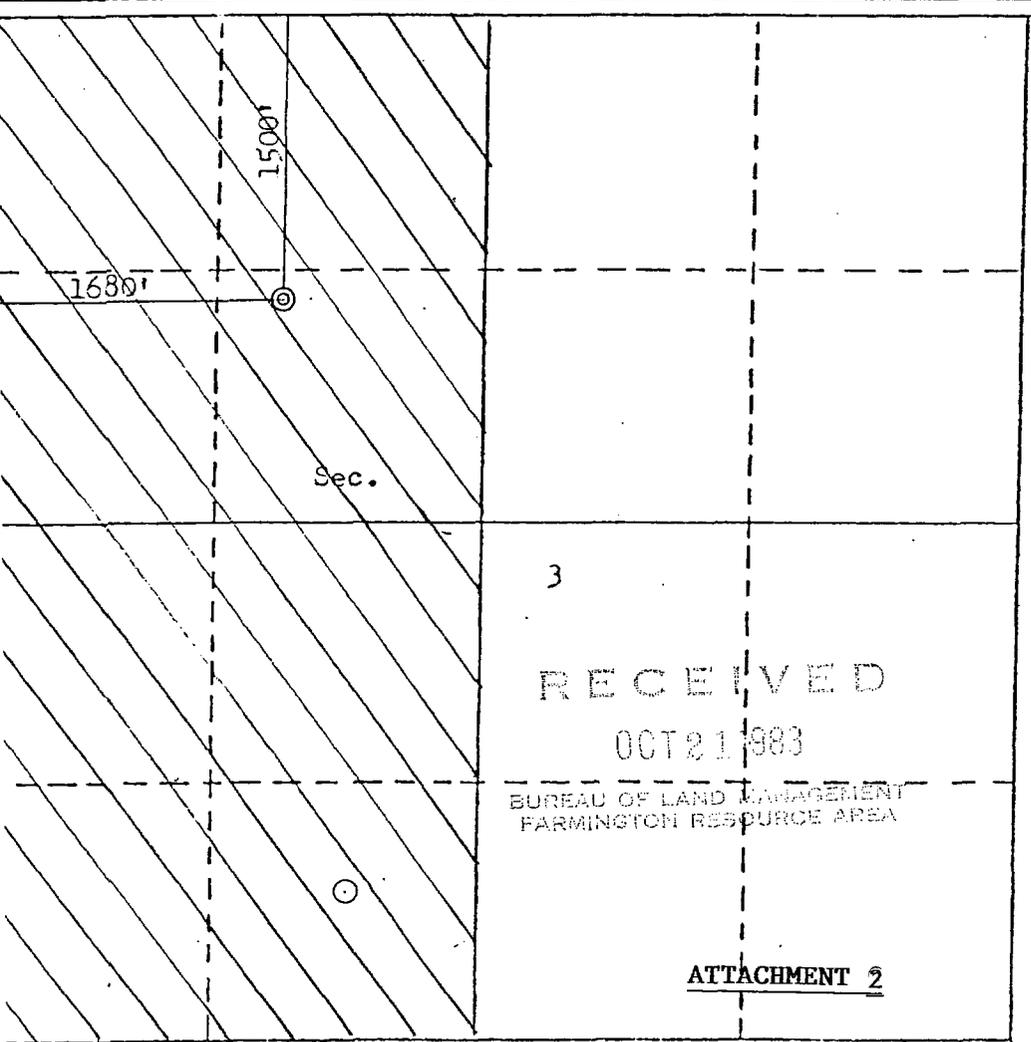
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

R. C. Wynn

Name R. C. WYNN
Position PRESIDENT
Company AAA OPERATING COMPANY, INC.
Date October 3, 1983

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

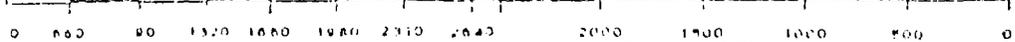
Date Surveyed June 7, 1979
Registered Professional Engineer and/or Land Surveyor Fred B. Kerr, Jr.
Certificate No. 3950



RECEIVED
OCT 21 1983

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

ATTACHMENT 2



FEDERAL M #1 A(CPD)

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

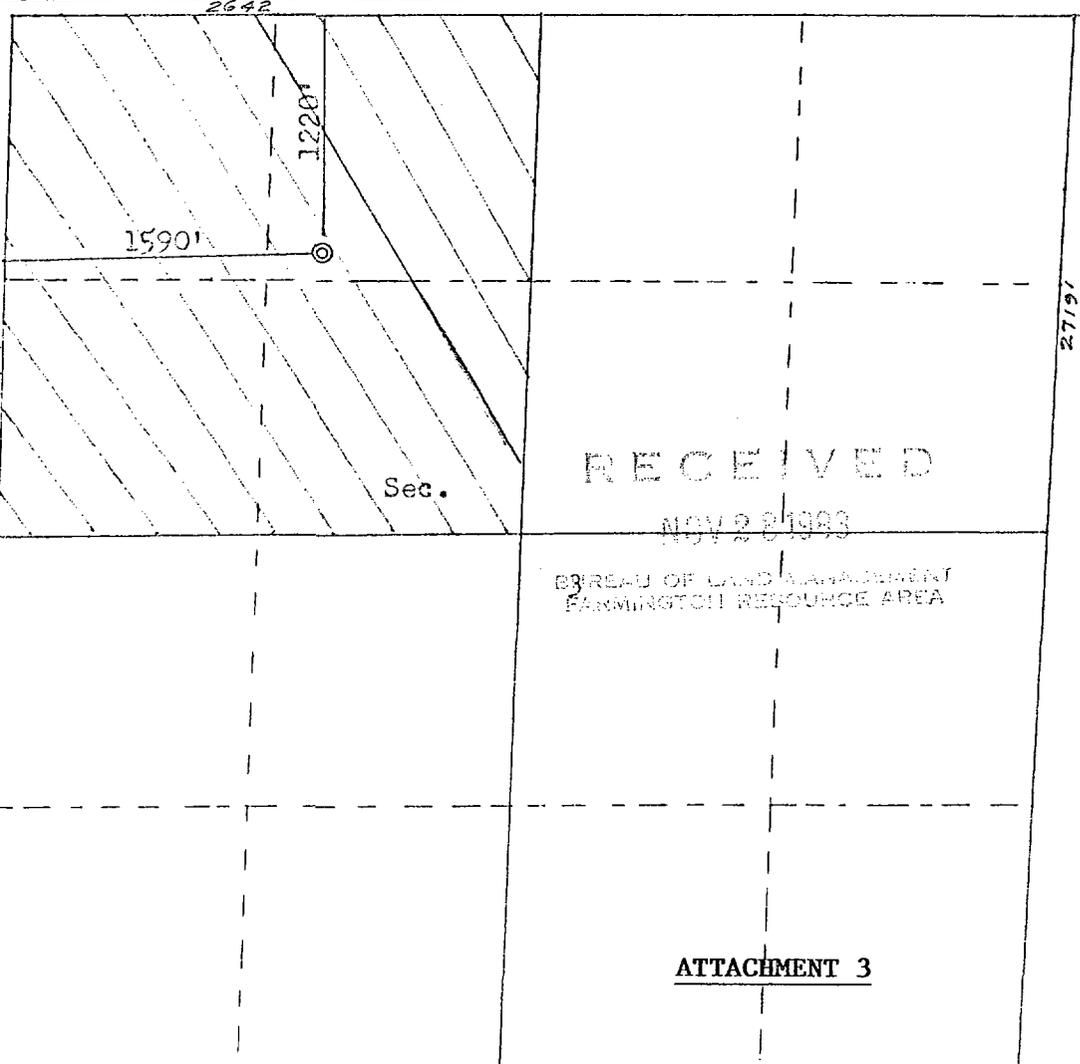
Operator AAA OPERATING COMPANY, INC.		Lease FEDERAL "M"		Well No. 2
Unit Letter C	Section 3	Township 27N	Range 8W	County San Juan
Actual Footage Location of Well: 1220 feet from the North line and 1590 feet from the West line				
Ground Level Elev: 5836	Producing Formation Chacra	Pool	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

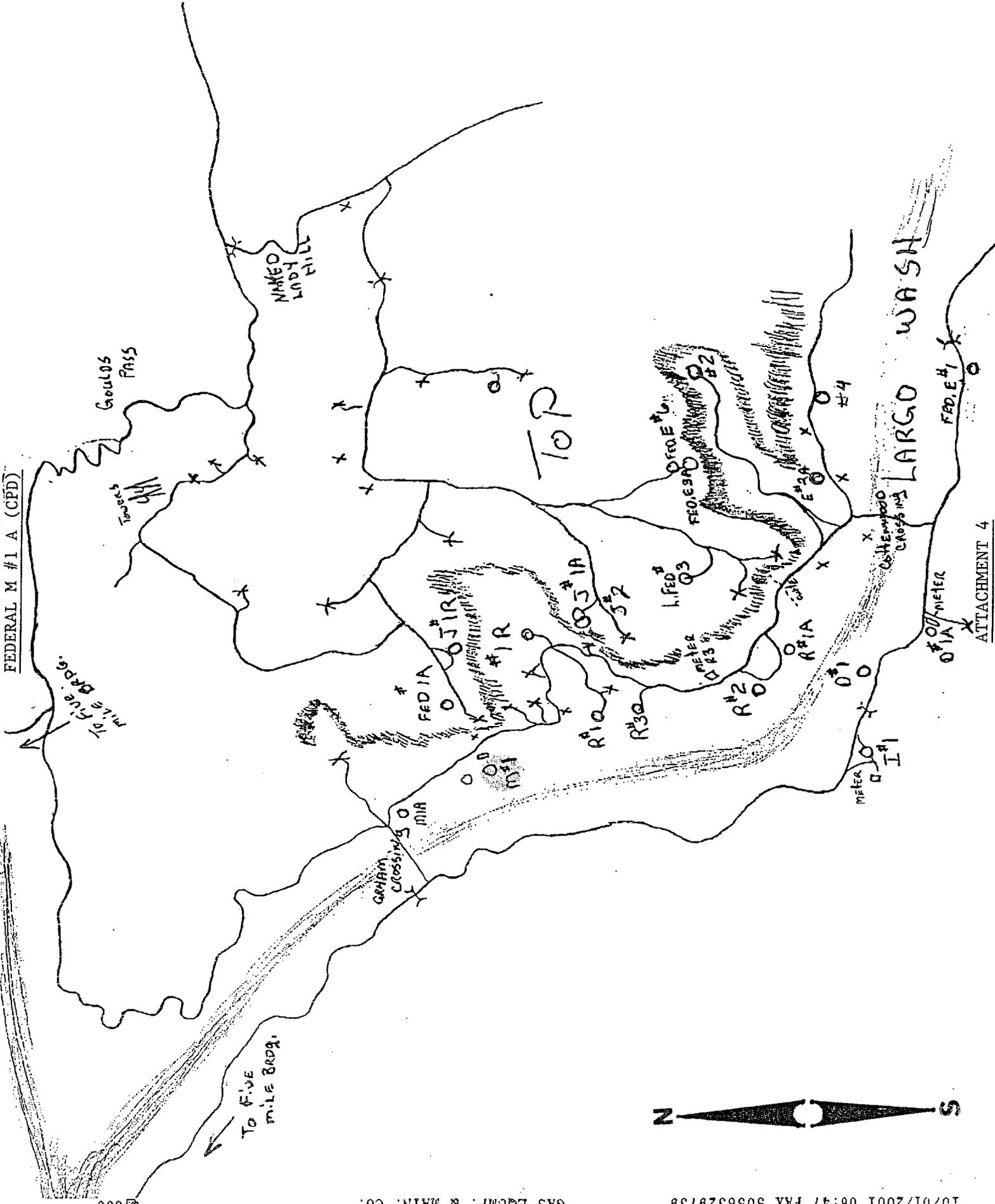
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



ATTACHMENT 3

CERTIFICATION	
<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>	
Name	<i>R. C. Wynn</i>
Position	R. C. WYNN - PRESIDENT
Company	AAA OPERATING COMPANY, INC.
Date	10-03-83
<i>I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</i>	
Date Surveyed	June 7, 1979
Registered Professional Engineer and Land Surveyor	<i>Fred B. Kerr</i> Fred B. Kerr
Certificate No.	3950



Federal M #1A (CPD)

RUN DATE: Thursday April 18, 2002 3:17 PM

PAGE 2

PHOENIX HYDROCARBONS OPER CORP

L E A S E D D I L I S T I N G B Y L E A S E

FOR LEASES 351017 THRU 351020

LEASE	OWNER	OWN	TAX	SUS	HND	INT	COSTS	OIL REV	GAS REV
351019	FEDERAL M-2	SAN JUAN				NM			
		BC500 BURK C. MURCHISON (BCM TRUST)	P		1	.00700000	.00502500	.00502500	
		BE110 W.R. BEAVERS, M.D.	P		1	.16406250	.11777344	.11777344	
		BL130 BLACK HOLE RANCH CORP.	P		1	.08750000	.06281250	.06281250	
		BP110 BPAMERICA PRODUCTION COMPANY	P		2	.00000000	.10000000	.10000000	
		BR553 E.B. BROOKS, JR.	P		2	.00000000	.02000000	.02000000	
		CA500 BURK C. MURCHISON (CAM TRUST)	P		1	.00700000	.00502500	.00502500	
		CE500 BURK C. MURCHISON (CEM TRUST)	P		1	.00700000	.00502500	.00502500	
		CO826 JESSICA ANN CORTEZ TRUST	P		2	.00000000	.00250000	.00250000	
		DA955 DAWSON FAMILY TRUST	P		2	.00000000	.01000000	.01000000	
		DE112 DEALEY FAMILY LTD.	P		1	.05468750	.03925780	.03925780	
		DL500 BURK C. MURCHISON (DLM TRUST)	P		1	.00700000	.00502500	.00502500	
		EN375 ENERGEN RESOURCES CORPORATION	P		2	.00000000	.01750000	.01750000	
		GFB GFB ACQUISITIONS - I, LLP	P		1	.32986113	.23405147	.23405147	
		HE150 HEARN CAPITAL, LTD.	P		1	.17500000	.12562500	.12562500	
		MMS MINERALS MANAGEMENT SERVICE	T	G	5	.00000000	.12500000	.12500000	
		PU761 PURE RESOURCES, L.P.	P		2	.00000000	.00750000	.00750000	
		RU663 MURCHISON CAPITAL PTNRS LLC	P		1	.14000000	.10050000	.10050000	
		RU774 THE A. WILLIAM RUTTER TRUST	P		2	.00000000	.00125000	.00125000	
		RU775 THE DOROTHY T. RUTTER TRUST	P		2	.00000000	.00125000	.00125000	
		TRI TRANSREPUBLIC RESOURCES, INC.	P		1	.01388887	.00985479	.00985479	
		WK500 BURK C. MURCHISON (WKM TRUST)	P		1	.00700000	.00502500	.00502500	
	TOTALS:	21 OWNERS					1.00000000	1.00000000	1.00000000

351018	FEDERAL M-1A	SAN JUAN				NM			
		BC500 BURK C. MURCHISON (BCM TRUST)	P		1	.00700000	.00513000	.00513000	
		BE110 W.R. BEAVERS, M.D.	P		1	.16406250	.12023440	.12023440	
		BL130 BLACK HOLE RANCH CORP.	P		1	.08750000	.06412500	.06412500	
		BP110 BPAMERICA PRODUCTION COMPANY	P		2	.00000000	.08500000	.08500000	
		BR553 E.B. BROOKS, JR.	P		1	.12500000	.08875000	.08875000	
		BR553 E.B. BROOKS, JR.	P		2	.00000000	.02000000	.02000000	
		CA500 BURK C. MURCHISON (CAM TRUST)	P		1	.00700000	.00513000	.00513000	
		CE500 BURK C. MURCHISON (CEM TRUST)	P		1	.00700000	.00513000	.00513000	
		DA955 DAWSON FAMILY TRUST	P		2	.00000000	.01000000	.01000000	
		DE112 DEALEY FAMILY LTD.	P		1	.05468750	.04007810	.04007810	
		DL500 BURK C. MURCHISON (DLM TRUST)	P		1	.00700000	.00513000	.00513000	
		EN375 ENERGEN RESOURCES CORPORATION	P		2	.00000000	.01750000	.01750000	
		GFB GFB ACQUISITIONS - I, LLP	P		1	.20991163	.15623422	.15623422	
		HE150 HEARN CAPITAL, LTD.	P		1	.17500000	.12825000	.12825000	
		MMS MINERALS MANAGEMENT SERVICE	T	G	5	.00000000	.12500000	.12500000	
		PU761 PURE RESOURCES, L.P.	P		2	.00000000	.00750000	.00750000	
		RU663 MURCHISON CAPITAL PTNRS LLC	P		1	.14000000	.10260000	.10260000	
		RU774 THE A. WILLIAM RUTTER TRUST	P		2	.00000000	.00125000	.00125000	
		RU775 THE DOROTHY T. RUTTER TRUST	P		2	.00000000	.00125000	.00125000	
		TRI TRANSREPUBLIC RESOURCES, INC.	P		1	.00883837	.00657828	.00657828	
		WK500 BURK C. MURCHISON (WKM TRUST)	P		1	.00700000	.00513000	.00513000	
	TOTALS:	21 OWNERS					1.00000000	1.00000000	1.00000000

FEDERAL M #1A (CPD)

RUN DATE: Thursday April 18, 2002 11:13 AM

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PHOENIX HYDROCARBONS OPER CORP

LEASE DDI OWNERS REPORT

CURRENT LEASE: 351018 FEDERAL M-1A

LEASE	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INTEREST TYPE
WK500	75-6393054 BURK C. MURCHISON (WKM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00513000	.00513000	WORKING INTEREST
BP110	73-0466080 BPAMERICA PRODUCTION COMPANY P.O. BOX 277897 ATLANTA, GA 30384-7985 918 925-4800	.00000000	.08500000	.08500000	OVERRIDING ROYALTY
BR553	462-44-4282 E.B. BROOKS, JR. 4925 GREENVILLE AVE, #1025 DALLAS, TX 75206	.12500000	.08875000	.08875000	WORKING INTEREST
BR553	462-44-4282 E.B. BROOKS, JR. 4925 GREENVILLE AVE, #1025 DALLAS, TX 75206	.00000000	.02000000	.02000000	OVERRIDING ROYALTY
CA500	75-6399738 BURK C. MURCHISON (CAM TRUST) 1450 THREE LINCOLN CENTER 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00513000	.00513000	WORKING INTEREST
CE500	75-6392939 BURK C. MURCHISON (CEM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00513000	.00513000	WORKING INTEREST
DA955	76-6049139 DAWSON FAMILY TRUST C/O ROBBIN R. DAWSON P.O. BOX 1507 PANHANDLE, TX 79068-1507	.00000000	.01000000	.01000000	OVERRIDING ROYALTY
DE112	75-2824870 DEALEY FAMILY LTD. 250 HIGHLAND PARK VILLAGE SUITE 100-311 DALLAS, TX 75205-2789	.05468750	.04007810	.04007810	WORKING INTEREST
DL500	75-6392940 BURK C. MURCHISON (DLM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00513000	.00513000	WORKING INTEREST

PHOENIX HYDROCARBONS OPER CORP

LEASE DDI OWNERS REPORT

CURRENT LEASE: 351018 FEDERAL M-1A

LEASE	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INTEREST TYPE
EN375	63-0808872 ENERGEN RESOURCES CORPORATION 605 21ST STREET NORTH BIRMINGHAM, AL 35203-2707	.00000000	.01750000	.01750000	OVERRIDING ROYALTY
GFB	01-0552588 GFB ACQUISITIONS - I, LLP P.O. BOX 3638 MIDLAND, TX 79702 915 686-9869	.20991163	.15623422	.15623422	WORKING INTEREST
HE150	75-2929693 HEARN CAPITAL, LTD. 109 NORTH RIVERCREST DRIVE FT WORTH, TX 76107 817 625-9974	.17500000	.12825000	.12825000	WORKING INTEREST
MMS	84-0848646 MINERALS MANAGEMENT SERVICE RMP P.O. BOX 580 DENVER, CO 80217	.00000000	.12500000	.12500000	MINERAL INTEREST
PU761	75-2715696 PURE RESOURCES, L.P. P.O. BOX 910552 DALLAS, TX 75391-0552	.00000000	.00750000	.00750000	OVERRIDING ROYALTY
RU663	75-2403305 MURCHISON CAPITAL PTNRS LLC 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.14000000	.10260000	.10260000	WORKING INTEREST
RU774	75-6415363 THE A. WILLIAM RUTTER TRUST P.O. BOX 3186 MIDLAND, TX 79702	.00000000	.00125000	.00125000	OVERRIDING ROYALTY
RU775	75-6467231 THE DOROTHY T. RUTTER TRUST P.O. BOX 3186 MIDLAND, TX 79702	.00000000	.00125000	.00125000	OVERRIDING ROYALTY
TRI	75-2768707 TRANSREPUBLIC RESOURCES, INC. P.O. BOX 3638 MIDLAND, TX 79702	.00883837	.00657828	.00657828	WORKING INTEREST

BC500 75-6392937 .00700000 .00513000 .00513000 WORKING INTEREST

BURK C. MURCHISON (BCM TRUST)

1450 THREE LINCOLN CENTRE

5430 LBJ FREEWAY

DALLAS, TX 75240

BE110 463-52-8798 .16406250 .12023440 .12023440 WORKING INTEREST

W.R. BEAVERS, M.D.

3613 CEDAR SPRINGS RD

DALLAS, TX 75219

214 528-4718

BL130 75-2402678 .08750000 .06412500 .06412500 WORKING INTEREST

BLACK HOLE RANCH CORP.

C/O GLENN SODD

P.O. BOX 837

CORSICANA, TX 75151

PHOENIX HYDROCARBONS OPER CORP

LEASE DDI OWNERS REPORT

CURRENT LEASE: 351019 FEDERAL M-2

LEASE	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INTEREST TYPE
351019 FEDERAL M-2					
	BC500 75-6392937 BURK C. MURCHISON (BCM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00502500	.00502500	WORKING INTEREST
	BE110 463-52-8798 W.R. BEAVERS, M.D. 3613 CEDAR SPRINGS RD DALLAS, TX 75219 214 528-4718	.16406250	.11777344	.11777344	WORKING INTEREST
	BL130 75-2402678 BLACK HOLE RANCH CORP. C/O GLENN SODD P.O. BOX 837 CORNICANA, TX 75151	.08750000	.06281250	.06281250	WORKING INTEREST
	BP110 73-0466080 BPAMERICA PRODUCTION COMPANY P.O. BOX 277897 ATLANTA, GA 30384-7985 918 925-4800	.00000000	.10000000	.10000000	OVERRIDING ROYALTY
	BR553 462-44-4282 E.B. BROOKS, JR. 4925 GREENVILLE AVE, #1025 DALLAS, TX 75206	.00000000	.02000000	.02000000	OVERRIDING ROYALTY
	CA500 75-6399738 BURK C. MURCHISON (CAM TRUST) 1450 THREE LINCOLN CENTER 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00502500	.00502500	WORKING INTEREST
	CE500 75-6392939 BURK C. MURCHISON (CEM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00502500	.00502500	WORKING INTEREST
	CO826 75-6545956 JESSICA ANN CORTEZ TRUST CORTEZ MICHELLE BLEDSOE TTEE 4811 HALLMARK DRIVE DALLAS, TX 75229 214 692-9840	.00000000	.00250000	.00250000	OVERRIDING ROYALTY
	DA955 76-6049139 DAWSON FAMILY TRUST C/O ROBBIN R. DAWSON P.O. BOX 1507 PANHANDLE, TX 79068-1507	.00000000	.01000000	.01000000	OVERRIDING ROYALTY
	DE112 75-2824870 DEALEY FAMILY LTD. 250 HIGHLAND PARK VILLAGE SUITE 100-311	.05468750	.03925780	.03925780	WORKING INTEREST

PHOENIX HYDROCARBONS OPER CORP

LEASE DDI OWNERS REPORT

CURRENT LEASE: 351019 FEDERAL M-2

-----LEASE-----	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INTEREST TYPE
	DL500 75-6392940 BURK C. MURCHISON (DLM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.00700000	.00502500	.00502500	WORKING INTEREST
	EN375 63-0808872 ENERGEN RESOURCES CORPORATION 605 21ST STREET NORTH BIRMINGHAM, AL 35203-2707	.00000000	.01750000	.01750000	OVERRIDING ROYALTY
	GFB 01-0552588 GFB ACQUISITIONS - I, LLP P.O. BOX 3638 MIDLAND, TX 79702 915 686-9869	.32986113	.23405147	.23405147	WORKING INTEREST
	HE150 75-2929693 HEARN CAPITAL, LTD. 109 NORTH RIVERCREST DRIVE FT WORTH, TX 76107 817 625-9974	.17500000	.12562500	.12562500	WORKING INTEREST
	MMS 84-0848646 MINERALS MANAGEMENT SERVICE RMP P.O. BOX 580 DENVER, CO 80217	.00000000	.12500000	.12500000	MINERAL INTEREST
	PU761 75-2715696 PURE RESOURCES, L.P. P.O. BOX 910552 DALLAS, TX 75391-0552	.00000000	.00750000	.00750000	OVERRIDING ROYALTY
	RU663 75-2403305 MURCHISON CAPITAL PTNRS LLC 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS, TX 75240	.14000000	.10050000	.10050000	WORKING INTEREST
	RU774 75-6415363 THE A. WILLIAM RUTTER TRUST P.O. BOX 3186 MIDLAND, TX 79702	.00000000	.00125000	.00125000	OVERRIDING ROYALTY
	RU775 75-6467231 THE DOROTHY T. RUTTER TRUST P.O. BOX 3186 MIDLAND, TX 79702	.00000000	.00125000	.00125000	OVERRIDING ROYALTY
	TRI 75-2768707 TRANSREPUBLIC RESOURCES, INC. P.O. BOX 3638 MIDLAND, TX 79702	.01388887	.00985479	.00985479	WORKING INTEREST
	WK500 75-6393054 BURK C. MURCHISON (WKM TRUST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY	.00700000	.00502500	.00502500	WORKING INTEREST

PHOENIX HYDROCARBONS OPERATING CORPORATION

415 WEST WALL, SUITE 703
MIDLAND, TX 79701

P. O. BOX 3638
Midland, Texas 79702

Phone 915 686-9869
FAX 915 683-1649

June 6, 2002

RE: COMMINGLING OF FEDERAL M#1A
AND FEDERAL M#2, SAN JUAN, NM

Dear Working and Royalty Interest Owner:

As you know the above referenced wells have been surface commingled for the last ten years. The M#2 is a weak well and could not buck the sales line pressure, but when commingled with the M#1A the pressure is strong enough to sale gas from both wells. Phoenix is proposing to use the same well test allocation formula that Bledsoe had been using to allocate the production and sales from these wells. The Federal M#1A produces maybe ½ bbl of condensate and only trace of water.

PROPOSED ALLOCATION PROCEDURE

*72 HOUR TEST ON THE M#1A = 110 MCFPD
M#1A(CPD) AVERAGE SALES = 128 MCFPD
PRODUCTION FOR THE M#2 128(-)110 = 18 MCFPD*

*M#1A = 110 MCFPD 86%
M#2 = 18 MCFPD 14%
128 MCFPD 100%*

Phoenix proposes to perform the 72 hour well test monthly.

We have applied to the New Mexico Energy, Minerals and Natural Resources Department and Bureau of Land Management authorities, at the BLM's request, for a commingling permit. The New Mexico Energy, Minerals and Natural Resources Department does not consider the well test allocation method to be fair and prudent. To be fair and prudent we have been advised "*that allocation gas meters will be required on all wells in each of these applications. If all cost and revenue interests are identical, allocation meters are required on all but one (1) of the wells to be commingled.*" This applies to all products of which there is only gas.

Page 2

June 6, 2002

I spoke with Mr William V. Jones, Jr., PE, New Mexico Energy, Minerals and Natural Resources, at 505-476-3448, who sent the requirements to Phoenix. Mr. Jones felt like we could secure and place the required continuous monitoring allocation meters for around \$4,000.00 each well or \$8,000.00 for both wells. Since these wells are marginal and you will be buying these meters, Phoenix is suggesting that you call Mr. Jones with any questions you might have as to the economic benefits of this requirement.

Sincerely,

Phyllis R. Gunter

Prg

files

Please elect below:

M#1A CPD

Continue monthly well test allocation _____

Install and maintain continuous monitoring allocation meters _____

Signature

Printed Name

Date

CORPORATE MEASUREMENT SYSTEM
GPM CERTIFICATE REPORT

03/27/2002 10:37:00

Prod Date : 01/01/2002 00:00:00

Page 1 of 1

EP FIELD SERVICES--SAN JUAN

Certificate of Gas Analysis

Sample Desc: FEDERAL M #1A CPD

Sample Id: 97559

Effective Date: 1/1/02 00:00:00

Sample Type: Spot

Sample Date: 12/8/01 00:00:00

Sampled By:

Chromatograph Id: N/A

Analyzed Date:

Analyzed By: FSLAB

Analysis Id:

Sample Frequency: SEMIANNUALLY

GPA Version: GPA 2145-97

Temperature:

Pressure Base: 14.73

Pressure:

<u>Component</u>	<u>Mole %</u>	<u>GPM</u>
Methane:	75.2600	
Ethane:	12.5000	3.3432
Propane:	6.7800	1.8682
Iso Butane:	1.0600	0.3468
Butane:	1.9500	0.6148
Iso Pentane:	0.5800	0.2122
Pentane:	0.4400	0.1594
Neo Pentane:	0.0000	0.0000
Hexane:	0.4700	0.2051
Heptane:	0.0000	0.0000
Nonane:	0.0000	0.0000
Octane:	0.0000	0.0000
Decane:	0.0000	0.0000
H2s:	0.0000	
Sub Total GPM:	99.0400	6.7496

<u>Inerts</u>	<u>Mole %</u>
Carbon Dioxide:	0.6500
Nitrogen:	0.3100
Hydrogen:	0.0000
Oxygen:	0.0000
Helium:	0.0000
Argon:	0.0000
Carbon Monoxide:	0.0000
Total Mole %:	100.0000

Gravity: 0.7670

BTU: 1323.0

Saturated BTU: 1300.3

Remarks:



2030 AFTON PLACE
 FARMINGTON, N.M. 87401
 (505) 325-6622

ANALYSIS NO. PH220004
 CUST. NO. 62300 - 10015

WELL/LEASE INFORMATION

CUSTOMER NAME	PHOENIX HYDROCARBONS	SOURCE	WELL HEAD
WELL NAME	FEDERAL M #1A	PRESSURE	80 PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	72 DEG.F
LOCATION		WELL FLOWING	N
FIELD		DATE SAMPLED	6/5/02
FORMATION	MESA VERDE	SAMPLED BY	D. BAYS
CUST. STN. NO.		FOREMAN/ENGR.	

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.310	0.0000	0.00	0.0030
CO2	0.725	0.0000	0.00	0.0110
METHANE	72.128	0.0000	730.15	0.3995
ETHANE	14.119	3.7768	250.43	0.1488
PROPANE	7.637	2.1048	192.60	0.1163
I-BUTANE	1.164	0.3807	37.94	0.0234
N-BUTANE	2.136	0.6735	69.84	0.0429
I-PENTANE	0.617	0.2258	24.74	0.0154
N-PENTANE	0.474	0.1717	19.05	0.0118
HEXANE PLUS	0.690	0.3010	35.47	0.0222
TOTAL	100.000	7.6343	1,360.22	0.7920

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR	(1/2)	1.0044
BTU/CU.FT (DRY) CORRECTED FOR	(1/2)	1,366.6
BTU/CU.FT (WET) CORRECTED FOR	(1/2)	1,342.8
REAL SPECIFIC GRAVITY		0.7958

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.660	1,359.2
DRY BTU @ 14.696	1,363.4
DRY BTU @ 14.730	1,366.6
DRY BTU @ 15.025	1,394.0

CYLINDER #	030
CYLINDER PRESSURE	71 PSIG
DATE RUN	6/12/02
ANALYSIS RUN BY	JANA CARANTA



2030 AFTON PLACE
 FARMINGTON, N.M. 87401
 (505) 325-6622

ANALYSIS NO. PH220005
 CUST. NO. 82300 - 10020

WELL/LEASE INFORMATION

CUSTOMER NAME	PHOENIX HYDROCARBONS	SOURCE	WELL HEAD
WELL NAME	FEDERAL M #2	PRESSURE	30 PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	70 DEG.F
LOCATION		WELL FLOWING	N
FIELD		DATE SAMPLED	6/5/02
FORMATION	CHACRA	SAMPLED BY	D. BAYS
CUST.STLN.NO.		FOREMAN/ENGR.	

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.180	0.0000	0.00	0.0017
CO2	0.397	0.0000	0.00	0.0060
METHANE	87.669	0.0000	887.47	0.4856
ETHANE	6.564	1.7559	118.43	0.0681
PROPANE	2.980	0.8213	75.15	0.0454
I-BUTANE	0.533	0.1743	17.37	0.0107
N-BUTANE	0.776	0.2447	25.37	0.0158
I-PENTANE	0.262	0.0959	10.51	0.0065
N-PENTANE	0.182	0.0659	7.31	0.0045
HEXANE PLUS	0.457	0.1994	23.49	0.0147
TOTAL	100.000	3.3574	1,163.10	0.6589

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/2)	1.0029
BTU/CU.FT (DRY) CORRECTED FOR (1/2)	1,166.7
BTU/CU.FT (WET) CORRECTED FOR (1/2)	1,148.4
REAL SPECIFIC GRAVITY	0.6609

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	1,160.4
DRY BTU @ 14.698	1,164.0
DRY BTU @ 14.730	1,166.7
DRY BTU @ 15.025	1,190.1

CYLINDER #	KFL121
CYLINDER PRESSURE	23 PSIG
DATE RUN	6/12/02
ANALYSIS RUN BY	JANA CARANTA