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

June 22, 2009

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

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

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

RE: **SAN JUAN 32-7 UNIT, #14-08-001-441**
Fruitland Coal Participating Area
35th Expansion effective 1/01/2006
36th Expansion effective 10/01/2006
San Juan County, New Mexico
Contract: 040463 Lease: A650115

Dear Sir or Madam:

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

THIRTY FIFTH EXPANSION - EFFECTIVE 1/1/06

<u>Well Name</u>	<u>Tract/Acres</u>	<u>Tr. Description</u>	<u>Compl. Date</u>
San Juan 32-7 Unit #247	Tr. 2A/ 159.42	LOTS 5-7, SE/4SW/4	12/12/05
NSP- Sec. 7-T32N-R7W 319.42 Acres	Tr.21A / 160.00	LOTS 2-3, W/2SE/4, NE/4SW/4	

THIRTY SIXTH EXPANSION - EFFECTIVE 10/1/06

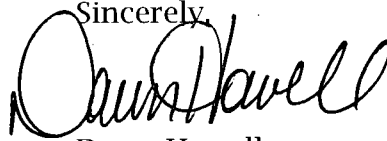
<u>Well Name</u>	<u>Tract/Acres</u>	<u>Tr. Description</u>	<u>Compl. Date</u>
San Juan 32-7 Unit #202R W/2- Sec. 18-T32N-R7W 314.76 Acres	Tr. 2B /314.76	LOTS 1-4, E/2W/2	9/7/06

SAN JUAN 32-7 UNIT
35TH AND 36TH PA Expansions
June 22, 2009
Page 2

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

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

Sincerely,

A handwritten signature in black ink that reads "Dawn Howell". The signature is written in a cursive style with a large initial "D".

Dawn Howell
Staff Land Technician

DH
SJ 32-7 Unit 4.5

**Working Interest Owners
SAN JUAN 32-7 UNIT
Fruitland Coal Formation**

ConocoPhillips

Energen Resources

Phillips-New Mexico Partners, LP

Phillips-San Juan Partners, LP

San Juan Basin Partnership

Williams Production Co.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO:
San Juan 32-7 Unit FR PA
3162.7 (21110)

March 7, 2008

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

RE: San Juan 32-7 Unit
Commerciality Determinations
Fruitland Coal Formation
San Juan County, NM

Dear Ms. Howell:

In response to your letter dated February 25, 2008, the Farmington Field Office has reviewed the data you submitted for a commerciality determination for the following wells completed in the Fruitland Coal formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 32-7 Unit #202R	W/2, Sec. 18, T32N, R7W	NMSF078460	9/7/2006	Commercial
San Juan 32-7 Unit #247	NSP Sec. 7, T32N, R7W	NMSF078460	12/12/2005	Commercial

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

The wells were determined to be commercial in the Fruitland Coal formation and are to be included in the Fruitland Participating area. It is required that revisions be submitted to include these wells in the San Juan 32-7 Unit Fruitland Participating Area.

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

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

Sincerely,

Wayne Townsend
Petroleum Engineer
Branch of Petroleum Management

CONOCOPHILLIPS COMPANY
RECAPITULATION
THIRTY FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
EFFECTIVE JANUARY 1, 2006
SAN JUAN COUNTY, NEW MEXICO

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:
TOWNSHIP 31 NORTH, RANGE 7 WEST

SECTION 3: LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4
SECTION 4: LOTS 5, 6, 7, 8, S/2 (ALL)
SECTION 5: LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6: LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4
SECTION 7: LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8: ALL
SECTION 9: N/2
SECTION 17: ALL
SECTION 18: LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4,
E/2 SW/4, SE/4 NW/4, E/2 NE/4

TOWNSHIP 32 NORTH, RANGE 7 WEST

SECTION 7: LOT 1-3, 5-7, SE/4, E/2SW/4
SECTION 8: LOTS 1, 2, 3, 4, 5, N/2SE/4, SW/4SE/4, SW/4
SECTION 9: LOTS 4, 14, NW/4SW/4
SECTION 16: W/2
SECTION 17: LOTS 1-16 (ALL)
SECTION 18: E/2
SECTION 19: LOTS 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, NW/4 NE/4, E/2 E/2 (ALL)
SECTION 20: LOTS 1, 2, 3, 4, 5, 6, 7, SW/4 SW/4, E/2 NW/4, NE/4, E/2SE/4 (ALL)
SECTION 21: LOTS 1, 2, SE/4, W/2 NE/4, E/2 NW/4, SW/4
SECTION 22: LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, SW/4 (ALL)
SECTION 23: SW/4
SECTION 26: N/2 NW/4
SECTION 27: LOTS 1, 2, 3, 4, 5, 6, 7, 8, E/2 (ALL)
SECTION 28: ALL
SECTION 29: LOTS 1, 2, 3, 4, W/2, SE/4 (ALL)
SECTION 31: E/2 SE/4, SE/4 NE/4
SECTION 32: ALL
SECTION 33: N/2, E/2 NE/4
SECTION 34: ALL
SECTION 35: ALL
SECTION 36: ALL

TOTAL ACRES COMMITTED: 13846.16

EFFECTIVE JANUARY 1, 2006

CONOCOPHILLIPS COMPANY

8910004410
NMMI 078423A

THIRTY FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078459	T32N R7W SEC 22 LOTS 1, 2, 7, 8, 9, 10, 11, 12 (E/2)	331.40	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT 001	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	2.393443%
REMARKS: SAN JUAN 32-7 UNIT #203R							
SF-078459	T32N R7W SEC 22 LOTS 3, 4, 5, 6, SW/4	337.56	ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY WILLIAMS PRODUCTION COMPANY TOTAL	TRACT 001A	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	2.437932%
REMARKS: SAN JUAN 32-7 UNIT #205							
SF-078460	T32N R7W SEC 8 LOT 5 SEC 20 LOTS 1-7, E/2 NW/4, NE/4 SEC 29 LOTS 1, 2 SEC 17 LOTS 1, 2, 7-10, 15, 16	961.88	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY TOTAL	TRACT 002	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	6.946908%
REMARKS: SAN JUAN 32-7 UNIT #233 SAN JUAN 32-7 UNIT #238 SAN JUAN 32-7 UNIT #245A SAN JUAN 32-7 UNIT #222A SAN JUAN 32-7 UNIT #249							

THIRTY FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078460	T32N R7W	1207.91		TRACT 002A			8.723791%
	SEC 07 LOTS 5-7, SE/4SW/4		ORRI:		5.000000	5.000000	
	SEC 17 LOTS 3-6, 11-14		ROYALTY:		12.500000	12.500000	
	SEC 19 LOTS 9, 10, 15, W/2		WORKING INTEREST:				
	SEC 21 LOTS 1, 2, SE/4		CONOCOPHILLIPS COMPANY		67.650000	67.650000	
	REMARKS: SAN JUAN 32-7 UNIT #240		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	SAN JUAN 32-7 UNIT #241		TOTAL		100.000000	100.000000	
	SAN JUAN 32-7 UNIT #244						
	SAN JUAN 32-7 UNIT #243						
	SAN JUAN 32-7 UNIT #247						
SF-078472	T32N R7W	151.62		TRACT 003			1.095033%
	SEC 27 LOTS 1, 2, 3, 4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
SF-078472	T32N R7W	80.00		TRACT: 003A			0.577778%
	SEC 29 NE/4 NW/4, SE/4 SW/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		64.267500	64.267500	
			SAN JUAN BASIN PARTNERSHIP		3.382500	3.382500	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
SF-078472	T32N R7W	246.23		TRACT 003B			1.778927%
	SEC 29 LOTS 3, 4, SE/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	

REMARKS: SAN JUAN 32-7 UNIT #238

THIRTY FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W	720.00		TRACT 003C			5.199998%
SEC 23	SW/4		ORRI:		5.000000	5.000000	
SEC 26	N/2 NW/4		ROYALTY:		12.500000	12.500000	
SEC 27	NE/4		WORKING INTEREST:				
SEC 28	N/2		CONOCOPHILLIPS COMPANY		67.650000	67.650000	
	REMARKS: ALLISON UNIT COM #105 (CA NM 96754)		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	ALLISON UNIT COM #146 (CA NM 96753)		TOTAL		100.000000	100.000000	
	SAN JUAN 32-7 UNIT #206						
	SAN JUAN 32-7 UNIT #237A						
	SAN JUAN 32-7 UNIT #236A						
SF-078542	T32N R7W	480.00		TRACT 005			3.466665%
SEC 34	N/2		ORRI:		5.000000	5.000000	
SEC 35	SE/4		ROYALTY:		12.500000	12.500000	
	REMARKS: SAN JUAN 32-7 UNIT #208		WORKING INTEREST:				
	SAN JUAN 32-7 UNIT #209		PHILLIPS-SAN JUAN PARTNERS, L.P.		20.625000	20.625000	
	SAN JUAN 32-7 UNIT #214A		WILLIAMS PRODUCTION COMPANY		61.875000	61.875000	
	TOTAL		TOTAL		100.000000	100.000000	
SF-078542	T32N R7W	160.00		TRACT 005A			1.155555%
SEC 35	SW/4		ORRI:		5.000000	5.000000	
	ROYALTY:		ROYALTY:		12.500000	12.500000	
	WORKING INTEREST:		WORKING INTEREST:				
	PHILLIPS-SAN JUAN PARTNERS, L.P.		PHILLIPS-SAN JUAN PARTNERS, L.P.		20.625000	20.625000	
	WILLIAMS PRODUCTION COMPANY		WILLIAMS PRODUCTION COMPANY		61.875000	61.875000	
	TOTAL		TOTAL		100.000000	100.000000	

THIRTY FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078542		320.00		TRACT 005B			2.311110%
	T32N R7W						
	SEC 28 S/2						
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #237A SAN JUAN 32-7 UNIT #236A						
SF-078543		313.48		TRACT 006			2.264021%
	T32N R7W						
	SEC 27 LOTS 5, 6, 7, 8						
	SEC 35 NE/4						
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209						
SF-078543		160.00		TRACT 006A			1.155555%
	T32N R7W						
	SEC 35 NW/4						
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #211R						
SF-078543		480.00		TRACT 006B			3.466665%
	T32N R7W						
	SEC 27 SE/4						
	SEC 33 N/2						
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #242 SAN JUAN 32-7 UNIT #206						

THIRTY FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996							
T31N R7W		1777.82		TRACT 010			12.839805%
SEC 3	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4		ORRI:		5.000000		5.000000
			ROYALTY:		12.500000		12.500000
SEC 4	LOT 5, E/2 SE/4, SW/4 SE/4		WORKING INTEREST:				
SEC 5	LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000		67.650000
SEC 6	LOTS 12, 14, 15, S/2 SE/4		WILLIAMS PRODUCTION COMPANY		14.850000		14.850000
SEC 7	LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4		TOTAL		100.000000		100.000000
SEC 8	ALL						
REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G. NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #217 SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232							
SF-078996							
T31N R7W		436.40		TRACT 010A			3.151776%
SEC 5	LOT 9		ORRI:		5.000000		5.000000
SEC 6	LOTS 8, 9, 10, 11, 13, NW/4 SE/4, NE/4 SW/4		ROYALTY:		12.500000		12.500000
SEC 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		67.650000		67.650000
			WILLIAMS PRODUCTION COMPANY		14.850000		14.850000
			TOTAL		100.000000		100.000000
REMARKS: SAN JUAN 32-7 UNIT #220 SAN JUAN 32-7 UNIT #228							

THIRTY FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078998	T31N R7W	323.15		TRACT: 010B			2.333860%
SEC 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI:		5.000000	5.000000	
SEC 5	LOT 5		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		64.267500	64.267500	
			SAN JUAN BASIN PARTNERSHIP		3.382500	3.382500	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #216						
SF-078998	T31N R7W	1638.91		TRACT 011			11.836567%
SEC 9	N/2		ORRI:		5.000000	5.000000	
SEC 17	ALL		ROYALTY:		12.500000	12.500000	
SEC 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #208 SAN JUAN 32-7 UNIT #214A SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231						
SF-078998	T32N R7W	80.00		TRACT 11A			0.577778%
SEC 33	E/2 SE/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
REMARKS:	Middle Mesa Com #3 (CA NM 99454)						

THIRTY FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-05540	T32N R7W SEC 9 LOT 14	43.09	ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY WILLIAMS PRODUCTION COMPANY	TRACT 15	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	0.311205%
REMARKS: SAN JUAN 32-7 UNIT #249							
VC-0006	T32N R7W SEC 16 W/2W/2	160	ORRI: ROYALTY: WORKING INTEREST: ENERGEN RESOURCES CORP	TRACT 16	0.000000 20.000000 80.000000 100.000000	0.000000 20.000000 80.000000 100.000000	1.155555%
REMARKS: SAN JUAN 32-7 UNIT #250							
E-503-13	T32N R7W SEC 16 E/2W/2	160.00	ORRI: ROYALTY: WORKING INTEREST: ENERGEN RESOURCES CORP	TRACT 17	21.875000 12.500000 65.625000 100.000000	21.875000 12.500000 65.625000 100.000000	1.155555%
REMARKS: SAN JUAN 32-7 UNIT #250							
E-503-13	T32N R7W SEC 32 E/2W/2 SEC 36 ALL	800.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT 017A	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	5.777775%
REMARKS: SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215							

THIRTY FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W SEC 32 E/2	320.00		TRACT: 017B			2.311110%
	REMARKS: SAN JUAN 32-7 UNIT #234						
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				64.267500	64.267500	
	PHILLIPS-NEW MEXICO PARTNERS				3.382500	3.382500	
	SAN JUAN BASIN PARTNERSHIP				14.850000	14.850000	
	WILLIAMS PRODUCTION COMPANY				100.000000	100.000000	
	TOTAL						
FEE	T32N R7W SEC 18 EAST 441 FEET OF NE/4 NE/4	13.36		TRACT 021			0.096489%
	REMARKS: SAN JUAN 32-7 UNIT #3						
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				71.750000	71.750000	
	PHILLIPS-SAN JUAN PARTNERS, L.P.				15.750000	15.750000	
	WILLIAMS PRODUCTION COMPANY				100.000000	100.000000	
	TOTAL						
FEE	T32N R7W SEC 7 LOTS 1-3, SE/4, NE/4SW/4 SEC 8 LOTS 1, 2, 3, N/2SE/4, SW/4SE/4, E/2SW/4 SEC 9 LOT 4, NW/4SW/4 SEC 21 W/2 NE/4	657.30		TRACT 021A			4.747165%
	REMARKS: SAN JUAN UNIT #241 SAN JUAN UNIT #247 SAN JUAN UNIT #248 SAN JUAN UNIT #249						
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				71.750000	71.750000	
	CONOCOPHILLIPS COMPANY				15.750000	15.750000	
	WILLIAMS PRODUCTION COMPANY				100.000000	100.000000	
	TOTAL						
FEE	T32N R7W SEC 21 E/2 NW/4	80.00		TRACT 021B			0.577778%
	REMARKS: SAN JUAN UNIT #224 COM (CA NM 99453)						
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				68.162500	68.162500	
	PHILLIPS-NEW MEXICO PARTNERS				3.587500	3.587500	
	SAN JUAN BASIN PARTNERSHIP				15.750000	15.750000	
	WILLIAMS PRODUCTION COMPANY				100.000000	100.000000	
	TOTAL						

THIRTY FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	306.64		TRACT 0222			2.214621%
	SEC 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY TOTAL		3.000000 12.500000 69.290000 15.210000 100.000000	3.000000 12.500000 69.290000 15.210000 100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #3						
FEE	T32N R7W	240.00		TRACT: 022A			1.733333%
	SEC 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY TOTAL		3.000000 12.500000 65.825500 3.464500 15.210000 100.000000	3.000000 12.500000 65.825500 3.464500 15.210000 100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #235						
FEE	T32N R7W	40.00		TRACT 022B			0.288899%
	SEC 20 SW/4 SW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY TOTAL		3.000000 12.500000 69.290000 15.210000 100.000000	3.000000 12.500000 69.290000 15.210000 100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #233						
FEE	T32N R7W	200.00		TRACT 022C			1.444444%
	SEC 19 NW/4 NE/4, E/2 NE/4, E/2 SE/4		ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY WILLIAMS PRODUCTION COMPANY TOTAL		3.000000 12.500000 69.290000 15.210000 100.000000	3.000000 12.500000 69.290000 15.210000 100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #240						

EFFECTIVE JANUARY 1, 2006

CONOCOPHILLIPS COMPANY

8910004410
NMNM 078423A

THIRTY FIFTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	240.00		TRACT 023A			1.7333333%
	SEC 21 SW/4		ORRI:		0.000000	0.000000	
	SEC 20 E/2SE/4		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		68.162500	68.162500	
			SAN JUAN BASIN PARTNERSHIP		3.587500	3.587500	
			WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
			TOTAL		100.000000	100.000000	
	REMARKS: SAN JUAN UNIT #224 COM (CA NM 99453) SAN JUAN 32-7 UNIT #222A						
FEE	T32N R7W	280.00		TRACT 024			2.022221%
	SEC 31 E/2 SE/4, SE/4 NE/4		ORRI:		0.000000	0.000000	
	SEC 32 W/2 W/2		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		71.750000	71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
			TOTAL		100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)						
FEE	T32N R7W	99.41		TRACT 025			0.717960%
	SEC 8 LOT 4, W/2SW/4		ORRI:		0.000000	0.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		71.750000	71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
			TOTAL		100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #248						

CONOCOPHILLIPS COMPANY
RECAPITULATION
THIRTY SIXTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
EFFECTIVE OCTOBER 1, 2006
SAN JUAN COUNTY, NEW MEXICO

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:
TOWNSHIP 31 NORTH, RANGE 7 WEST

SECTION 3: LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4
SECTION 4: LOTS 5, 6, 7, 8, S/2 (ALL)
SECTION 5: LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6: LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4
SECTION 7: LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8: ALL
SECTION 9: N/2
SECTION 17: ALL
SECTION 18: LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4,
E/2 SW/4, SE/4 NW/4, E/2 NE/4

TOWNSHIP 32 NORTH, RANGE 7 WEST

SECTION 7: LOT 1-3, 5-7, SE/4, E/2SW/4
SECTION 8: LOTS 1, 2, 3, 4, 5, N/2SE/4, SW/4SE/4, SW/4
SECTION 9: LOTS 4, 14, NW/4SW/4
SECTION 16: W/2
SECTION 17: LOTS 1-16 (ALL)
SECTION 18: LOTS 1, 2, 3, 4, E/2, E/2W/2 (ALL)
SECTION 19: LOTS 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, NW/4 NE/4, E/2 E/2 (ALL)
SECTION 20: LOTS 1, 2, 3, 4, 5, 6, 7, SW/4 SW/4, E/2 NW/4, NE/4, E/2SE/4 (ALL)
SECTION 21: LOTS 1, 2, SE/4, W/2 NE/4, E/2 NW/4, SW/4
SECTION 22: LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, SW/4 (ALL)
SECTION 23: SW/4
SECTION 26: N/2 NW/4
SECTION 27: LOTS 1, 2, 3, 4, 5, 6, 7, 8, E/2 (ALL)
SECTION 28: ALL
SECTION 29: LOTS 1, 2, 3, 4, W/2, SE/4 (ALL)
SECTION 31: E/2 SE/4, SE/4 NE/4
SECTION 32: ALL
SECTION 33: N/2, E/2 NE/4
SECTION 34: ALL
SECTION 35: ALL
SECTION 36: ALL

TOTAL ACRES COMMITTED: 14,160.92

THIRTY SIXTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078459	T32N R7W SEC 22 LOTS 1, 2, 7, 8, 9, 10, 11, 12 (E/2)	331.40		TRACT 001			2.340243%
	REMARKS: SAN JUAN 32-7 UNIT #203R						
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				67.650000	67.650000	
	PHILLIPS-SAN JUAN PARTNERS, L.P.				14.850000	14.850000	
	WILLIAMS PRODUCTION COMPANY				100.000000	100.000000	
	TOTAL						
SF-078459	T32N R7W SEC 22 LOTS 3, 4, 5, 6, SW/4	337.56		TRACT 001A			2.383744%
	REMARKS: SAN JUAN 32-7 UNIT #205						
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				67.650000	67.650000	
	CONOCOPHILLIPS COMPANY				14.850000	14.850000	
	WILLIAMS PRODUCTION COMPANY				100.000000	100.000000	
	TOTAL						
SF-078460	T32N R7W SEC 8 LOT 5 SEC 20 LOTS 1-7, E/2 NW/4, NE/4 SEC 29 LOTS 1, 2 SEC 17 LOTS 1, 2, 7-10, 15, 16	961.88		TRACT 002			6.792498%
	REMARKS: SAN JUAN 32-7 UNIT #233 SAN JUAN 32-7 UNIT #238 SAN JUAN 32-7 UNIT #245A SAN JUAN 32-7 UNIT #222A SAN JUAN 32-7 UNIT #249						
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				67.650000	67.650000	
	PHILLIPS-NEW MEXICO PARTNERS				14.850000	14.850000	
	WILLIAMS PRODUCTION COMPANY				100.000000	100.000000	
	TOTAL						

THIRTY SIXTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078460	T32N R7W	1207.91		TRACT 002A			8.529884%
SEC 07	LOTS 5-7, SE/4SW/4		ORRI:		5.000000	5.000000	
SEC 17	LOTS 3-6, 11-14		ROYALTY:		12.500000	12.500000	
SEC 19	LOTS 9, 10, 15, W/2		WORKING INTEREST:				
SEC 21	LOTS 1, 2, SE/4		CONOCOPHILLIPS COMPANY		67.650000	67.650000	
REMARKS:	SAN JUAN 32-7 UNIT #240						
	SAN JUAN 32-7 UNIT #241						
	SAN JUAN 32-7 UNIT #244						
	SAN JUAN 32-7 UNIT #243						
	SAN JUAN 32-7 UNIT #247						
	TOTAL		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	TOTAL				100.000000	100.000000	
SF-078460	T32N R7W	314.76		TRACT 002B			2.222737%
SEC 18	LOTS 1-4, E/2W/2		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	TOTAL				100.000000	100.000000	
SF-078472	T32N R7W	151.62		TRACT 003			1.070693%
SEC 27	LOTS 1, 2, 3, 4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	TOTAL				100.000000	100.000000	
SF-078472	T32N R7W	80.00		TRACT: 003A			0.564935%
SEC 29	NE/4 NW/4, SE/4 SW/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		64.267500	64.267500	
			SAN JUAN BASIN PARTNERSHIP		3.382500	3.382500	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #235						

THIRTY SIXTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W	246.23		TRACT 003B			1.738799%
	SEC 29 LOTS 3, 4, SE/4				5.000000	5.000000	
			ORRI:		12.500000	12.500000	
			ROYALTY:				
			WORKING INTEREST:		67.650000	67.650000	
			PHILLIPS-NEW MEXICO PARTNERS		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY		100.000000	100.000000	
			TOTAL				
	REMARKS: SAN JUAN 32-7 UNIT #238						
SF-078472	T32N R7W	720.00		TRACT 003C			5.084415%
	SEC 23 SW/4		ORRI:		5.000000	5.000000	
	SEC 26 N/2 NW/4		ROYALTY:		12.500000	12.500000	
	SEC 27 NE/4		WORKING INTEREST:		67.650000	67.650000	
	SEC 28 N/2		CONOCOPHILLIPS COMPANY		14.850000	14.850000	
	REMARKS: ALLISON UNIT COM #105 (CA NM 96754)		WILLIAMS PRODUCTION COMPANY		100.000000	100.000000	
	ALLISON UNIT COM #146 (CA NM 96753)		TOTAL				
	SAN JUAN 32-7 UNIT #206						
	SAN JUAN 32-7 UNIT #237A						
	SAN JUAN 32-7 UNIT #236A						
SF-078542	T32N R7W	480.00		TRACT 005			3.389610%
	SEC 34 N/2		ORRI:		5.000000	5.000000	
	SEC 35 SE/4		ROYALTY:		12.500000	12.500000	
	REMARKS: SAN JUAN 32-7 UNIT #208		WORKING INTEREST:		20.625000	20.625000	
	SAN JUAN 32-7 UNIT #209		PHILLIPS-SAN JUAN PARTNERS, L.P.		61.875000	61.875000	
	SAN JUAN 32-7 UNIT #214A		WILLIAMS PRODUCTION COMPANY		100.000000	100.000000	
			TOTAL				
SF-078542	T32N R7W	160.00		TRACT 005A			1.129870%
	SEC 35 SW/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:		20.625000	20.625000	
			PHILLIPS-SAN JUAN PARTNERS, L.P.		61.875000	61.875000	
			WILLIAMS PRODUCTION COMPANY		100.000000	100.000000	
			TOTAL				
	REMARKS: SAN JUAN 32-7 UNIT #211R						

THIRTY SIXTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078542	T32N R7W SEC 28 S/2	320.00	ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY WILLIAMS PRODUCTION COMPANY TOTAL	TRACT 005B	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	2.259740%
SF-078543	T32N R7W SEC 27 LOTS 5, 6, 7, 8 SEC 35 NE/4	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT 006	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	2.213698%
SF-078543	T32N R7W SEC 35 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT 006A	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	1.129870%

THIRTY SIXTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078543							
T32N R7W		480.00		TRACT 006B			3.389610%
SEC 27	SE/4		ORRI:		5.000000	5.000000	
SEC 33	N/2		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32-7 UNIT #242 SAN JUAN 32-7 UNIT #206							
SF-078996							
T31N R7W		1777.82		TRACT 010			12.554410%
SEC 3	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4		ORRI:		5.000000	5.000000	
SEC 4	LOT 5, E/2 SE/4, SW/4 SE/4		ROYALTY:		12.500000	12.500000	
SEC 5	LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		WORKING INTEREST:				
SEC 6	LOTS 12, 14, 15, S/2 SE/4		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
SEC 7	LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
SEC 8	ALL		TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #217 SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232							
SF-078996							
T31N R7W		436.40		TRACT 010A			3.081721%
SEC 5	LOT 9		ORRI:		5.000000	5.000000	
SEC 6	LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4		ROYALTY:		12.500000	12.500000	
SEC 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32-7 UNIT #220 SAN JUAN 32-7 UNIT #228							

EFFECTIVE October 1, 2006

CONOCOPHILLIPS COMPANY

8910004410
NMNM 078423A

THIRTY SIXTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	323.15		TRACT: 010B			2.281985%
SEC 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI:		5.000000	5.000000	
SEC 5	LOT 5		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		64.267500	64.267500	
			SAN JUAN BASIN PARTNERSHIP		3.382500	3.382500	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
							11.573471%
SF-078998	T31N R7W	1638.91		TRACT 011			
SEC 9	N/2		ORRI:		5.000000	5.000000	
SEC 17	ALL		ROYALTY:		12.500000	12.500000	
SEC 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	

REMARKS: SAN JUAN 32-7 UNIT #6
SAN JUAN 32-7 UNIT #208
SAN JUAN 32-7 UNIT #214A
SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)
SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)
SAN JUAN 32-7 UNIT #229
SAN JUAN 32-7 UNIT #231

THIRTY SIXTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078998	T32N R7W E/2 SE/4	80.00		TRACT 11A			0.564935%
	SEC 33		ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	
	REMARKS: Middle Mesa Com #3 (CA NM 99454)		TOTAL				
NM-05540	T32N R7W LOT 14	43.09		TRACT 15			0.304288%
	SEC 9		ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #249		TOTAL				
VC-0006	T32N R7W W/2W/2	160		TRACT 16			1.129870%
	SEC 16		ORRI: ROYALTY: WORKING INTEREST: ENERGEN RESOURCES CORP		0.000000 20.000000 80.000000 100.000000	0.000000 20.000000 80.000000 100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #250		TOTAL				
E-503-13	T32N R7W E/2W/2	160.00		TRACT 17			1.129870%
	SEC 16		ORRI: ROYALTY: WORKING INTEREST: ENERGEN RESOURCES CORP		21.875000 12.500000 65.625000 100.000000	21.875000 12.500000 65.625000 100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #250		TOTAL				

THIRTY SIXTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W	800.00		TRACT 017A			5.649350%
	SEC 32 E/2 W/2		ORRI:		5.000000	5.000000	
	SEC 36 ALL		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
	REMARKS: SAN JUAN 32-7 UNIT #204		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
	SAN JUAN 32-7 UNIT #210		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	SAN JUAN 32-7 UNIT #215		TOTAL		100.000000	100.000000	
E-503-13	T32N R7W	320.00		TRACT: 017B			2.259740%
	SEC 32 E/2		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
	REMARKS: SAN JUAN 32-7 UNIT #234		PHILLIPS-NEW MEXICO PARTNERS		64.267500	64.267500	
			SAN JUAN BASIN PARTNERSHIP		3.382500	3.382500	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
FEE	T32N R7W	13.36		TRACT 021			0.094344%
	SEC 18 EAST 441 FEET OF NE/4 NE/4		ORRI:		0.000000	0.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
	REMARKS: SAN JUAN 32-7 UNIT #3		PHILLIPS-SAN JUAN PARTNERS, L.P.		71.750000	71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
			TOTAL		100.000000	100.000000	
FEE	T32N R7W	657.30		TRACT 021A			4.641648%
	SEC 7 LOTS 1-3, SE/4, NE/4SW/4		ORRI:		0.000000	0.000000	
	SEC 8 LOTS 1, 2, 3, N/2SE/4, SW/4SE/4, E/2SW/4		ROYALTY:		12.500000	12.500000	
	SEC 9 LOT 4, NW/4SW/4		WORKING INTEREST:				
	SEC 21 W/2 NE/4		CONOCOPHILLIPS COMPANY		71.750000	71.750000	
	REMARKS: SAN JUAN UNIT #241		WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
	SAN JUAN UNIT #247		TOTAL		100.000000	100.000000	
	SAN JUAN UNIT #248						
	SAN JUAN UNIT #249						

THIRTY SIXTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

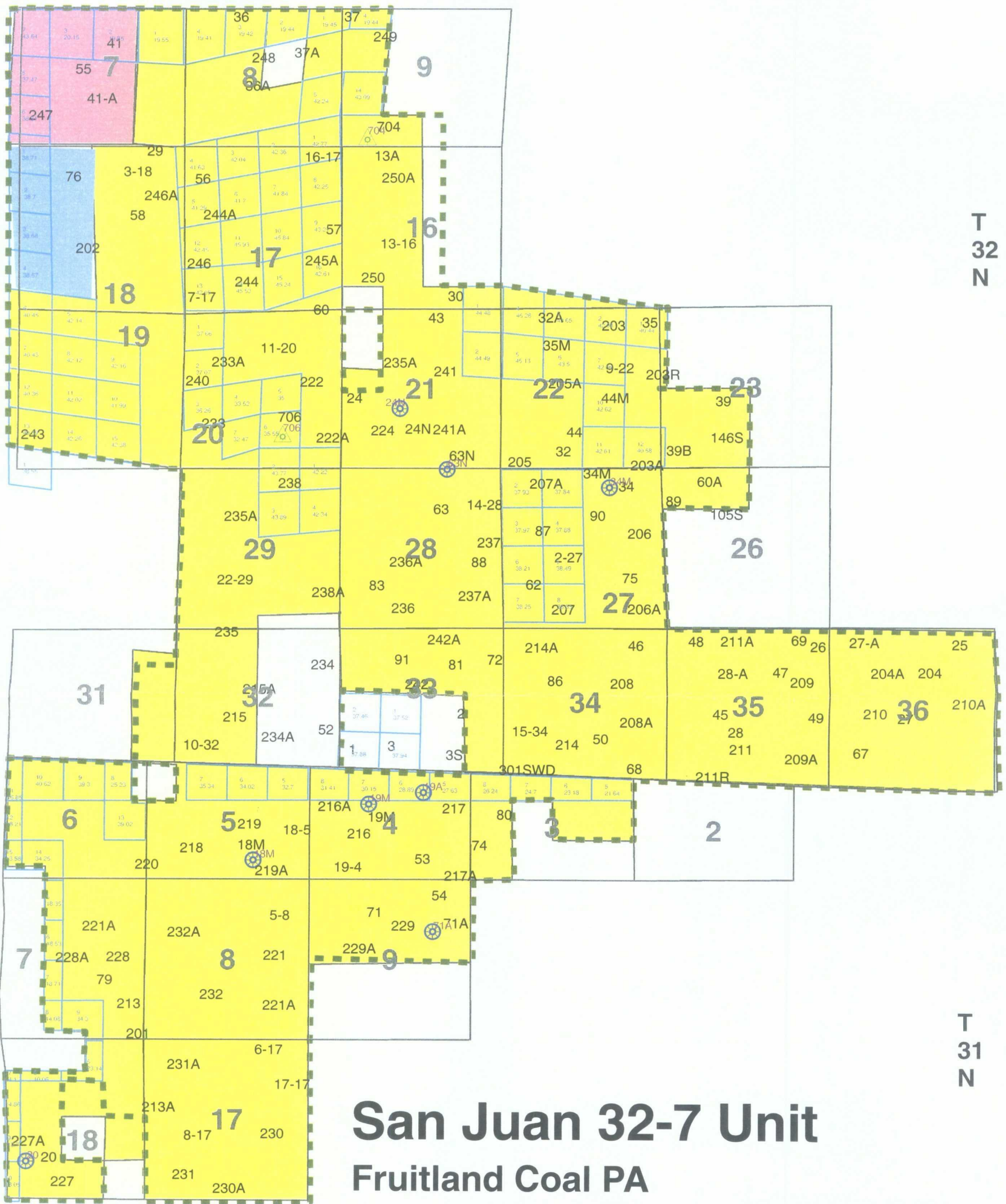
SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC 21 E/2 NW/4	80.00	TRACT 021B				0.564935%
	REMARKS: SAN JUAN UNIT #224 COM (CA NM 99453)						
	ORRI:	0.000000				0.000000	
	ROYALTY:	12.500000				12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS	68.162500				68.162500	
	SAN JUAN BASIN PARTNERSHIP	3.587500				3.587500	
	WILLIAMS PRODUCTION COMPANY	15.750000				15.750000	
	TOTAL	100.000000				100.000000	
FEE	T32N R7W SEC 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	TRACT 022A				2.165396%
	REMARKS: SAN JUAN 32-7 UNIT #3						
	ORRI:	3.000000				3.000000	
	ROYALTY:	12.500000				12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.	69.290000				69.290000	
	WILLIAMS PRODUCTION COMPANY	15.210000				15.210000	
	TOTAL	100.000000				100.000000	
FEE	T32N R7W SEC 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00	TRACT: 022A				1.694805%
	REMARKS: SAN JUAN 32-7 UNIT #235						
	ORRI:	3.000000				3.000000	
	ROYALTY:	12.500000				12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS	65.825500				65.825500	
	SAN JUAN BASIN PARTNERSHIP	3.464500				3.464500	
	WILLIAMS PRODUCTION COMPANY	15.210000				15.210000	
	TOTAL	100.000000				100.000000	
FEE	T32N R7W SEC 20 SW/4 SW/4	40.00	TRACT 022B				0.282468%
	REMARKS: SAN JUAN 32-7 UNIT #233						
	ORRI:	3.000000				3.000000	
	ROYALTY:	12.500000				12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS	69.290000				69.290000	
	WILLIAMS PRODUCTION COMPANY	15.210000				15.210000	
	TOTAL	100.000000				100.000000	

THIRTY SIXTH EXPANDED PARTICIPATING AREA
SAN JUAN 32-7 UNIT AREA
FRUITLAND COAL FORMATION
SAN JUAN COUNTY, NEW MEXICO

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
<p>REMARKS: SAN JUAN 32-7 UNIT #240</p>							
FEE	T32N R7W	200.00		TRACT 022C			1.412338%
	SEC 19 NW/4 NE/4, E/2 NE/4, E/2 SE/4		ORRI:		3.000000	3.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		69.290000	69.290000	
			WILLIAMS PRODUCTION COMPANY		15.210000	15.210000	
			TOTAL		100.000000	100.000000	
<p>REMARKS: SAN JUAN UNIT #224 COM (CA NM 99453) SAN JUAN 32-7 UNIT #222A</p>							
FEE	T32N R7W	240.00		TRACT 023A			1.694805%
	SEC 21 SW/4		ORRI:		0.000000	0.000000	
	SEC 20 E/2SE/4		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		68.162500	68.162500	
			SAN JUAN BASIN PARTNERSHIP		3.587500	3.587500	
			WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
			TOTAL		100.000000	100.000000	
<p>REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)</p>							
FEE	T32N R7W	280.00		TRACT 024			1.977273%
	SEC 31 E/2 SE/4, SE/4 NE/4		ORRI:		0.000000	0.000000	
	SEC 32 W/2 W/2		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		71.750000	71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
			TOTAL		100.000000	100.000000	
<p>REMARKS: SAN JUAN 32-7 UNIT #248</p>							
FEE	T32N R7W	99.41		TRACT 025			0.702002%
	SEC 8 LOT 4, W/2SW/4		ORRI:		0.000000	0.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		71.750000	71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
			TOTAL		100.000000	100.000000	

R7W

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32
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San Juan 32-7 Unit Fruitland Coal PA

- Approved 34th Expan., Effective 12/1/2005
- Proposed 35th Expan., Effective 1/1/2006
- Proposed 36th Expan., Effective 10/1/2006



Land Department
 San Juan Business Unit
 Farmington, New Mexico
 6/2009