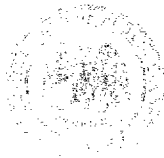


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#445

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL

P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

June 25, 2003

ConocoPhillips
P. O. Box 2197
Houston, Texas 77252-2197

Attention: Mr. Tom Scarbrough

Re: San Juan 28-7 Unit
Fruitland Coal Participating Area
Fifth Expansion – Effective 4/1/1998
Sixth Expansion – Effective 6/1/1998
Rio Arriba County, New Mexico

Dear Mr. Scarbrough:

We are in receipt of your letter of January 13, 2003 together with your application for approval of the fifth and sixth expansions to the Fruitland Coal participating area for the San Juan 28-7 Unit, Rio Arriba County, New Mexico.

The Bureau of Land Management approved the above referenced expansion by their letter of May 15, 2003.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced Fruitland Coal participating area expansions.

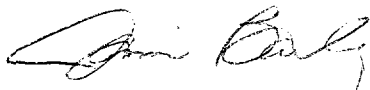
Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

As requested in your letter of January 13, 2003, enclosed is your previously withdrawn application of October 30, 2002.

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

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/pm

pc: Reader File,
OCD-Attention: Mr. Roy Johnson
BLM-Farmington Attn: Mr. Wayne Townsend
TRD-Attention: Mr. Valdean Severson
RMD-Attention: Ms. Linda Vieira

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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May 1, 2003

ConocoPhillips
P.O. Box 2197
Three Westlake Park – 3WL-4106
Houston, Texas 77252-2197

Attn: Mr. Thomas J. Scarbrough

Re: 2003 Plan of Development
San Juan 28-7 Unit
Rio Arriba County, New Mexico

Dear Mr. Scarbrough:

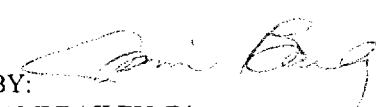
The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

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

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

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/cpm
xc: Reader File

OCD

BLM



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
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COMMISSIONER'S OFFICE

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Fax (505) 827-5766
www.nmstatelands.org

April 2, 2003

Conoco Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079

Attention: Mr. Tom Scarbrough

Re: San Juan 28-7 Unit
Mesaverde Participating Area
Forty-Fifth Expansion – Effective 1/1/2002
Rio Arriba County, New Mexico

Dear Mr. Scarbrough:

We are in receipt of your letter of July 12, 2002 together with your application for approval of the forty-fifth expansion to the Mesaverde participating area for the San Juan 28-7 Unit, Rio Arriba County, New Mexico.

The Bureau of Land Management approved the above referenced expansion by their letter of February 3, 2003.

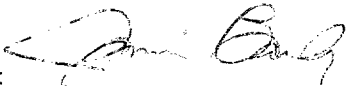
The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced Mesaverde participating area expansion.

Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

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

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
OCD-Attention: Mr. Roy Johnson
BLM-Farmington Attn: Mr. Wayne Townsend
TRD-Attention: Mr. Valdean Severson
RMD-Attention: Ms. Linda Vieira

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

March 19, 2003

Conoco Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079

Attention: Mr. Tom Scarbrough

Re: San Juan 28-7 Unit
Mesaverde Participating Area
Forty-First Expansion – Effective 1/1/1999
Forty-Second Expansion – Effective 2/1/1999
Forty-Third Expansion – Effective 3/1/1999
Forty-Fourth Expansion – Effective 7/1/2001
Rio Arriba County, New Mexico

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DIVISION

Dear Mr. Scarbrough:

We are in receipt of your letter of May 3, 2002 together with your application for approval of the forty-first, through forty-fourth expansions to the Mesaverde participating area for the San Juan 28-7 Unit, Rio Arriba County, New Mexico.

The Bureau of Land Management approved the above referenced expansions by their letter of December 20, 2002.

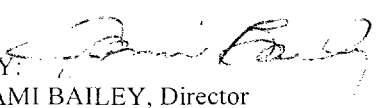
The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced Mesaverde participating area expansions.

Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

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

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
OCD-Attention: Mr. Roy Johnson
BLM-Farmington Attn: Mr. Wayne Townsend
TRD-Attention: Mr. Valdean Severson
RMD-Attention: Ms. Linda Vieira



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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Fax (505) 827-5766
www.nmstatelands.org

March 5, 2003

Conoco Inc.
600 N. Dairy Ashford
WL-3066
Dubai 3042
Houston, Texas 77079

Attn: Mr. Thomas J. Scarbrough

Re: 2002 Plan of Development
2nd Amendment
San Juan 28-7 Unit
Rio Arriba County, New Mexico

Dear Mr. Scarbrough:

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

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

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

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/cpm
xc: Reader File

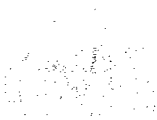
OCD

BLM

MAR 07 2003

MAR 07 2003

OIL CONSERVATION
DIVISION



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

February 24, 2003

Conoco, Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079

Attention: Mr. Tom Scarbrough

Re: San Juan 28-7 Unit
Commercial Determinations
Pictured Cliffs Formation
Rio Arriba County, New Mexico

Dear Mr. Scarbrough:

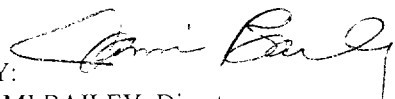
We are in receipt of your letter of July 22, 2002 and the BLM's letter of August 20, 2002 regarding the commercial determinations for the San Juan 28-7 Unit Well Nos. 57 and 284.

We concur with the BLM that that the San Juan Unit Well Nos. 57 and 284 are commercial wells in the Pictured Cliffs Formation and should be included in the Pictured Cliffs participating area.

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

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/pm

pc: Reader File,
BLM-Farmington Attn: Mr. Wayne Townsend
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson

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OIL & GAS DIVISION
SANTA FE, NM



Thomas J. Scarbrough
Three Westlake Park – 3WL-4106
P.O. Box 2197
Houston, Texas 77252-2197
Tel. 832-486-2338
Fax. 832-486-2685

February 7, 2003

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division
State of New Mexico
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505-4000

RE: San Juan 28-7 Unit; N. 14-08-001-459
Rio Arriba County, New Mexico
2003 Plan of Development

Gentlemen:

By letter dated April 11, 2002, Conoco Inc., as Unit Operator for the referenced Unit, filed the Plan of Development (POD) for the calendar year 2002. The First and Second Amendments to the Plan of Development were dated on August 28, 2002 and October 25, 2002 respectively. The following is a recap of ConocoPhillips drilling and recompletion activity within this unit during 2002:

Completed 2002 New Drills

Well #	GPU	S	T	R	Formation
#99F	E/2	29	27N	7W	Mesaverde/Dakota
#101F	W/2	30	27N	7W	Mesaverde/Dakota
#124G	W/2	11	27N	7W	Mesaverde/Dakota
#125G	W/2	12	27N	7W	Mesaverde/Dakota
#128F	E/2	12	27N	7W	Mesaverde/Dakota
#128G	E/2	12	27N	7W	Mesaverde/Dakota
#129F	E/2	2	27N	7W	Dakota
#129M	E/2	2	27N	7W	Mesaverde/Dakota
#130F	W/2	2	27N	7W	Dakota

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OIL CONSERVATION
DIVISION

#132F	W/2	15	27N	7W	Mesaverde/Dakota
#132G	W/2	15	27N	7W	Mesaverde/Dakota
#136M	E/2	14	28N	7W	Mesaverde/Dakota
#145F	W/2	10	27N	7W	Mesaverde/Dakota
#145G	W/2	10	27N	7W	Mesaverde/Dakota
#147F	E/2	9	27N	7W	Mesaverde/Dakota
#147G	E/2	9	27N	7W	Mesaverde/Dakota
#155F	W/2	22	27N	7W	Dakota
#155G	W/2	22	27N	7W	Mesaverde/Dakota
#156F	E/2	10	27N	7W	Mesaverde/Dakota
#164F	E/2	13	28N	7W	Mesaverde/Dakota
#164M	E/2	13	28N	7W	Mesaverde/Dakota
#181G	W/2	3	27N	7W	Mesaverde/Dakota
#182F	E/2	3	27N	7W	Mesaverde/Dakota
#186F	E/2	13	28N	7W	Mesaverde/Dakota commingle
#192F	W/2	33	28N	7W	Mesaverde/Dakota
#194G	E/2	21	28N	7W	Mesaverde/Dakota
#199G	W/2	18	28N	7W	Mesaverde/Dakota
#199M	W/2	19	28N	7W	Mesaverde/Dakota commingle
#214F	E/2	4	27N	7W	Mesaverde/Dakota
#214G	E/2	4	27N	7W	Mesaverde/Dakota
#218M	All	12	28N	7W	Mesaverde/Dakota
#219F	W/2	20	28N	7W	Dakota
#227G	E/2	36	28N	7W	Mesaverde/Dakota
#228F	W/2	8	27N	7W	Mesaverde/Dakota
#230F	E/2	29	28N	7W	Dakota
#233G	E/2	14	28N	7W	Mesaverde/Dakota
#241F	All	8	28N	7W	Dakota
#241M	All	8	28N	7W	Mesaverde/Dakota
#242F	W/2	18	28N	7W	Dakota
#244M	W/2	7	27N	7W	Mesaverde/Dakota
#246M	All	7	28N	7W	Mesaverde/Dakota
#247E	All	11	28N	7W	Dakota
#252F	W/2	32	28N	7W	Mesaverde/Dakota commingle
#260F	E/2	5	27N	7W	Mesaverde/Dakota
#261F	W/2	5	27N	7W	Mesaverde/Dakota
#261G	W/2	5	27N	7W	Mesaverde/Dakota

The following new drills which appeared on the 2002 POD will be carried over to 2003:

Well #	GPU	S	T	R	Formation
#124F	W/2	11	27N	7W	Mesaverde/Dakota
#125F	W/2	12	27N	7W	Mesaverde/Dakota
#126F	W/2	1	27N	7W	Mesaverde/Dakota

#135F	W/2	27	28N	7W	Dakota
#136F	W/2	14	28N	7W	Mesaverde/Dakota
#152F	W/2	21	27N	7W	Dakota
#153F	E/2	20	27N	7W	Mesaverde/Dakota
#157G	E/2	11	27N	7W	Mesaverde/Dakota
#158F	E/2	23	28N	7W	Dakota
#165F	E/2	16	27N	7W	Mesaverde/Dakota
#181E	W/2	3	27N	7W	Dakota single
#182G	E/2	3	27N	7W	Mesaverde/Dakota
#183F	E/2	1	27N	7W	Mesaverde/Dakota
#183G	E/2	1	27N	7W	Mesaverde/Dakota
#184F	W/2	9	27N	7W	Mesaverde/Dakota
#187M	E/2	24	28N	7W	Mesaverde/Dakota
#188F	W/2	9	27N	7W	Mesaverde/Dakota
#190G	E/2	27	28N	7W	Mesaverde/Dakota
#191F	E/2	33	28N	7W	Mesaverde/Dakota commingle
#191G	E/2	33	28N	7W	Mesaverde/Dakota
#193F	W/2	28	28N	7W	Mesaverde/Dakota
#195F	E/2	16	28N	7W	Mesaverde/Dakota
#215F	W/2	4	27N	7W	Mesaverde/Dakota
#221F	E/2	25	28N	7W	Mesaverde/Dakota
#222F	W/2	25	28N	7W	Mesaverde/Dakota
#223F	W/2	26	28N	7W	Mesaverde/Dakota
#223G	E/2	26	28N	7W	Mesaverde/Dakota
#224F	E/2	28	28N	7W	Mesaverde/Dakota
#224G	E/2	28	28N	7W	Mesaverde/Dakota
#226F	W/2	36	28N	7W	Mesaverde/Dakota
#227F	E/2	36	28N	7W	Mesaverde/Dakota
#228G	W/2	8	27N	7W	Mesaverde/Dakota
#231F	W/2	16	28N	7W	Mesaverde/Dakota
#232F	E/2	20	28N	7W	Dakota
#233F	W/2	14	28N	7W	Mesaverde/Dakota
#236G	E/2	6	27N	7W	Mesaverde/Dakota
#237F	E/2	19	27N	7W	Mesaverde/Dakota commingle
#239M	W/2	17	28N	7W	Mesaverde/Dakota
#247F	All	11	28N	7W	Mesaverde/Dakota
#255F	W/2	15	28N	7W	Mesaverde/Dakota commingle
#257F	E/2	19	28N	7W	Mesaverde/Dakota
#258F	W/2	23	28N	7W	Mesaverde/Dakota
#258G	W/2	23	28N	7W	Mesaverde/Dakota
#259F	W/2	24	28N	7W	Mesaverde/Dakota
#259G	W/2	24	28N	7W	Mesaverde/Dakota
#285	E/2	26	28N	7W	Fruitland Coal/Pictured Cliffs commingle
#286	W/2	36	28N	7W	Fruitland Coal/Pictured Cliffs commingle

#287	E/2	36	28N	7W	Fruitland Coal/Pictured Cliffs commingle
#288	W/2	26	28N	7W	Fruitland Coal/Pictured Cliffs commingle
#289	W/2	27	28N	7W	Fruitland Coal/Pictured Cliffs commingle
#290	W/2	22	28N	7W	Fruitland Coal/Pictured Cliffs commingle
#291	E/2	16	28N	7W	Pictured Cliffs/Fruitland Coal commingle
#295	E/2	34	28N	7W	Pictured Cliffs
#296	E/2	18	27N	7W	Pictured Cliffs/Fruitland Coal commingle
#297	W/2	17	27N	7W	Fruitland Coal/Pictured Cliffs commingle

Completed 2002 Re-Completions:

Well #	GPU	S	T	R	Formation
#23	E/2	15	28N	7W	Pictured Cliffs
#25	W/2	23	28N	7W	Pictured Cliffs
#62	E/2	12	27N	7W	Recomplete to FC/Pictured Cliffs & commingle
#99F	E/2	29	27N	7W	Chacra
#101F	W/2	30	27N	7W	Chacra
#133	S/2	35	28N	7W	Recomplete to Mesaverde and commingle
#135	W/2	27	28N	7W	Mesaverde
#232	E/2	20	28N	7W	Mesaverde
#237	E/2	19	27N	7W	Recomplete to Mesaverde and commingle
#239E	W/2	17	28N	7W	Recomplete to Mesaverde and commingle
#244	W/2	7	27N	7W	Mesaverde/Chacra
#252E	W/2	32	28N	7W	Recomplete to Mesaverde and commingle

The following recompletions which appeared on the 2002 POD will be carried over to 2003:

Well #	GPU	S	T	R	Formation
#21A	All	9	28N	7W	Pictured Cliffs
#24A	E/2	14	28N	7W	Fruitland Coal/Pictured Cliffs
#35A	W/2	1	27N	7W	Pictured Cliffs/Fruitland Coal
#48A	W/2	21	28N	7W	Fruitland Coal/Pictured Cliffs commingle
#52A	E/2	27	28N	7W	Pictured Cliffs/Fruitland Coal
#55A	All	12	28N	7W	Pictured Cliffs/Fruitland Coal
#59A	E/2	29	28N	7W	Fruitland Coal/Pictured Cliffs
#93	W/2	9	27N	7W	Chacra
#98	E/2	29	27N	7W	Chacra
#99	W/2	29	27N	7W	Chacra

The following recompletions which appeared on the 2002 POD are cancelled.

#27	W/2	26	28N	7W	Fruitland Coal/Pictured Cliffs
#29A	All	7	28N	7W	Fruitland Coal

#56A	W/2	13	28N	7W	Fruitland Coal/Pictured Cliffs
#74A	E/2	11	28N	7W	Fruitland Coal/Pictured Cliffs
#94A	W/2	30	28N	7W	Chacra
#164E	E/2	13	28N	7W	Chacra
#180	E/2	19	27N	7W	Fruitland Coal

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, ConocoPhillips Company, as Unit Operator, hereby submits the following program for the 2003 Plan of Development.

2003 New Drills

Well #	GPU	S	T	R	Formation
#61B	All	10	28N	7W	Mesaverde/Dakota
#134F	W/2	21	28N	7W	Dakota
#184G	W/2	9	27N	7W	Mesaverde/Dakota
#185M	W/2	17	27N	7W	Mesaverde/Dakota
#216F	E/2	8	27N	7W	Mesaverde/Dakota
#221G	E/2	25	28N	7W	Mesaverde/Dakota
#234F	E/2	15	28N	7W	Mesaverde/Dakota
#236F	E/2	6	27N	7W	Mesaverde/Dakota
#248F	E/2	18	28N	7W	Mesaverde/Dakota
#248M	E/2	18	28N	7W	Mesaverde/Dakota
#253F	E/2	7	27N	7W	Dakota
#253G	E/2	7	27N	7W	Dakota
#258F		23	28N	7W	Mesaverde/Dakota

2003 Recompletions

Well #	GPU	S	T	R	Formation
#31	W/2	20	28N	7W	Fruitland Coal/Pictured Cliffs IDB
#74	All	11	28N	7W	Pictured Cliffs
#109	W/2	18	27N	7W	Chacra
#110M	E/2	19	27N	7W	Chacra
#153E	E/2	20	27N	7W	Chacra
#185	W/2	17	27N	7W	Chacra
#237	E/2	19	27N	7W	Chacra
#253	E/2	7	27N	7W	Mesaverde IDB
#253M	E/2	7	27N	7W	Mesaverde IDB

The Unit currently consists of the following Participating Areas:

Formation	Expansion	Effective Date
Fruitland	4th	2/1/95

Pictured Cliffs	32nd	6/1/81
Chacra	9th	3/1/84
Mesaverde	45th	1/1/02
Dakota	27th	7/1/75

Maps of the current participating areas along with proposed participating area expansions are included herewith.

The working interest owners are being contacted regarding the Plan of Development. ConocoPhillips Company and the working interest owners believe that all current obligations have been satisfied.

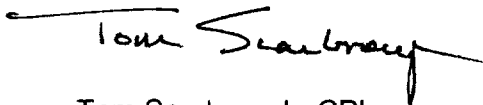
ConocoPhillips Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

In accordance with Section 10 of the Unit Agreement, please advise of your approval by executing in the space provided below and return one copy to the undersigned.

Should you have any questions regarding this proposal, please contact Tom Scarbrough at 832.486.2338.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Sincerely,



Tom Scarbrough, CPL

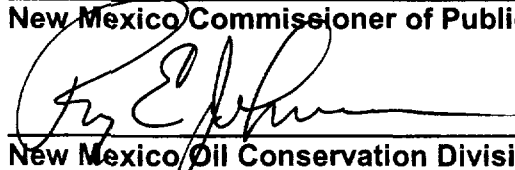
Enc.

Bureau of Land Management

Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division

2/24/03
Date

The foregoing approvals are for the 2003 Plan of Development for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

San Juan 28-7 Unit Working Interest Owners

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

Four Star Oil and Gas Company
Attn: NOJV Manager
P.O. Box 36366
Houston, Texas 77236

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75080-2038

The Wiser Oil Company
8115 Preston Road, #400
Dallas, TX 75225-6311

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Mary F. Turner Trust _ 6743
Texas Commerce Trust Co., NA
P.O. Box 200890
Houston, TX 77216-0890

Kathleen McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Michael S. McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Dawn J. Turnbull
6553 Lafayette Way
Dallas, TX 75230-1979

Elizabeth J. Turner-Calloway
4801 Saint Johns Drive
Dallas, TX 75205-3143

J. Glenn Turner, Jr.
Two Turtle Creek Village
3838 Oaklawn, Suite 1450
Dallas, Texas 75219

John L. Turner
Turner Investments
PMB 285
317 Sidney Baker South #400
Kerrville, TX 78028

Cindy M. Hartner
2222 Flat Creek
Richardson, TX 75080-2332

Denise Turnbull Williams
6553 Lafayette Way
Dallas, TX 75230-1979

Derrick Turnbull
6553 Lafayette Way
Dallas, TX 75230-1979

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

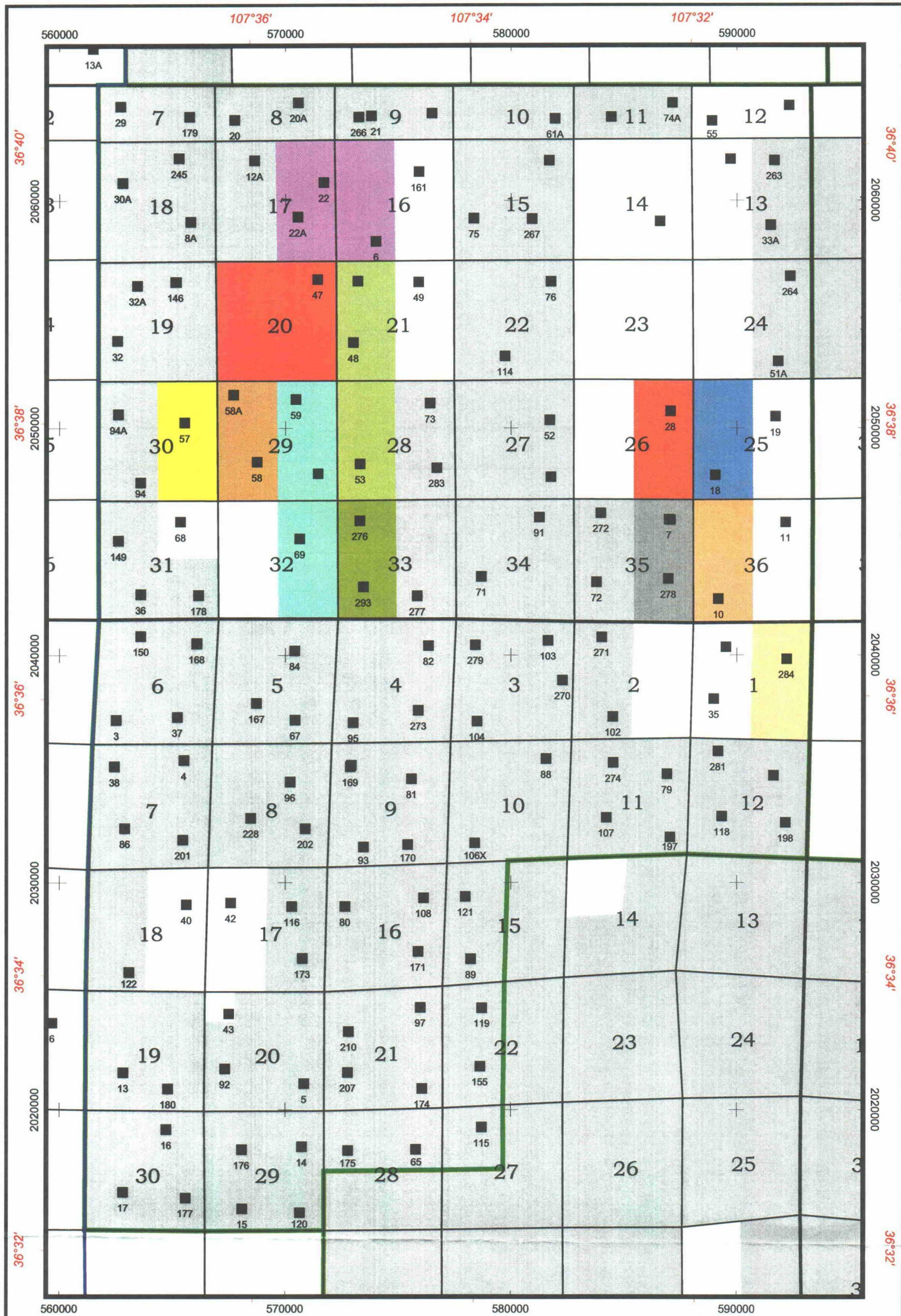
Helen Louise Simmons
2429 Wabash Ave.
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
6704 Ashbrook Dr.
Fort Worth, TX 76132-1140

XTO Energy Inc.
Attn: Win Ryan
810 Houston Street, Suite 2000
Fort Worth, Texas 76102-6298

ConocoPhillips Company
Attn: Tom Scarbrough
600 Dairy Ashford, WL3-4106
Houston, TX 77079



- Pictured Cliffs Wells
- SJ Federal Unit Boundary
- 32nd Exp Effective 6-1-81
- Proposed Expansion
- 33rd Exp Effective 5-1-98
- 34th Exp Effective 12-1-00
- 35th Exp Effective 1-1-01
- 36th Exp Effective 2-1-01
- 37th Exp Effective 3-1-01
- 38th Exp Effective 5-1-01
- 39th Exp Effective 6-1-01
- 40th Exp Effective 7-1-01
- 41st Exp Effective 9-1-01
- 42nd Exp Effective 11-1-01
- 43rd Exp Effective 12-1-01

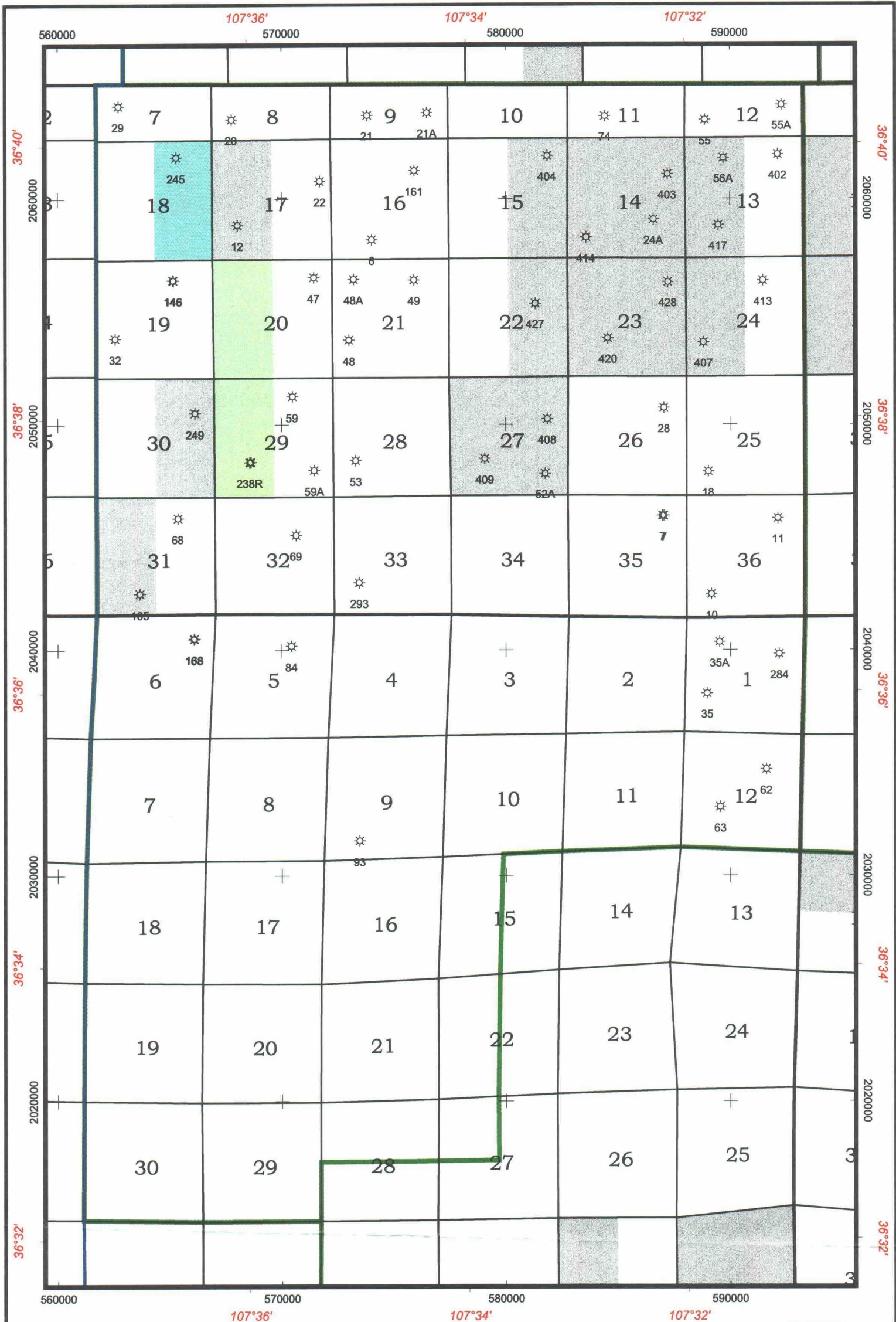


28-7 Federal Unit

Pictured Cliffs Formation

San Juan Basin, N. M.

Author: Angela Whitfield	Date: 7-30-02
Compiled by:	Map of
MD File:	



- ☆ Fruitland Wells
- SJ Federal Unit Boundary
- 4th Expansion Effective 2-1-95

- Proposed 5th Expansion Effective 4-1-98
- Proposed 6th Expansion Effective 6-1-98

5000 0 5000 Feet

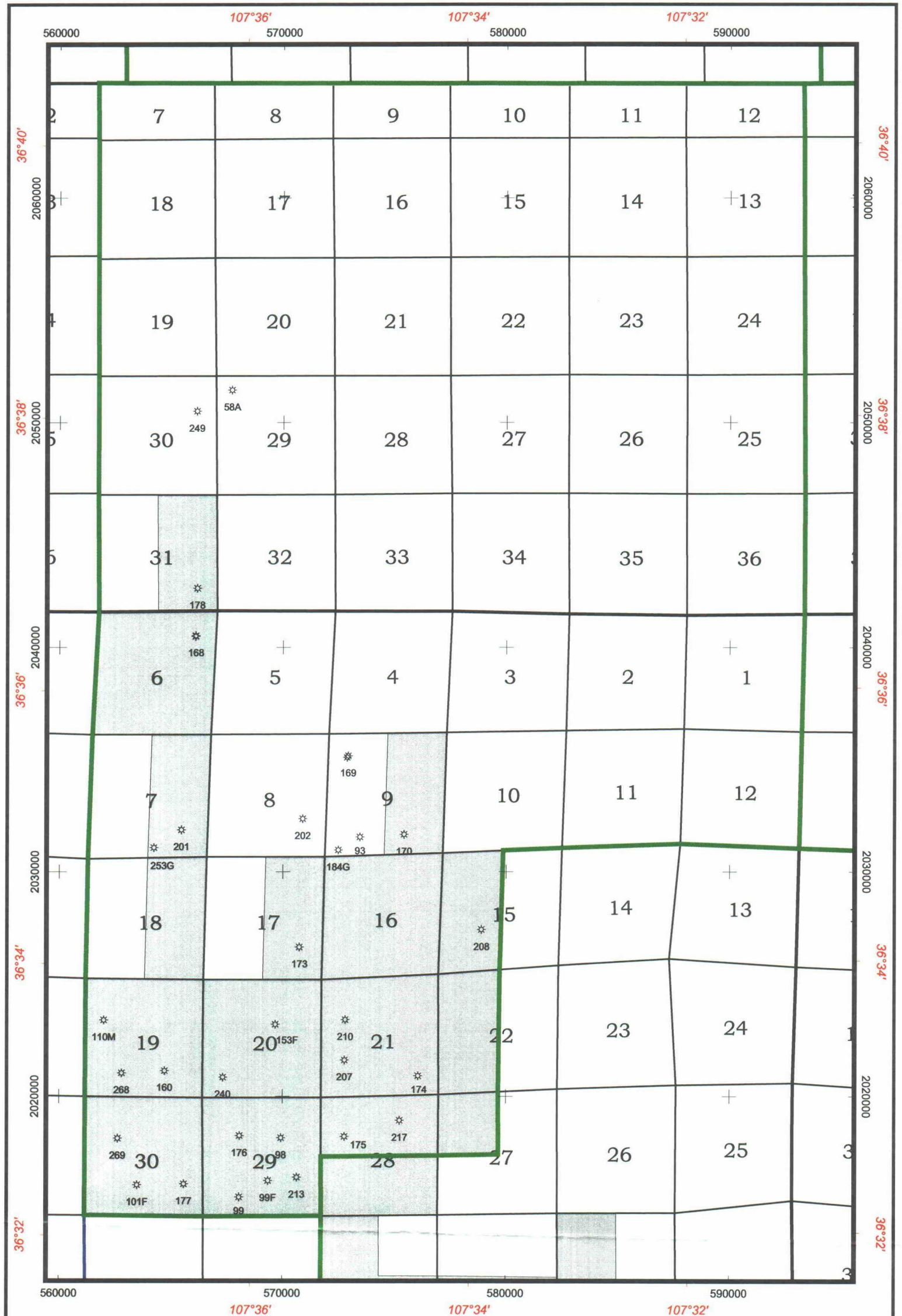


ConocoPhillips



28-7 Federal Unit
Fruitland Coal Formation
San Juan Basin, N. M.

Author: *Angela Whitfield* Date: 1-15-03
Compiled by: _____ Map of _____
MD File: _____



ConocoPhillips

28-7 Federal Unit

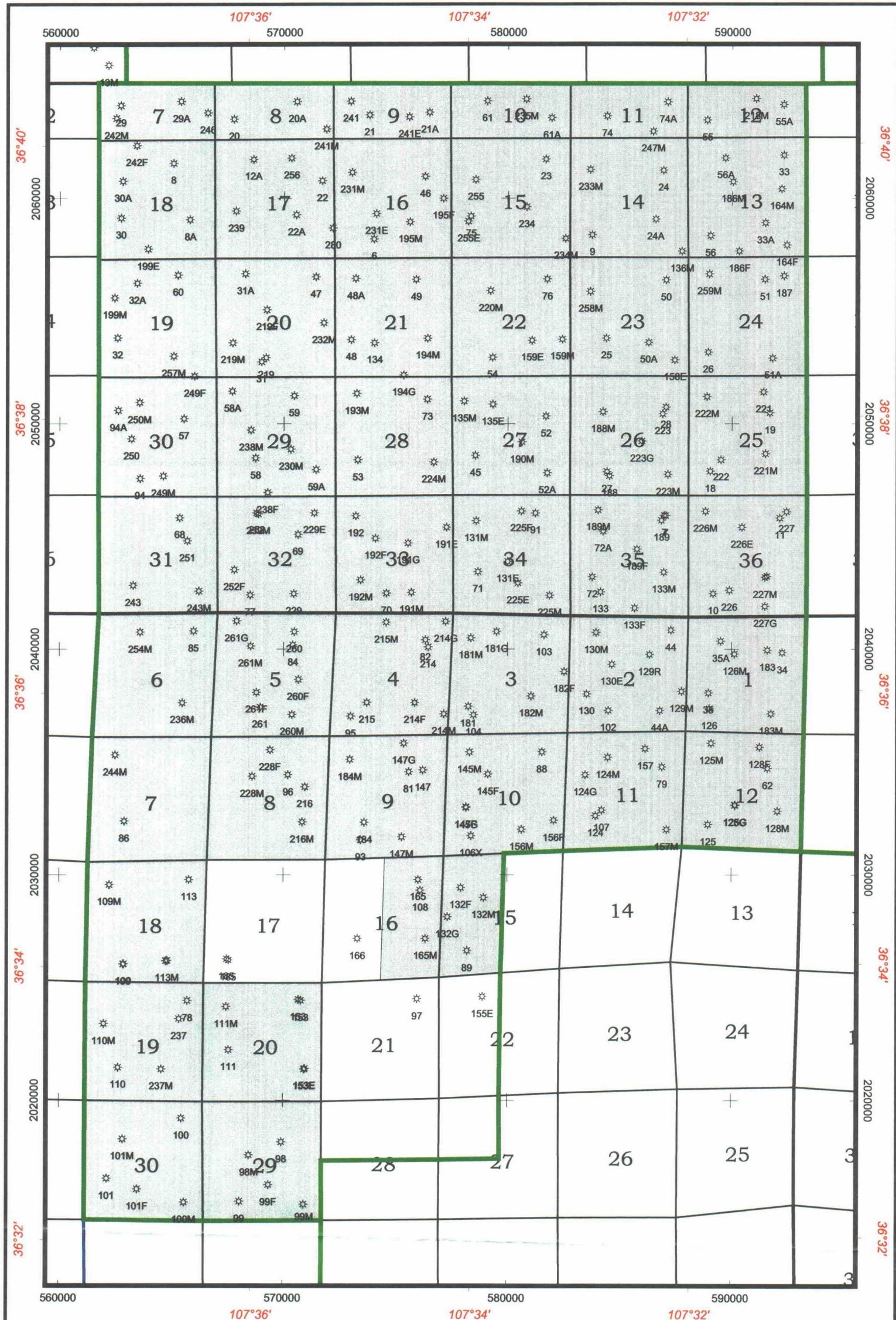
Chacra Formation
San Juan Basin, N. M.

Author: Angela Whitfield	Date: 2-5-03
Compiled by:	Map of
MD File:	

- * ConocoPhillips Chacra Wells
- SJ Federal Unit Boundary
- 9th Exp. Effective 3-1-84

5000 0 5000 Feet





☆ ConocoPhillips Mesa Verde Wells

■ SJ Federal Unit Boundary

■ 45th Exp. Effective 1-1-02

5000 0 5000 Feet



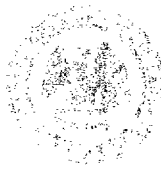
ConocoPhillips

28-7 Federal Unit

Mesa Verde Formation

San Juan Basin, N. M.

Author: Angela Whitfield Date: 2-5-03
Compiled by: MD File: Map of



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

January 31, 2003

Conoco, Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079

Attention: Mr. Tom Scarbrough

Re: San Juan 28-7 Unit
Commerciality Determinations
Fruitland Coal Formation
Rio Arriba County, New Mexico

REC

JAN 31 2003

CIL COMMISSIONER'S
DIVISION

Dear Mr. Scarbrough:

We are in receipt of your letter of August 1, 2002 and a copy of the Bureau of Land Management's letter of October 11, 2002, regarding the commercial determinations for the San Juan 28-7 Unit Well Nos. 6, 7, 10, 11, 18, 20, 21, 22, 28, 29, 32, 35, 47, 48, 49, 53, 55, 59, 68, 69, 84, 146, 161, 168, 238R, 245, 284 and 293.

We concur with the Bureau of Land Management that the San Juan 28-7 Unit Well Nos. 238R and 245 are commercial wells in the Fruitland Coal formation and should be included in the Fruitland Coal participating area. We also concur with the Bureau of Land Management that the San Juan 28-7 Unit Well Nos. 6, 7, 10, 11, 18, 20, 21, 22, 28, 29, 32, 35, 47, 48, 49, 53, 55, 59, 68, 69, 84, 146, 161, 168, 284 and 293 are non-commercial Fruitland Coal wells and should be produced on a lease basis.

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

Very truly yours,

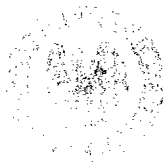
PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc:

Reader File,
BLM-Farmington Attn: Mr. Wayne Townsend
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson



RECEIVED

JAN 30 2003

OIL CONSERVATION
DIVISION

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

January 30, 2003

Conoco, Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079

Attention: Mr. Tom Scarbrough

Re: San Juan 28-7 Unit
Commerciality Determinations
Chacra Formation

Dear Mr. Scarbrough:

We are in receipt of your letter of July 9, 2002 and a copy of the Bureau of Land Management's letter of July 25, 2002, regarding the commercial determinations for the San Juan 28-7 Unit Well Nos. 249 and 58A.

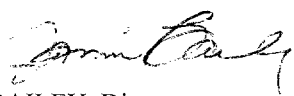
We concur with the Bureau of Land Management that the San Juan 28-7 Unit Well Nos. 249 and 58A are non-commercial wells in the Chacra formation and should be produced on a lease basis.

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

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
BLM-Farmington Attn: Mr. Duane Spencer
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson



Thomas J. Scarbrough

Three Westlake Park – W-4106

P.O. Box 2197

Houston, Texas 77252-2197

Tel: 832-496-2338

Fax: 832-486-2685

Bureau of Land Management
Farmington Resource Area
Attn: Geneva McDougal
1235 LaPlata Highway
Farmington, New Mexico 87401

January 13, 2003

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

RECEIVED

JAN 21 2003

**OIL CONSERVATION
DIVISION**

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

Re: San Juan 28-7 Unit, # 14-08-001-459
Rio Arriba County, New Mexico
Fruitland Coal Participating Area
Fifth Expansion: Effective 4-1-98
Sixth Expansion: Effective 6-1-98

Gentlemen:

Under letter dated October 30, 2002, Conoco Inc. had previously submitted its application for approval of the Fifth and Sixth Expansions to the Fruitland Coal Participating Area in the San Juan 28-7 Unit. ConocoPhillips Company hereby withdraws said application dated October 30, 2002 and requests that you return said application to the undersigned. ConocoPhillips Company hereby submits for your approval, the enclosed revised application for the Fifth and Sixth Expansions to the Fruitland Coal Participating Area in the San Juan 28-7 Unit.

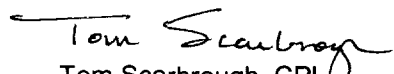
Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, approved January 29, 1953, ConocoPhillips Company, as Unit Operator, has determined that the following wells are capable of producing unitized substances in paying quantities from the Fruitland Coal formation and should therefore be admitted to the Fruitland Coal Participating Area. Pursuant to BLM letter dated October 11, 2002, attached is a list of wells that have been deemed commercial along with their respective tracts and completion dates.

The Expansion Schedules for the Fifth and Sixth Expansions are included herewith. The schedules describe the Participating Areas and show the percentage of unitized substances allocated to each Unit Tract.

Conoco Inc. respectfully requests your approval of the Fifth and Sixth Expansions at your earliest convenience. Should you have questions in this regard, please contact the undersigned at 832.486.2338.

Copies of this letter are being furnished to the Working Interest Owners on the attached list.

Respectfully submitted,


Tom Scarbrough, CPL

San Juan 28-7 Unit
Working Interest Owners
Fruitland Coal Participating Area

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

XTO Energy Inc.
Attn: Land
810 Houston Street
Fort Worth, Texas 76102-6298

ConocoPhillips Company
Attn: Tom Scarbrough
600 N. Dairy Ashford, WL3-4106
Houston, TX 77079



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

San Juan 28-7 Unit (Fruitland PA)
3162.7 (07100)

October 11, 2002

Conoco Inc.
P.O. Box 2197, WL 3046
Houston, Texas 77252

RE: San Juan 28-7 Unit
Commerciality Determinations
Fruitland Coal Formation
Rio Arriba County, New Mexico

Dear Mr. Tom Scarbrough:

In response to your letter dated August 1, 2002, the Farmington Field Office (FFO) 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 28-7 Unit #6	W/2 Sec.16,T28N,R7W	NMSF078417	4/5/01	Non-Commercial
San Juan 28-7 Unit #7	E/2 Sec.35,T28N,R7W	NMSF078496	7/7/99	Non-Commercial
San Juan 28-7 Unit #10	W/2 Sec.36,T28N,R7W	NMSF079294	11/19/99	Non-Commercial
San Juan 28-7 Unit #11	E/2 Sec.36,T28N,R7W	NMSF079294	6/22/01	Non-Commercial
San Juan 28-7 Unit #18	W/2 Sec.25,T28N,R7W	NMSF079294	6/26/01	Non-Commercial
San Juan 28-7 Unit #20	S/2 Sec.8,T28N,R7W	NMSF078417	7/12/01	Non-Commercial
San Juan 28-7 Unit #21	S/2 Sec.9,T28N,R7W	NMSF078497A	10/24/01	Non-Commercial
San Juan 28-7 Unit #22	E/2 Sec.17,T28N,R7W	NMSF078417	4/25/01	Non-Commercial
San Juan 28-7 Unit #28	E/2 Sec.26,T28N,R7W	NMSF079290	5/26/01	Non-Commercial
San Juan 28-7 Unit #29	S/2 Sec.7,T28N,R7W	NMSF078497	7/11/01	Non-Commercial
San Juan 28-7 Unit #32	W/2 Sec.19,T28N,R7W	NMSF078500A	4/23/01	Non-Commercial
San Juan 28-7 Unit #35	W/2 Sec.1,T27N,R7W	NMSF079321A	10/28/99	Non-Commercial
San Juan 28-7 Unit #47	E/2 Sec.20,T28N,R7W	NMSF078417	5/7/01	Non-Commercial
San Juan 28-7 Unit #48	W/2 Sec.21,T28N,R7W	NMSF078417	2/2/01	Non-Commercial
San Juan 28-7 Unit #49	E/2 Sec.21,T28N,R7W	NMSF078417	5/31/01	Non-Commercial
San Juan 28-7 Unit #53	W/2 Sec.28,T28N,R7W	NMSF078498	2/27/01	Non-Commercial

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 28-7 Unit #55	S/2 Sec.12,T28N,R7W	NMSF079289	11/29/00	Non-Commercial
San Juan 28-7 Unit #59	E/2 Sec.29,T28N,R7W	NMSF078498	8/16/01	Non-Commercial
San Juan 28-7 Unit #68	E/2 Sec.31,T28N,R7W	NMSF078500A	6/10/99	Non-Commercial
San Juan 28-7 Unit #69	E/2 Sec.32,T28N,R7W	NMSF078498	8/3/01	Non-Commercial
San Juan 28-7 Unit #84	E/2 Sec.5,T27N,R7W	NMSF078496	7/16/01	Non-Commercial
San Juan 28-7 Unit #146	E/2 Sec.19,T28N,R7W	NMSF078497	3/16/99	Non-Commercial
San Juan 28-7 Unit #161	E/2 Sec.16,T28N,R7W	NMSF078497	5/22/98	Non-Commercial
San Juan 28-7 Unit #168	E/2 Sec.6,T27N,R7W	NMSF078835A	4/20/98	Non-Commercial
San Juan 28-7 Unit #238R	W/2 Sec.29,T28N,R7W	NMSF078497	3/11/98 ^{SL}	Commercial
San Juan 28-7 Unit #245	E/2 Sec.18,T28N,R7W	NMSF078417	5/20/98	Commercial
San Juan 28-7 Unit #284	E/2 Sec.1,T27N,R7W	NMSF079321A	11/28/01	Non-Commercial
San Juan 28-7 Unit #293	W/2 Sec.33,T28N,R7W	NMSF078498	12/19/01	Non-Commercial

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

The wells that were determined to be commercial in the Fruitland Coal formation are to be included in the Fruitland participating area. It is required that revisions be submitted to include these wells in the San Juan 28-7 Unit Fruitland Participating Area. The wells that were determined to be non-commercial are to be reported under their lease number or communization agreement number.

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

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

Sincerely,


Wayne Townsend
Petroleum Engineer
Petroleum Management Team

San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
Fruitland Coal Participating Area

Fifth Expansion to the Participating Area – Effective 4/1/98
Total P/A Acres = 4,781.23

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #238R W/2 29-28N-7W 320.00 acres	7	W/2	320.00	3/11/98
Undrilled Location (IDB) W/2 20-28N-7W 320.00 acres	8	W/2	320.00	N/A

Sixth Expansion to the Participating Area – Effective 6/1/98
Total P/A Acres = 5,101.23

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #245 E/2 18-28N-7W 320.00 acres	3A	E/2	320.00	5/20/98

Schedule VI

Fifth Expanded Participating Area for the Fruitland Coal Formation San Juan 28-7 Unit Area, Effective April 1, 1998.

ConocoPhillips Company
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership	Drilling Block		Percentage Committed	Present Actual Participation
					Percentage		
<u>Tract 3</u>							
SF-078417	<u>T-28N-R7W</u> Section 17: W/2	320.00	Royalty: Working Interest: XTO Energy ConocoPhillips Company ORRI:		12.500000 % 63.375000 % 21.125000 % 3.000000 % <u>100.000000 %</u>	12.500000 % 63.375000 % 21.125000 % 3.000000 % <u>100.000000 %</u>	 <u>6.692838 %</u>
<u>Total</u>							
<u>Tract 5</u>							
SF-078496	<u>T-28-N, R-7-W</u> Section 27: SE/4, E/2 NE/4	240.00	Royalty: Working Interest: XTO Energy ConocoPhillips Company ORRI:		12.500000 % 63.375000 % 21.125000 % 3.000000 % <u>100.000000 %</u>	12.500000 % 63.375000 % 21.125000 % 3.000000 % <u>100.000000 %</u>	 <u>5.019629 %</u>
<u>Total</u>							
<u>Tract 7</u>							
SF-078497	<u>T-28-N, R-7-W</u> Section 29: W/2	320.00	Royalty: Working Interest: ConocoPhillips Company		12.500000 % 84.500000 % 3.000000 % <u>100.000000 %</u>	12.500000 % 84.500000 % 3.000000 % <u>100.000000 %</u>	 <u>6.692838 %</u>
<u>Total</u>							
<u>Tract 8</u>							
SF-078497-A	<u>T-28-N, R-7-W</u> Section 20: W/2	320.00	Royalty: Working Interest: Burlington Resources		12.500000 % 83.500000 % 4.000000 % <u>100.000000 %</u>	12.500000 % 83.500000 % 4.000000 % <u>100.000000 %</u>	 <u>6.692838 %</u> W/2 Sec 20, T28N-R7W added as Intervening Drill Block
<u>Total</u>							

Schedule VI

Fifth Expanded Participating Area for the Fruitland Coal Formation

San Juan 28-7 Unit Area, Effective April 1, 1998.

ConocoPhillips Company

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
<u>Tract 9</u>						
SF 078498	<u>T-28-N, R-7-W</u> Section 27: W/2 NE/4, W/2	400.00	Royalty: Working Interest: XTO Energy ConocoPhillips Company ORRI:	12.500000 % 63.375000 % 21.125000 % 3.000000 % <u>100.000000 %</u>	12.500000 % 63.375000 % 21.125000 % 3.000000 % <u>100.000000 %</u>	8.366048 %
<u>Total</u>						
<u>Tract 10</u>						
SF 078500-A	<u>T-28-N, R-7-W</u> Section 31: Lots 1,2,3,4,5, E/2 NW/4, NE/4 SW/4 Section 30: W/2 NE/4, NE/4 NE/4, S/2 SE/4	501.23	Royalty: Working Interest: XTO Energy ConocoPhillips Company ORRI:	12.500000 % 63.375000 % 21.125000 % 3.000000 % <u>100.000000 %</u>	12.500000 % 63.375000 % 21.125000 % 3.000000 % <u>100.000000 %</u>	10.483286 % *Conoco went non-consent on recompletion of San Juan 28-7 # 249 IFT/E/2 Sec. 30 T28N-R7W subject to 300% penalty.
<u>Total</u>						
<u>Tract 21</u>						
SF 079289	<u>T-28-N, R-7-W</u> Section 14: E/2 Section 15: E/2	640.00	Royalty: Working Interest: XTO Energy ConocoPhillips Company ORRI:	12.500000 % 52.125000 % 17.375000 % 18.000000 % <u>100.000000 %</u>	12.500000 % 52.125000 % 17.375000 % 18.000000 % <u>100.000000 %</u>	13.385677 %
<u>Total</u>						
<u>Tract 22</u>						
SF 079289-A	<u>T-28-N, R-7-W</u> Section 14: W/2 Section 22: E/2	640.00	Royalty: Working Interest: Burlington Resources Oil and Gas Company XTO Energy ORRI:	12.500000 % 52.500000 % 35.000000 % 0.000000 % <u>100.000000 %</u>	12.500000 % 52.500000 % 35.000000 % 0.000000 % <u>100.000000 %</u>	13.385677 %
<u>Total</u>						

Schedule VI

Fifth Expanded Participating Area for the Fruitland Coal Formation

San Juan 28-7 Unit Area, Effective April 1, 1998.

ConocoPhillips Company
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
<u>Tract 23</u>						
SF 079290	T-28-N, R-7-W Section 24: W/2 Section 23: W/2	640.00	Royalty: Working Interest: XTO Energy ConocoPhillips Company ORRI:	12.500000 % 52.125000 % 17.375000 % 18.000000 % <u>100.000000 %</u>	12.500000 % 52.125000 % 17.375000 % 18.000000 % <u>100.000000 %</u>	13.385677 %
<i>Total</i>						
<u>Tract 24</u>						
SF 079290-A	T-28-N, R-7-W Section 23: E/2	320.00	Royalty: Working Interest: Burlington Resources Oil and Gas Company XTO Energy ORRI:	12.500000 % 52.500000 % 35.000000 % 0.000000 % <u>100.000000 %</u>	12.500000 % 52.500000 % 35.000000 % 0.000000 % <u>100.000000 %</u>	6.692838 %
<i>Total</i>						
<u>Tract 24-A</u>						
SF 079290-A	T-28-N, R-7-W Section 13: W/2	320.00	Royalty: Working Interest: Burlington Resources Oil and Gas Company ORRI:	12.500000 % 87.500000 % 0.000000 % <u>100.000000 %</u>	12.500000 % 87.500000 % 0.000000 % <u>100.000000 %</u>	6.692838 %
<i>Total</i>						
<u>Tract 36-A</u>						
Fee	T-28-N, R-7-W Section 30: SE/4 NE/4, N/2 SE/4	120.00	Royalty: Working Interest: XTO Energy ConocoPhillips Company ORRI:	12.500000 % 65.625000 % 21.875000 % 0.000000 % <u>100.000000 %</u>	12.500000 % 65.625000 % 21.875000 % 0.000000 % <u>100.000000 %</u>	2.509814 %
						*Conoco went non-consent on recompletion of San Juan 28-7 # 249 IFT/E/2 Sec. 30 T28N-R7W subject to 300% penalty.

Schedule VI

Fifth Expanded Participating Area for the Fruitland Coal Formation

San Juan 28-7 Unit Area, Effective April 1, 1998.

ConocoPhillips Company

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

Township 28 North, Range 7 West, N.M.P.M.

Section 13: W/2
 Section 14: All
 Section 15: E/2
 Section 17: W/2
 Section 20: W/2
 Section 22: E/2
 Section 23: All
 Section 24: W/2
 Section 27: All
 Section 29: W/2
 Section 30: E/2
 Section 31: Lots 1,2,3,4,5, E/2 NW/4, NE/4 SW/4 (W/2)

Total number of acres in participating area:

4,781.23

Percent of basic royalty interest committed:

100.00 %

Percent of working interest committed:

100.00 %

Percent of overriding royalty interest committed:

100.00 %

Schedule VII

Sixth Expanded Participating Area for the Fruitland Coal Formation

San Juan 28-7 Unit Area, Effective June 1, 1998.

ConocoPhillips Company

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
<u>Tract 3</u>						
SF-078417	<u>T-28N-R7W</u> Section 17: W/2	320.00	Royalty: Working Interest: XTO Energy ConocoPhillips Company ORRI:	12.500000 % 63.375000 % 21.125000 % <u>3.000000 %</u> 100.000000 %	12.500000 % 63.375000 % 21.125000 % <u>3.000000 %</u> 100.000000 %	 <u>6.272997 %</u>
<i>Total</i>						
<u>Tract 3A</u>						
SF-078417	<u>T-28N-R7W</u> Section 18: E/2	320.00	Royalty: Working Interest: ConocoPhillips Company	12.500000 % 84.500000 % <u>3.000000 %</u> 100.000000 %	12.500000 % 84.500000 % <u>3.000000 %</u> 100.000000 %	 <u>6.272997 %</u>
<i>Total</i>						
<u>Tract 5</u>						
SF-078496	<u>T-28-N-R-7-W</u> Section 27: SE/4, E/2 NE/4	240.00	Royalty: Working Interest: XTO Energy ConocoPhillips Company ORRI:	12.500000 % 63.375000 % 21.125000 % <u>3.000000 %</u> 100.000000 %	12.500000 % 63.375000 % 21.125000 % <u>3.000000 %</u> 100.000000 %	 <u>4.704748 %</u>
<i>Total</i>						
<u>Tract 7</u>						
SF-078497	<u>T-28-N-R-7-W</u> Section 29: W/2	320.00	Royalty: Working Interest: ConocoPhillips Company	12.500000 % 84.500000 % <u>3.000000 %</u> 100.000000 %	12.500000 % 84.500000 % <u>3.000000 %</u> 100.000000 %	 <u>6.272997 %</u>
<i>Total</i>						

Schedule VII

Sixth Expanded Participating Area for the Fruitland Coal Formation San Juan 28-7 Unit Area, Effective June 1, 1998.

ConocoPhillips Company
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership	Drilling Block		Percentage Committed	Present Actual Participation
					Percentage		
<u>Tract 8</u>							
SF-078497-A	<u>T-28-N, R-7-W</u> Section 20: W/2	320.00	Royalty: Working Interest: Burlington Resources		12.500000 %	12.500000 %	<u>6.272997 %</u> W/2 Sec 20, T28N-R7W added as Intervening Drill Block
					83.500000 %	83.500000 %	
					4.000000 %	4.000000 %	
				<i>Total</i>	<u>100.000000 %</u>	<u>100.000000 %</u>	
<u>Tract 9</u>							
SF 078498	<u>T-28-N, R-7-W</u> Section 27: W/2 NE/4, W/2	400.00	Royalty: Working Interest: XTO Energy ConocoPhillips Company ORRI:		12.500000 %	12.500000 %	<u>7.841246 %</u>
					63.375000 %	63.375000 %	
					21.125000 %	21.125000 %	
					3.000000 %	3.000000 %	
				<i>Total</i>	<u>100.000000 %</u>	<u>100.000000 %</u>	
<u>Tract 10</u>							
SF 078500-A	<u>T-28-N, R-7-W</u> Section 31: Lots 1,2,3,4,5, E/2 NW/4, NE/4 SW/4 Section 30: W/2 NE/4, NE/4 NE/4, S/2 SE/4	501.23	Royalty: Working Interest: XTO Energy ConocoPhillips Company ORRI:		12.500000 %	12.500000 %	<u>9.825669 %</u> *Conoco went non-consent on recompletion of San Juan 28-7 # 249 IFT/E/2 Sec. 30 T28N-R7W subject to 300% penalty.
					63.375000 %	63.375000 %	
					21.125000 %	21.125000 %	
					3.000000 %	3.000000 %	
				<i>Total</i>	<u>100.000000 %</u>	<u>100.000000 %</u>	

**Sixth Expanded Participating Area for the Fruitland Coal Formation
San Juan 28-7 Unit Area, Effective June 1, 1998.**

Unit Area Expansion Schedule - San Juan Basin

01/13/2003

Schedule VII

Sixth Expanded Participating Area for the Fruitland Coal Formation San Juan 28-7 Unit Area, Effective June 1, 1998.

ConocoPhillips Company
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
<u>Tract 24</u>						
SF 079290-A	<u>T-28-N, R-7-W</u> Section 23: E/2	320.00	Royalty: Working Interest: Burlington Resources Oil and Gas Company XTO Energy ORRI:	12.500000 % 52.500000 % 35.000000 % 0.000000 % <u>100.000000 %</u>	12.500000 % 52.500000 % 35.000000 % 0.000000 % <u>100.000000 %</u>	 <u>6.272997 %</u>
<u>Tract 24-A</u>						
SF 079290-A	<u>T-28-N, R-7-W</u> Section 13: W/2	320.00	Royalty: Working Interest: Burlington Resources Oil and Gas Company ORRI:	12.500000 % 87.500000 % 0.000000 % <u>100.000000 %</u>	12.500000 % 87.500000 % 0.000000 % <u>100.000000 %</u>	 <u>6.272997 %</u>
<u>Tract 36-A</u>						
Fee	<u>T-28-N, R-7-W</u> Section 30: SE/4 NE/4, N/2 SE/4	120.00	Royalty: Working Interest: XTO Energy ConocoPhillips Company ORRI:	12.500000 % 65.625000 % 21.875000 % 0.000000 % <u>100.000000 %</u>	12.500000 % 65.625000 % 21.875000 % 0.000000 % <u>100.000000 %</u>	 <u>2.352374 %</u> *Conoco went non-consent on recompletion of San Juan 28-7 # 249 IFT/E/2 Sec. 30 T28N-R7W subject to 300% penalty.

Schedule VII

Sixth Expanded Participating Area for the Fruitland Coal Formation San Juan 28-7 Unit Area, Effective June 1, 1998.

ConocoPhillips Company
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

Township 28 North, Range 7 West, N.M.P.M.

Section 13: W/2
Section 14: All
Section 15: E/2
Section 17: W/2
Section 18: E/2
Section 20: W/2
Section 22: E/2
Section 23: All
Section 24: W/2
Section 27: All
Section 29: W/2
Section 30: E/2
Section 31: Lots 1,2,3,4,5, E/2 NW/4, NE/4 SW/4 (W/2)

Total number of acres in participating area:

5,101.23

Percent of basic royalty interest committed:

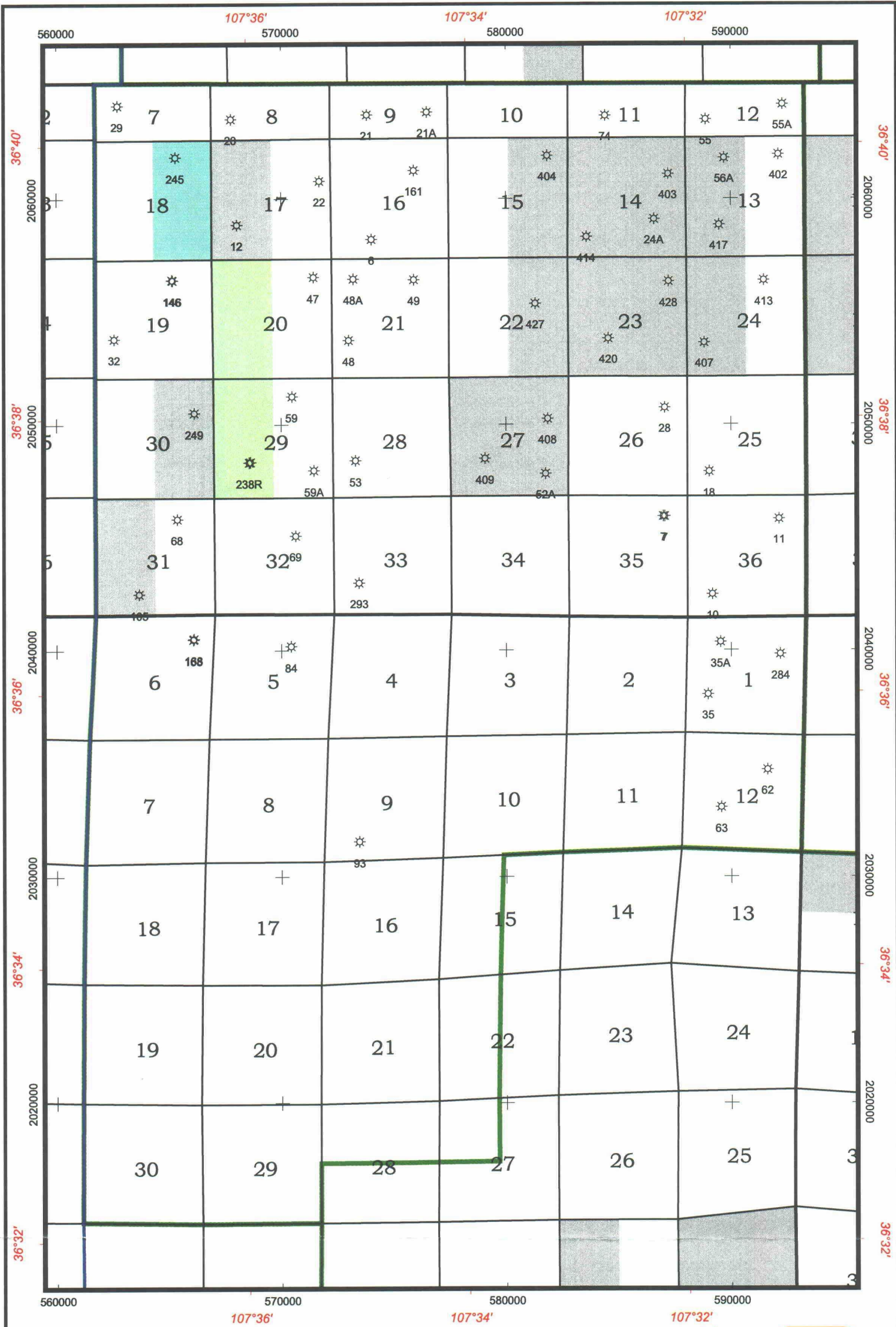
100.00 %

Percent of working interest committed:

100.00 %

Percent of overriding royalty interest committed:

100.00 %



- ☆ Fruitland Wells
- SJ Federal Unit Boundary
- 4th Expansion Effective 2-1-95
- Proposed 5th Expansion Effective 4-1-98
- Proposed 6th Expansion Effective 6-1-98



ConocoPhillips 

28-7 Federal Unit
Fruitland Coal Formation
San Juan Basin, N. M.

Author: <i>Angela Whitfield</i>	Date: 1-15-03
Compiled by:	Map of
MD File:	



Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, WL-3066
Houston, Texas 77079
Tel: 832-486-2338
Fax: 832-486-2728

October 30, 2002

Bureau of Land Management
Farmington Resource Area
Attn: Geneva McDougal
1235 LaPlata Highway
Farmington, New Mexico 87401

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

✓ State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

Re: San Juan 28-7 Unit, # 14-08-001-459
Rio Arriba County, New Mexico
Fruitland Coal Participating Area
Fifth Expansion: Effective 4-1-98
Sixth Expansion: Effective 6-1-98

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, approved January 29, 1953, Conoco Inc., as Unit Operator, has determined that the following wells are capable of producing unitized substances in paying quantities from the Fruitland Coal formation and should therefore be admitted to the Fruitland Coal Participating Area. Pursuant to BLM letter dated October 11, 2002, attached is a list of wells that have been deemed commercial along with their respective tracts and completion dates.

The Expansion Schedules for the Fifth and Sixth Expansions are included herewith. The schedules describe the Participating Areas and show the percentage of unitized substances allocated to each Unit Tract.

Conoco Inc. respectfully requests your approval of the Fifth and Sixth Expansions at your earliest convenience. Should you have questions in this regard, please contact the undersigned at 832.486.2338.

Copies of this letter are being furnished to the Working Interest Owners on the attached list.

Respectfully submitted,

Tom Scarbrough, CPL

Enclosures

RECEIVED

NOV 04 2002

OIL CONSERVATION
DIVISION

San Juan 28-7 Unit
Working Interest Owners
Fruitland Coal Participating Area

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

XTO Energy Inc.
Attn: Land
810 Houston Street
Fort Worth, Texas 76102-6298

Conoco Inc.
Attn: Tom Scarbrough
600 N. Dairy Ashford, 3WL-3066
Houston, TX 77079



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

San Juan 28-7 Unit (Fruitland PA)
3162.7 (07100)

October 11, 2002

Conoco Inc.
P.O. Box 2197, WL 3046
Houston, Texas 77252

RE: San Juan 28-7 Unit
Commerciality Determinations
Fruitland Coal Formation
Rio Arriba County, New Mexico

Dear Mr. Tom Scarbrough:

In response to your letter dated August 1, 2002, the Farmington Field Office (FFO) 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 28-7 Unit #6	W/2 Sec.16,T28N,R7W	NMSF078417	4/5/01	Non-Commercial
San Juan 28-7 Unit #7	E/2 Sec.35,T28N,R7W	NMSF078496	7/7/99	Non-Commercial
San Juan 28-7 Unit #10	W/2 Sec.36,T28N,R7W	NMSF079294	11/19/99	Non-Commercial
San Juan 28-7 Unit #11	E/2 Sec.36,T28N,R7W	NMSF079294	6/22/01	Non-Commercial
San Juan 28-7 Unit #18	W/2 Sec.25,T28N,R7W	NMSF079294	6/26/01	Non-Commercial
San Juan 28-7 Unit #20	S/2 Sec.8,T28N,R7W	NMSF078417	7/12/01	Non-Commercial
San Juan 28-7 Unit #21	S/2 Sec.9,T28N,R7W	NMSF078497A	10/24/01	Non-Commercial
San Juan 28-7 Unit #22	E/2 Sec.17,T28N,R7W	NMSF078417	4/25/01	Non-Commercial
San Juan 28-7 Unit #28	E/2 Sec.26,T28N,R7W	NMSF079290	5/26/01	Non-Commercial
San Juan 28-7 Unit #29	S/2 Sec.7,T28N,R7W	NMSF078497	7/11/01	Non-Commercial
San Juan 28-7 Unit #32	W/2 Sec.19,T28N,R7W	NMSF078500A	4/23/01	Non-Commercial
San Juan 28-7 Unit #35	W/2 Sec.1,T27N,R7W	NMSF079321A	10/28/99	Non-Commercial
San Juan 28-7 Unit #47	E/2 Sec.20,T28N,R7W	NMSF078417	5/7/01	Non-Commercial
San Juan 28-7 Unit #48	W/2 Sec.21,T28N,R7W	NMSF078417	2/2/01	Non-Commercial
San Juan 28-7 Unit #49	E/2 Sec.21,T28N,R7W	NMSF078417	5/31/01	Non-Commercial
San Juan 28-7 Unit #53	W/2 Sec.28,T28N,R7W	NMSF078498	2/27/01	Non-Commercial

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 28-7 Unit #55	S/2 Sec.12,T28N,R7W	NMSF079289	11/29/00	Non-Commercial
San Juan 28-7 Unit #59	E/2 Sec.29,T28N,R7W	NMSF078498	8/16/01	Non-Commercial
San Juan 28-7 Unit #68	E/2 Sec.31,T28N,R7W	NMSF078500A	6/10/99	Non-Commercial
San Juan 28-7 Unit #69	E/2 Sec.32,T28N,R7W	NMSF078498	8/3/01	Non-Commercial
San Juan 28-7 Unit #84	E/2 Sec.5,T27N,R7W	NMSF078496	7/16/01	Non-Commercial
San Juan 28-7 Unit #146	E/2 Sec.19,T28N,R7W	NMSF078497	3/16/99	Non-Commercial
San Juan 28-7 Unit #161	E/2 Sec.16,T28N,R7W	NMSF078497	5/22/98	Non-Commercial
San Juan 28-7 Unit #168	E/2 Sec.6,T27N,R7W	NMSF078835A	4/20/98	Non-Commercial
San Juan 28-7 Unit #238R	W/2 Sec.29,T28N,R7W	NMSF078497	3/11/98 ⁵⁴	Commercial
San Juan 28-7 Unit #245	E/2 Sec.18,T28N,R7W	NMSF078417	5/20/98	Commercial
San Juan 28-7 Unit #284	E/2 Sec.1,T27N,R7W	NMSF079321A	11/28/01	Non-Commercial
San Juan 28-7 Unit #293	W/2 Sec.33,T28N,R7W	NMSF078498	12/19/01	Non-Commercial

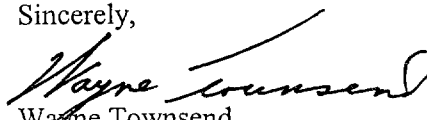
After completing our economic evaluations, we are in concurrence with the above determinations.

The wells that were determined to be commercial in the Fruitland Coal formation are to be included in the Fruitland participating area. It is required that revisions be submitted to include these wells in the San Juan 28-7 Unit Fruitland Participating Area. The wells that were determined to be non-commercial are to be reported under their lease number or communization agreement number.

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

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

Sincerely,


Wayne Townsend
Petroleum Engineer
Petroleum Management Team

**San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
Fruitland Coal Participating Area**

**Fifth Expansion to the Participating Area – Effective 4/1/98
Total P/A Acres = 4,461.23**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #238R W/2 29-28N-7W 320.00 acres	7	W/2	320.00	3/11/98

**Sixth Expansion to the Participating Area – Effective 6/1/98
Total P/A Acres = 4,781.23**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #245 E/2 18-28N-7W 320.00 acres	3A	E/2	320.00	5/20/98

Schedule VI

Fifth Expanded Participating Area for the Fruitland Coal Formation
San Juan 28-7 Unit Area, Effective April 1, 1998.

Conoco Inc.
Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF-078417	<u>T-28N-R7W</u> Section 17: W/2	320.00	Royalty: Working Interest: XTO Energy Conoco Inc. ORRI:	12.500000 % 63.375000 % 21.125000 3.000000 % 100.000000 %	12.500000 % 63.375000 % 21.125000 3.000000 % 100.000000 %	<u>7.172910 %</u>
<u>Tract 3</u>						
SF-078496	<u>T-28-N, R-7-W</u> Section 27: SE/4, E/2 NE/4	240.00	Royalty: Working Interest: XTO Energy Conoco Inc. ORRI:	12.500000 % 63.375000 % 21.125000 3.000000 % 100.000000 %	12.500000 % 63.375000 % 21.125000 3.000000 % 100.000000 %	<u>5.379682 %</u>
<u>Tract 5</u>						
SF-078497	<u>T-28-N, R-7-W</u> Section 29: W/2	320.00	Royalty: Working Interest: Conoco Inc.	12.500000 % 84.500000 % 3.000000 % 100.000000 %	12.500000 % 84.500000 % 3.000000 % 100.000000 %	<u>7.172910 %</u>
<u>Tract 7</u>						
SF 078498	<u>T-28-N, R-7-W</u> Section 27: W/2 NE/4, W/2	400.00	Royalty: Working Interest: XTO Energy Conoco Inc. ORRI:	12.500000 % 63.375000 % 21.125000 3.000000 % 100.000000 %	12.500000 % 63.375000 % 21.125000 3.000000 % 100.000000 %	<u>8.966137 %</u>
<u>Tract 9</u>						
<u>Total</u>						

Schedule VI

Fifth Expanded Participating Area for the Fruitland Coal Formation San Juan 28-7 Unit Area, Effective April 1, 1998.

Conoco Inc.

Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage Committed	

SF 078500-A	<u>T-28-N, R-7-W</u>	501.23	Royalty:		
	Section 31: Lots 1,2,3,4,5,		Working Interest:		
	E/2 NW/4, NE/4 SW/4		XTO Energy		
	Section 30: W/2 NE/4,		Conoco Inc.		
	NE/4 NE/4, S/2 SE/4		ORRI:		
<u>Tract 10</u>					11.235242 %
		12.500000 %		12.500000 %	
		63.375000 %		63.375000 %	
		21.125000 %		21.125000 %	
		3.000000 %		3.000000 %	
		<u>100.000000 %</u>		<u>100.000000 %</u>	
Total					
					*Conoco went non-consent on recompletion of San Juan 28-7 # 249 IFT/E/2 Sec. 30 T28N-R7W subject to 300% penalty.

SF 079289	<u>T-28-N, R-7-W</u>	640.00	Royalty:		
	Section 14: E/2		Working Interest:		
	Section 15: E/2		XTO Energy		
			Conoco Inc.		
			ORRI:		
<u>Tract 21</u>					14.345819 %
		12.500000 %		12.500000 %	
		52.125000 %		52.125000 %	
		17.375000 %		17.375000 %	
		18.000000 %		18.000000 %	
		<u>100.000000 %</u>		<u>100.000000 %</u>	
Total					

SF 079289-A	<u>T-28-N, R-7-W</u>	640.00	Royalty:		
	Section 14: W/2		Working Interest:		
	Section 22: E/2		Burlington Resources Oil and Gas Company		
			XTO Energy		
			ORRI:		
<u>Tract 22</u>					14.345819 %
		12.500000 %		12.500000 %	
		52.500000 %		52.500000 %	
		35.000000 %		35.000000 %	
		0.000000 %		0.000000 %	
		<u>100.000000 %</u>		<u>100.000000 %</u>	
Total					

SF 079290	<u>T-28-N, R-7-W</u>	640.00	Royalty:		
	Section 24: W/2		Working Interest:		
	Section 23: W/2		XTO Energy		
			Conoco Inc.		
			ORRI:		
<u>Tract 23</u>					14.345819 %
		12.500000 %		12.500000 %	
		52.125000 %		52.125000 %	
		17.375000 %		17.375000 %	
		18.000000 %		18.000000 %	
		<u>100.000000 %</u>		<u>100.000000 %</u>	
Total					

Schedule VI

**Fifth Expanded Participating Area for the Fruitland Coal Formation
San Juan 28-7 Unit Area, Effective April 1, 1998.**

Conoco Inc.
Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079290-A	<u>T-28-N, R-7-W</u> Section 23: E/2	320.00	Royalty: Working Interest: Burlington Resources Oil and Gas Company XTO Energy ORRI:	<u>Tract 24</u> 12.500000 % 52.500000 % 35.000000 % 0.000000 % <u>100.000000 %</u>	12.500000 % 52.500000 % 35.000000 % 0.000000 % <u>100.000000 %</u>	<u>7.172910 %</u>
SF 079290-A	<u>T-28-N, R-7-W</u> Section 13: W/2	320.00	Royalty: Working Interest: Burlington Resources Oil and Gas Company ORRI:	<u>Tract 24-A</u> 12.500000 % 87.500000 % 0.000000 % <u>100.000000 %</u>	12.500000 % 87.500000 % 0.000000 % <u>100.000000 %</u>	<u>7.172910 %</u>
Fee	<u>T-28-N, R-7-W</u> Section 30: SE/4 NE/4, N/2 SE/4	120.00	Royalty: Working Interest: XTO Energy Conoco Inc. ORRI:	<u>Tract 36-A</u> 12.500000 % 65.625000 % 21.875000 % 0.000000 % <u>100.000000 %</u>	12.500000 % 65.625000 % 21.875000 % 0.000000 % <u>100.000000 %</u>	<u>2.689841 %</u> *Conoco went non-consent on recompletion of San Juan 28-7 # 249 IFT/E/2 Sec. 30 T28N-R7W subject to 300% penalty.

Schedule VI

Fifth Expanded Participating Area for the Fruitland Coal Formation
San Juan 28-7 Unit Area, Effective April 1, 1998.

Conoco Inc.
Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

Township 28 North, Range 7 West, N.M.P.M.
Section 13: W/2
Section 14: All
Section 15: E/2
Section 17: W/2
Section 22: E/2
Section 23: All
Section 24: W/2
Section 27: All
Section 29: W/2
Section 30: E/2
Section 31: Lots 1,2,3,4,5, E/2 NW/4, NE/4 SW/4 (W/2)

Total number of acres in participating area: 4,461.23

Percent of basic royalty interest committed: 100.00 %

Percent of working interest committed: 100.00 %

Percent of overriding royalty interest committed: 100.00 %

Schedule VII

Sixth Expanded Participating Area for the Fruitland Coal Formation
San Juan 28-7 Unit Area, Effective June 1, 1998.

Conoco Inc.
Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF-078417	<u>T-28-N-R7W</u> Section 17: W/2	320.00	Royalty:		<u>6.692838</u> %
			Working Interest:		
			XTO Energy	12.500000 %	
			Conoco Inc.	63.375000 %	
			ORRI:	21.125000 %	
				3.000000 %	
				100.000000 %	
SF-078417	<u>T-28-N-R7-W</u> Section 18: E/2	320.00	Royalty:		<u>6.692838</u> %
			Working Interest:		
			XTO Energy	12.500000 %	
			Conoco Inc.	84.500000 %	
			ORRI:	3.000000 %	
				3.000000 %	
				100.000000 %	
SF-078496	<u>T-28-N-R7-W</u> Section 27: SE/4, E/2 NE/4	240.00	Royalty:		<u>5.019629</u> %
			Working Interest:		
			XTO Energy	12.500000 %	
			Conoco Inc.	63.375000 %	
			ORRI:	21.125000 %	
				3.000000 %	
				3.000000 %	
				100.000000 %	
SF-078497	<u>T-28-N-R7-W</u> Section 29: W/2	320.00	Royalty:		<u>6.692838</u> %
			Working Interest:		
			XTO Energy	12.500000 %	
			Conoco Inc.	84.500000 %	
			ORRI:	3.000000 %	
				3.000000 %	
				100.000000 %	

Schedule VII

Sixth Expanded Participating Area for the Fruitland Coal Formation
San Juan 28-7 Unit Area, Effective June 1, 1998.

Conoco Inc.
Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation	
			Ownership	Percentage Committed		
SF 078498	<u>T-28-N, R-7-W</u> Section 27: W/2 NE/4, W/2	400.00	Royalty: Working Interest: XTO Energy Conoco Inc. ORRI:	<u>Tract 9</u> 12.500000 % 63.375000 % 21.125000 % 3.000000 % <u>100.000000 %</u>	8.366048 %	
	Total					
	SF 078500-A	<u>T-28-N, R-7-W</u> Section 31: Lots 1,2,3,4,5, E/2 NW/4, NE/4 SW/4 Section 30: W/2 NE/4, NE/4 NE/4, S/2 SE/4	501.23	Royalty: Working Interest: XTO Energy Conoco Inc. ORRI:	<u>Tract 10</u> 12.500000 % 63.375000 % 21.125000 % 3.000000 % <u>100.000000 %</u>	10.483286 %
		Total				
		SF 079289	<u>T-28-N, R-7-W</u> Section 14: E/2 Section 15: E/2	640.00	Royalty: Working Interest: XTO Energy Conoco Inc. ORRI:	<u>Tract 21</u> 12.500000 % 52.125000 % 17.375000 % 18.000000 % <u>100.000000 %</u>
Total						
SF 079289-A	<u>T-28-N, R-7-W</u> Section 14: W/2 Section 22: E/2		640.00	Royalty: Working Interest: Burlington Resources Oil and Gas Company XTO Energy ORRI:	<u>Tract 22</u> 12.500000 % 52.500000 % 35.000000 % 0.000000 % <u>100.000000 %</u>	13.385677 %
	Total					

Schedule VII

Sixth Expanded Participating Area for the Fruitland Coal Formation San Juan 28-7 Unit Area, Effective June 1, 1998.

Conoco Inc.

Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
				Committed	
Tract 23					
SF 079290	<u>T-28-N, R-7-W</u> Section 24: W/2 Section 23: W/2	640.00	Royalty: Working Interest: XTO Energy Conoco Inc. ORRI:	12.500000 % 52.125000 % 17.375000 % 18.000000 % <u>100.000000 %</u>	<u>13.385677 %</u>
Tract 24					
SF 079290-A	<u>T-28-N, R-7-W</u> Section 23: E/2	320.00	Royalty: Working Interest: Burlington Resources Oil and Gas Company XTO Energy ORRI:	12.500000 % 52.500000 % 35.000000 % 0.000000 % <u>100.000000 %</u>	<u>6.692838 %</u>
Tract 24-A					
SF 079290-A	<u>T-28-N, R-7-W</u> Section 13: W/2	320.00	Royalty: Working Interest: Burlington Resources Oil and Gas Company ORRI:	12.500000 % 87.500000 % 0.000000 % <u>100.000000 %</u>	<u>6.692838 %</u>
Tract 36-A					
Fee	<u>T-28-N, R-7-W</u> Section 30: SE/4 NE/4, N/2 SE/4	120.00	Royalty: Working Interest: XTO Energy Conoco Inc. ORRI:	12.500000 % 65.625000 % 21.875000 % 0.000000 % <u>100.000000 %</u>	<u>2.509814 %</u> *Conoco went non-consent on recompletion of San Juan 28-7 # 249 IF/T/E/2 Sec. 30 T28N-R7W subject to 300% penalty.

Schedule VII

Sixth Expanded Participating Area for the Fruitland Coal Formation
San Juan 28-7 Unit Area, Effective June 1, 1998.

Conoco Inc.

Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

Township 28 North, Range 7 West, N.M.P.M.
Section 13: W/2
Section 14: All
Section 15: E/2
Section 17: W/2
Section 18: E/2
Section 22: E/2
Section 23: All
Section 24: W/2
Section 27: All
Section 29: W/2
Section 30: E/2
Section 31: Lots 1,2,3,4,5, E/2 NW/4, NE/4 SW/4 (W/2)

Total number of acres in participating area:

4,781.23

Percent of basic royalty interest committed:

100.00 %

Percent of working interest committed:

100.00 %

Percent of overriding royalty interest committed:

100.00 %



Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, WL-3066
Houston, Texas 77079
Tel: 832-486-2338
Fax: 832-486-2728

RECEIVED

October 25, 2002

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

NOV 01 2002

OIL CONSERVATION
DIVISION

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

✓ Oil Conservation Division
State of New Mexico
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505-4000

RE: San Juan 28-7 Unit; N. 14-08-001-459
Rio Arriba County, New Mexico
Second Amendment - 2002 Plan of Development

Gentlemen:

By letters dated April 11, 2002 and August 28, 2002, Conoco Inc., as Unit Operator for the referenced Unit, filed the original and First Amendment to the Plan of Development (POD) for the calendar year 2002. Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, Conoco now desires to amend the 2002 Plan of Development as follows:

Amend by addition, the following re-completions:

24A	E/2	14	28N-7W	Fruitland Coal/Pictured Cliffs
56A	W/2	13	28N-7W	Fruitland Coal/Pictured Cliffs
59A	E/2	29	28N-7W	Fruitland Coal/Pictured Cliffs
74A	E/2	11	28N-7W	Fruitland Coal/Pictured Cliffs
98	E/2	29	27N-7W	Chacra
99	W/2	29	27N-7W	Chacra

Amend by addition, the following new drills:

183G	E/2	1	27N-7W	MesaVerde/Dakota
258F	W/2	23	28N-7W	MesaVerde/Dakota

The above referenced projects are scheduled to be completed in 2002.

October 25, 2002

Your approval of this amendment would be appreciated by executing a copy of this letter and returning to the undersigned.

Should you have any questions regarding this proposal, please contact me at 832-486-2338.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Sincerely,



Tom Scarbrough, CPL

Encl.

Bureau of Land Management

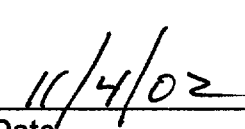
Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division



Date

The foregoing approvals are for the Second Amendment to the 2002 Plan of Development for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

San Juan 28-7 Unit Working Interest Owners

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

Four Star Oil and Gas Company
Attn: NOJV Manager
P.O. Box 36366
Houston, Texas 77236

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75080-2038

The Wiser Oil Company
8115 Preston Road, #400
Dallas, TX 75225-6311

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Mary F. Turner Trust _ 6743
Texas Commerce Trust Co., NA
P.O. Box 200890
Houston, TX 77216-0890

Kathleen McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Michael S. McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Dawn J. Turnbull
6553 Lafayette Way
Dallas, TX 75230-1979

Elizabeth J. Turner-Calloway
4801 Saint Johns Drive
Dallas, TX 75205-3143

J. Glenn Turner, Jr.
3838 Oak Lawn
Suite 1600
Dallas, TX 75219-5441

John L. Turner
Turner Investments
PMB 285
317 Sidney Baker South #400
Kerrville, TX 78028

Cindy M. Hartner
2222 Flat Creek
Richardson, TX 75080-2332

Denise Turnbull Williams
6553 Lafayette Way
Dallas, TX 75230-1979

Derrick Turnbull
6553 Lafayette Way
Dallas, TX 75230-1979

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash Ave.
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
6704 Ashbrook Dr.
Fort Worth, TX 76132-1140

XTO Energy Inc.
Attn: Win Ryan
810 Houston Street, Suite 2000
Fort Worth, Texas 76102-6298

Conoco Inc.
Attn: Tom Scarbrough
600 N. Dairy Ashford, 3WL-3066
Houston, TX 77079

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245

Fax (505) 827-5766



**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES

Phone (505) 827-5724

Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744

Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772

Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

July 23, 2002

Conoco, Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079

Attention: Mr. Tom Scarbrough

Re: San Juan 28-7 Unit
Commercial Determinations
Pictured Cliffs Formation

Dear Mr. Scarbrough:

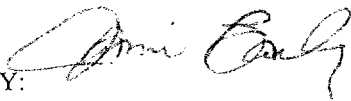
We are in receipt of your letter of April 19, 2002 and the BLM's letter of June 7, 2002 regarding the commercial determinations for various San Juan 28-7 Unit Wells completed in the Pictured Cliffs formation.

We concur with the BLM that that the San Juan Unit Well Nos. 7, 10, 58A, 276, 278, 48, 53, 6, 22, 47, 28, 18, 69 and 59 are commercial wells in the Pictured Cliffs Formation and should be included in the Pictured Cliffs participating area. We also concur that the San Juan 28-7 Unit Well Nos. 161, 68, 35, 55, 19, 49, and 11 are non-commercial Pictured Cliffs wells and should be produced on a lease basis.

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

Very truly yours,

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

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

pc: Reader File,
BLM-Farmington Attn: Mr. Duane Spencer
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245

Fax (505) 827-5766

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES

Phone (505) 827-5724

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Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772

Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

September 27, 2002

Conoco Inc.
600 N. Dairy Ashford
Dubai 3042
Houston, Texas 77079

Attn: Mr. Thomas J. Scarbrough

Re: 2002 Plan of Development
1st Amendment
San Juan 28-7 Unit
Rio Arriba County, New Mexico

Dear Mr. Scarbrough:

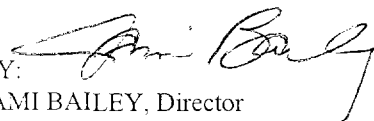
The Commissioner of Public Lands has, of this date, approved the above-captioned amended Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

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

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

Very truly yours,

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

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

xc: Reader File

OCD

BLM



Thomas J. Scarbrough
Staff Landman
Lobc/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079
281-293-5568

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

August 28, 2002

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division
State of New Mexico
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505-4000

**RE: San Juan 28-7 Unit; N. 14-08-001-459
Rio Arriba County, New Mexico
First Amendment - 2002 Plan of Development**

Gentlemen:

By letter dated April 11, 2002, Conoco Inc., as Unit Operator for the referenced Unit, filed the original Plan of Development (POD) for the calendar year 2002. Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, Conoco now desires to amend the 2002 Plan of Development as follows:

Amend by addition, the following new drills:

124F	W/2	11	27N-7W	Mesaverde/Dakota
125F	W/2	12	27N-7W	Mesaverde/Dakota
157G	E/2	11	27N-7W	Mesaverde/Dakota
182G	E/2	3	27N-7W	Mesaverde/Dakota
183F	E/2	1	27N-7W	Mesaverde/Dakota
184F	W/2	9	27N-7W	Mesaverde/Dakota
188F	W/2	26	28N-7W	Mesaverde/Dakota
190G	E/2	27	28N-7W	Mesaverde/Dakota
191G	E/2	33	28N-7W	Mesaverde/Dakota
192F	W/2	33	28N-7W	Mesaverde/Dakota
193F	W/2	28	28N-7W	Mesaverde/Dakota
215F	W/2	4	27N-7W	Mesaverde/Dakota
221F	E/2	25	28N-7W	Mesaverde/Dakota
223F	W/2	26	28N-7W	Mesaverde/Dakota
224F	E/2	28	28N-7W	Mesaverde/Dakota
224G	E/2	28	28N-7W	Mesaverde/Dakota
226F	W/2	36	28N-7W	Mesaverde/Dakota
227F	E/2	36	28N-7W	Mesaverde/Dakota
228G	W/2	8	27N-7W	Mesaverde/Dakota
236G	E/2	6	27N-7W	Mesaverde/Dakota
239M	W/2	17	28N-7W	Mesaverde/Dakota
247F	S/2	11	28N-7W	Mesaverde/Dakota
257F	E/2	19	28N-7W	Mesaverde/Dakota
259G	W/2	24	28N-7W	Mesaverde/Dakota

The above referenced new drills are scheduled to be drilled in late 2002 and in the first half of 2003. This Amendment to the 2002 POD is made in order to secure APD approval of these projects prior to the formal filing of the 2003 Plan of Development.

Your approval of this amendment would be appreciated by executing a copy of this letter and returning to the undersigned.

Should you have any questions regarding this proposal, please contact me at 281-293-5568.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Sincerely,



Tom Scarbrough, CPL

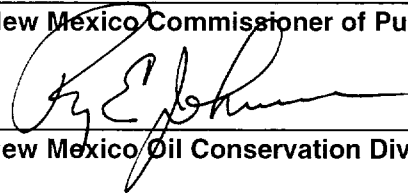
Encl.

Bureau of Land Management

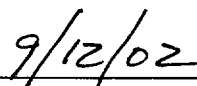
Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division



Date

The foregoing approvals are for the First Amendment to the 2002 Plan of Development for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

San Juan 28-7 Unit Working Interest Owners

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

Four Star Oil and Gas Company
Attn: NOJV Manager
P.O. Box 36366
Houston, Texas 77236

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75080-2038

The Wiser Oil Company
8115 Preston Road, #400
Dallas, TX 75225-6311

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Mary F. Turner Trust _ 6743
Texas Commerce Trust Co., NA
P.O. Box 200890
Houston, TX 77216-0890

Kathleen McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Michael S. McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Dawn J. Turnbull
6553 Lafayette Way
Dallas, TX 75230-1979

Elizabeth J. Turner-Calloway
4801 Saint Johns Drive
Dallas, TX 75205-3143

J. Glenn Turner, Jr.
3838 Oak Lawn
Suite 1600
Dallas, TX 75219-5441

John L. Turner
Turner Investments
PMB 285
317 Sidney Baker South #400
Kerrville, TX 78028

Cindy M. Hartner
2222 Flat Creek
Richardson, TX 75080-2332

Denise Turnbull Williams
6553 Lafayette Way
Dallas, TX 75230-1979

Derrick Turnbull
6553 Lafayette Way
Dallas, TX 75230-1979

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash Ave.
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
6704 Ashbrook Dr.
Fort Worth, TX 76132-1140

Conoco Inc.
Attn: Tom Scarbrough
600 Dairy Ashford
Houston, TX 77079



Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079
Tel: 281-293-5568
Fax: 281-293-1102

August 27, 2002

Bureau of Land Management
Farmington Resource Area
Attn: Geneva McDougal
1235 LaPlata Highway
Farmington, New Mexico 87401

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

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

Re: San Juan 28-7 Unit, # 14-08-001-459
Rio Arriba County, New Mexico
Pictured Cliffs Participating Area
Forty-Second Expansion: Effective 11/1/01
Forty-Third Expansion: Effective 12/1/01

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, approved January 29, 1953, Conoco Inc., as Unit Operator, had determined that the following wells are capable of producing unitized substances in paying quantities from the Pictured Cliffs formation and should therefore be admitted to the Pictured Cliffs Participating Area. Pursuant to BLM letter dated August 20, 2002, attached is a list of wells that have been deemed commercial along with their respective tracts and completion dates.

The Expansion Schedules for the Forty-Second and Forty-Third Expansions are included herewith. The schedules describe the Participating Areas and show the percentage of unitized substances allocated to each Unit Tract.

Conoco Inc. respectfully requests your approval of the Forty-Second and Forty-Third Expansions at your earliest convenience. Should you have questions in this regard, please contact the undersigned at 281.293.5568.

Copies of this letter are being furnished to the Working Interest Owners on the attached list.

Respectfully submitted,

Tom Scarbrough, CPL

Encl.

San Juan 28-7 Unit
Working Interest Owners
Pictured Cliffs Formation

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75060-2038

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
6704 Ashbrook Dr.
Fort Worth, TX 76132-1140

Conoco Inc.
Attn: Tom Scarbrough
600 Dairy Ashford
Houston, TX 77079

**San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
Pictured Cliffs Participating Area**

**Forty-Second Expansion to the Participating Area – Effective 11/1/01
Total P/A Acres = 25,076.04**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #57 E/2 30-28N-7W 320.00 acres	10	W/2 NE/4, NE/4 NE/4, S/2 SE/4	320.00	10/02/01
	36A	SE/4 NE/4, N/2 SE/4		

**Forty-Third Expansion to the Participating Area – Effective 12/1/01
Total P/A Acres = 25,395.44**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #284 E/2 1-27N-7W 319.40 acres	27	E/2	319.40	11/28/01



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

San Juan 28-7 Unit (Pictured Cliffs PA)
3162.7 (07100)

August 20, 2002

Conoco Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079

RE: San Juan 28-7 Unit
Commerciality Determinations
Pictured Cliffs Formation
Rio Arriba, New Mexico

Dear Mr. Tom Scarbrough:

In response to your letter dated July 22, 2002, the Farmington Field Office (FFO) has reviewed the data you submitted for a commerciality determination for the following wells completed in the Pictured Cliffs formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 28-7 Unit #57	E/2 Sec.30,T28N,R7W	NMSF078500A	10/2/01	Commercial
San Juan 28-7 Unit #284	E/2 Sec. 1,T27N,R7W	NMSF079321A	11/28/01	Commercial

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

The wells were determined to be commercial in the Pictured Cliffs formation and are to be included in the Pictured Cliffs participating area. It is required that revisions be submitted to include these wells in the San Juan 28-7 Unit Pictured Cliffs 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, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

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

Sincerely,

Wayne Townsend
Petroleum Engineer
Petroleum Management Team

Schedule XLIII

Forty-Second Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective November 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NM 03521	T-27-N, R-7-W	280.00	Royalty:		<u>Tract 1</u>
	Section 20: SW 1/4, S 1/2 NW 1/4, NE 1/4 NW 1/4		Working Interest:		
			Conoco Inc.	63.625000%	
			ORRI:	23.875000%	
			Total	100.000000%	1.116604%
NM 03560	T-27-N, R-7-W	1,281.44	Royalty:		<u>Tract 2</u>
	Section 29: All		Working Interest:		
	Section 30: Lots 1-4, E 1/2 W 1/2, E 1/2 (All)		Conoco Inc.	63.625000%	
			ORRI:	23.875000%	
			Total	100.000000%	5.110217%
SF 078417	T-28-N, R-7-W	1,720.00	Royalty:		<u>Tract 3</u>
	Section 7: S 1/2 SE 1/4, SE 1/4 SW 1/4		Working Interest:		
	Section 8: S 1/2 SW 1/4		Conoco Inc.	12.500000%	
	Section 16: SW 1/4		ORRI:	84.500000%	
	Section 17: All			3.000000%	
	Section 18: E 1/2		Total	100.000000%	
	Section 20: NE 1/4			100.000000%	
	Section 21: NW 1/4, N 1/2 SW 1/4			100.000000%	
					6.859137%
SF 078417-A	T-28-N, R-7-W	320.00	Royalty:		<u>Tract 4</u>
	Section 18: E 1/2 NW 1/4		Working Interest:		
	Section 22: S 1/2 NW 1/4, SW 1/4		Burlington Resources	12.500000%	
			ORRI:	83.500000%	
			Total	4.000000%	1.276119%
				100.000000%	

Schedule XLIII

Forty-Second Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective November 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078496	T-27-N, R-7-W Section 3: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$ Section 5: Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ T-28-N, R-7-W Section 27: SE $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$ Section 34: Lots 3, 4, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ Section 35: Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$ N $\frac{1}{2}$ (All)	1,689.94	Royalty: Working Interest: Conoco Inc. ORRI:	12.5000000% 84.5000000% 3.0000000% 100.0000000%	6.739262%
			<u>Tract 5</u>		
			Total		
SF 078496-A	T-27-N, R-7-W Section 4: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$ T-28-N, R-7-W Section 34: Lots 1, 2, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$	641.83	Royalty: Working Interest: Burlington Resources ORRI:	12.5000000% 83.5000000% 4.0000000% 100.0000000%	2.559535%
			<u>Tract 6</u>		
			Total		
SF 078497	T-28-N, R-7-W Section 7: Lots 1-5 Section 8: Lots 1-4, S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 16: N $\frac{1}{2}$ SE $\frac{1}{4}$ Section 19: E $\frac{1}{2}$, Lot 1, E $\frac{1}{2}$ W $\frac{1}{2}$ Section 20: N $\frac{1}{2}$ SE $\frac{1}{4}$ Section 29: W $\frac{1}{2}$	1,479.56	Royalty: Working Interest: Conoco Inc. ORRI:	12.5000000% 84.5000000% 3.0000000% 100.0000000%	5.900294%
			<u>Tract 7</u>		
			Total		
SF 078497-A	T-28-N, R-7-W Section 9: Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All) Section 18: Lots 1-4, E $\frac{1}{2}$ SW $\frac{1}{4}$ Section 20: W $\frac{1}{2}$	844.40	Royalty: Working Interest: Burlington Resources ORRI:	12.5000000% 83.5000000% 4.0000000% 100.0000000%	3.367358%
			<u>Tract 8</u>		
			Total		

Schedule XLIII

Forty-Second Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective November 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078498	T-28-N, R-7-W Section 28: W $\frac{1}{2}$ Section 27: W $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ Section 29: E $\frac{1}{2}$ Section 32: Lots 1, 2, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ Section 33: Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)	1,988.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 84.5000000% 3.0000000% 100.0000000%	7.927887%
Tract 9					
Total				100.0000000%	
SF 078498-A	T-28-N, R-7-W Section 28: SE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$	200.00	Royalty: Working Interest: Burlington Resources ORRI:	12.5000000% 83.5000000% 4.0000000% 100.0000000%	0.797574%
Tract 9-A					
Total				100.0000000%	
SF 078500-A	T-28-N, R-7-W Section 19: Lots 2-4 Section 30: W $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 31: Lots 1-7, N $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	765.36	Royalty: Working Interest: Conoco Inc. ORRI:	12.5000000% 84.5000000% 3.0000000% 100.0000000%	3.052157%
Tract 10					
Total				100.0000000%	
SF 078500	T-28-N, R-7-W Section 30: Lots 1-3, E $\frac{1}{2}$ NW $\frac{1}{4}$	189.30	Royalty: Working Interest: Burlington Resources ORRI:	12.5000000% 83.5000000% 4.0000000% 100.0000000%	0.754904%
Tract 10-A					
Total				100.0000000%	

Schedule XLIII

Forty-Second Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective November 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078656	T-27-N, R-7-W Section 5: SE 1/4 Section 8: NW 1/4	320.00	Royalty:	12.500000%	1.276119%
			Working Interest:	69.500000%	
			Conoco Inc.	18.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
			Tract 11		
SF 078565-A	T-27-N, R-7-W Section 5: Lots 3, 4, S 1/2 NW 1/4, SW 1/4	320.52	Royalty:	12.500000%	1.278192%
			Working Interest:	86.500000%	
			Burlington Resources	1.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
			Tract 12		
SF 078569	T-27-N, R-7-W Section 8: SW 1/4, NE 1/4	320.00	Royalty:	12.500000%	1.276119%
			Working Interest:	82.500000%	
			Burlington Resources	5.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
			Tract 13		
SF 078570	T-27-N, R-7-W Section 4: S 1/2 Section 8: SE 1/4 Section 9: NW 1/4	640.00	Royalty:	12.500000%	2.552237%
			Working Interest:	80.500000%	
			Conoco Inc.	7.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
			Tract 14		

Schedule XLIII

Forty-Second Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective November 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation	
			Ownership	Percentage		
SF 078640	T-27-N, R-7-W	800.00	Royalty:		3.190296%	
	Section 9: SW 1/4		Working Interest:	12.500000%		12.500000%
	Section 15: W 1/2		Burlington Resources	82.500000%		82.500000%
	Section 17: E 1/2		ORRI:	5.000000%		5.000000%
			Total	100.000000%		100.000000%
<u>Tract 15</u>						
SF 078640	T-27-N, R-7-W	1,760.00	Royalty:		7.018652%	
	Section 20: E 1/2		Working Interest:	12.500000%		12.500000%
	Section 21: All		Burlington Resources	82.500000%		82.500000%
	Section 22: W 1/2		ORRI:	5.000000%		5.000000%
	Section 27: NW 1/4			100.000000%		100.000000%
Section 28: N 1/2	Total					
<u>Tract 15-A</u>						
SF 078835	T-27-N, R-7-W	640.20	Royalty:		2.553035%	
	Section 6: Lots 3-7, SE 1/4 NW 1/4, E 1/2 SW 1/4		Working Interest:	12.500000%		12.500000%
	Section 7: E 1/2		Burlington Resources	84.000000%		84.000000%
			ORRI:	3.500000%		3.500000%
			Total	100.000000%		100.000000%
<u>Tract 16</u>						
SF 078835-A	T-27-N, R-7-W	640.86	Royalty:		2.555667%	
	Section 6: Lots 1, 2, S 1/2 NE 1/4, SE 1/4		Working Interest:	12.500000%		12.500000%
	Section 7: Lots 1-4, E 1/2 W 1/2		Conoco Inc.	67.500000%		67.500000%
			ORRI:	20.000000%		20.000000%
			Total	100.000000%		100.000000%
<u>Tract 17</u>						

Schedule XLIII

Forty-Second Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective November 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078840	T-27-N, R-7-W Section 18: Lots 1-4, E½ W½	320.36	Royalty:		1.277554%
			Working Interest:		
			Conoco Inc.	67.500000%	
			ORRI:	20.000000%	
			Total	100.000000%	
<u>Tract 18</u>					
SF 078840	T-27-N, R-7-W Section 19: Lots 1-4, E½ W½, E½ (All)	641.15	Royalty:		2.556823%
			Working Interest:		
			Conoco Inc.	67.500000%	
			ORRI:	20.000000%	
			Total	100.000000%	
<u>Tract 18-A</u>					
SF 078972	T-27-N, R-7-W Section 3: S½ Section 10: All Section 11: All	1,600.00	Royalty:		6.380593%
			Working Interest:		
			Burlington Resources	49.500000%	
			Conoco Inc.	33.000000%	
			ORRI:	5.000000%	
Total	100.000000%				
<u>Tract 19</u>					
SF 078972-A	T-27-N, R-7-W Section 9: E½	320.00	Royalty:		1.276119%
			Working Interest:		
			Burlington Resources	66.667000%	
			W. G. Peavy Oil Company	6.666000%	
			Dugan Production Corp.	3.333500%	
Conoco Inc.	3.333500%				
ORRI:	7.500000%				
Total	100.000000%				
<u>Tract 20</u>					

Schedule XLIII

Forty-Second Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective November 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079289	T-28-N, R-7-W	696.08	Royalty:		
	Section 10: Lots 1-4, ½ S½ (All)		Working Interest:		
	Section 15: E½		Conoco Inc.		
	Section 22: N½ NW¼		ORRI:		
			Total		
				<u>12.500000%</u>	<u>12.500000%</u>
				<u>69.500000%</u>	<u>69.500000%</u>
				<u>18.000000%</u>	<u>18.000000%</u>
				<u>100.000000%</u>	<u>100.000000%</u>
					2.775877%
Tract 21					
SF 079289-A	T-28-N, R-7-W	932.80	Royalty:		
	Section 11: Lots 1-4, ½ S½ (All)		Working Interest:		
	Section 15: W½		Burlington Resources		
	Section 22: E½		D. J. Simmons Co. LP		
			Helen Louise Simmons		
			June Simmons Lively		
			Mary Jane Simmons Banks		
			Carolee Simmons Smith		
			ORRI:		
			Total		
				<u>12.500000%</u>	<u>12.500000%</u>
				<u>52.500000%</u>	<u>52.500000%</u>
				<u>26.250000%</u>	<u>26.250000%</u>
				<u>2.187500%</u>	<u>2.187500%</u>
				<u>2.187500%</u>	<u>2.187500%</u>
				<u>2.187500%</u>	<u>2.187500%</u>
				<u>2.187500%</u>	<u>2.187500%</u>
				<u>0.000000%</u>	<u>0.000000%</u>
				<u>100.000000%</u>	<u>100.000000%</u>
					3.719886%
Tract 22					
SF 079290	T-28-N, R-7-W	480.00	Royalty:		
	Section 13: E½		Working Interest:		
	Section 26: NE¼		Conoco Inc.		
			ORRI:		
			Total		
				<u>12.500000%</u>	<u>12.500000%</u>
				<u>69.500000%</u>	<u>69.500000%</u>
				<u>18.000000%</u>	<u>18.000000%</u>
				<u>100.000000%</u>	<u>100.000000%</u>
					1.914178%
Tract 23					

Schedule XLIII

Forty-Second Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective November 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079290-A	<u>T-28-N, R-7-W</u> Section 24: E½	320.00	Royalty:	12.500000%	<u>1.276119%</u>
			Working Interest:		
			Burlington Resources	52.500000%	
			D. J. Simmons Co. LP	26.250000%	
			Helen Louise Simmons	2.187500%	
			June Simmons Lively	2.187500%	
			Mary Jane Simmons Banks	2.187500%	
			Carolee Simmons Smith	2.187500%	
			ORRI:	0.000000%	
			<u>Total</u>	<u>100.000000%</u>	
SF 079290-B	<u>T-28-N, R-7-W</u> Section 25: NW¼	160.00	Royalty:	12.500000%	<u>0.638059%</u>
			Working Interest:		
			Burlington Resources	42.000000%	
			Conoco Inc.	28.000000%	
			ORRI:	17.500000%	
			<u>Total</u>	<u>100.000000%</u>	
SF-079294	<u>T-28-N, R-7-W</u> Section 26: SE¼ Section 36: Lots 3,4, N½SW¼, NW¼	488.82	Royalty:	12.500000%	<u>1.949351%</u>
			Working Interest:		
			Burlington Resources	51.300000%	
			Conoco Inc.	34.200000%	
			ORRI:	2.000000%	
			<u>Total</u>	<u>100.000000%</u>	
	<u>Tract 24</u>		Royalty:	12.500000%	
			Working Interest:		
			Burlington Resources	52.500000%	
			D. J. Simmons Co. LP	26.250000%	
			Helen Louise Simmons	2.187500%	
			June Simmons Lively	2.187500%	
			Mary Jane Simmons Banks	2.187500%	
			Carolee Simmons Smith	2.187500%	
			ORRI:	0.000000%	
			<u>Total</u>	<u>100.000000%</u>	
	<u>Tract 25</u>		Royalty:	12.500000%	
			Working Interest:		
			Burlington Resources	51.300000%	
			Conoco Inc.	34.200000%	
			ORRI:	2.000000%	
			<u>Total</u>	<u>100.000000%</u>	

Schedule XLIII

Forty-Second Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective November 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF-079294	T-28-N, R-7-W Section 25: SW 1/4	160.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI: Total	12.500000% 40.800000% 27.200000% 19.500000% 100.000000%	0.638059%
Tract 25A					
SF 079298-B	T-27-N, R-7-W Section 12: All	640.00	Royalty: Working Interest: Conoco Inc. <u>ORRI:</u> Total	12.500000% 82.000000% 5.500000% 100.000000%	2.552237%
Tract 26					
NM E-290-28	T-27-N, R-7-W Section 2: Lots 3, 4, SW 1/4	238.96	Royalty: Working Interest: Burlington Resources O&G ORRI: Total	12.500000% 82.500000% 5.000000% 100.000000%	0.952942%
Tract 28					
NM E-290-33	T-27-N, R-7-W Section 2: S 1/2 NW 1/4	80.00	Royalty: Working Interest: Burlington Resources ORRI: Total	12.500000% 75.000000% 12.500000% 100.000000%	0.319030%
Tract 31					

Schedule XLIII

Forty-Second Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective November 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NM E-4425-25	<u>T-27-N, R-7-W</u> Section 16: NW ¼ NW ¼	40.00	Royalty:	12.500000%	0.159515%
			Working Interest:	83.500000%	
			Burlington Resources	4.000000%	
			ORRI:	100.000000%	
			<u>Tract 32</u>		
NM E-4425-48	<u>T-27-N, R-7-W</u> Section 16: NE ¼ NW ¼	40.00	Royalty:	12.500000%	0.159515%
			Working Interest:	82.500000%	
			Burlington Resources	5.000000%	
			ORRI:	100.000000%	
			<u>Tract 33</u>		
NM E-4425-46	<u>T-27-N, R-7-W</u> Section 16: SW ¼ NW ¼	40.00	Royalty:	12.500000%	0.159515%
			Working Interest:	50.700000%	
			Burlington Resources	33.800000%	
			ORRI:	3.000000%	
			<u>Tract 34</u>		
NM E-2825-6	<u>T-27-N, R-7-W</u> Section 16: SE ¼ NW ¼, SW ¼, E ½	520.00	Royalty:	12.500000%	2.073693%
			Working Interest:	49.500000%	
			Burlington Resources	33.000000%	
			ORRI:	5.000000%	
			<u>Tract 35</u>		

Schedule XLIII

Forty-Second Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective November 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
Fee	T-28-N, R-7-W Section 28: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 30: Lot 4, E $\frac{1}{2}$ SW $\frac{1}{4}$	236.46	Royalty: Working Interest: Burlington Resources ORRI:			
				<u>Tract 36</u>		
				12.500000%	12.500000%	0.942972%
				87.500000%	87.500000%	
				0.000000%	0.000000%	
			<u>Total</u>	<u>100.000000%</u>	<u>100.000000%</u>	
Fee	T-28-N, R-7-W Section 20: S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 21: S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 30: SE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$	280.00	Royalty: Working Interest: Conoco Inc. ORRI:			
				<u>Tract 36A</u>		
				12.500000%	12.500000%	1.116604%
				87.500000%	87.500000%	
				0.000000%	0.000000%	
			<u>Total</u>	<u>100.000000%</u>	<u>100.000000%</u>	

Schedule XLIII

Forty-Second Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective November 1, 2001

Coronco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

<u>Township 28 North, Range 7 West, N.M.P.M.</u>	
Section 7: Lots 1-5, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (All)	
Section 8: Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)	
Section 9: Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)	
Section 10: Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)	
Section 11: Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)	
Sections 15, 16, 20, 21, 25, 29: W $\frac{1}{2}$	
Section 18, 19: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)	
Sections 13, 15, 20, 24, 26, 29, 32: E $\frac{1}{2}$	
Sections 17, 22, 27, 28, 34, 30, 35: All	
Section 31: Lots 1-7, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$	
Section 33: Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)	
Section 36: Lots 3,4, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$	

<u>Township 27 North, Range 7 West, N.M.P.M.</u>	
Section 17: E $\frac{1}{2}$	
Sections 2, 15, 18, 22: W $\frac{1}{2}$	
Section 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 16, 19, 21, 29, 30: All	
Section 20: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$	
Section 27: NW $\frac{1}{4}$	
Section 28: N $\frac{1}{2}$	

Total number of acres in participating area:	25,076.04
Total number of committed acres in participating area:	25,076.04
Percent of basic royalty interest committed:	100.00
Percent of working interest committed:	100.00
Percent of overriding royalty interest committed:	100.00

Schedule XLIV

Forty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NM 03521	T-27-N, R-7-W	280.00	Royalty:		1.102560%
	Section 20: SW ¹ / ₄ , S ¹ / ₂ NW ¹ / ₄ , NE ¹ / ₄ NW ¹ / ₄		Working Interest:		
			Conoco Inc.		
	ORRI:				
	Total				
			12.5000000%	63.6250000%	
			63.6250000%	23.8750000%	
			100.0000000%	100.0000000%	
NM 03560	T-27-N, R-7-W	1,281.44	Royalty:		5.045945%
	Section 29: All		Working Interest:		
	Section 30: Lots 1-4, E ¹ / ₂ W ¹ / ₂ , E ¹ / ₂ (All)		Conoco Inc.		
	ORRI:				
	Total				
			12.5000000%	63.6250000%	
			63.6250000%	23.8750000%	
			100.0000000%	100.0000000%	
SF 078417	T-28-N, R-7-W	1,720.00	Royalty:		6.772869%
	Section 7: S ¹ / ₂ SE ¹ / ₄ , SE ¹ / ₄ SW ¹ / ₄		Working Interest:		
	Section 8: S ¹ / ₂ SW ¹ / ₄		Conoco Inc.		
	Section 16: SW ¹ / ₄		ORRI:		
	Section 17: All		Total		
			12.5000000%	84.5000000%	
			84.5000000%	3.0000000%	
			100.0000000%	100.0000000%	
			100.0000000%	100.0000000%	
			100.0000000%	100.0000000%	
SF 078417-A	T-28-N, R-7-W	320.00	Royalty:		1.260069%
	Section 18: E ¹ / ₂ NW ¹ / ₄		Working Interest:		
	Section 22: S ¹ / ₂ NW ¹ / ₄ , SW ¹ / ₄		Burlington Resources		
	ORRI:				
	Total				
			12.5000000%	83.5000000%	
			83.5000000%	4.0000000%	
			100.0000000%	100.0000000%	

Schedule XLIV

Forty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078496	T-27-N, R-7-W	1,689.94	Royalty:	<u>Tract 5</u>	6.654502%
	Section 3: Lots 1-4, S½ N½		Working Interest:		
	Section 5: Lots 1, 2, S½ NE¼		Conoco Inc.		
			ORRI:		
	T-28-N, R-7-W				
	Section 27: SE¼, E½ NE¼				
	Section 34: Lots 3, 4, N½ SW¼, NW¼				
	Section 35: Lots 1,2,3,4, N½S½ N½ (All)				
			Total		
SF 078496-A	T-27-N, R-7-W	641.83	Royalty:	<u>Tract 6</u>	2.527343%
	Section 4: Lots 1-4, S½ N½		Working Interest:		
			Burlington Resources		
	T-28-N, R-7-W		ORRI:		
	Section 34: Lots 1, 2, N½ SE¼, NE¼				
			Total		
SF 078497	T-28-N, R-7-W	1,479.56	Royalty:	<u>Tract 7</u>	5.826085%
	Section 7: Lots 1-5		Working Interest:		
	Section 8: Lots 1-4, S½ SE¼		Conoco Inc.		
	Section 16: N½ SE¼		ORRI:		
	Section 19: E½, Lot 1, E½ W½				
	Section 20: N½ SE¼				
	Section 29: W½				
			Total		
SF 078497-A	T-28-N, R-7-W	844.40	Royalty:	<u>Tract 8</u>	3.325006%
	Section 9: Lots 1-4, S½ S½ (All)		Working Interest:		
	Section 18: Lots 1-4, E½ SW¼		Burlington Resources		
	Section 20: W½		ORRI:		
			Total		

Schedule XLIV

Forty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078498	T-28-N, R-7-W Section 28: W $\frac{1}{2}$ Section 27: W $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ Section 29: E $\frac{1}{2}$ Section 32: Lots 1, 2, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ Section 33: Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)	1,988.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 84.500000% 3.000000% 100.000000%	7.828177%
			<u>Tract 9</u>		
			Total		
SF 078498-A	T-28-N, R-7-W Section 28: SE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$	200.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% 100.000000%	0.787543%
			<u>Tract 9-A</u>		
			Total		
SF 078500-A	T-28-N, R-7-W Section 19: Lots 2-4 Section 30: W $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 31: Lots 1-7, N $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	765.36	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 84.500000% 3.000000% 100.000000%	3.013769%
			<u>Tract 10</u>		
			Total		
SF 078500	T-28-N, R-7-W Section 30: Lots 1-3, E $\frac{1}{2}$ NW $\frac{1}{4}$	189.30	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% 100.000000%	0.745409%
			<u>Tract 10-A</u>		
			Total		

Schedule XLIV

Forty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Percentage Committed	Present Actual Participation
						Percentage		
SF 078656	T-27-N, R-7-W Section 5: SE 1/4 Section 8: NW 1/4	320.00	Royalty:					1.260069%
			Working Interest:					
			Conoco Inc.					
			ORRI:					
			Total					
SF 078565-A	T-27-N, R-7-W Section 5: Lots 3, 4, S 1/2 NW 1/4, SW 1/4	320.52	Royalty:					1.262116%
			Working Interest:					
			Burlington Resources					
			ORRI:					
			Total					
SF 078569	T-27-N, R-7-W Section 8: SW 1/4, NE 1/4	320.00	Royalty:					1.260069%
			Working Interest:					
			Burlington Resources					
			ORRI:					
			Total					
SF 078570	T-27-N, R-7-W Section 4: S 1/2 Section 8: SE 1/4 Section 9: NW 1/4	640.00	Royalty:					2.520137%
			Working Interest:					
			Conoco Inc.					
			ORRI:					
			Total					

Schedule XLIV

Forty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2001

Comoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078640	<u>T-27-N, R-7-W</u> Section 9: SW $\frac{1}{4}$ Section 15: W $\frac{1}{2}$ Section 17: E $\frac{1}{2}$	800.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 82.500000% 5.000000% <u>100.000000%</u>	12.500000% 82.500000% 5.000000% <u>100.000000%</u>	3.150172%
<u>Tract 15</u>						
			Total			
SF 078640	<u>T-27-N, R-7-W</u> Section 20: E $\frac{1}{2}$ Section 21: All Section 22: W $\frac{1}{2}$ Section 27: NW $\frac{1}{4}$ Section 28: N $\frac{1}{2}$	1,760.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 82.500000% 5.000000% <u>100.000000%</u>	12.500000% 82.500000% 5.000000% <u>100.000000%</u>	6.930378%
<u>Tract 15-A</u>						
SF 078835	<u>T-27-N, R-7-W</u> Section 6: Lots 3-7, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ Section 7: E $\frac{1}{2}$	640.20	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 84.000000% 3.500000% <u>100.000000%</u>	12.500000% 84.000000% 3.500000% <u>100.000000%</u>	2.520925%
<u>Tract 16</u>						
SF 078835-A	<u>T-27-N, R-7-W</u> Section 6: Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ Section 7: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$	640.86	Royalty: Working Interest: Comoco Inc. ORRI:	12.500000% 67.500000% 20.000000% <u>100.000000%</u>	12.500000% 67.500000% 20.000000% <u>100.000000%</u>	2.523524%
<u>Tract 17</u>						
			Total			

**Forty-Third Expanded Participating Area for the Pictured Cliffs Formation
San Juan 28-7 Unit Area, Effective December 1, 2001**

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078840	<u>T-27-N, R-7-W</u> Section 18: Lots 1-4, E½ W½	320.36	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 67.500000% 20.000000% <u>100.000000%</u>	1.261486%
	<u>Tract 18</u>		Total	<u>100.000000%</u>	
SF 078840	<u>T-27-N, R-7-W</u> Section 19: Lots 1-4, E½ W½, E½ (All)	641.15	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 67.500000% 20.000000% <u>100.000000%</u>	2.524666%
	<u>Tract 18-A</u>		Total	<u>100.000000%</u>	
SF 078972	<u>T-27-N, R-7-W</u> Section 3: S½ Section 10: All Section 11: All	1,600.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:	12.500000% 49.500000% 33.000000% 5.000000% <u>100.000000%</u>	6.300344%
	<u>Tract 19</u>		Total	<u>100.000000%</u>	
SF 078972-A	<u>T-27-N, R-7-W</u> Section 9: E½	320.00	Royalty: Working Interest: Burlington Resources W. G. Peavy Oil Company Dugan Production Corp. Conoco Inc. ORRI:	12.500000% 66.667000% 6.666000% 3.333500% 3.333500% 7.500000% <u>100.000000%</u>	1.260069%
	<u>Tract 20</u>		Total	<u>100.000000%</u>	

Schedule XLIV

Forty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079289	T-28-N, R-7-W Section 10: Lots 1-4, S½ S½ (All) Section 15: E½ Section 22: N½ NW¼	696.08	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 69.500000% 18.000000% 100.000000%	2.740965%
Tract 21					
Total				100.000000%	
SF 079289-A	T-28-N, R-7-W Section 11: Lots 1-4, S½ S½ (All) Section 15: W½ Section 22: E½	932.80	Royalty: Working Interest: Burlington Resources D. J. Simmons Co. LP Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI:	12.500000% 52.500000% 26.250000% 2.187500% 2.187500% 2.187500% 2.187500% 0.000000%	3.673100%
Tract 22					
Total				100.000000%	
SF 079290	T-28-N, R-7-W Section 13: E½ Section 26: NE¼	480.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 69.500000% 18.000000% 100.000000%	1.890103%
Tract 23					
Total				100.000000%	

**Forty-Third Expanded Participating Area for the Pictured Cliffs Formation
San Juan 28-7 Unit Area, Effective December 1, 2001**

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079290-A	<u>T-28-N, R-7-W</u> Section 24: E½	320.00	Royalty: Working Interest: Burlington Resources D. J. Simmons Co. LP Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI: <i>Total</i>	<u>Tract 24</u> 12.500000% 52.500000% 26.250000% 2.187500% 2.187500% 2.187500% 2.187500% 2.187500% 0.000000% <u>100.000000%</u>	12.500000%	<u>1.260069%</u>
SF 079290-B	<u>T-28-N, R-7-W</u> Section 25: NW¼	160.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI: <i>Total</i>	<u>Tract 24A</u> 12.500000% 42.000000% 28.000000% 17.500000% <u>100.000000%</u>	12.500000%	<u>0.630034%</u>
SF-079294	<u>T-28-N, R-7-W</u> Section 26: SE¼ Section 36: Lots 3,4, N½SW¼, NW¼	488.82	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI: <i>Total</i>	<u>Tract 25</u> 12.500000% 51.300000% 34.200000% 2.000000% <u>100.000000%</u>	12.500000%	<u>1.924834%</u>

Schedule XLIV

Forty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF-079294	T-28-N, R-7-W Section 25: SW 1/4	160.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI: Total	12.5000000% 40.8000000% 27.2000000% 19.5000000% 100.0000000%	0.630034%
Tract 25A					
SF 079298-B	T-27-N, R-7-W Section 12: All	640.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.5000000% 82.0000000% 5.5000000% 100.0000000%	2.520137%
Tract 26					
SF 079321-A	T-27-N, R-7-W Section 1: Lots 1, 2, S 1/2 NE 1/4, SE 1/4	319.40	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.5000000% 82.0000000% 5.5000000% 100.0000000%	1.257706%
Tract 27					
NM E-290-28	T-27-N, R-7-W Section 2: Lots 3, 4, SW 1/4	238.96	Royalty: Working Interest: Burlington Resources O&G ORRI: Total	12.5000000% 82.5000000% 5.0000000% 100.0000000%	0.940956%
Tract 28					

Schedule XLIV

Forty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block			Present Actual Participation
			Ownership	Percentage	Percentage Committed	
NM E-290-33	<u>T-27-N, R-7-W</u> Section 2: S½ NW¼	80.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 75.000000% 12.500000% <u>100.000000%</u>	12.500000% 75.000000% 12.500000% <u>100.000000%</u>	<u>0.315017%</u>
<u>Tract 31</u>						
Total						
NM E-4425-25	<u>T-27-N, R-7-W</u> Section 16: NW¼ NW¼	40.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% <u>100.000000%</u>	12.500000% 83.500000% 4.000000% <u>100.000000%</u>	<u>0.157509%</u>
<u>Tract 32</u>						
Total						
NM E-4425-48	<u>T-27-N, R-7-W</u> Section 16: NE¼ NW¼	40.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 82.500000% 5.000000% <u>100.000000%</u>	12.500000% 82.500000% 5.000000% <u>100.000000%</u>	<u>0.157509%</u>
<u>Tract 33</u>						
Total						
NM E-4425-46	<u>T-27-N, R-7-W</u> Section 16: SW¼ NW¼	40.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:	12.500000% 50.700000% 33.800000% 3.000000% <u>100.000000%</u>	12.500000% 50.700000% 33.800000% 3.000000% <u>100.000000%</u>	<u>0.157509%</u>
<u>Tract 34</u>						
Total						

Schedule XLIV

Forty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NM E-2825-6	<u>T-27-N, R-7-W</u>	520.00	Royalty:		
	Section 16: SE 1/4 NW 1/4, SW 1/4, E 1/2		Working Interest:		
			Burlington Resources	49.5000000%	49.5000000%
			Conoco Inc.	33.0000000%	33.0000000%
			ORRI:	5.0000000%	5.0000000%
	<u>Total</u>			<u>100.000000%</u>	<u>100.000000%</u>
					<u>2.047612%</u>
Fee	<u>T-28-N, R-7-W</u>	236.46	Royalty:		
	Section 28: W 1/2 NE 1/4, SE 1/4 NE 1/4		Working Interest:		
	Section 30: Lot 4, E 1/2 SW 1/4		Burlington Resources	87.5000000%	87.5000000%
			ORRI:	0.0000000%	0.0000000%
			<u>Total</u>	<u>100.000000%</u>	<u>100.000000%</u>
					<u>0.931112%</u>
Fee	<u>T-28-N, R-7-W</u>	280.00	Royalty:		
	Section 20: S 1/2 SE 1/4		Working Interest:		
	Section 21: S 1/2 SW 1/4		Conoco Inc.	87.5000000%	87.5000000%
	Section 30: SE 1/4 NE 1/4, N 1/2 SE 1/4		ORRI:	0.0000000%	0.0000000%
			<u>Total</u>	<u>100.000000%</u>	<u>100.000000%</u>
					<u>1.102560%</u>

Schedule XLIV

Forty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

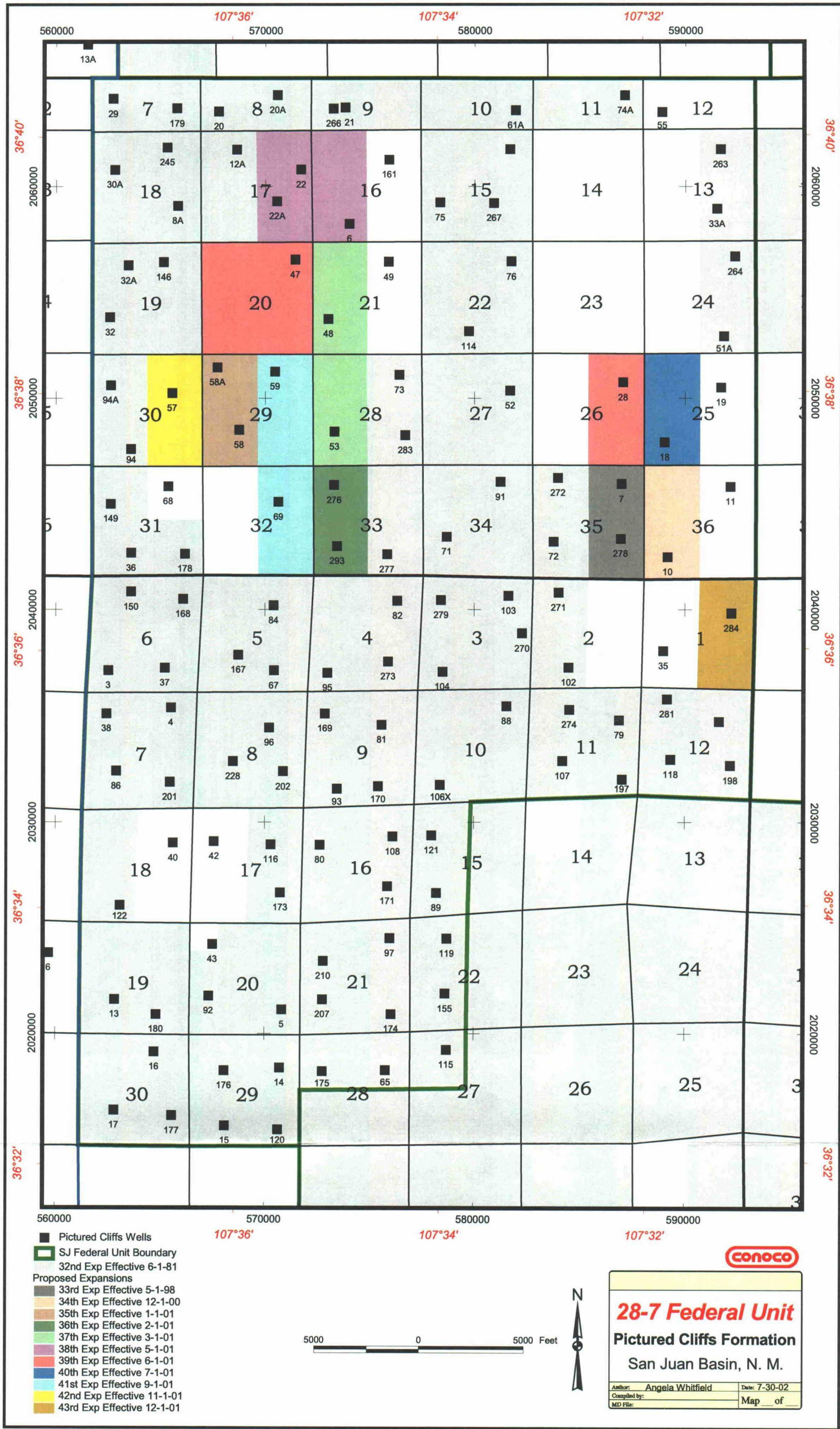
Recapitulation

Description of Lands in Participating Area:

Township 28 North, Range 7 West, N.M.P.M.	
Section 7: Lots 1-5, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (All)	
Section 8: Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)	
Section 9: Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)	
Section 10: Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)	
Section 11: Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)	
Sections 15, 16, 20, 21, 25, 29: W $\frac{1}{2}$	
Section 18, 19: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)	
Sections 13, 15, 20, 24, 26, 29, 32: E $\frac{1}{2}$	
Sections 17, 22, 27, 28, 34, 30, 35: All	
Section 31: Lots 1-7, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$	
Section 33: Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)	
Section 36: Lots 3,4, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$	

Township 27 North, Range 7 West, N.M.P.M.	
Section 1: Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$	
Section 17: E $\frac{1}{2}$	
Sections 2, 15, 18, 22: W $\frac{1}{2}$	
Section 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 16, 19, 21, 29, 30: All	
Section 20: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$	
Section 27: NW $\frac{1}{4}$	
Section 28: N $\frac{1}{2}$	

Total number of acres in participating area:	25,395.44
Total number of committed acres in participating area:	25,395.44
Percent of basic royalty interest committed:	100.00
Percent of working interest committed:	100.00
Percent of overriding royalty interest committed:	100.00



- Pictured Cliffs Wells
■ SJ Federal Unit Boundary
■ 32nd Exp Effective 6-1-81
Proposed Expansions
■ 33rd Exp Effective 5-1-98
■ 34th Exp Effective 12-1-00
■ 35th Exp Effective 1-1-01
■ 36th Exp Effective 2-1-01
■ 37th Exp Effective 3-1-01
■ 38th Exp Effective 5-1-01
■ 39th Exp Effective 6-1-01
■ 40th Exp Effective 7-1-01
■ 41st Exp Effective 9-1-01
■ 42nd Exp Effective 11-1-01
■ 43rd Exp Effective 12-1-01

5000 0 5000 Feet





28-7 Federal Unit
Pictured Cliffs Formation
San Juan Basin, N. M.

Author: Angela Whitfield	Date: 7-30-02
Compiled by:	Map of
MD File:	



Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079
(281) 293-5057

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
1235 LaPlata Highway
Farmington, New Mexico 87401

August 1, 2002

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

✓ State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

Re: San Juan 28-7 Unit 14-08-001-459
Commerciality Determination
Fruitland Coal Formation
Rio Arriba County, New Mexico

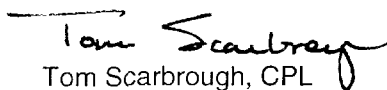
Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement, approved January 29, 1953, Conoco Inc., as Unit Operator, hereby submits the wells on the attached list for commercial determination in the Fruitland Coal formation. Also attached is an economic summary and production data for each well. Conoco Inc. respectfully requests agency confirmation of the enclosed well determinations.

Upon confirmation from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and the New Mexico Oil Conservation Division, the formal Participating Area Schedule will be prepared and submitted.

Copies of this letter are being forwarded to the working interest owners on the attached sheet. Should you have technical questions in this regard, please contact Steve Riley at 281-293-3967. Please forward any Land related questions to the undersigned at 281-293-5568.

Respectfully submitted,


Tom Scarbrough, CPL

Enclosures

12 AUG - 11 2002
12 AUG - 11 2002

San Juan 28-7 Unit
Working Interest Owners
Fruitland Coal Participating Area

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

XTO Energy Inc.
Attn: Land
810 Houston Street
Fort Worth, Texas 76102-6298

Conoco Inc.
Attn: Tom Scarbrough
600 N. Dairy Ashford, DU 3042
Houston, TX 77079

San Juan 28-7 Unit 14-08-001-459
Commerciality Determination
Fruitland Coal Formation

Well Name	Dedication	Lease No.	Completion Date	Operator's Determination
SJ 28-7 # 6	W/2 Sec 16-28N-7W	SF-078417	4-5-2001	Non-Commercial
SJ 28-7 # 7	E/2 Sec 35-28N-7W	SF-078496	7-7-1999	Non-Commercial
SJ 28-7 # 10	W/2 Sec 36-28N-7W	SF-079294	11-19-1999	Non-Commercial
SJ 28-7 # 11	E/2 Sec 36-28N-7W	SF-079294	6-22-2001	Non-Commercial
SJ 28-7 # 18	W/2 Sec 25-28N-7W	SF-079294	6-26-2001	Non-Commercial
SJ 28-7 # 20	S/2 Sec 8-28N-7W	SF-078417	7-12-2001	Non-Commercial
SJ 28-7 # 21	S/2 Sec 9-28N-7W	SF-078497-A	10-24-2001	Non-Commercial
SJ 28-7 # 22	E/2 Sec 17-28N-7W	SF-078417	4-25-2001	Non-Commercial
SJ 28-7 # 28	E/2 Sec 26-28N-7W	SF-079290	5-26-2001	Non-Commercial
SJ 28-7 # 29	S/2 Sec 7-28N-7W	SF-078497	7-11-2001	Non-Commercial
SJ 28-7 # 32	W/2 Sec 19-28N-7W	SF-078500-A	4-23-2001	Non-Commercial
SJ 28-7 # 35	W/2 Sec 1-27N-7W	SF-079321-A	10-28-1999	Non-Commercial
SJ 28-7 # 47	E/2 Sec 20-28N-7W	SF-078417	5-7-2001	Non-Commercial
SJ 28-7 # 48	W/2 Sec 21-28N-7W	SF-078417	2-2-2001	Non-Commercial
SJ 28-7 # 49	E/2 Sec 21-28N-7W	SF-078417	5-31-2001	Non-Commercial
SJ 28-7 # 53	W/2 Sec 28-28N-7W	SF-078498	2-27-2001	Non-Commercial
SJ 28-7 # 55	S/2 Sec 12-28N-7W	SF-079289	11-29-2000	Non-Commercial
SJ 28-7 # 59	E/2 Sec 29-28N-7W	SF-078498	8-16-2001	Non-Commercial
SJ 28-7 # 68	E/2 Sec 31-28N-7W	SF-078500-A	6-10-1999	Non-Commercial
SJ 28-7 # 69	E/2 Sec 32-28N-7W	SF-078498	8-3-2001	Non-Commercial
SJ 28-7 # 84	E/2 Sec 5-27N-7W	SF-078496	7-16-2001	Non-Commercial
SJ 28-7 # 146	E/2 Sec 19-28N-7W	SF-078497	3-16-1999	Non-Commercial
SJ 28-7 # 161	E/2 Sec 16-28N-7W	SF-078497	5-22-1998	Non-Commercial
SJ 28-7 # 168	E/2 Sec 6-27N-7W	SF-078835-A	4-20-1998	Non-Commercial
SJ 28-7 # 238R	W/2 Sec 29-28N-7W	SF-078497	3-11-1998	Commercial
SJ 28-7 # 245	E/2 Sec 18-28N-7W	SF-078417	5-20-1998	Commercial
SJ 28-7 # 284	E/2 Sec 1-27N-7W	SF-079321-A	11-28-2001	Non-Commercial
SJ 28-7 # 293	W/2 Sec 33-28N-7W	SF-078498	12-19-2001	Non-Commercial

San Juan 28-7 Unit

Fruitland Coal Completions - Economic Determination of wells not in the PA
July, 2002

Well Name	Well #	API#	Pool	Lease Code	Dedication/location	Current Status	Completion Date	Current Conoco WI	Current Conoco NRI	Gross EUR	PI @ 9% M\$/M\$	NPV @ 9% M\$	Add to P/A?	COMMENTS
SANJUAN 28-7	6	300390739800	JCV- Basin Fruitland Coal	7228765	W/2 16-28N-7W	Active	4/5/2001	1.0000		4	0.02	-294	No	PC/FC DHC
SANJUAN 28-7	7	300390726500	JCV- Basin Fruitland Coal	7115287	E/2 35-28N-7W	Active	7/1/1999	1.0000		17	0.09	-273	No	PC/FC DHC. PC completed in 4/1998.
SANJUAN 28-7	10	300390722300	JCV- Basin Fruitland Coal	7228656	E/2 36-28N-7W	Active	11/19/1999	0.4000		90	0.35	-197	No	PC/FC DHC
SANJUAN 28-7	11	300390726300	JCV- Basin Fruitland Coal	7228656	E/2 36-28N-7W	Active	6/22/2001	0.4000		141	0.48	-155	No	PC/FC DHC
SANJUAN 28-7	18	300390728900	JCV- Basin Fruitland Coal	7150186	W/2 25-28N-7W	Active	6/26/2001	0.4000		39	0.16	-253	No	PC/FC DHC
SANJUAN 28-7	20	300390744600	JCV- Basin Fruitland Coal	7150261	S/2 8-28N-7W	Active	7/12/2001	1.0000		1	0	-299	No	PC/FC DHC
SANJUAN 28-7	21	300390744900	JCV- Basin Fruitland Coal	7150214	S/2 9-28N-7W	Active	10/24/2001	0.0000		15	0.06	-283	No	Burlington Acreage - DHC PC/FC
SANJUAN 28-7	22	300390742200	JCV- Basin Fruitland Coal	7228777	E/2 17-28N-7W	Active	4/25/2001	1.0000		193	0.5	-149	No	PC/FC DHC
SANJUAN 28-7	28	300390732600	JCV- Basin Fruitland Coal	8004984	E/2 26-28N-7W	Active	5/26/2001	0.7000		67	0.24	-228	No	PC/FC DHC
SANJUAN 28-7	29	300390745900	JCV- Basin Fruitland Coal	7228775	S/2 7-28N-7W	Active	7/11/2001	1.0000		89	0.35	-196	No	PC/FC DHC
SANJUAN 28-7	32	300390736700	JCV- Basin Fruitland Coal	7150239	W/2 19-28N-7W	Active	4/23/2001	1.0000		9	0.05	-286	No	PC/FC DHC
SANJUAN 28-7	35	300390718800	JCV- Basin Fruitland Coal	7228653	W/2 1-27N-7W	Active	10/28/1999	1.0000		155	0.54	-138	No	PC/FC DHC
SANJUAN 28-7	47	300390738900	JCV- Basin Fruitland Coal	7228779	E/2 20-28N-7W	Active	5/7/2001	1.0000		5	0.03	-292	No	PC/FC DHC
SANJUAN 28-7	48	300390736200	JCV- Basin Fruitland Coal	7150243	E/2 21-28N-7W	Active	2/2/2001	1.0000		1	0	-300	No	PC/FC DHC
SANJUAN 28-7	49	300390738200	JCV- Basin Fruitland Coal	7150185	E/2 21-28N-7W	Active	5/31/2001	1.0000		82	0.31	-206	No	PC/FC DHC
SANJUAN 28-7	53	300390730000	JCV- Basin Fruitland Coal	7228731	W/2 28-28N-7W	Active	2/27/2001	1.0000		57	0.22	-235	No	PC/FC DHC
SANJUAN 28-7	55	300390744400	JCV- Basin Fruitland Coal	7228731	S/2 12-28N-7W	Active	11/29/2000	1.0000		10	0.06	-283	No	PC/FC DHC
SANJUAN 28-7	59	300390733400	JCV- Basin Fruitland Coal	7228724	E/2 29-28N-7W	Active	8/16/2001	1.0000		111	0.37	-190	No	PC/FC DHC
SANJUAN 28-7	62	300390713300	JCV- Basin Fruitland Coal	???	E/2 12-27N-7W	Active	1/27/2002	1.0000		---	---	---	NO	PC/FC DHC. Only have 5 months of production data.
SANJUAN 28-7	68	300396007100	JCV- Basin Fruitland Coal	7150275	E/2 31-28N-7W	Active	6/10/1999	1.0000		57	0.23	-232	No	PC/FC DHC
SANJUAN 28-7	69	300390725800	JCV- Basin Fruitland Coal	7150275	E/2 32-28N-7W	Active	8/3/2001	1.0000		117	0.4	-180	No	PC/FC DHC
SANJUAN 28-7	84	300390719500	JCV- Basin Fruitland Coal	7150240	E/2 5-27N-7W	Active	7/16/2001	1.0000		33	0.14	-239	No	PC/FC DHC
SANJUAN 28-7	146	300392009700	JCV- Basin Fruitland Coal	7114226	E/2 19-28N-7W	Active	3/16/1999	1.0000		91	0.34	-198	No	PC/FC DHC
SANJUAN 28-7	161	300392050200	JCV- Basin Fruitland Coal	7114227	E/2 16-28N-7W	Active	5/22/1998	1.0000		30	0.17	-250	No	PC/FC DHC. PC completed in 10/1972.
SANJUAN 28-7	169	300392069500	JCV- Basin Fruitland Coal	7114224	E/2 6-27N-7W	Active	4/20/1998	1.0000		236	0.73	-80	No	PC/FC DHC. PC completed in 6/1974.
SANJUAN 28-7	238R	300382533800	JCV- Basin Fruitland Coal	7114237	W/2 29-28N-7W	Active	3/17/1998	1.0000		651	2.43	-428	YES	FC Only
SANJUAN 28-7	245	300392171900	JCV- Basin Fruitland Coal	7114226	E/2 18-28N-7W	Active	5/20/1998	1.0000		362	1.22	67	YES	PC/FC DHC. Potential reserves. Below 10 Mcf/d since 5/01
SANJUAN 28-7	284	300392671000	JCV- Basin Fruitland Coal	7150168	E/2 1-27N-7W	Active	11/28/2001	1.0000		205	0.54	-139	No	PC/FC DHC
SANJUAN 28-7	283	300392675800	JCV- Basin Fruitland Coal	7150213	W/2 33-28N-7W	Active	12/19/2001	1.0000		3	0.02	-294	No	PC/FC DHC

NOTE : Unsuccessful attempt was made to recomplete PC and DHC with PC in the S4 28-7 #19 well.

PI = (NPV + Net D&C) / (Net D&C)

PI and NPV are Before Federal Tax & After Production Tax

Economics Based on the Following

January 1, 2002 Effective Date
Well Drill and Complete : \$300,000
Annual OPEX : \$2,500
Working Interest : 100%
Net Revenue Interest : 87.50%
Economic Limit : 7 Mcf/d or 40 years max life
Gas Price : \$3.00/MMBTU flat
No TAX credits applied

US Summary Report

PAE - East - SJ 28-7 #6 FC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	7	300	-293	-185
6.0	6	300	-294	-189
9.0	6	300	-294	-191
10.0	6	300	-294	-192
12.0	6	300	-294	-193
13.0	6	300	-294	-194
Arr:	7	300	-293	-185

Case Description

SJ 28-7 #6 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02
 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Strnd. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.02	0.38
9.0 Pcnt. PI	M\$/M\$	0.02	0.36
12.0 Pcnt. PI	M\$/M\$	0.02	0.36
NPV/Vol@9.0	M\$/MMSCF	-75.09	-48.96
NPV/Vol@12.0	M\$/MMSCF	-75.10	-49.46
Economic Limit Date		2003/01	
Last Scheduled Prod Date		2003/01	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	4	4	0	3
Gas-Sales	MMSCF	4	4	0	3
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

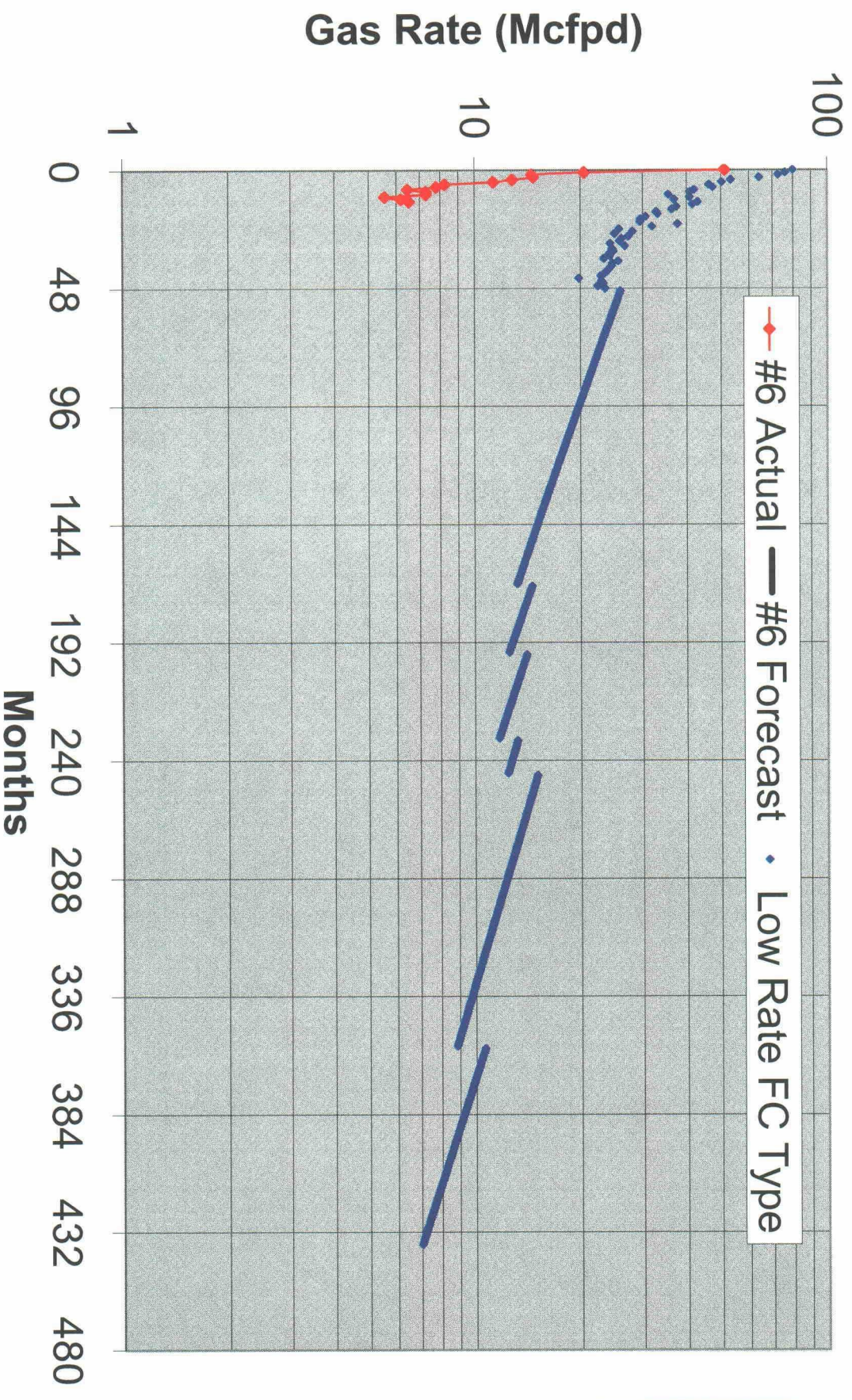
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	3.71	0.00	3.25	0.00	3.00	1.0	9.74	0.88	2.52	6.34	300.00	-293.66	-293.82	-234.53	-236.99
2003(12)	0.00	0.20	0.00	0.18	0.00	2.71	0.1	0.48	0.04	0.22	0.22	0.00	0.22	0.20	49.66	45.56
Total	0.00	3.91	0.00	3.42	0.00	0.00	0.0	10.21	0.92	2.74	6.55	300.00	-293.45	-293.62	-184.87	-191.43

San Juan 28-7 #6 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #7 FC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	
(%)	M\$	M\$	M\$	
0.0	30	300	-270	-170
6.0	28	300	-272	-180
9.0	27	300	-273	-184
10.0	27	300	-273	-185
12.0	26	300	-274	-188
13.0	26	300	-274	-189
Arr:	30	300	-270	-170

Case Description

SJ 28-7 #7 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.10	0.43
9.0 Pcnt. PI	M\$/M\$	0.09	0.39
12.0 Pcnt. PI	M\$/M\$	0.09	0.37
NPV/Vol@9.0	M\$/MMSCF	-16.04	-10.81
NPV/Vol@12.0	M\$/MMSCF	-16.08	-11.03
Economic Limit Date		2005/02	
Last Scheduled Prod Date		2005/02	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	17	17	2	15
Gas-Sales	MMSCF	17	17	2	15
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

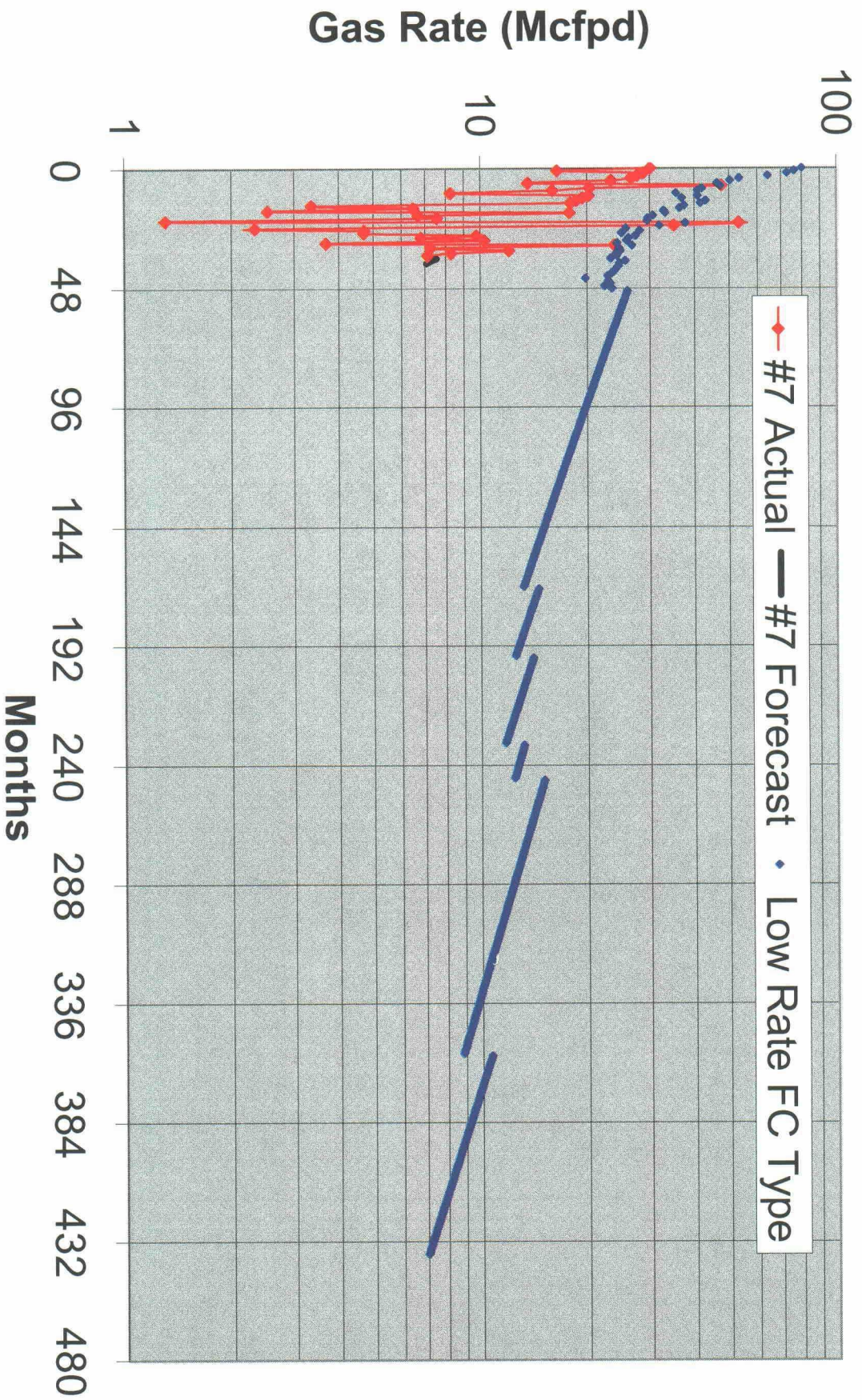
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	8.12	0.00	7.11	0.00	3.00	1.0	21.33	1.92	2.52	16.88	300.00	-283.12	-283.72	-227.89	-230.63
2003(12)	0.00	5.23	0.00	4.58	0.00	2.71	1.0	12.40	1.12	2.57	8.71	0.00	8.71	7.62	18.26	16.07
2004(12)	0.00	3.24	0.00	2.84	0.00	2.42	1.0	6.86	0.62	2.62	3.62	0.00	3.62	2.92	12.72	10.29
2005(12)	0.00	0.42	0.00	0.37	0.00	2.49	0.2	0.92	0.08	0.43	0.41	0.00	0.41	0.31	26.57	20.37
Total	0.00	17.02	0.00	14.89	0.00	0.00	0.0	41.51	3.74	8.15	29.62	300.00	-270.38	-272.87	-170.34	-183.90

San Juan 28-7 #7 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #10 FC (sdr)

Nominal

Net Present Values

Disc Rate (%)	Before Tax	Before Tax	Before Tax	After Tax
Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
M\$	M\$	M\$	M\$	M\$
0.0	154	300	-146	-92
6.0	118	300	-182	-125
9.0	106	300	-194	-137
10.0	103	300	-197	-140
12.0	97	300	-203	-146
13.0	94	300	-206	-149
Ann:	154	300	-146	-92

Case Description

SJ 28-7 #10 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.51	0.69
9.0 Pcnt. PI	M\$/M\$	0.35	0.54
12.0 Pcnt. PI	M\$/M\$	0.32	0.51
NPV/Vol@9.0	M\$/MMSCF	-2.16	-1.53
NPV/Vol@12.0	M\$/MMSCF	-2.27	-1.63
Economic Limit Date		2019/04	
Last Scheduled Prod Date		2019/04	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	90	90	11	78
Gas-Sales	MMSCF	90	90	11	78
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

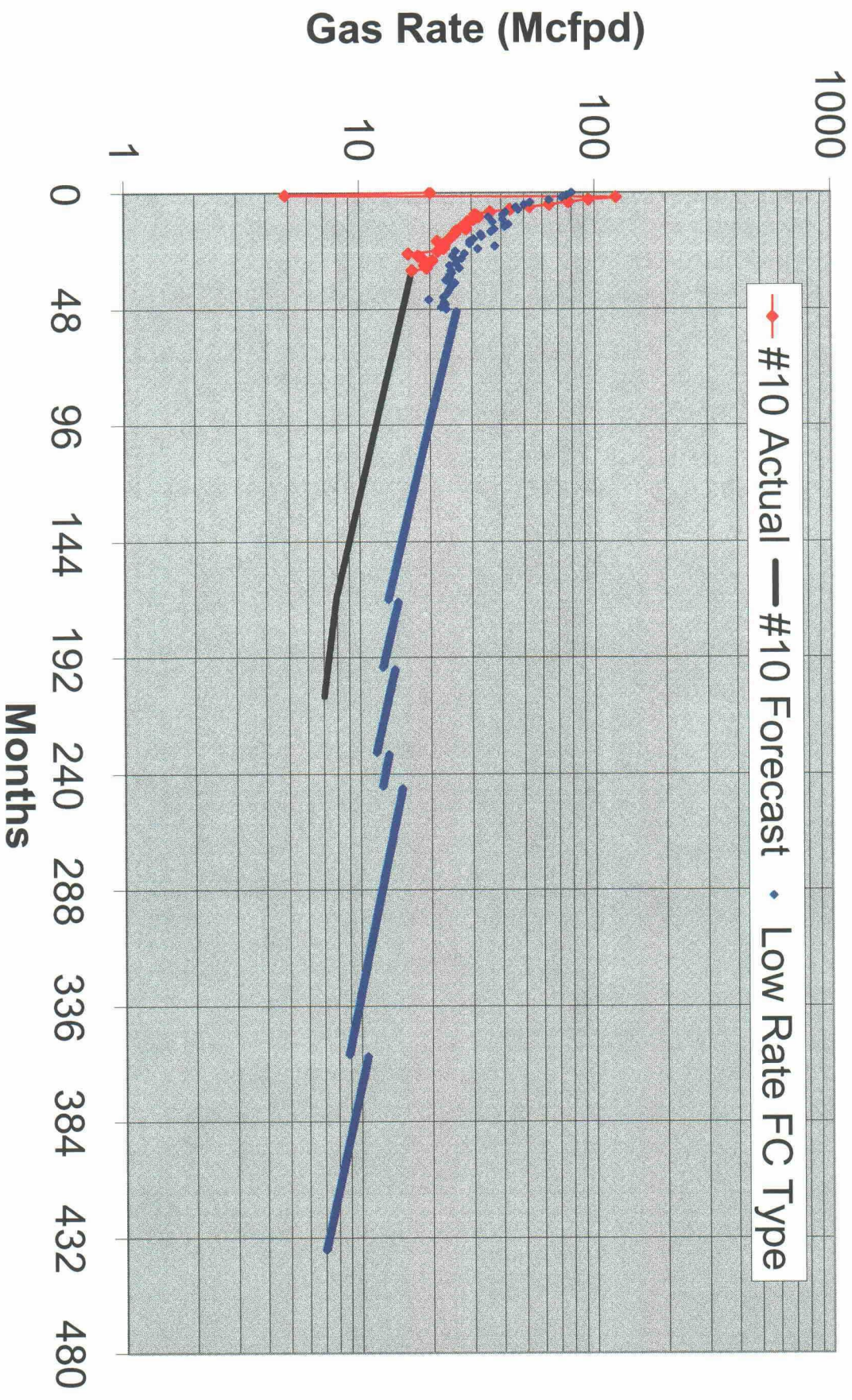
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	18.59	0.00	16.27	0.00	3.00	1.0	48.81	4.39	2.52	41.89	300.00	-258.11	-259.41	-212.13	-215.31
2003(12)	0.00	9.00	0.00	7.87	0.00	2.71	1.0	21.34	1.92	2.57	16.84	0.00	16.84	14.89	23.38	20.65
2004(12)	0.00	6.49	0.00	5.68	0.00	2.42	1.0	13.74	1.24	2.62	9.88	0.00	9.88	8.01	16.67	13.49
2005(12)	0.00	5.75	0.00	5.03	0.00	2.49	1.0	12.53	1.13	2.68	8.73	0.00	8.73	6.48	14.28	10.60
2006(12)	0.00	5.38	0.00	4.71	0.00	2.57	1.0	12.11	1.09	2.73	8.29	0.00	8.29	5.65	12.81	8.73
2007(12)	0.00	5.04	0.00	4.41	0.00	2.85	1.0	12.57	1.13	2.79	8.65	0.00	8.65	5.41	10.94	6.84
2008(12)	0.00	4.73	0.00	4.14	0.00	2.93	1.0	12.13	1.09	2.84	8.20	0.00	8.20	4.70	8.14	4.67
2009(12)	0.00	4.41	0.00	3.86	0.00	3.02	1.0	11.67	1.05	2.90	7.72	0.00	7.72	4.06	6.35	3.34
2010(12)	0.00	4.13	0.00	3.62	0.00	3.11	1.0	11.24	1.01	2.96	7.28	0.00	7.28	3.51	4.58	2.21
2011(12)	0.00	3.87	0.00	3.38	0.00	3.20	1.0	10.83	0.97	3.02	6.84	0.00	6.84	3.03	4.31	1.91
2012(12)	0.00	3.63	0.00	3.18	0.00	3.22	1.0	10.24	0.92	3.08	6.24	0.00	6.24	2.54	3.93	1.60
2013(12)	0.00	3.39	0.00	2.96	0.00	3.00	1.0	8.89	0.80	3.14	4.96	0.00	4.96	1.85	3.12	1.16
2014(12)	0.00	3.17	0.00	2.77	0.00	3.00	1.0	8.32	0.75	3.20	4.38	0.00	4.38	1.50	2.76	0.94
2015(12)	0.00	2.97	0.00	2.60	0.00	3.00	1.0	7.79	0.70	3.26	3.83	0.00	3.83	1.20	2.41	0.76
2016(12)	0.00	2.84	0.00	2.48	0.00	3.00	1.0	7.45	0.67	3.33	3.45	0.00	3.45	0.99	2.17	0.63
2017(12)	0.00	2.73	0.00	2.39	0.00	3.00	1.0	7.17	0.64	3.40	3.13	0.00	3.13	0.83	1.97	0.52
2018(12)	0.00	2.63	0.00	2.30	0.00	3.00	1.0	6.91	0.62	3.46	2.83	0.00	2.83	0.69	1.78	0.43
2019(12)	0.00	0.85	0.00	0.74	0.00	3.00	0.3	2.22	0.20	1.15	0.87	0.00	0.87	0.20	0.54	0.12
Total	0.00	89.61	0.00	78.41	0.00	0.00	0.0	225.96	20.34	51.64	153.98	300.00	-146.02	-193.88	-91.99	-136.71

San Juan 28-7 #10 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #11 FC (sdr)

Nominal

Net Present Values

	Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
(%)	M\$	M\$	M\$	M\$	
0.0	242	300	-58	-36	
6.0	167	300	-133	-94	
9.0	145	300	-155	-112	
10.0	140	300	-160	-117	
12.0	130	300	-170	-126	
13.0	125	300	-175	-129	
Arr:	242	300	-58	-36	

Case Description

SJ 28-7 #11 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.81	0.88
9.0 Pcnt. PI	M\$/M\$	0.48	0.63
12.0 Pcnt. PI	M\$/M\$	0.43	0.58
NPV/Vol@9.0	M\$/MMSCF	-1.09	-0.79
NPV/Vol@12.0	M\$/MMSCF	-1.20	-0.89
Economic Limit Date		2027/11	
Last Scheduled Prod Date		2027/11	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	141	141	18	124
Gas-Sales	MMSCF	141	141	18	124
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

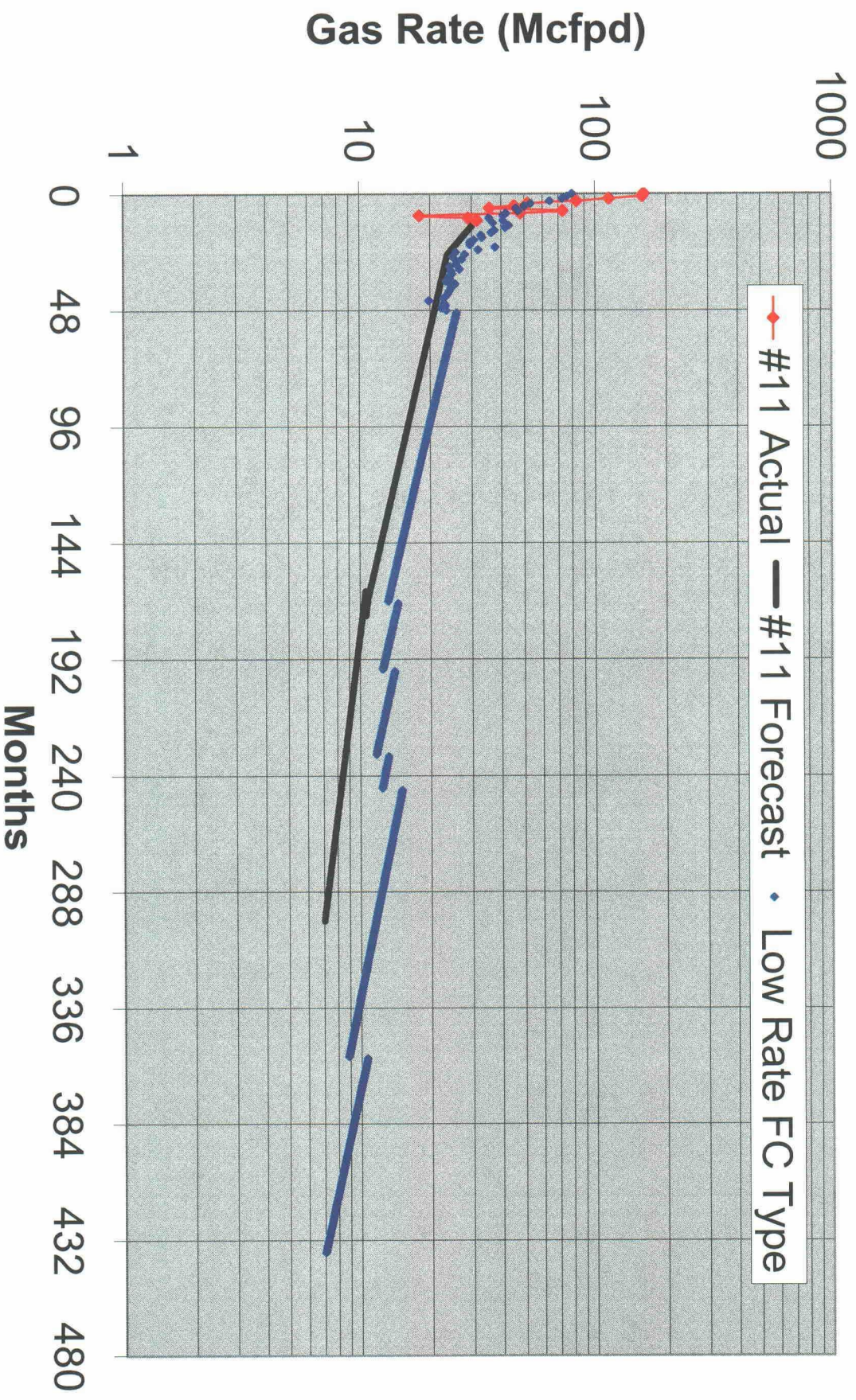
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	21.73	0.00	19.01	0.00	3.00	1.0	57.04	5.13	2.52	49.38	300.00	-250.62	-251.86	-207.41	-210.56
2003(12)	0.00	9.86	0.00	8.63	0.00	2.71	1.0	23.39	2.11	2.57	18.71	0.00	18.71	16.54	24.56	21.68
2004(12)	0.00	8.40	0.00	7.35	0.00	2.42	1.0	17.79	1.60	2.62	13.56	0.00	13.56	10.98	18.99	15.37
2005(12)	0.00	7.84	0.00	6.86	0.00	2.49	1.0	17.08	1.54	2.68	12.87	0.00	12.87	9.56	16.88	12.54
2006(12)	0.00	7.34	0.00	6.42	0.00	2.57	1.0	16.50	1.49	2.73	12.29	0.00	12.29	8.37	15.33	10.44
2007(12)	0.00	6.87	0.00	6.01	0.00	2.85	1.0	17.13	1.54	2.79	12.80	0.00	12.80	8.00	13.55	8.47
2008(12)	0.00	6.45	0.00	5.64	0.00	2.93	1.0	16.53	1.49	2.84	12.20	0.00	12.20	7.00	10.66	6.11
2009(12)	0.00	6.02	0.00	5.26	0.00	3.02	1.0	15.90	1.43	2.90	11.57	0.00	11.57	6.09	8.78	4.62
2010(12)	0.00	5.63	0.00	4.93	0.00	3.11	1.0	15.33	1.38	2.96	10.99	0.00	10.99	5.31	6.92	3.34
2011(12)	0.00	5.27	0.00	4.61	0.00	3.20	1.0	14.76	1.33	3.02	10.41	0.00	10.41	4.61	6.56	2.91
2012(12)	0.00	4.95	0.00	4.33	0.00	3.22	1.0	13.96	1.26	3.08	9.62	0.00	9.62	3.91	6.06	2.46
2013(12)	0.00	4.62	0.00	4.04	0.00	3.00	1.0	12.12	1.09	3.14	7.90	0.00	7.90	2.94	4.97	1.85
2014(12)	0.00	4.32	0.00	3.78	0.00	3.00	1.0	11.34	1.02	3.20	7.12	0.00	7.12	2.44	4.49	1.54
2015(12)	0.00	4.05	0.00	3.54	0.00	3.00	1.0	10.62	0.96	3.26	6.40	0.00	6.40	2.01	4.03	1.27
2016(12)	0.00	3.87	0.00	3.39	0.00	3.00	1.0	10.16	0.91	3.33	5.91	0.00	5.91	1.70	3.72	1.07
2017(12)	0.00	3.72	0.00	3.26	0.00	3.00	1.0	9.77	0.88	3.40	5.49	0.00	5.49	1.45	3.46	0.91
2018(12)	0.00	3.59	0.00	3.14	0.00	3.00	1.0	9.42	0.85	3.46	5.11	0.00	5.11	1.24	3.22	0.78
2019(12)	0.00	3.46	0.00	3.03	0.00	3.00	1.0	9.09	0.82	3.53	4.74	0.00	4.74	1.05	2.98	0.66
2020(12)	0.00	3.35	0.00	2.93	0.00	3.00	1.0	8.79	0.79	3.60	4.40	0.00	4.40	0.90	2.77	0.56
2021(12)	0.00	3.22	0.00	2.82	0.00	3.00	1.0	8.46	0.76	3.68	4.02	0.00	4.02	0.75	2.53	0.47
2022(12)	0.00	3.11	0.00	2.72	0.00	3.00	1.0	8.16	0.73	3.75	3.67	0.00	3.67	0.63	2.31	0.40
2023(12)	0.00	3.00	0.00	2.62	0.00	3.00	1.0	7.87	0.71	3.82	3.34	0.00	3.34	0.53	2.10	0.33
2024(12)	0.00	2.90	0.00	2.54	0.00	3.00	1.0	7.61	0.68	3.90	3.02	0.00	3.02	0.44	1.91	0.28
2025(12)	0.00	2.79	0.00	2.44	0.00	3.00	1.0	7.32	0.66	3.98	2.68	0.00	2.68	0.36	1.69	0.22
2026(12)	0.00	2.69	0.00	2.35	0.00	3.00	1.0	7.06	0.64	4.06	2.37	0.00	2.37	0.29	1.49	0.18
2027(12)	0.00	2.38	0.00	2.08	0.00	3.00	0.9	6.24	0.56	3.78	1.90	0.00	1.90	0.21	1.19	0.13
Total	0.00	141.41	0.00	123.74	0.00	0.00	0.0	359.43	32.35	84.59	242.48	300.00	-57.52	-154.56	-36.23	-111.94

San Juan 28-7 #11 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #18 FC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow
(%)	M\$	M\$	M\$
0.0	61	300	-239
6.0	51	300	-249
9.0	47	300	-253
10.0	46	300	-254
12.0	44	300	-256
13.0	43	300	-257
Arr:	61	300	-239

Case Description

SJ 28-7 #18 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

	BTax	ATax
ROR	%	0.0
Payout Period	Std. (mo's)	0.0
	Proj. (mo's)	0.0
Undisc PI	M\$/M\$	0.20
9.0 Pcnt. PI	M\$/M\$	0.16
12.0 Pcnt. PI	M\$/M\$	0.15
NPV/Vol@9.0	M\$/MMSCF	-6.45
NPV/Vol@12.0	M\$/MMSCF	-6.53
Economic Limit Date	2011/08	
Last Scheduled Prod Date	2011/08	

Products Recovery (US)

	Gross	WI	Roy	Net
Oil	MSTB	0	0	0
Gas-Raw	MMSCF	39	39	5
Gas-Sales	MMSCF	39	39	5
Ethane	MSTB	0	0	0
Propane	MSTB	0	0	0
Butane	MSTB	0	0	0
Cond.	MSTB	0	0	0
Sulphur	MLt	0	0	0
Other	MSTB	0	0	0

Company WI (US)

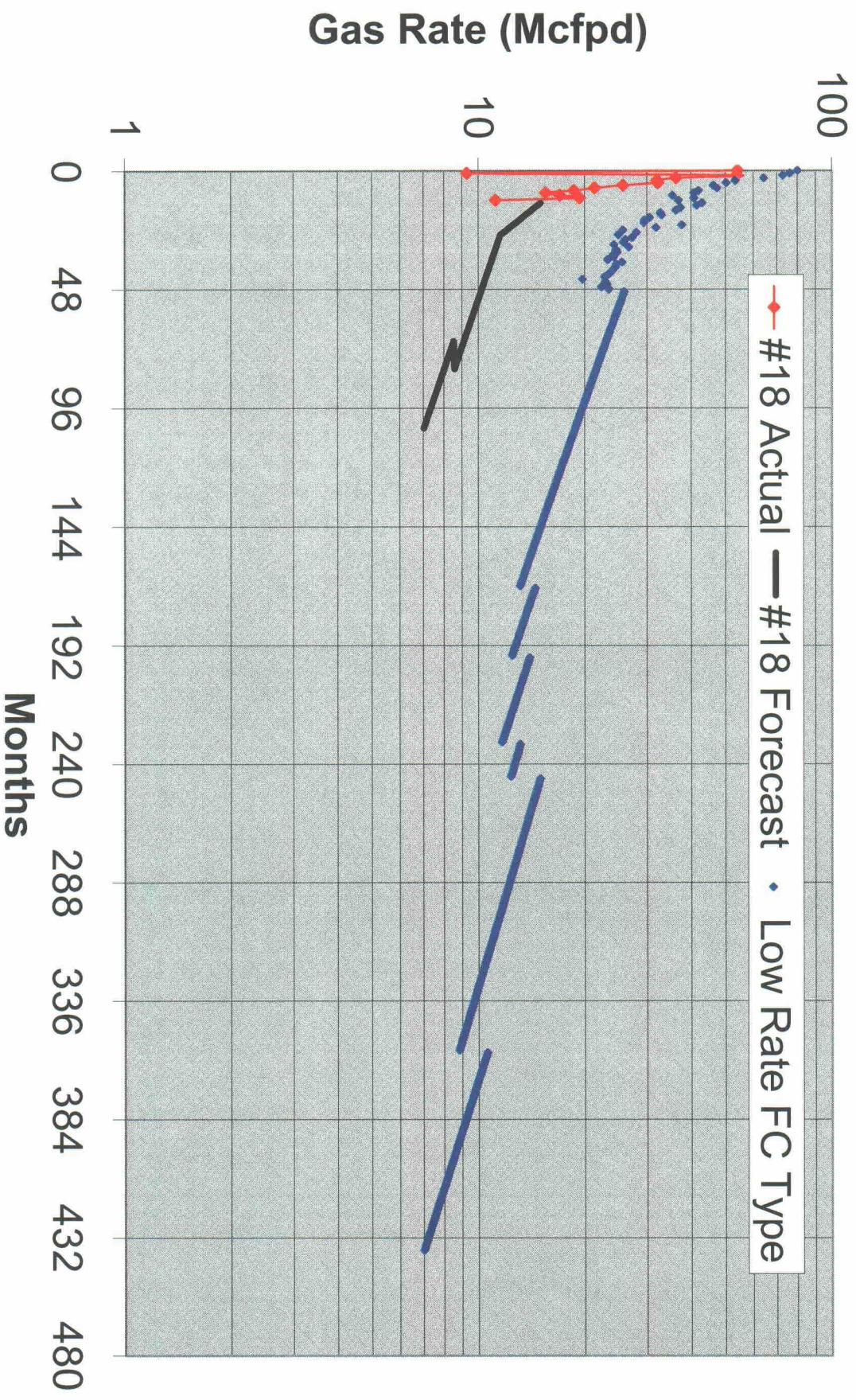
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	8.79	0.00	7.69	0.00	3.00	1.0	23.07	2.08	2.52	18.47	300.00	-281.53	-282.11	-226.89	-229.61
2003(12)	0.00	4.91	0.00	4.30	0.00	2.71	1.0	11.64	1.05	2.57	8.02	0.00	8.02	7.09	17.82	15.73
2004(12)	0.00	4.12	0.00	3.61	0.00	2.42	1.0	8.73	0.79	2.62	5.32	0.00	5.32	4.31	13.79	11.17
2005(12)	0.00	3.84	0.00	3.36	0.00	2.49	1.0	8.38	0.75	2.68	4.95	0.00	4.95	3.67	11.89	8.83
2006(12)	0.00	3.60	0.00	3.15	0.00	2.57	1.0	8.09	0.73	2.73	4.63	0.00	4.63	3.16	10.51	7.16
2007(12)	0.00	3.37	0.00	2.95	0.00	2.85	1.0	8.40	0.76	2.79	4.86	0.00	4.86	3.04	8.55	5.34
2008(12)	0.00	3.16	0.00	2.77	0.00	2.93	1.0	8.10	0.73	2.84	4.53	0.00	4.53	2.60	5.83	3.34
2009(12)	0.00	2.95	0.00	2.58	0.00	3.02	1.0	7.80	0.70	2.90	4.20	0.00	4.20	2.21	4.13	2.17
2010(12)	0.00	2.76	0.00	2.42	0.00	3.11	1.0	7.51	0.68	2.96	3.88	0.00	3.88	1.87	2.45	1.18
2011(12)	0.00	1.74	0.00	1.52	0.00	3.20	0.7	4.87	0.44	2.00	2.43	0.00	2.43	1.09	1.53	0.69
Total	0.00	39.24	0.00	34.34	0.00	0.00	0.0	96.59	8.69	26.61	61.29	300.00	-238.71	-253.06	-150.39	-174.00

San Juan 28-7 #18 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #20 FC (sdr)
Nominal

Net Present Values

Disc Rate (%)	Before Tax	Before Tax	Before Tax	After Tax
Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
M\$	M\$	M\$	M\$	
0.0	1	300	-299	-189
6.0	1	300	-299	-191
9.0	1	300	-299	-192
10.0	1	300	-299	-193
12.0	1	300	-299	-194
13.0	1	300	-299	-194
Arr:	1	300	-299	-189

Case Description

SJ 28-7 #20 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.00	0.37
9.0 Pcnt. PI	M\$/M\$	0.00	0.36
12.0 Pcnt. PI	M\$/M\$	0.00	0.35
NPV/Vol@9.0	M\$/MMSCF	-319.96	-205.78
NPV/Vol@12.0	M\$/MMSCF	-319.96	-207.07
Economic Limit Date		2002/07	
Last Scheduled Prod Date		2002/11	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	1	1	0	1
Gas-Sales	MMSCF	1	1	0	1
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

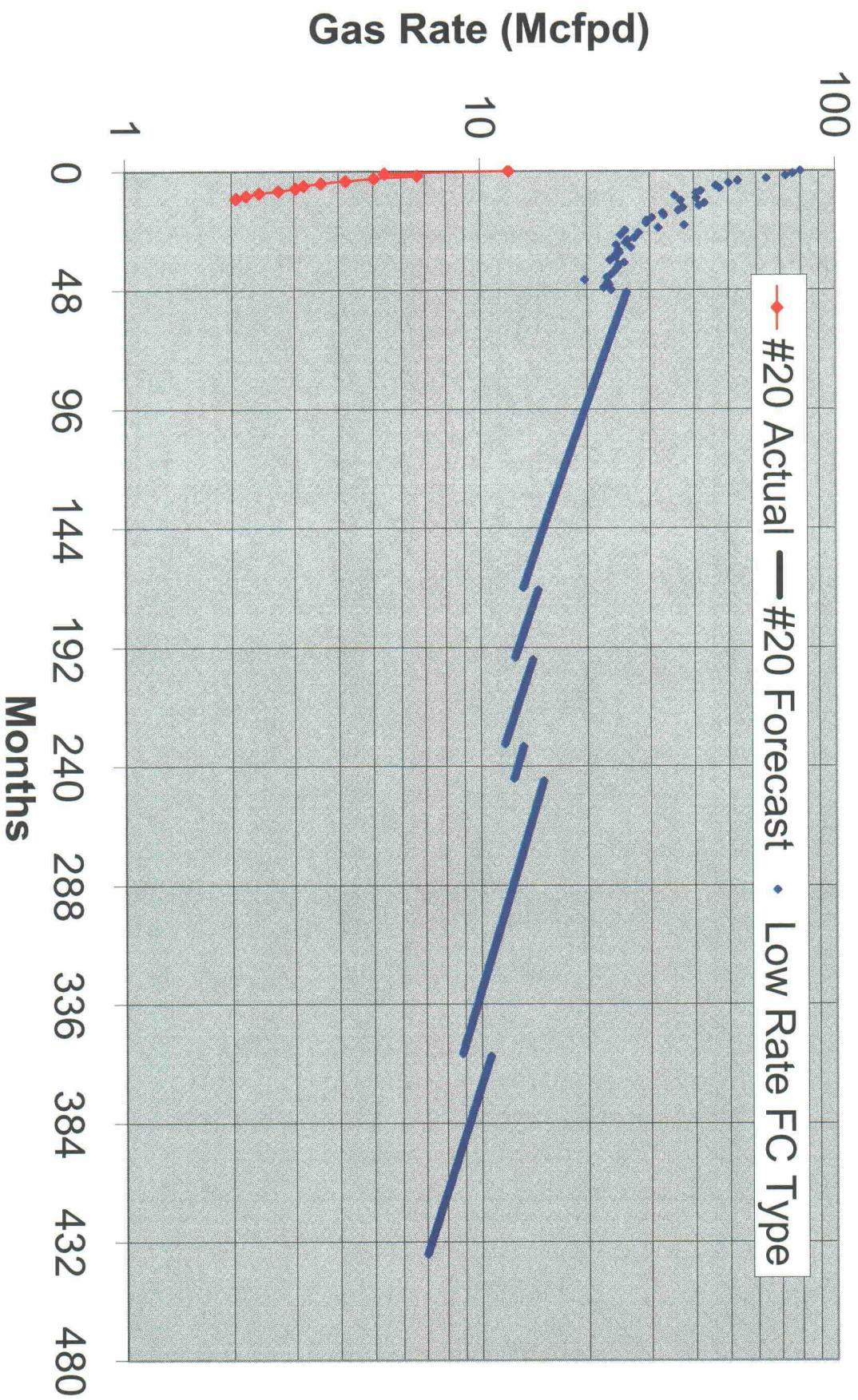
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	0.94	0.00	0.82	0.00	3.00	0.6	2.45	0.22	1.46	0.77	300.00	-299.23	-299.23	-188.51	-192.45
Total	0.00	0.94	0.00	0.82	0.00	0.00	0.0	2.45	0.22	1.46	0.77	300.00	-299.23	-299.23	-188.51	-192.45

San Juan 28-7 #20 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #21 FC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow
(%)	M\$	M\$	M\$
0.0	20	300	-280 -177
6.0	18	300	-282 -188
9.0	17	300	-283 -192
10.0	17	300	-283 -194
12.0	16	300	-284 -196
13.0	16	300	-284 -198
Arr:	20	300	-280 -177

Case Description

SJ 28-7 #21 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02
 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

	BTax	ATax
ROR	%	0.0
Payout Period	Std. (mo's)	0.0
	Proj. (mo's)	0.0
Undisc PI	M\$/M\$	0.07
9.0 Pcnt. PI	M\$/M\$	0.06
12.0 Pcnt. PI	M\$/M\$	0.05
NPV/Vol@9.0	M\$/MMSCF	-18.59
NPV/Vol@12.0	M\$/MMSCF	-18.64
Economic Limit Date	2006/10	
Last Scheduled Prod Date	2006/10	

Products Recovery (US)

	Gross	WI	Roy	Net
Oil	MSTB	0	0	0
Gas-Raw	MMSCF	15	15	2
Gas-Sales	MMSCF	15	15	2
Ethane	MSTB	0	0	0
Propane	MSTB	0	0	0
Butane	MSTB	0	0	0
Cond.	MSTB	0	0	0
Sulphur	MLt	0	0	0
Other	MSTB	0	0	0

Company WI (US)

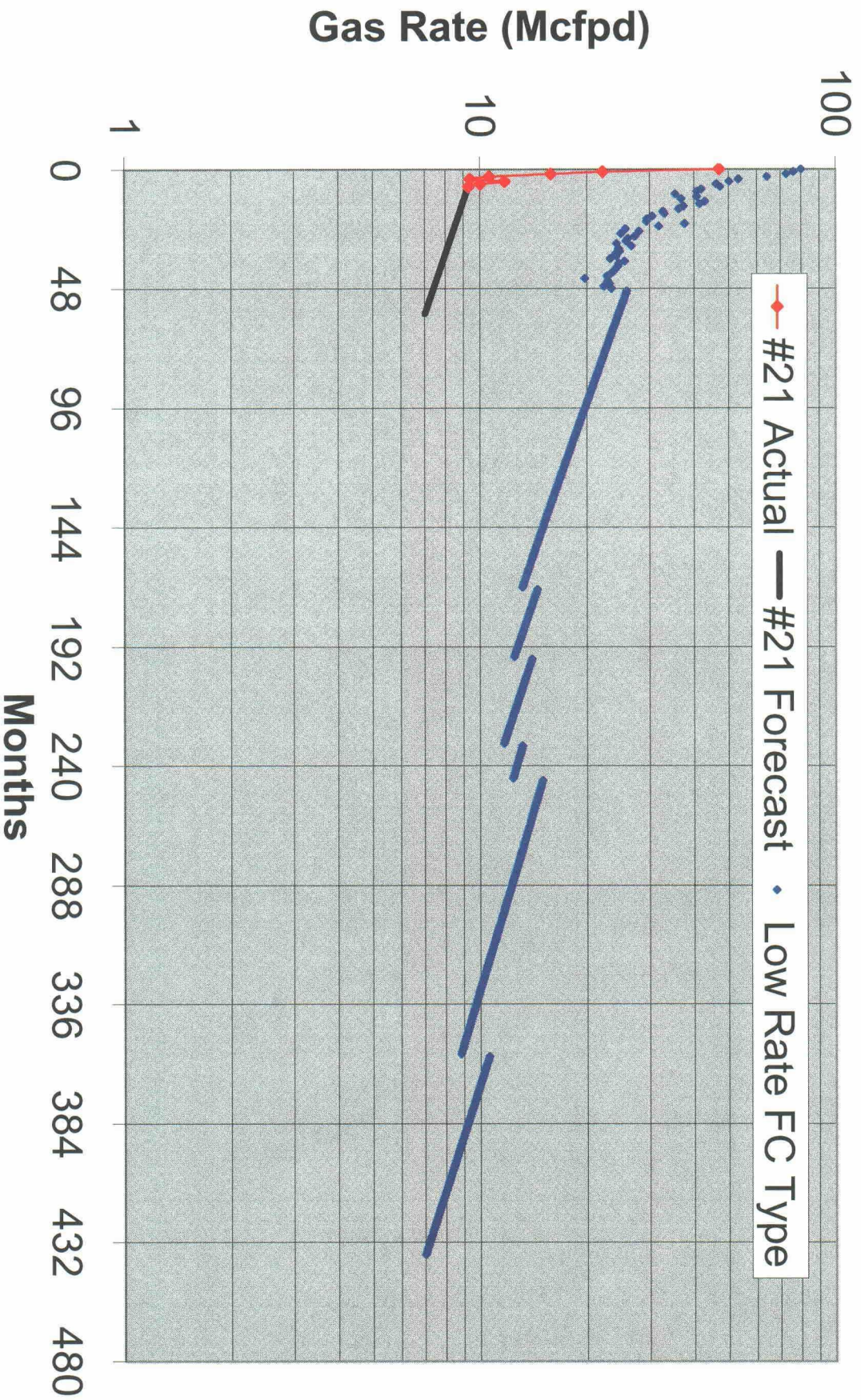
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	4.08	0.00	3.57	0.00	3.00	1.0	10.72	0.96	2.52	7.23	300.00	-292.77	-292.99	-233.96	-236.47
2003(12)	0.00	3.18	0.00	2.78	0.00	2.71	1.0	7.55	0.68	2.57	4.29	0.00	4.29	3.79	15.48	13.65
2004(12)	0.00	2.99	0.00	2.61	0.00	2.42	1.0	6.33	0.57	2.62	3.13	0.00	3.13	2.54	12.41	10.05
2005(12)	0.00	2.79	0.00	2.44	0.00	2.49	1.0	6.07	0.55	2.68	2.85	0.00	2.85	2.12	10.57	7.85
2006(12)	0.00	2.19	0.00	1.91	0.00	2.57	0.8	4.91	0.44	2.27	2.20	0.00	2.20	1.51	18.92	12.74
Total	0.00	15.23	0.00	13.32	0.00	0.00	0.0	35.58	3.20	12.67	19.71	300.00	-280.29	-283.03	-176.58	-192.18

San Juan 28-7 #21 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #22 FC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	303	300	3	2
6.0	181	300	-119	-86
9.0	151	300	-149	-108
10.0	144	300	-156	-114
12.0	131	300	-169	-125
13.0	126	300	-174	-129
Arr:	303	300	3	2

Case Description

SJ 28-7 #22 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02
 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.1	0.1
Payout Period	Std. (mo's)	431.5	431.5
	Proj. (mo's)	431.5	431.5
Undisc PI	M\$/M\$	1.01	1.01
9.0 Pcnt. PI	M\$/M\$	0.50	0.64
12.0 Pcnt. PI	M\$/M\$	0.44	0.58
NPV/Vol@9.0	M\$/MMSCF	-0.77	-0.56
NPV/Vol@12.0	M\$/MMSCF	-0.88	-0.65
Economic Limit Date		2040/09	
Last Scheduled Prod Date		2040/09	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	193	193	24	169
Gas-Sales	MMSCF	193	193	24	169
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

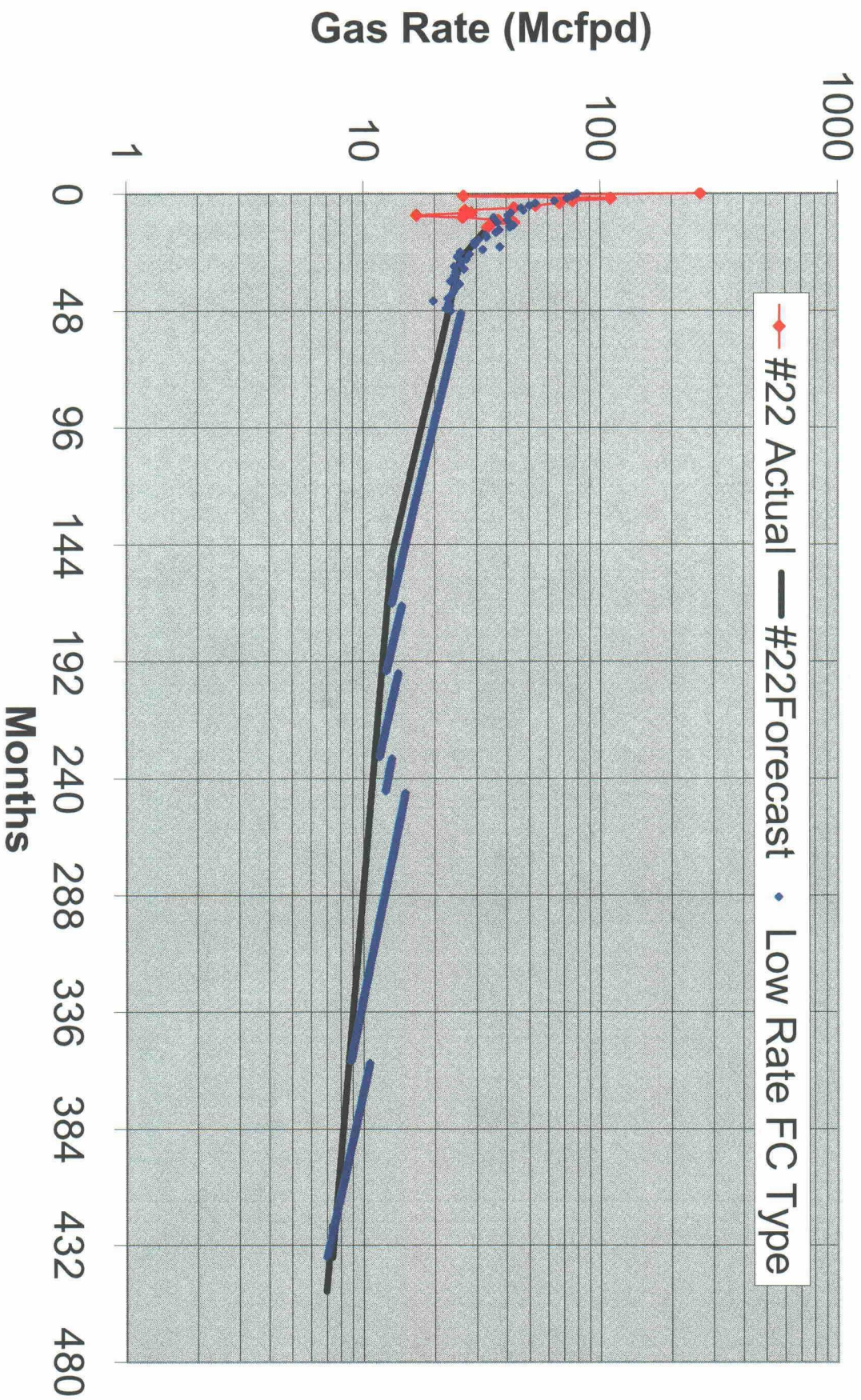
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS																
PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	16.68	0.00	14.59	0.00	3.00	1.0	43.78	3.94	2.52	37.31	300.00	-262.69	-263.84	-215.01	-218.11
2003(12)	0.00	11.15	0.00	9.76	0.00	2.71	1.0	26.45	2.38	2.57	21.49	0.00	21.49	19.00	26.31	23.23
2004(12)	0.00	9.25	0.00	8.10	0.00	2.42	1.0	19.59	1.76	2.62	15.20	0.00	15.20	12.31	20.02	16.21
2005(12)	0.00	8.61	0.00	7.53	0.00	2.49	1.0	18.75	1.69	2.68	14.39	0.00	14.39	10.69	17.84	13.25
2006(12)	0.00	8.05	0.00	7.04	0.00	2.57	1.0	18.10	1.63	2.73	13.74	0.00	13.74	9.37	16.25	11.07
2007(12)	0.00	7.54	0.00	6.60	0.00	2.85	1.0	18.80	1.69	2.79	14.32	0.00	14.32	8.96	14.51	9.07
2008(12)	0.00	7.08	0.00	6.20	0.00	2.93	1.0	18.16	1.63	2.84	13.68	0.00	13.68	7.85	11.59	6.65
2009(12)	0.00	6.59	0.00	5.77	0.00	3.02	1.0	17.42	1.57	2.90	12.95	0.00	12.95	6.81	9.64	5.07
2010(12)	0.00	6.19	0.00	5.41	0.00	3.11	1.0	16.83	1.51	2.96	12.36	0.00	12.36	5.97	7.79	3.76
2011(12)	0.00	5.78	0.00	5.06	0.00	3.20	1.0	16.20	1.46	3.02	11.72	0.00	11.72	5.19	7.39	3.27
2012(12)	0.00	5.43	0.00	4.75	0.00	3.22	1.0	15.31	1.38	3.08	10.86	0.00	10.86	4.41	6.84	2.78
2013(12)	0.00	5.07	0.00	4.43	0.00	3.00	1.0	13.30	1.20	3.14	8.97	0.00	8.97	3.34	5.65	2.11
2014(12)	0.00	4.78	0.00	4.18	0.00	3.00	1.0	12.54	1.13	3.20	8.21	0.00	8.21	2.81	5.17	1.77
2015(12)	0.00	4.65	0.00	4.07	0.00	3.00	1.0	12.22	1.10	3.26	7.85	0.00	7.85	2.46	4.95	1.55
2016(12)	0.00	4.56	0.00	3.99	0.00	3.00	1.0	11.96	1.08	3.33	7.56	0.00	7.56	2.17	4.76	1.37
2017(12)	0.00	4.43	0.00	3.88	0.00	3.00	1.0	11.64	1.05	3.40	7.20	0.00	7.20	1.90	4.53	1.20
2018(12)	0.00	4.33	0.00	3.79	0.00	3.00	1.0	11.37	1.02	3.46	6.88	0.00	6.88	1.67	4.34	1.05
2019(12)	0.00	4.23	0.00	3.70	0.00	3.00	1.0	11.10	1.00	3.53	6.57	0.00	6.57	1.46	4.14	0.92
2020(12)	0.00	4.14	0.00	3.62	0.00	3.00	1.0	10.86	0.98	3.60	6.28	0.00	6.28	1.28	3.96	0.81
2021(12)	0.00	4.03	0.00	3.53	0.00	3.00	1.0	10.58	0.95	3.68	5.95	0.00	5.95	1.11	3.75	0.70
2022(12)	0.00	3.94	0.00	3.44	0.00	3.00	1.0	10.33	0.93	3.75	5.65	0.00	5.65	0.97	3.56	0.61
2023(12)	0.00	3.84	0.00	3.36	0.00	3.00	1.0	10.08	0.91	3.82	5.35	0.00	5.35	0.84	3.37	0.53
2024(12)	0.00	3.76	0.00	3.29	0.00	3.00	1.0	9.87	0.89	3.90	5.08	0.00	5.08	0.73	3.20	0.46
2025(12)	0.00	3.66	0.00	3.20	0.00	3.00	1.0	9.60	0.86	3.98	4.76	0.00	4.76	0.63	3.00	0.40
2026(12)	0.00	3.57	0.00	3.13	0.00	3.00	1.0	9.38	0.84	4.06	4.48	0.00	4.48	0.54	2.82	0.34
2027(12)	0.00	3.49	0.00	3.05	0.00	3.00	1.0	9.16	0.82	4.14	4.19	0.00	4.19	0.47	2.64	0.29
2028(12)	0.00	3.41	0.00	2.99	0.00	3.00	1.0	8.96	0.81	4.22	3.93	0.00	3.93	0.40	2.48	0.25
2029(12)	0.00	3.32	0.00	2.91	0.00	3.00	1.0	8.73	0.79	4.31	3.63	0.00	3.63	0.34	2.29	0.21
2030(12)	0.00	3.25	0.00	2.84	0.00	3.00	1.0	8.52	0.77	4.39	3.36	0.00	3.36	0.29	2.12	0.18
2031(12)	0.00	3.17	0.00	2.77	0.00	3.00	1.0	8.32	0.75	4.48	3.09	0.00	3.09	0.24	1.95	0.15
2032(12)	0.00	3.10	0.00	2.72	0.00	3.00	1.0	8.15	0.73	4.57	2.85	0.00	2.85	0.21	1.79	0.13
2033(12)	0.00	3.02	0.00	2.65	0.00	3.00	1.0	7.94	0.71	4.66	2.56	0.00	2.56	0.17	1.61	0.11
2034(12)	0.00	2.95	0.00	2.58	0.00	3.00	1.0	7.74	0.70	4.75	2.29	0.00	2.29	0.14	1.44	0.09
2035(12)	0.00	2.88	0.00	2.52	0.00	3.00	1.0	7.55	0.68	4.85	2.02	0.00	2.02	0.11	1.27	0.07
2036(12)	0.00	2.82	0.00	2.47	0.00	3.00	1.0	7.40	0.67	4.95	1.79	0.00	1.79	0.09	1.12	0.06
2037(12)	0.00	2.74	0.00	2.40	0.00	3.00	1.0	7.20	0.65	5.05	1.51	0.00	1.51	0.07	0.95	0.04
2038(12)	0.00	2.68	0.00	2.34	0.00	3.00	1.0	7.03	0.63	5.15	1.25	0.00	1.25	0.05	0.79	0.03
2039(12)	0.00	2.61	0.00	2.29	0.00	3.00	1.0	6.86	0.62	5.25	0.99	0.00	0.99	0.04	0.62	0.02
2040(12)	0.00	1.92	0.00	1.68	0.00	3.00	0.8	5.05	0.45	4.00	0.60	0.00	0.60	0.02	0.38	0.01
Total	0.00	192.71	0.00	168.62	0.00	0.00	0.0	492.83	44.35	145.57	302.90	300.00	2.90	-148.71	1.83	-108.25

San Juan 28-7 #22 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #28 FC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	107	300	-193	-121
6.0	80	300	-220	-149
9.0	72	300	-228	-159
10.0	69	300	-231	-161
12.0	65	300	-235	-167
13.0	63	300	-237	-169
Arr:	107	300	-193	-121

Case Description

SJ 28-7 #28 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.36	0.60
9.0 Pcnt. PI	M\$/M\$	0.24	0.47
12.0 Pcnt. PI	M\$/M\$	0.22	0.44
NPV/Vol@9.0	M\$/MMSCF	-3.39	-2.35
NPV/Vol@12.0	M\$/MMSCF	-3.49	-2.47
Economic Limit Date		2017/12	
Last Scheduled Prod Date		2017/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	67	67	8	59
Gas-Sales	MMSCF	67	67	8	59
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

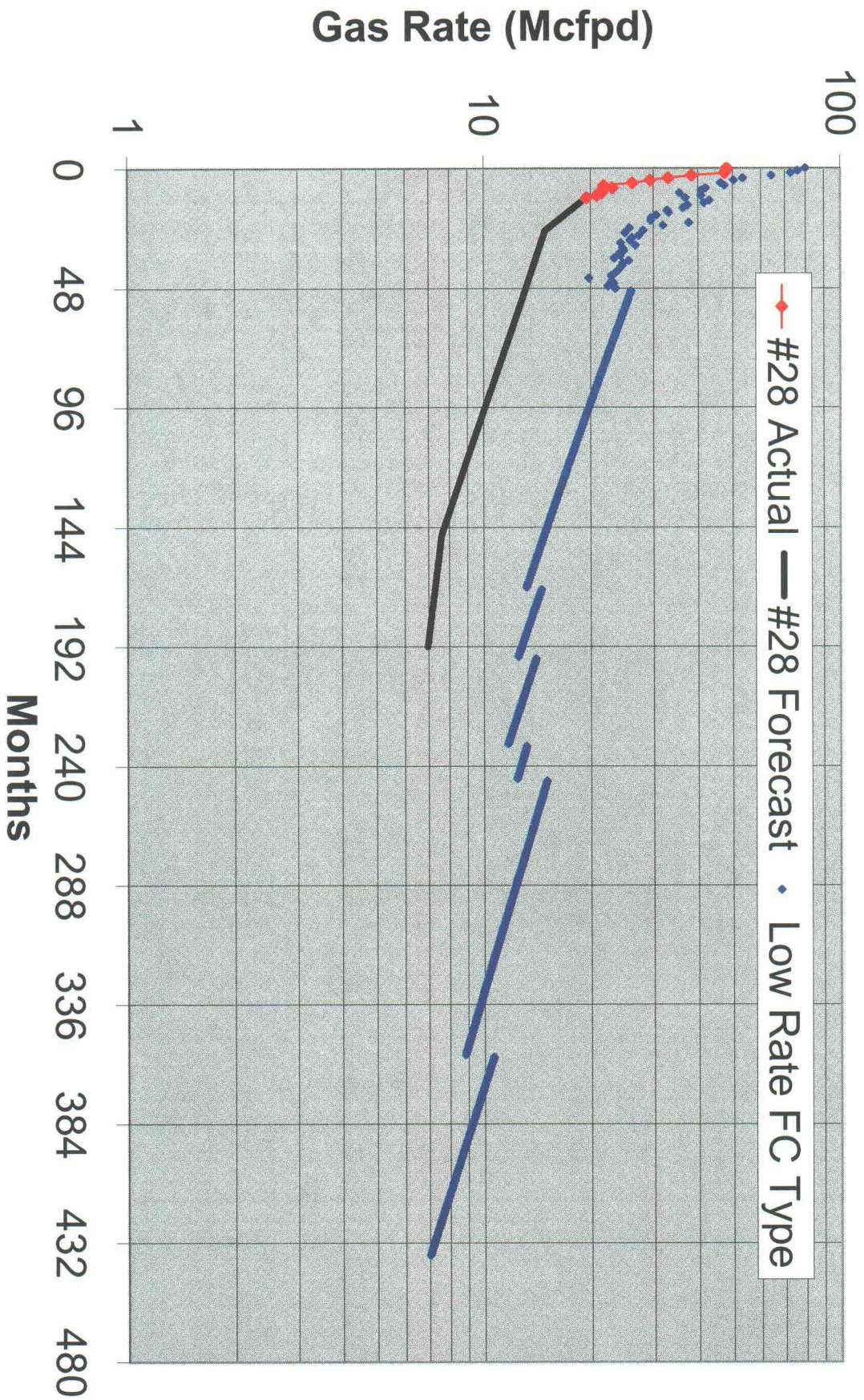
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	10.58	0.00	9.26	0.00	3.00	1.0	27.77	2.50	2.52	22.75	300.00	-277.25	-277.94	-224.19	-226.99
2003(12)	0.00	6.21	0.00	5.44	0.00	2.71	1.0	14.73	1.33	2.57	10.83	0.00	10.83	9.58	19.60	17.30
2004(12)	0.00	5.29	0.00	4.63	0.00	2.42	1.0	11.20	1.01	2.62	7.57	0.00	7.57	6.13	15.21	12.31
2005(12)	0.00	4.95	0.00	4.33	0.00	2.49	1.0	10.77	0.97	2.68	7.13	0.00	7.13	5.29	13.27	9.85
2006(12)	0.00	4.63	0.00	4.05	0.00	2.57	1.0	10.40	0.94	2.73	6.73	0.00	6.73	4.59	11.83	8.06
2007(12)	0.00	4.33	0.00	3.79	0.00	2.85	1.0	10.80	0.97	2.79	7.04	0.00	7.04	4.40	9.93	6.20
2008(12)	0.00	4.06	0.00	3.55	0.00	2.93	1.0	10.41	0.94	2.84	6.64	0.00	6.64	3.81	7.15	4.10
2009(12)	0.00	3.79	0.00	3.32	0.00	3.02	1.0	10.02	0.90	2.90	6.22	0.00	6.22	3.27	5.41	2.84
2010(12)	0.00	3.55	0.00	3.11	0.00	3.11	1.0	9.66	0.87	2.96	5.83	0.00	5.83	2.82	3.67	1.77
2011(12)	0.00	3.32	0.00	2.91	0.00	3.20	1.0	9.30	0.84	3.02	5.45	0.00	5.45	2.41	3.43	1.52
2012(12)	0.00	3.12	0.00	2.73	0.00	3.22	1.0	8.79	0.79	3.08	4.93	0.00	4.93	2.00	3.10	1.26
2013(12)	0.00	2.91	0.00	2.55	0.00	3.00	1.0	7.64	0.69	3.14	3.82	0.00	3.82	1.42	2.40	0.90
2014(12)	0.00	2.76	0.00	2.42	0.00	3.00	1.0	7.25	0.65	3.20	3.40	0.00	3.40	1.16	2.14	0.73
2015(12)	0.00	2.69	0.00	2.36	0.00	3.00	1.0	7.07	0.64	3.26	3.17	0.00	3.17	0.99	1.99	0.63
2016(12)	0.00	2.64	0.00	2.31	0.00	3.00	1.0	6.93	0.62	3.33	2.97	0.00	2.97	0.86	1.87	0.54
2017(12)	0.00	2.57	0.00	2.25	0.00	3.00	1.0	6.75	0.61	3.40	2.74	0.00	2.74	0.72	1.73	0.46
Total	0.00	67.40	0.00	58.97	0.00	0.00	0.0	169.50	15.25	47.03	107.22	300.00	-192.78	-228.47	-121.45	-158.51

San Juan 28-7 #28 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #29 FC (sdr)

Nominal

Net Present Values

Disc Rate (%)	Before Tax M\$	Before Tax M\$	Before Tax M\$	After Tax M\$
0.0	155	300	-145	-91
6.0	117	300	-183	-126
9.0	104	300	-196	-138
10.0	101	300	-199	-141
12.0	95	300	-205	-148
13.0	92	300	-208	-151
Arr:	155	300	-145	-91

Case Description

SJ 28-7 #29 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

	BTax	ATax
ROR	% 0.0	0.0
Payout Period	Stnd. (mo's) 0.0	0.0
	Proj. (mo's) 0.0	0.0
Undisc PI	M\$/M\$ 0.52	0.70
9.0 Pcnt. PI	M\$/M\$ 0.35	0.54
12.0 Pcnt. PI	M\$/M\$ 0.32	0.51
NPV/Vol@9.0	M\$/MMSCF -2.19	-1.54
NPV/Vol@12.0	M\$/MMSCF -2.30	-1.65
Economic Limit Date	2018/11	
Last Scheduled Prod Date	2018/11	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	89	89	11	78
Gas-Sales	MMSCF	89	89	11	78
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

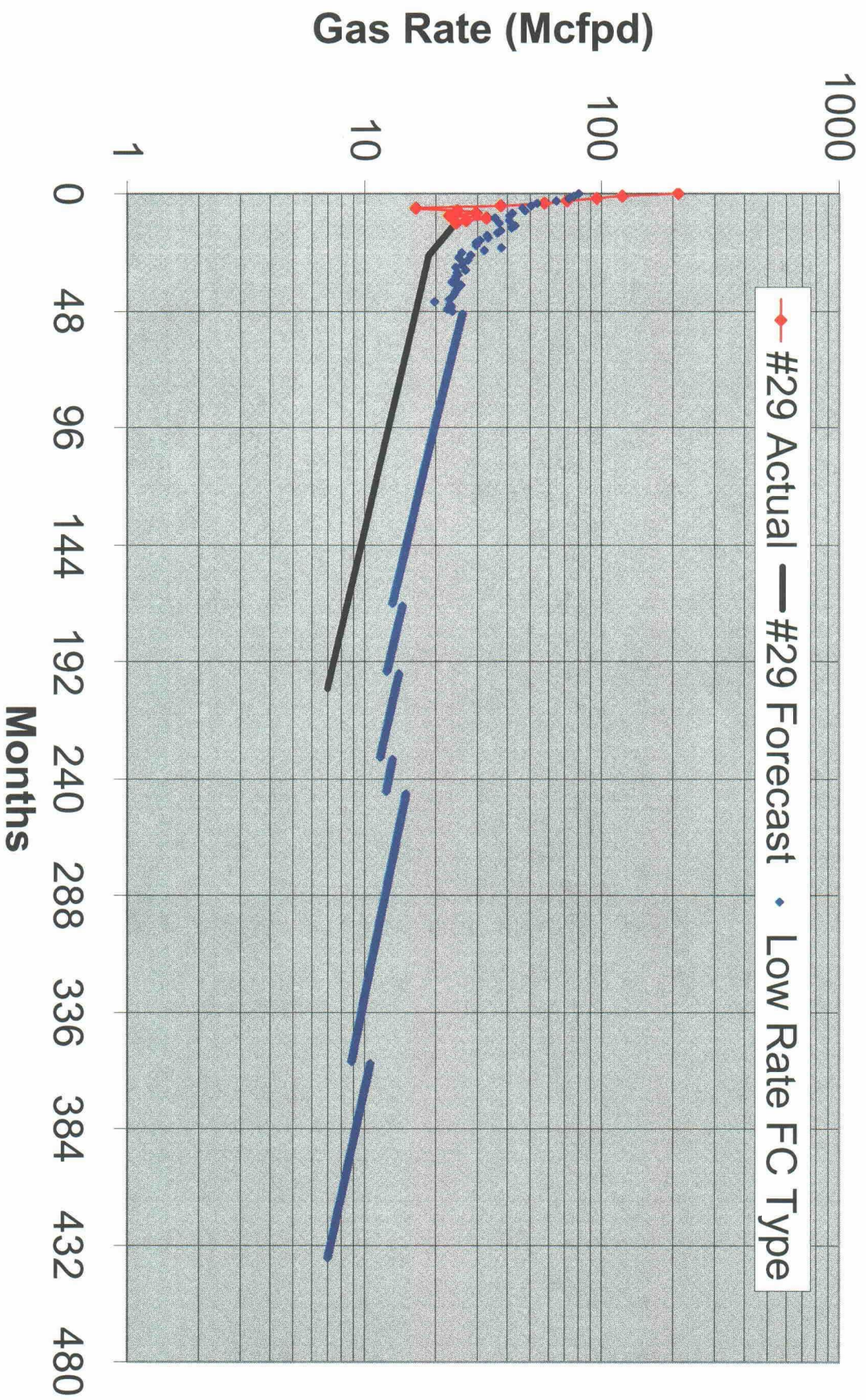
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	16.91	0.00	14.80	0.00	3.00	1.0	44.39	4.00	2.52	37.87	300.00	-262.13	-263.05	-214.66	-217.61
2003(12)	0.00	7.77	0.00	6.80	0.00	2.71	1.0	18.42	1.66	2.57	14.19	0.00	14.19	12.54	21.71	19.17
2004(12)	0.00	6.61	0.00	5.78	0.00	2.42	1.0	13.99	1.26	2.62	10.10	0.00	10.10	8.18	16.81	13.60
2005(12)	0.00	6.18	0.00	5.40	0.00	2.49	1.0	13.46	1.21	2.68	9.57	0.00	9.57	7.11	14.80	10.99
2006(12)	0.00	5.78	0.00	5.06	0.00	2.57	1.0	12.99	1.17	2.73	9.09	0.00	9.09	6.20	13.32	9.07
2007(12)	0.00	5.41	0.00	4.73	0.00	2.85	1.0	13.49	1.21	2.79	9.49	0.00	9.49	5.93	11.47	7.17
2008(12)	0.00	5.08	0.00	4.44	0.00	2.93	1.0	13.02	1.17	2.84	9.01	0.00	9.01	5.17	8.65	4.96
2009(12)	0.00	4.74	0.00	4.15	0.00	3.02	1.0	12.52	1.13	2.90	8.50	0.00	8.50	4.47	6.84	3.60
2010(12)	0.00	4.44	0.00	3.89	0.00	3.11	1.0	12.08	1.09	2.96	8.04	0.00	8.04	3.88	5.06	2.45
2011(12)	0.00	4.15	0.00	3.63	0.00	3.20	1.0	11.62	1.05	3.02	7.56	0.00	7.56	3.35	4.76	2.11
2012(12)	0.00	3.90	0.00	3.41	0.00	3.22	1.0	11.00	0.99	3.08	6.93	0.00	6.93	2.82	4.37	1.77
2013(12)	0.00	3.64	0.00	3.18	0.00	3.00	1.0	9.55	0.86	3.14	5.55	0.00	5.55	2.07	3.50	1.30
2014(12)	0.00	3.40	0.00	2.98	0.00	3.00	1.0	8.93	0.80	3.20	4.93	0.00	4.93	1.69	3.11	1.06
2015(12)	0.00	3.19	0.00	2.79	0.00	3.00	1.0	8.37	0.75	3.26	4.35	0.00	4.35	1.37	2.74	0.86
2016(12)	0.00	2.99	0.00	2.62	0.00	3.00	1.0	7.85	0.71	3.33	3.81	0.00	3.81	1.10	2.40	0.69
2017(12)	0.00	2.79	0.00	2.44	0.00	3.00	1.0	7.33	0.66	3.40	3.27	0.00	3.27	0.86	2.06	0.54
2018(12)	0.00	2.40	0.00	2.10	0.00	3.00	0.9	6.30	0.57	3.17	2.56	0.00	2.56	0.62	1.61	0.39
Total	0.00	89.36	0.00	78.19	0.00	0.00	0.0	225.30	20.28	50.19	154.83	300.00	-145.17	-195.70	-91.46	-137.86

San Juan 28-7 #29 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #32 FC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	15	300	-285	-180
6.0	14	300	-286	-187
9.0	14	300	-286	-190
10.0	14	300	-286	-191
12.0	14	300	-286	-193
13.0	14	300	-286	-193
Arr:	15	300	-285	-180

Case Description

SJ 28-7 #32 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.05	0.40
9.0 Pcnt. PI	M\$/M\$	0.05	0.37
12.0 Pcnt. PI	M\$/M\$	0.05	0.36
NPV/Vol@9.0	M\$/MMSCF	-33.47	-22.19
NPV/Vol@12.0	M\$/MMSCF	-33.50	-22.53
Economic Limit Date		2003/12	
Last Scheduled Prod Date		2003/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	9	9	1	7
Gas-Sales	MMSCF	9	9	1	7
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

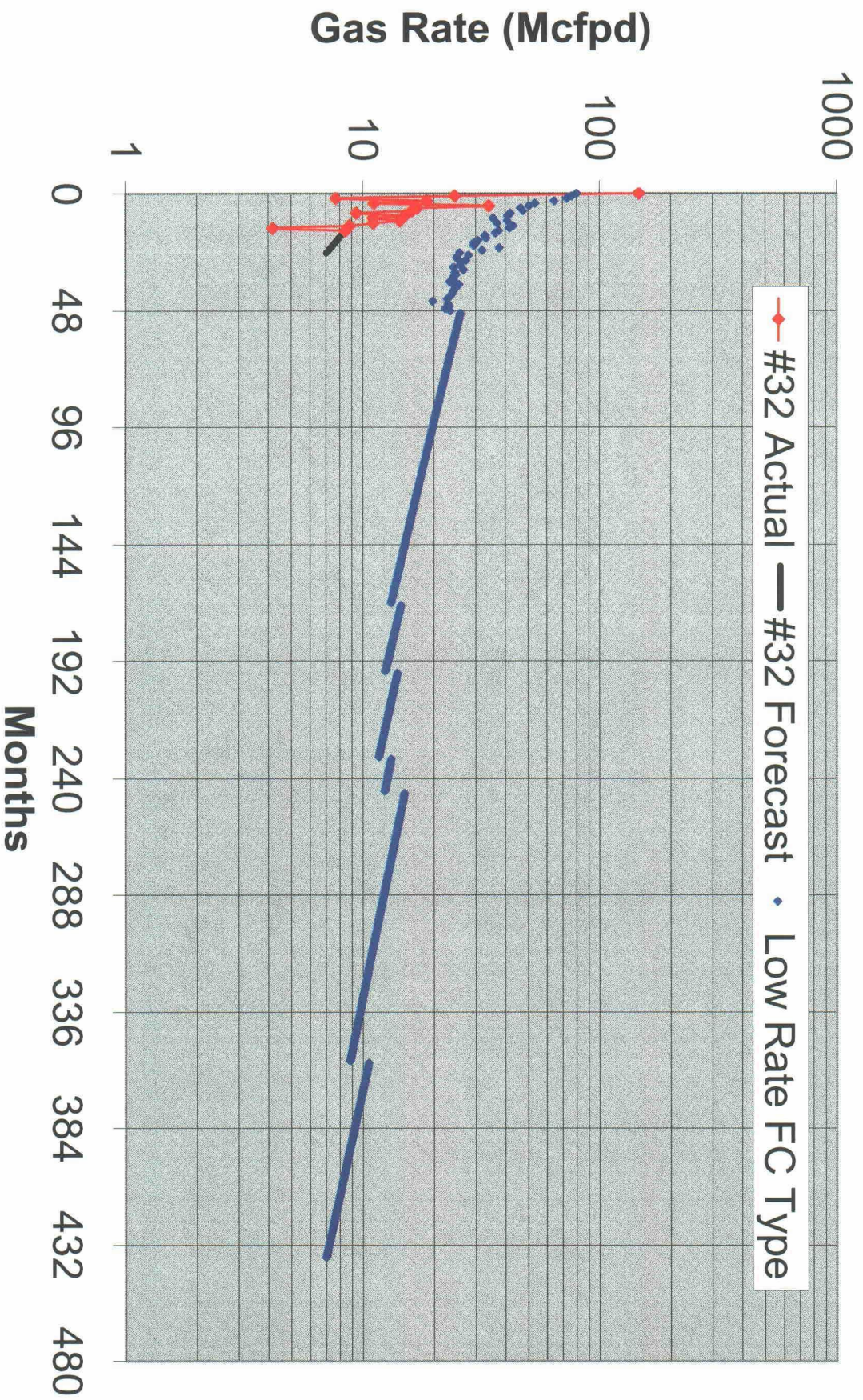
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	5.80	0.00	5.07	0.00	3.00	1.0	15.22	1.37	2.52	11.33	300.00	-288.67	-289.06	-231.39	-233.99
2003(12)	0.00	2.75	0.00	2.41	0.00	2.71	1.0	6.52	0.59	2.57	3.36	0.00	3.36	2.97	51.64	44.29
Total	0.00	8.55	0.00	7.48	0.00	0.00	0.0	21.74	1.96	5.10	14.69	300.00	-285.31	-286.09	-179.75	-189.70

San Juan 28-7 #32 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #35 FC (sdr)
Nominal

Net Present Values

	Disc Before Tax	Before Tax	After Tax	
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	269	300	-31	-19
6.0	186	300	-114	-82
9.0	162	300	-138	-102
10.0	156	300	-144	-107
12.0	145	300	-155	-116
13.0	140	300	-160	-120
Arr:	269	300	-31	-19

Case Description

SJ 28-7 #35 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Stnd. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.90	0.94
9.0 Pcnt. PI	M\$/M\$	0.54	0.66
12.0 Pcnt. PI	M\$/M\$	0.48	0.61
NPV/Vol@9.0	M\$/MMSCF	-0.89	-0.66
NPV/Vol@12.0	M\$/MMSCF	-1.00	-0.75
Economic Limit Date		2028/10	
Last Scheduled Prod Date		2028/10	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	155	155	19	136
Gas-Sales	MMSCF	155	155	19	136
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

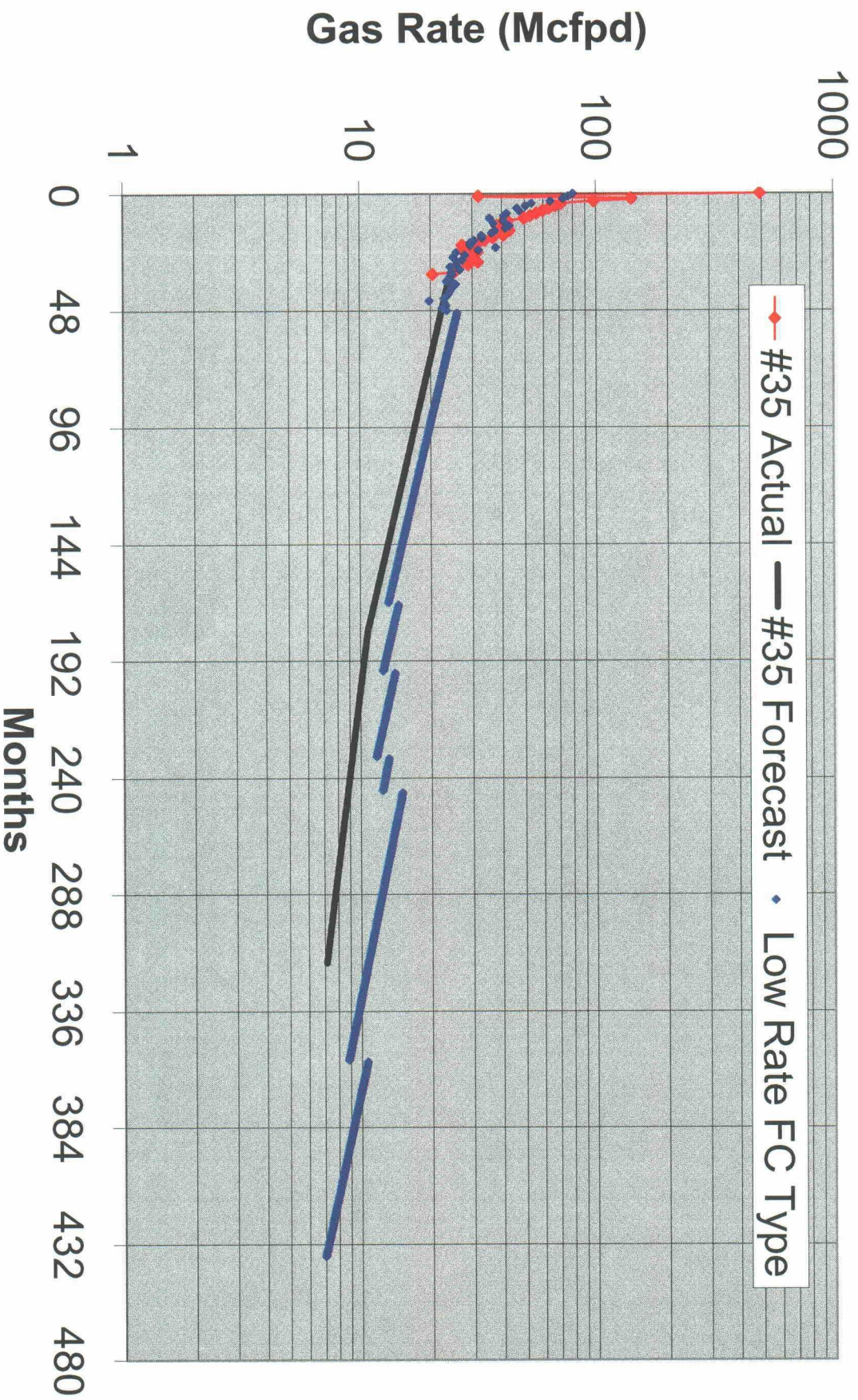
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	23.22	0.00	20.32	0.00	3.00	1.0	60.96	5.49	2.52	52.95	300.00	-247.05	-248.79	-205.16	-208.62
2003(12)	0.00	12.80	0.00	11.20	0.00	2.71	1.0	30.34	2.73	2.57	25.04	0.00	25.04	22.16	28.54	25.23
2004(12)	0.00	9.66	0.00	8.45	0.00	2.42	1.0	20.45	1.84	2.62	15.98	0.00	15.98	12.97	20.51	16.62
2005(12)	0.00	8.36	0.00	7.31	0.00	2.49	1.0	18.21	1.64	2.68	13.89	0.00	13.89	10.32	17.53	13.02
2006(12)	0.00	7.83	0.00	6.85	0.00	2.57	1.0	17.60	1.58	2.73	13.28	0.00	13.28	9.05	15.96	10.87
2007(12)	0.00	7.33	0.00	6.41	0.00	2.85	1.0	18.27	1.64	2.79	13.84	0.00	13.84	8.65	14.21	8.88
2008(12)	0.00	6.87	0.00	6.01	0.00	2.93	1.0	17.60	1.58	2.84	13.18	0.00	13.18	7.56	11.27	6.47
2009(12)	0.00	6.40	0.00	5.60	0.00	3.02	1.0	16.92	1.52	2.90	12.50	0.00	12.50	6.58	9.36	4.93
2010(12)	0.00	6.01	0.00	5.26	0.00	3.11	1.0	16.34	1.47	2.96	11.92	0.00	11.92	5.75	7.51	3.63
2011(12)	0.00	5.62	0.00	4.92	0.00	3.20	1.0	15.74	1.42	3.02	11.31	0.00	11.31	5.01	7.12	3.15
2012(12)	0.00	5.28	0.00	4.62	0.00	3.22	1.0	14.88	1.34	3.08	10.47	0.00	10.47	4.25	6.60	2.68
2013(12)	0.00	4.92	0.00	4.31	0.00	3.00	1.0	12.92	1.16	3.14	8.62	0.00	8.62	3.21	5.43	2.02
2014(12)	0.00	4.61	0.00	4.03	0.00	3.00	1.0	12.09	1.09	3.20	7.81	0.00	7.81	2.67	4.92	1.68
2015(12)	0.00	4.31	0.00	3.77	0.00	3.00	1.0	11.32	1.02	3.26	7.04	0.00	7.04	2.21	4.43	1.39
2016(12)	0.00	4.05	0.00	3.54	0.00	3.00	1.0	10.62	0.96	3.33	6.34	0.00	6.34	1.83	3.99	1.15
2017(12)	0.00	3.84	0.00	3.36	0.00	3.00	1.0	10.08	0.91	3.40	5.77	0.00	5.77	1.52	3.64	0.96
2018(12)	0.00	3.70	0.00	3.24	0.00	3.00	1.0	9.72	0.88	3.46	5.39	0.00	5.39	1.30	3.39	0.82
2019(12)	0.00	3.57	0.00	3.13	0.00	3.00	1.0	9.38	0.84	3.53	5.00	0.00	5.00	1.11	3.15	0.70
2020(12)	0.00	3.46	0.00	3.02	0.00	3.00	1.0	9.07	0.82	3.60	4.65	0.00	4.65	0.95	2.93	0.60
2021(12)	0.00	3.32	0.00	2.91	0.00	3.00	1.0	8.73	0.79	3.68	4.27	0.00	4.27	0.80	2.69	0.50
2022(12)	0.00	3.21	0.00	2.80	0.00	3.00	1.0	8.41	0.76	3.75	3.91	0.00	3.91	0.67	2.46	0.42
2023(12)	0.00	3.09	0.00	2.71	0.00	3.00	1.0	8.12	0.73	3.82	3.56	0.00	3.56	0.56	2.25	0.35
2024(12)	0.00	2.99	0.00	2.62	0.00	3.00	1.0	7.85	0.71	3.90	3.25	0.00	3.25	0.47	2.05	0.30
2025(12)	0.00	2.88	0.00	2.52	0.00	3.00	1.0	7.55	0.68	3.98	2.89	0.00	2.89	0.38	1.82	0.24
2026(12)	0.00	2.77	0.00	2.43	0.00	3.00	1.0	7.28	0.66	4.06	2.57	0.00	2.57	0.31	1.62	0.20
2027(12)	0.00	2.68	0.00	2.34	0.00	3.00	1.0	7.03	0.63	4.14	2.25	0.00	2.25	0.25	1.42	0.16
2028(12)	0.00	2.17	0.00	1.89	0.00	3.00	0.8	5.68	0.51	3.51	1.66	0.00	1.66	0.17	1.05	0.11
Total	0.00	154.92	0.00	135.56	0.00	0.00	0.0	393.18	35.39	88.46	269.33	300.00	-30.67	-138.06	-19.32	-101.54

San Juan 28-7 #35 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #47 FC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	8	300	-292	-184
6.0	8	300	-292	-188
9.0	8	300	-292	-191
10.0	8	300	-292	-191
12.0	8	300	-292	-193
13.0	8	300	-292	-193
Arr:	8	300	-292	-184

Case Description

SJ 28-7 #47 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Strnd. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.03	0.39
9.0 Pcnt. PI	M\$/M\$	0.03	0.36
12.0 Pcnt. PI	M\$/M\$	0.03	0.36
NPV/Vol@9.0	M\$/MMSCF	-61.17	-39.96
NPV/Vol@12.0	M\$/MMSCF	-61.19	-40.39
Economic Limit Date		2003/02	
Last Scheduled Prod Date		2003/02	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	5	5	1	4
Gas-Sales	MMSCF	5	5	1	4
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

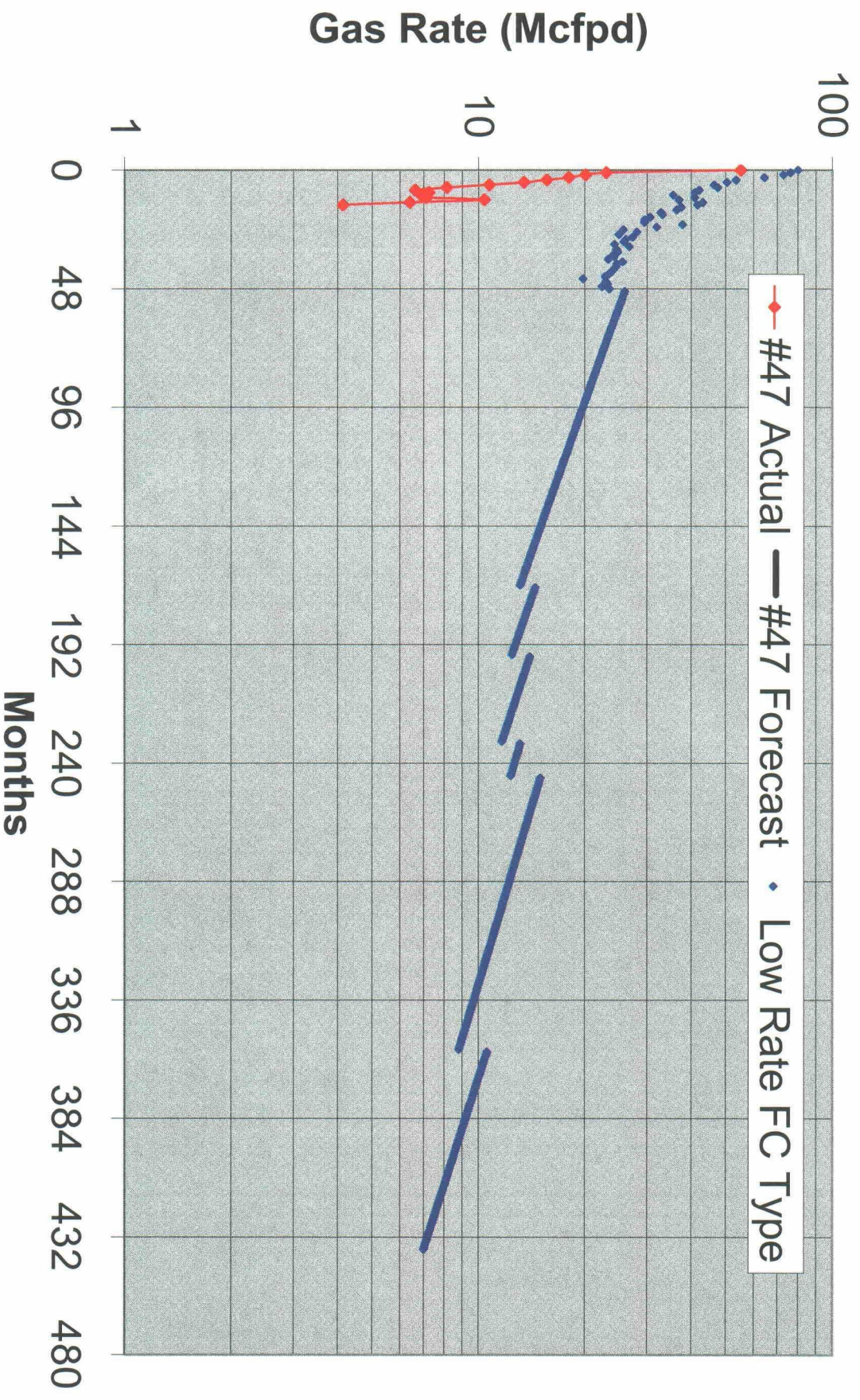
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS															
PRODUCTION & REVENUE SUMMARY															
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	4.46	0.00	3.90	0.00	3.00	1.0	11.70	1.05	2.52	8.12	300.00	-291.88	-292.09	-233.40
2003(12)	0.00	0.31	0.00	0.27	0.00	2.71	0.2	0.74	0.07	0.41	0.26	0.00	0.26	0.24	49.69
Total	0.00	4.77	0.00	4.17	0.00	0.00	0.0	12.44	1.12	2.94	8.39	300.00	-291.61	-291.85	-183.72

San Juan 28-7 #47 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #48 FC (sdr)

Nominal

Net Present Values

Disc Rate (%)	Before Tax	Before Tax	After Tax	After Tax
Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
M\$	M\$	M\$	M\$	
0.0	0	300	-300	-189
6.0	0	300	-300	-191
9.0	0	300	-300	-192
10.0	0	300	-300	-192
12.0	0	300	-300	-193
13.0	0	300	-300	-193
Arr:	0	300	-300	-189

Case Description

SJ 28-7 #48 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02
 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	>800.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.00	0.37
9.0 Pcnt. PI	M\$/M\$	0.00	0.36
12.0 Pcnt. PI	M\$/M\$	0.00	0.36
NPV/Vol@9.0	M\$/MMSCF	-622.95	-398.24
NPV/Vol@12.0	M\$/MMSCF	-622.95	-400.02
Economic Limit Date		2002/05	
Last Scheduled Prod Date		2003/05	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	1	0	0	0
Gas-Sales	MMSCF	0	0	0	0
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

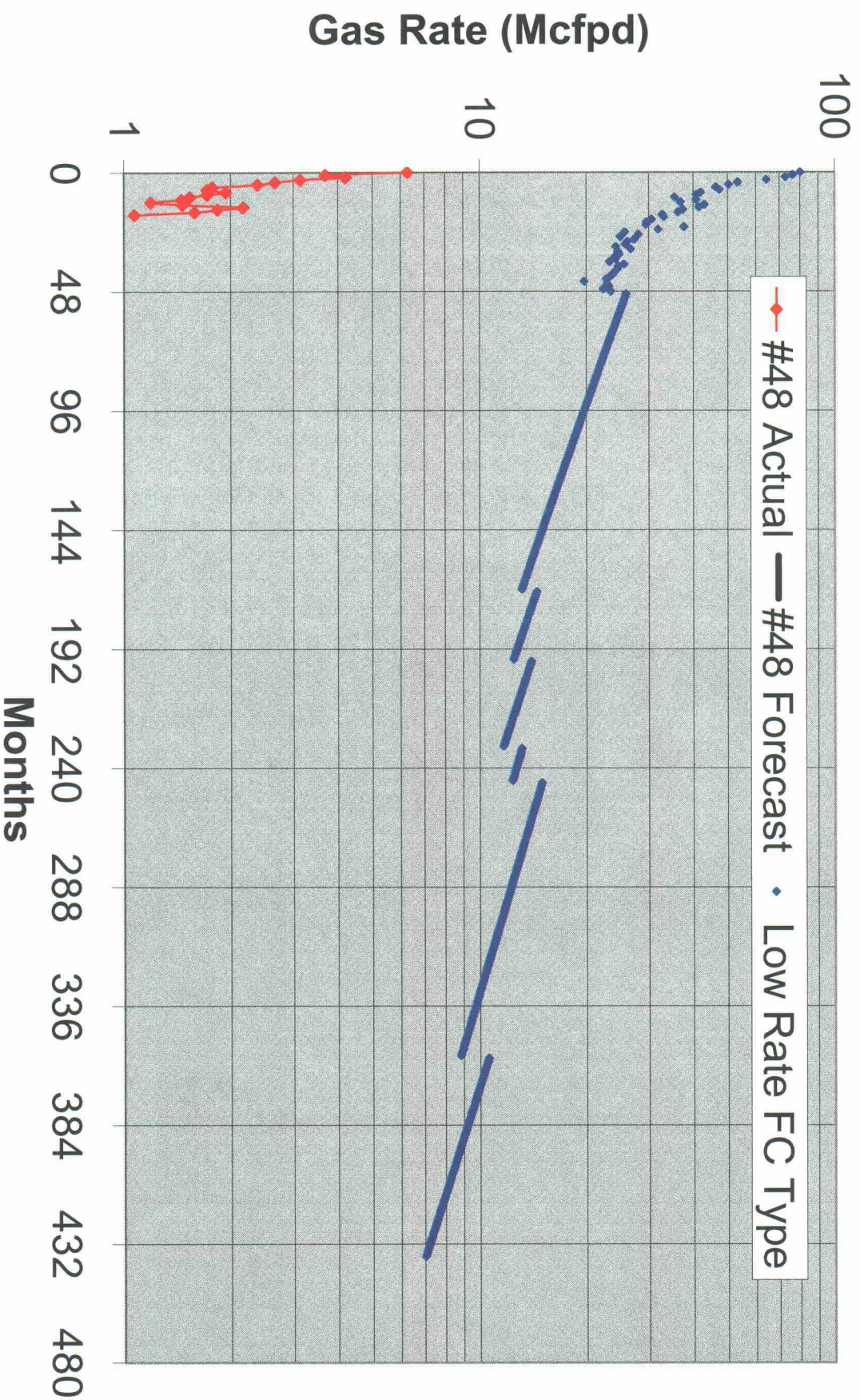
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	0.48	0.00	0.42	0.00	3.00	0.4	1.26	0.11	1.04	0.11	300.00	-299.89	-299.89	-188.93	-191.71
Total	0.00	0.48	0.00	0.42	0.00	0.00	0.0	1.26	0.11	1.04	0.11	300.00	-299.89	-299.89	-188.93	-191.71

San Juan 28-7 #48 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #49 FC (sdr)

Nominal

Net Present Values

Case Description

Disc Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow
(%)	M\$	M\$	M\$
0.0	140	300	-160
6.0	105	300	-195
9.0	94	300	-206
10.0	91	300	-209
12.0	85	300	-215
13.0	83	300	-217
Arr:	140	300	-160

SJ 28-7 #49 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

Products Recovery (US)

Company WI (US)

	BTax	ATax
ROR	%	0.0
Payout Period	Std. (mo's)	0.0
	Proj. (mo's)	0.0
Undisc PI	M\$/M\$	0.47
9.0 Pcnt. PI	M\$/M\$	0.31
12.0 Pcnt. PI	M\$/M\$	0.28
NPV/Vol@9.0	M\$/MMSCF	-2.50
NPV/Vol@12.0	M\$/MMSCF	-2.60
Economic Limit Date	2018/09	
Last Scheduled Prod Date	2018/09	

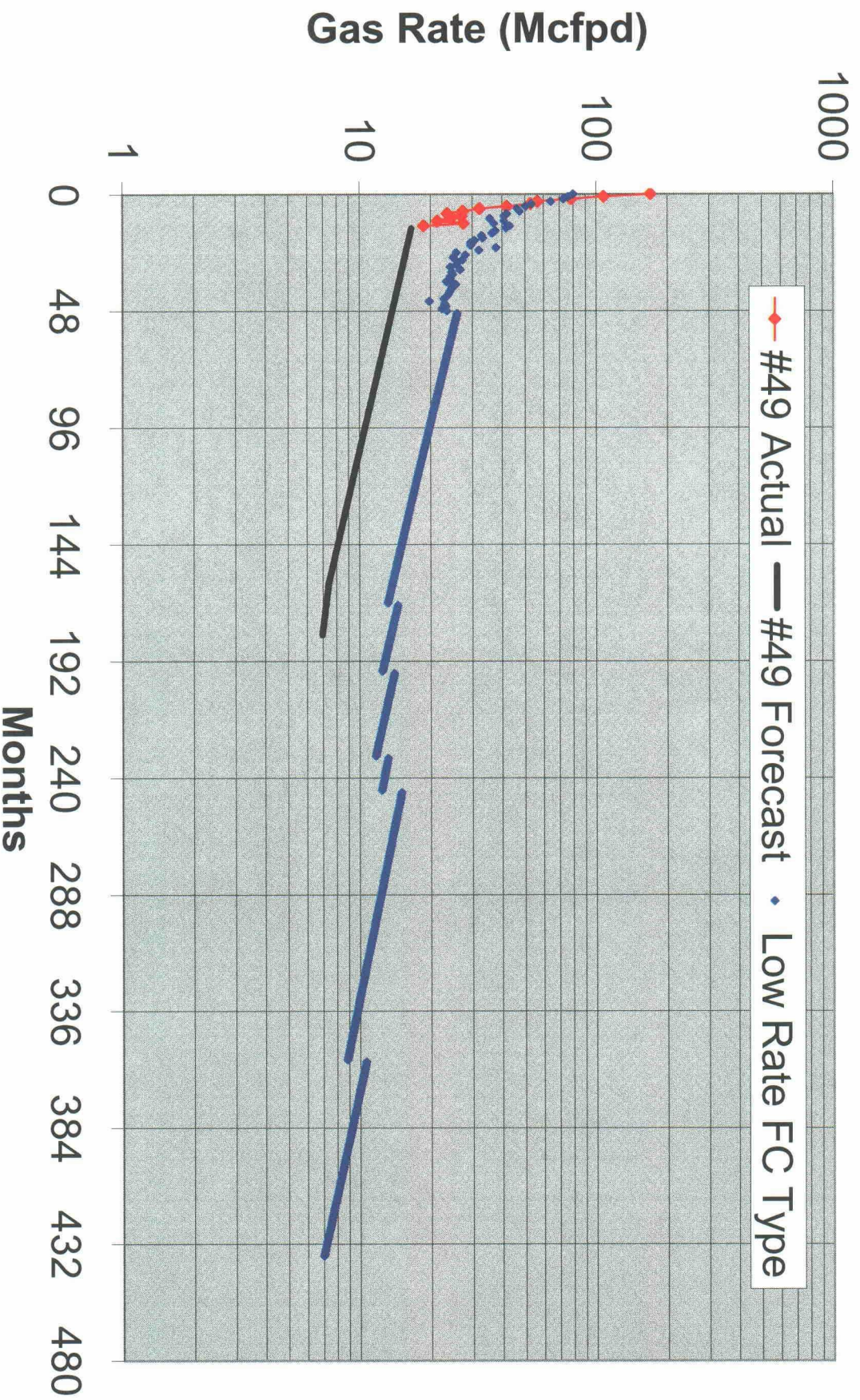
	Gross	WI	Roy	Net	Initial %	Final %
Oil	MSTB	0	0	0	Working	100.0
Gas-Raw	MMSCF	82	82	10	Oil NRI	87.5
Gas-Sales	MMSCF	82	82	10	Gas NRI	87.5
Ethane	MSTB	0	0	0	Byprod. NRI	87.5
Propane	MSTB	0	0	0	Capital	100.0
Butane	MSTB	0	0	0		
Cond.	MSTB	0	0	0		
Sulphur	MLt	0	0	0		
Other	MSTB	0	0	0		

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	15.71	0.00	13.74	0.00	3.00	1.0	41.23	3.71	2.52	34.99	300.00	-265.01	-265.90	-216.48	-219.40
2003(12)	0.00	6.59	0.00	5.76	0.00	2.71	1.0	15.62	1.41	2.57	11.64	0.00	11.64	10.27	20.10	17.74
2004(12)	0.00	6.18	0.00	5.41	0.00	2.42	1.0	13.08	1.18	2.62	9.28	0.00	9.28	7.52	16.29	13.18
2005(12)	0.00	5.77	0.00	5.05	0.00	2.49	1.0	12.57	1.13	2.68	8.76	0.00	8.76	6.51	14.30	10.62
2006(12)	0.00	5.40	0.00	4.73	0.00	2.57	1.0	12.15	1.09	2.73	8.33	0.00	8.33	5.68	12.83	8.74
2007(12)	0.00	5.05	0.00	4.42	0.00	2.85	1.0	12.60	1.13	2.79	8.68	0.00	8.68	5.43	10.96	6.85
2008(12)	0.00	4.75	0.00	4.15	0.00	2.93	1.0	12.17	1.09	2.84	8.23	0.00	8.23	4.72	8.16	4.68
2009(12)	0.00	4.43	0.00	3.87	0.00	3.02	1.0	11.70	1.05	2.90	7.75	0.00	7.75	4.08	6.37	3.35
2010(12)	0.00	4.14	0.00	3.62	0.00	3.11	1.0	11.27	1.01	2.96	7.30	0.00	7.30	3.53	4.60	2.22
2011(12)	0.00	3.88	0.00	3.40	0.00	3.20	1.0	10.87	0.98	3.02	6.87	0.00	6.87	3.04	4.33	1.92
2012(12)	0.00	3.64	0.00	3.19	0.00	3.22	1.0	10.27	0.92	3.08	6.27	0.00	6.27	2.55	3.95	1.61
2013(12)	0.00	3.39	0.00	2.97	0.00	3.00	1.0	8.91	0.80	3.14	4.97	0.00	4.97	1.85	3.13	1.17
2014(12)	0.00	3.18	0.00	2.78	0.00	3.00	1.0	8.34	0.75	3.20	4.39	0.00	4.39	1.50	2.77	0.95
2015(12)	0.00	2.98	0.00	2.61	0.00	3.00	1.0	7.82	0.70	3.26	3.85	0.00	3.85	1.21	2.42	0.76
2016(12)	0.00	2.79	0.00	2.44	0.00	3.00	1.0	7.33	0.66	3.33	3.34	0.00	3.34	0.96	2.11	0.61
2017(12)	0.00	2.65	0.00	2.32	0.00	3.00	1.0	6.96	0.63	3.40	2.94	0.00	2.94	0.78	1.85	0.49
2018(12)	0.00	1.92	0.00	1.68	0.00	3.00	0.8	5.05	0.45	2.58	2.01	0.00	2.01	0.49	1.27	0.31
Total	0.00	82.46	0.00	72.15	0.00	0.00	0.0	207.95	18.72	49.61	139.62	300.00	-160.38	-205.78	-101.04	-144.21

San Juan 28-7 #49 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #53 FC (sdr)

Nominal

Net Present Values

	Disc Before Tax	Before Tax	After Tax	
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	93	300	-207	-131
6.0	72	300	-228	-154
9.0	65	300	-235	-162
10.0	63	300	-237	-165
12.0	59	300	-241	-170
13.0	58	300	-242	-172
Arr:	93	300	-207	-131

Case Description

SJ 28-7 #53 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Stnd. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.31	0.56
9.0 Pcnt. PI	M\$/M\$	0.22	0.46
12.0 Pcnt. PI	M\$/M\$	0.20	0.43
NPV/Vol@9.0	M\$/MMSCF	-4.12	-2.85
NPV/Vol@12.0	M\$/MMSCF	-4.22	-2.98
Economic Limit Date		2014/12	
Last Scheduled Prod Date		2014/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	57	57	7	50
Gas-Sales	MMSCF	57	57	7	50
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

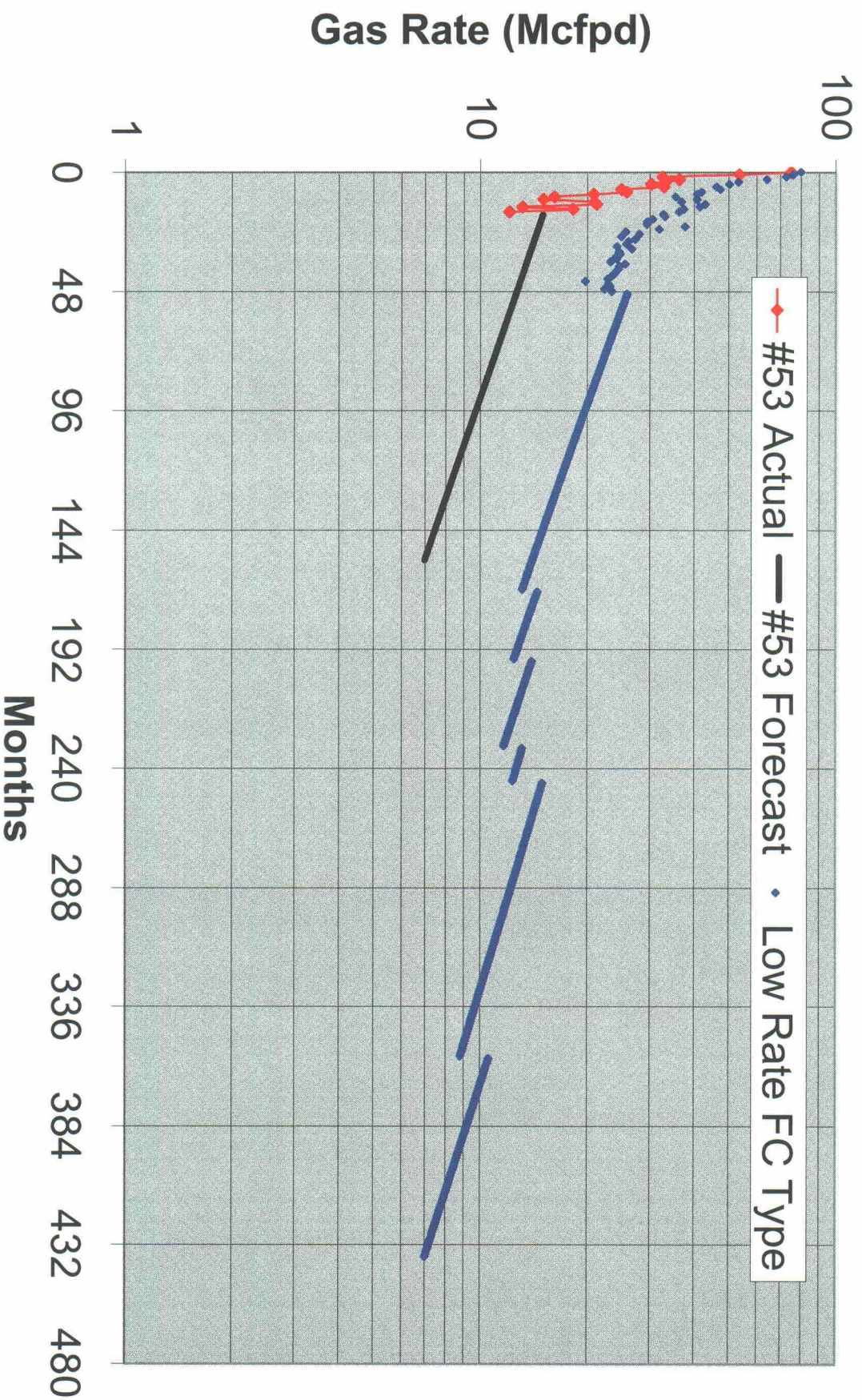
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Op costs	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	10.40	0.00	9.10	0.00	3.00	1.0	27.31	2.46	2.52	22.33	300.00	-277.67	-278.34	-224.45	-227.24
2003(12)	0.00	5.56	0.00	4.86	0.00	2.71	1.0	13.17	1.19	2.57	9.41	0.00	9.41	8.32	18.70	16.51
2004(12)	0.00	5.10	0.00	4.46	0.00	2.42	1.0	10.80	0.97	2.62	7.20	0.00	7.20	5.83	14.98	12.12
2005(12)	0.00	4.76	0.00	4.16	0.00	2.49	1.0	10.36	0.93	2.68	6.75	0.00	6.75	5.02	13.03	9.68
2006(12)	0.00	4.45	0.00	3.90	0.00	2.57	1.0	10.01	0.90	2.73	6.38	0.00	6.38	4.35	11.61	7.91
2007(12)	0.00	4.17	0.00	3.65	0.00	2.85	1.0	10.39	0.94	2.79	6.67	0.00	6.67	4.17	9.69	6.06
2008(12)	0.00	3.91	0.00	3.42	0.00	2.93	1.0	10.03	0.90	2.84	6.29	0.00	6.29	3.61	6.93	3.98
2009(12)	0.00	3.65	0.00	3.20	0.00	3.02	1.0	9.65	0.87	2.90	5.88	0.00	5.88	3.10	5.19	2.73
2010(12)	0.00	3.41	0.00	2.99	0.00	3.11	1.0	9.29	0.84	2.96	5.49	0.00	5.49	2.65	3.46	1.67
2011(12)	0.00	3.19	0.00	2.79	0.00	3.20	1.0	8.94	0.80	3.02	5.12	0.00	5.12	2.27	3.23	1.43
2012(12)	0.00	3.00	0.00	2.63	0.00	3.22	1.0	8.47	0.76	3.08	4.64	0.00	4.64	1.88	2.92	1.19
2013(12)	0.00	2.80	0.00	2.45	0.00	3.00	1.0	7.35	0.66	3.14	3.55	0.00	3.55	1.33	2.24	0.83
2014(12)	0.00	2.62	0.00	2.29	0.00	3.00	1.0	6.88	0.62	3.20	3.06	0.00	3.06	1.05	1.93	0.66
Total	0.00	57.03	0.00	49.90	0.00	0.00	0.0	142.66	12.84	37.04	92.79	300.00	-207.21	-234.77	-130.54	-162.48

San Juan 28-7 #53 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #55 FC (sdr)

Nominal

Net Present Values

Disc	Before Tax	Before Tax	Before Tax	After Tax
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	18	300	-282	-178
6.0	17	300	-283	-185
9.0	17	300	-283	-188
10.0	17	300	-283	-189
12.0	17	300	-283	-191
13.0	17	300	-283	-192
Arr:	18	300	-282	-178

Case Description

SJ 28-7 #55 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.06	0.41
9.0 Pcnt. PI	M\$/M\$	0.06	0.37
12.0 Pcnt. PI	M\$/M\$	0.06	0.36
NPV/Vol@9.0	M\$/MMSCF	-27.96	-18.60
NPV/Vol@12.0	M\$/MMSCF	-27.98	-18.89
Economic Limit Date		2004/02	
Last Scheduled Prod Date		2004/02	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	10	10	1	9
Gas-Sales	MMSCF	10	10	1	9
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

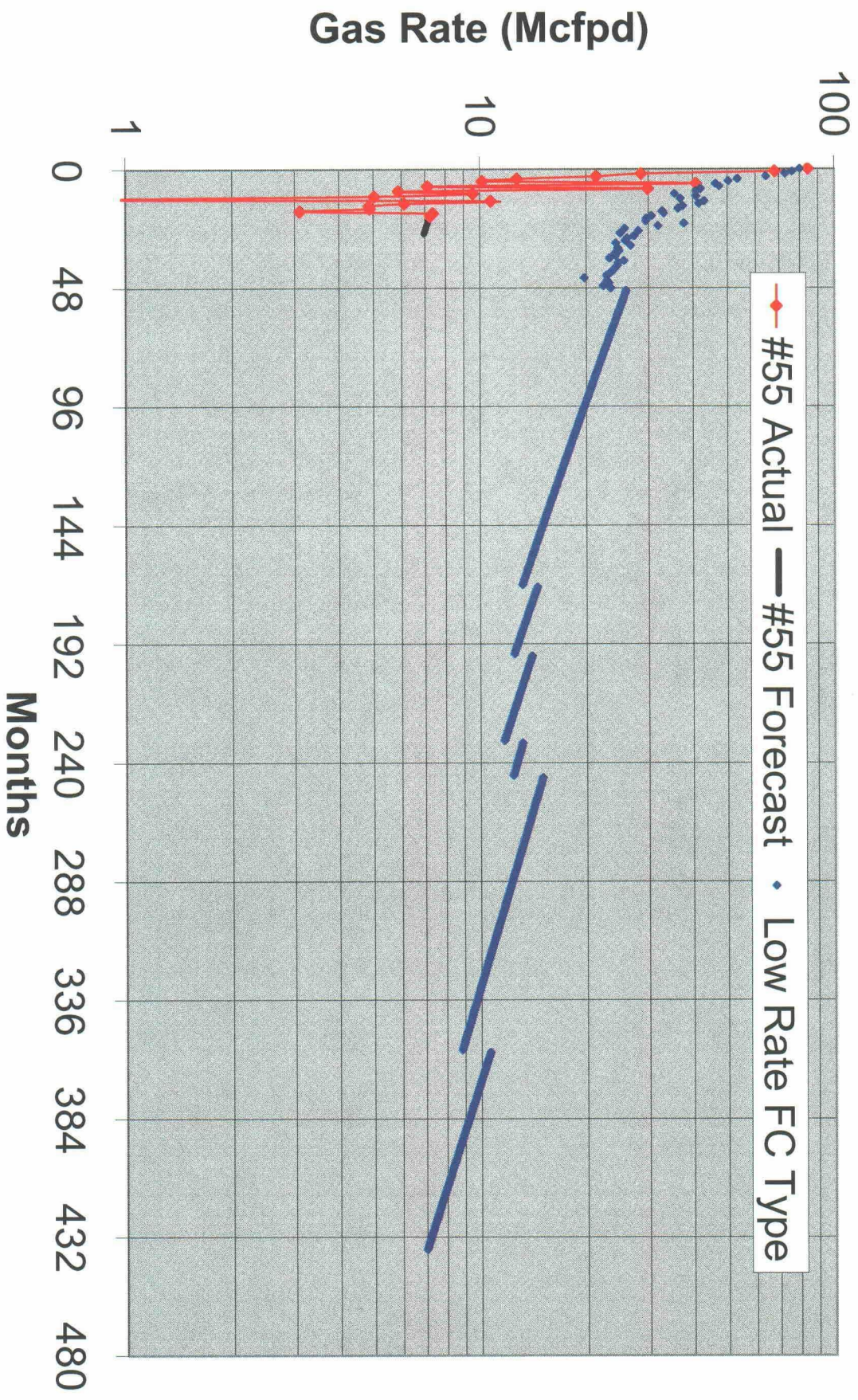
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	7.26	0.00	6.36	0.00	3.00	1.0	19.07	1.72	2.52	14.83	300.00	-285.17	-285.48	-229.18	-231.74
2003(12)	0.00	2.43	0.00	2.13	0.00	2.71	1.0	5.76	0.52	2.57	2.67	0.00	2.67	2.35	14.45	12.75
2004(12)	0.00	0.42	0.00	0.37	0.00	2.42	0.2	0.89	0.08	0.43	0.38	0.00	0.38	0.32	36.99	30.92
Total	0.00	10.11	0.00	8.85	0.00	0.00	0.0	25.72	2.31	5.52	17.88	300.00	-282.12	-282.81	-177.74	-188.07

San Juan 28-7 #55 - Fruitland Coal



US Summary Report
PAE - East - SJ 28-7 #59 FC (sdr)
Nominal

Net Present Values

	Disc Before Tax	Before Tax	After Tax	After Tax
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	185	300	-115	-73
6.0	127	300	-173	-119
9.0	110	300	-190	-134
10.0	106	300	-194	-138
12.0	98	300	-202	-146
13.0	94	300	-206	-149
Arr:	185	300	-115	-73

Case Description

SJ 28-7 #59 FC PA Expansion
WI: 100% NRI: 87.5%
Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.62	0.76
9.0 Pcnt. PI	M\$/M\$	0.37	0.55
12.0 Pcnt. PI	M\$/M\$	0.33	0.51
NPV/Vol@9.0	M\$/MMSCF	-1.71	-1.21
NPV/Vol@12.0	M\$/MMSCF	-1.82	-1.31
Economic Limit Date		2024/06	
Last Scheduled Prod Date		2024/06	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	111	111	14	97
Gas-Sales	MMSCF	111	111	14	97
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

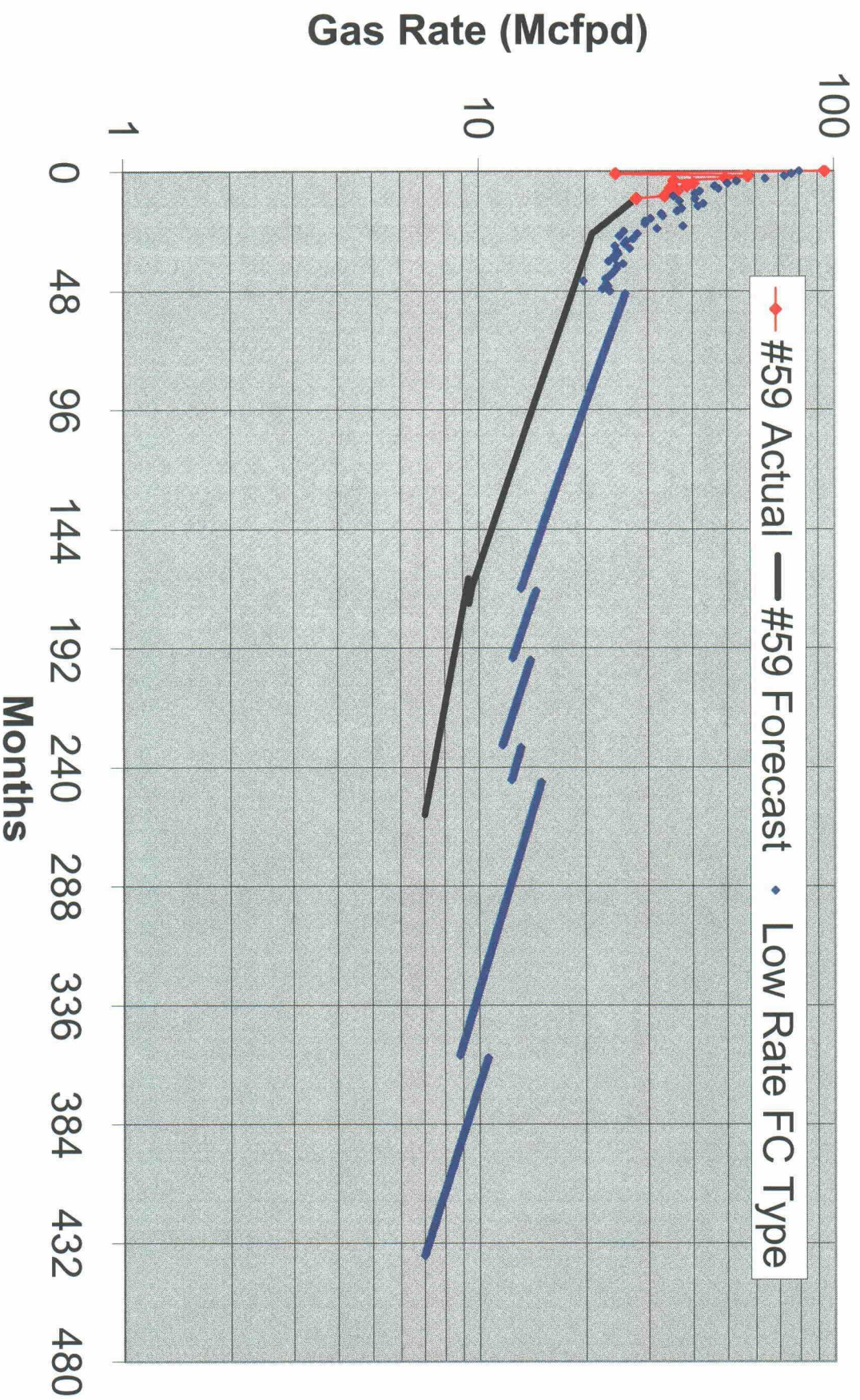
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

**RESERVES AND ECONOMICS
PRODUCTION & REVENUE SUMMARY**

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	13.33	0.00	11.67	0.00	3.00	1.0	35.00	3.15	2.52	29.33	300.00	-270.67	-271.72	-220.05	-223.07
2003(12)	0.00	8.73	0.00	7.64	0.00	2.71	1.0	20.70	1.86	2.57	16.26	0.00	16.26	14.37	23.01	20.32
2004(12)	0.00	7.43	0.00	6.50	0.00	2.42	1.0	15.74	1.42	2.62	11.70	0.00	11.70	9.47	17.81	14.42
2005(12)	0.00	6.94	0.00	6.07	0.00	2.49	1.0	15.11	1.36	2.68	11.08	0.00	11.08	8.23	15.75	11.70
2006(12)	0.00	6.49	0.00	5.68	0.00	2.57	1.0	14.60	1.31	2.73	10.55	0.00	10.55	7.19	14.24	9.70
2007(12)	0.00	6.08	0.00	5.32	0.00	2.85	1.0	15.15	1.36	2.79	11.00	0.00	11.00	6.88	12.42	7.76
2008(12)	0.00	5.70	0.00	4.99	0.00	2.93	1.0	14.62	1.32	2.84	10.46	0.00	10.46	6.00	9.56	5.49
2009(12)	0.00	5.32	0.00	4.66	0.00	3.02	1.0	14.07	1.27	2.90	9.90	0.00	9.90	5.21	7.72	4.06
2010(12)	0.00	4.98	0.00	4.36	0.00	3.11	1.0	13.56	1.22	2.96	9.38	0.00	9.38	4.53	5.91	2.85
2011(12)	0.00	4.66	0.00	4.08	0.00	3.20	1.0	13.06	1.18	3.02	8.87	0.00	8.87	3.93	5.59	2.47
2012(12)	0.00	4.38	0.00	3.83	0.00	3.22	1.0	12.35	1.11	3.08	8.16	0.00	8.16	3.32	5.14	2.09
2013(12)	0.00	4.09	0.00	3.57	0.00	3.00	1.0	10.72	0.97	3.14	6.62	0.00	6.62	2.47	4.17	1.56
2014(12)	0.00	3.82	0.00	3.35	0.00	3.00	1.0	10.04	0.90	3.20	5.93	0.00	5.93	2.03	3.74	1.28
2015(12)	0.00	3.58	0.00	3.13	0.00	3.00	1.0	9.40	0.85	3.26	5.29	0.00	5.29	1.66	3.33	1.05
2016(12)	0.00	3.42	0.00	2.99	0.00	3.00	1.0	8.98	0.81	3.33	4.85	0.00	4.85	1.40	3.05	0.88
2017(12)	0.00	3.29	0.00	2.88	0.00	3.00	1.0	8.64	0.78	3.40	4.47	0.00	4.47	1.18	2.81	0.74
2018(12)	0.00	3.18	0.00	2.78	0.00	3.00	1.0	8.34	0.75	3.46	4.12	0.00	4.12	1.00	2.60	0.63
2019(12)	0.00	3.06	0.00	2.68	0.00	3.00	1.0	8.04	0.72	3.53	3.78	0.00	3.78	0.84	2.38	0.53
2020(12)	0.00	2.96	0.00	2.59	0.00	3.00	1.0	7.78	0.70	3.60	3.47	0.00	3.47	0.71	2.19	0.45
2021(12)	0.00	2.85	0.00	2.49	0.00	3.00	1.0	7.48	0.67	3.68	3.13	0.00	3.13	0.59	1.97	0.37
2022(12)	0.00	2.75	0.00	2.41	0.00	3.00	1.0	7.22	0.65	3.75	2.82	0.00	2.82	0.48	1.78	0.30
2023(12)	0.00	2.65	0.00	2.32	0.00	3.00	1.0	6.96	0.63	3.82	2.51	0.00	2.51	0.40	1.58	0.25
2024(12)	0.00	1.29	0.00	1.13	0.00	3.00	0.5	3.38	0.30	1.93	1.14	0.00	1.14	0.17	0.72	0.11
Total	0.00	110.99	0.00	97.11	0.00	0.00	0.0	280.92	25.28	70.80	184.83	300.00	-115.17	-189.68	-72.56	-134.06

San Juan 28-7 #59 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #68 FC (sdr)

Nominal

Net Present Values

Disc	Before Tax	Before Tax	After Tax	
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	94	300	-206	-130
6.0	74	300	-226	-152
9.0	68	300	-232	-161
10.0	66	300	-234	-164
12.0	62	300	-238	-168
13.0	60	300	-240	-170
Arr:	94	300	-206	-130

Case Description

SJ 28-7 #68 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02
 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Stnd. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.31	0.57
9.0 Pcnt. PI	M\$/M\$	0.23	0.46
12.0 Pcnt. PI	M\$/M\$	0.21	0.44
NPV/Vol@9.0	M\$/MMSCF	-4.09	-2.83
NPV/Vol@12.0	M\$/MMSCF	-4.18	-2.96
Economic Limit Date		2014/06	
Last Scheduled Prod Date		2014/06	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	57	57	7	50
Gas-Sales	MMSCF	57	57	7	50
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

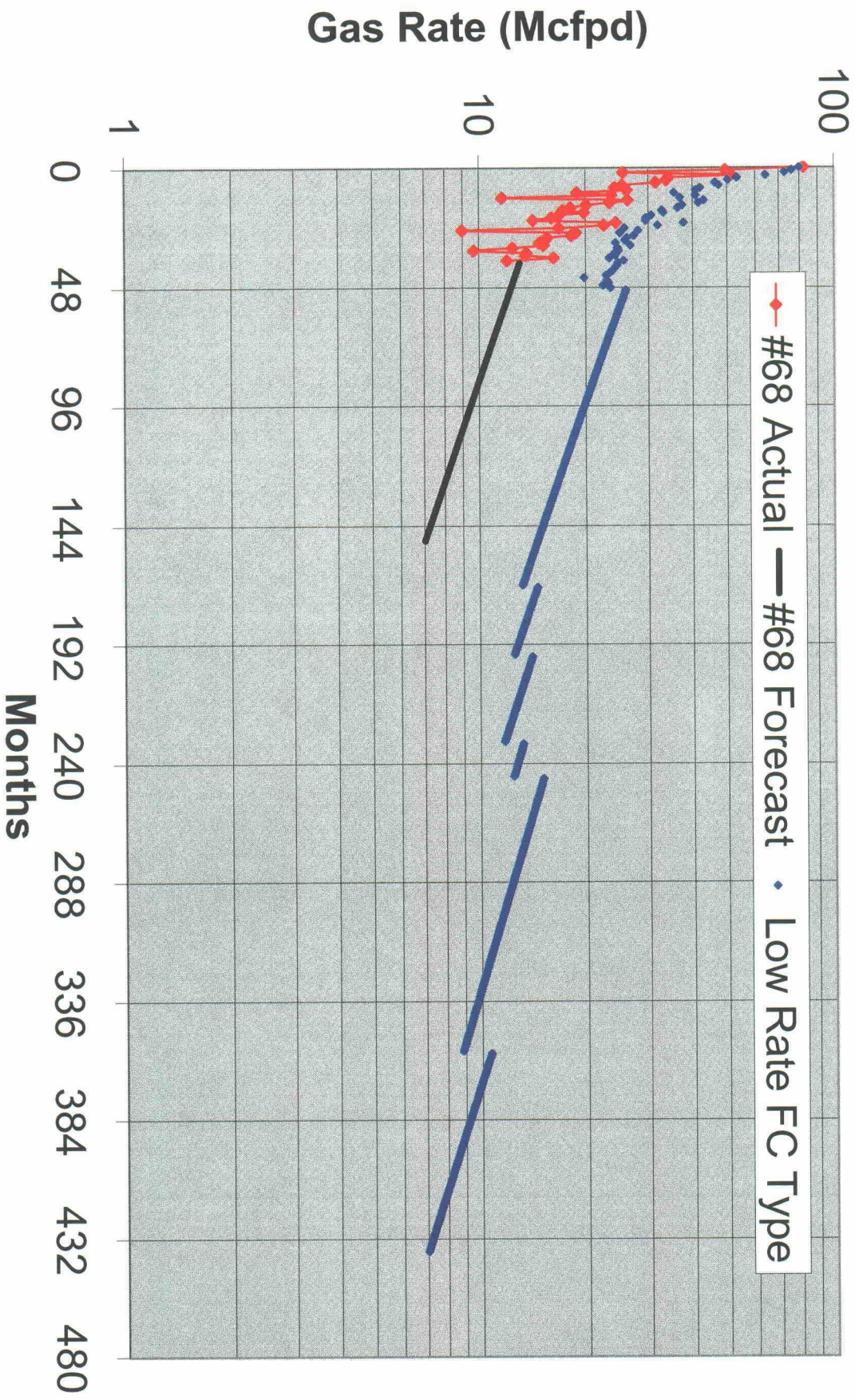
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Op costs	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	10.80	0.00	9.45	0.00	3.00	1.0	28.34	2.55	2.52	23.27	300.00	-276.73	-277.44	-223.86	-226.67
2003(12)	0.00	7.13	0.00	6.24	0.00	2.71	1.0	16.90	1.52	2.57	12.81	0.00	12.81	11.32	20.84	18.40
2004(12)	0.00	5.24	0.00	4.58	0.00	2.42	1.0	11.09	1.00	2.62	7.46	0.00	7.46	6.05	15.14	12.26
2005(12)	0.00	4.59	0.00	4.02	0.00	2.49	1.0	10.01	0.90	2.68	6.43	0.00	6.43	4.78	12.83	9.53
2006(12)	0.00	4.33	0.00	3.79	0.00	2.57	1.0	9.74	0.88	2.73	6.13	0.00	6.13	4.18	11.45	7.80
2007(12)	0.00	4.05	0.00	3.55	0.00	2.85	1.0	10.11	0.91	2.79	6.42	0.00	6.42	4.01	9.53	5.96
2008(12)	0.00	3.81	0.00	3.33	0.00	2.93	1.0	9.76	0.88	2.84	6.04	0.00	6.04	3.46	6.78	3.89
2009(12)	0.00	3.55	0.00	3.11	0.00	3.02	1.0	9.39	0.84	2.90	5.64	0.00	5.64	2.97	5.04	2.65
2010(12)	0.00	3.32	0.00	2.91	0.00	3.11	1.0	9.05	0.81	2.96	5.28	0.00	5.28	2.55	3.32	1.61
2011(12)	0.00	3.11	0.00	2.72	0.00	3.20	1.0	8.71	0.78	3.02	4.91	0.00	4.91	2.18	3.10	1.37
2012(12)	0.00	2.92	0.00	2.56	0.00	3.22	1.0	8.24	0.74	3.08	4.42	0.00	4.42	1.80	2.79	1.13
2013(12)	0.00	2.73	0.00	2.39	0.00	3.00	1.0	7.16	0.64	3.14	3.37	0.00	3.37	1.26	2.13	0.79
2014(12)	0.00	1.29	0.00	1.13	0.00	3.00	0.5	3.38	0.30	1.58	1.49	0.00	1.49	0.52	0.94	0.33
Total	0.00	56.87	0.00	49.76	0.00	0.00	0.0	141.87	12.77	35.42	93.69	300.00	-206.31	-232.37	-129.98	-160.96

San Juan 28-7 #68 - Fruitland Coal



US Summary Report
PAE - East - SJ 28-7 #69 FC (sdr)
Nominal

Net Present Values

	Disc Before Tax	Before Tax	After Tax	
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	198	300	-102	-64
6.0	137	300	-163	-113
9.0	120	300	-180	-128
10.0	115	300	-185	-133
12.0	106	300	-194	-140
13.0	102	300	-198	-144
Arr:	198	300	-102	-64

Case Description

SJ 28-7 #69 FC PA Expansion
WI: 100% NRI: 87.5%
Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Stnd. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.66	0.79
9.0 Pcnt. PI	M\$/M\$	0.40	0.57
12.0 Pcnt. PI	M\$/M\$	0.35	0.53
NPV/Vol@9.0	M\$/MMSCF	-1.54	-1.10
NPV/Vol@12.0	M\$/MMSCF	-1.66	-1.20
Economic Limit Date		2024/08	
Last Scheduled Prod Date		2024/08	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	117	117	15	102
Gas-Sales	MMSCF	117	117	15	102
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

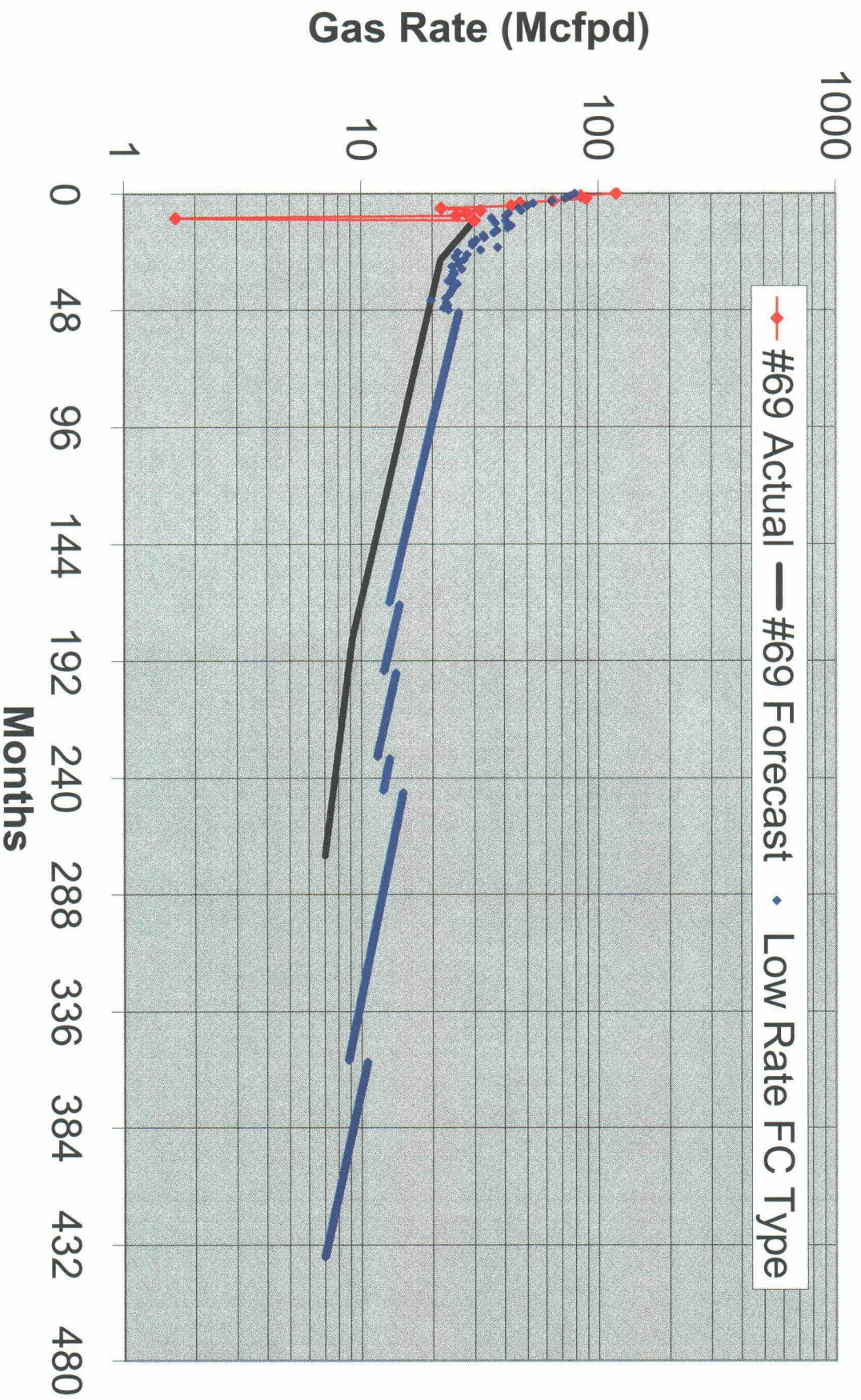
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

**RESERVES AND ECONOMICS
PRODUCTION & REVENUE SUMMARY**

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	14.92	0.00	13.06	0.00	3.00	1.0	39.17	3.53	2.52	33.12	300.00	-266.88	-267.73	-217.66	-220.55
2003(12)	0.00	9.41	0.00	8.23	0.00	2.71	1.0	22.30	2.01	2.57	17.72	0.00	17.72	15.66	23.94	21.13
2004(12)	0.00	7.81	0.00	6.83	0.00	2.42	1.0	16.53	1.49	2.62	12.42	0.00	12.42	10.06	18.26	14.79
2005(12)	0.00	7.26	0.00	6.35	0.00	2.49	1.0	15.82	1.42	2.68	11.72	0.00	11.72	8.70	16.16	12.00
2006(12)	0.00	6.79	0.00	5.95	0.00	2.57	1.0	15.28	1.38	2.73	11.17	0.00	11.17	7.61	14.63	9.97
2007(12)	0.00	6.36	0.00	5.56	0.00	2.85	1.0	15.86	1.43	2.79	11.65	0.00	11.65	7.28	12.83	8.02
2008(12)	0.00	5.97	0.00	5.22	0.00	2.93	1.0	15.30	1.38	2.84	11.08	0.00	11.08	6.36	9.96	5.71
2009(12)	0.00	5.57	0.00	4.87	0.00	3.02	1.0	14.72	1.32	2.90	10.50	0.00	10.50	5.52	8.10	4.26
2010(12)	0.00	5.21	0.00	4.56	0.00	3.11	1.0	14.19	1.28	2.96	9.96	0.00	9.96	4.81	6.27	3.03
2011(12)	0.00	4.88	0.00	4.27	0.00	3.20	1.0	13.67	1.23	3.02	9.42	0.00	9.42	4.17	5.93	2.63
2012(12)	0.00	4.58	0.00	4.01	0.00	3.22	1.0	12.92	1.16	3.08	8.68	0.00	8.68	3.53	5.47	2.22
2013(12)	0.00	4.28	0.00	3.74	0.00	3.00	1.0	11.22	1.01	3.14	7.08	0.00	7.08	2.64	4.46	1.66
2014(12)	0.00	4.00	0.00	3.50	0.00	3.00	1.0	10.50	0.95	3.20	6.36	0.00	6.36	2.18	4.01	1.37
2015(12)	0.00	3.75	0.00	3.28	0.00	3.00	1.0	9.83	0.88	3.26	5.68	0.00	5.68	1.78	3.58	1.12
2016(12)	0.00	3.52	0.00	3.08	0.00	3.00	1.0	9.23	0.83	3.33	5.07	0.00	5.07	1.46	3.19	0.92
2017(12)	0.00	3.31	0.00	2.90	0.00	3.00	1.0	8.69	0.78	3.40	4.52	0.00	4.52	1.19	2.84	0.75
2018(12)	0.00	3.19	0.00	2.79	0.00	3.00	1.0	8.38	0.75	3.46	4.16	0.00	4.16	1.01	2.62	0.64
2019(12)	0.00	3.08	0.00	2.69	0.00	3.00	1.0	8.08	0.73	3.53	3.82	0.00	3.82	0.85	2.41	0.54
2020(12)	0.00	2.98	0.00	2.61	0.00	3.00	1.0	7.82	0.70	3.60	3.51	0.00	3.51	0.72	2.21	0.45
2021(12)	0.00	2.87	0.00	2.51	0.00	3.00	1.0	7.52	0.68	3.68	3.17	0.00	3.17	0.59	2.00	0.37
2022(12)	0.00	2.76	0.00	2.42	0.00	3.00	1.0	7.25	0.65	3.75	2.85	0.00	2.85	0.49	1.80	0.31
2023(12)	0.00	2.67	0.00	2.33	0.00	3.00	1.0	7.00	0.63	3.82	2.54	0.00	2.54	0.40	1.60	0.25
2024(12)	0.00	1.73	0.00	1.51	0.00	3.00	0.7	4.54	0.41	2.59	1.54	0.00	1.54	0.23	0.97	0.14
Total	0.00	116.89	0.00	102.28	0.00	0.00	0.0	295.84	26.63	71.47	197.75	300.00	-102.25	-180.48	-64.42	-128.27

San Juan 28-7 #69 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #84 FC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow
(%)	M\$	M\$	M\$
0.0	51	300	-249
6.0	43	300	-257
9.0	41	300	-259
10.0	40	300	-260
12.0	38	300	-262
13.0	37	300	-263
Arr:	51	300	-249

Case Description

SJ 28-7 #84 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02
 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.17	0.48
9.0 Pcnt. PI	M\$/M\$	0.14	0.41
12.0 Pcnt. PI	M\$/M\$	0.13	0.39
NPV/Vol@9.0	M\$/MMSCF	-7.79	-5.34
NPV/Vol@12.0	M\$/MMSCF	-7.86	-5.50
Economic Limit Date		2010/05	
Last Scheduled Prod Date		2010/05	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	33	33	4	29
Gas-Sales	MMSCF	33	33	4	29
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

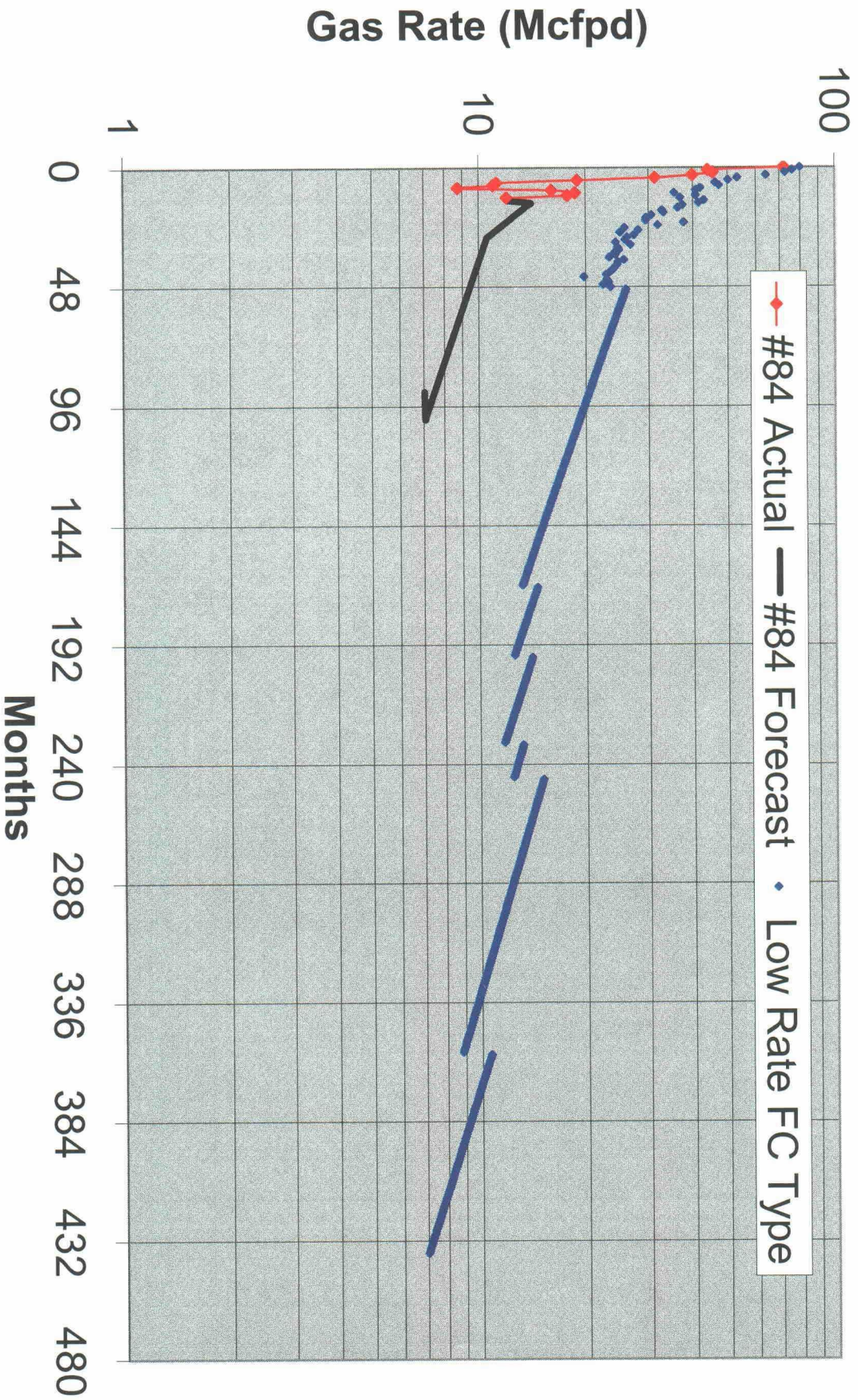
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	8.29	0.00	7.26	0.00	3.00	1.0	21.77	1.96	2.52	17.28	300.00	-282.72	-283.17	-227.63	-230.28
2003(12)	0.00	4.58	0.00	4.01	0.00	2.71	1.0	10.86	0.98	2.57	7.31	0.00	7.31	6.46	17.38	15.34
2004(12)	0.00	3.80	0.00	3.33	0.00	2.42	1.0	8.05	0.72	2.62	4.70	0.00	4.70	3.81	13.40	10.85
2005(12)	0.00	3.54	0.00	3.09	0.00	2.49	1.0	7.70	0.69	2.68	4.33	0.00	4.33	3.22	11.51	8.54
2006(12)	0.00	3.31	0.00	2.90	0.00	2.57	1.0	7.44	0.67	2.73	4.04	0.00	4.04	2.75	10.13	6.90
2007(12)	0.00	3.10	0.00	2.71	0.00	2.85	1.0	7.72	0.70	2.79	4.24	0.00	4.24	2.65	8.16	5.10
2008(12)	0.00	2.91	0.00	2.54	0.00	2.93	1.0	7.45	0.67	2.84	3.94	0.00	3.94	2.26	5.45	3.13
2009(12)	0.00	2.71	0.00	2.37	0.00	3.02	1.0	7.17	0.65	2.90	3.63	0.00	3.63	1.91	3.77	1.98
2010(12)	0.00	1.07	0.00	0.94	0.00	3.11	0.4	2.91	0.26	1.22	1.44	0.00	1.44	0.71	0.90	0.45
Total	0.00	33.31	0.00	29.15	0.00	0.00	0.0	81.09	7.30	22.87	50.92	300.00	-249.08	-259.38	-156.92	-177.98

San Juan 28-7 #84 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #146 FC (sdr)

Nominal

Net Present Values

Disc Rate	Before Tax	Before Tax	Before Tax	After Tax
Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
(%)	M\$	M\$	M\$	M\$
0.0	157	300	-143	-90
6.0	115	300	-185	-127
9.0	102	300	-198	-139
10.0	98	300	-202	-143
12.0	92	300	-208	-150
13.0	89	300	-211	-153
Arr:	157	300	-143	-90

Case Description

SJ 28-7 #146 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Stnd. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.52	0.70
9.0 Pcnt. PI	M\$/M\$	0.34	0.54
12.0 Pcnt. PI	M\$/M\$	0.31	0.50
NPV/Vol@9.0	M\$/MMSCF	-2.17	-1.53
NPV/Vol@12.0	M\$/MMSCF	-2.28	-1.64
Economic Limit Date		2019/05	
Last Scheduled Prod Date		2019/05	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	91	91	11	80
Gas-Sales	MMSCF	91	91	11	80
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

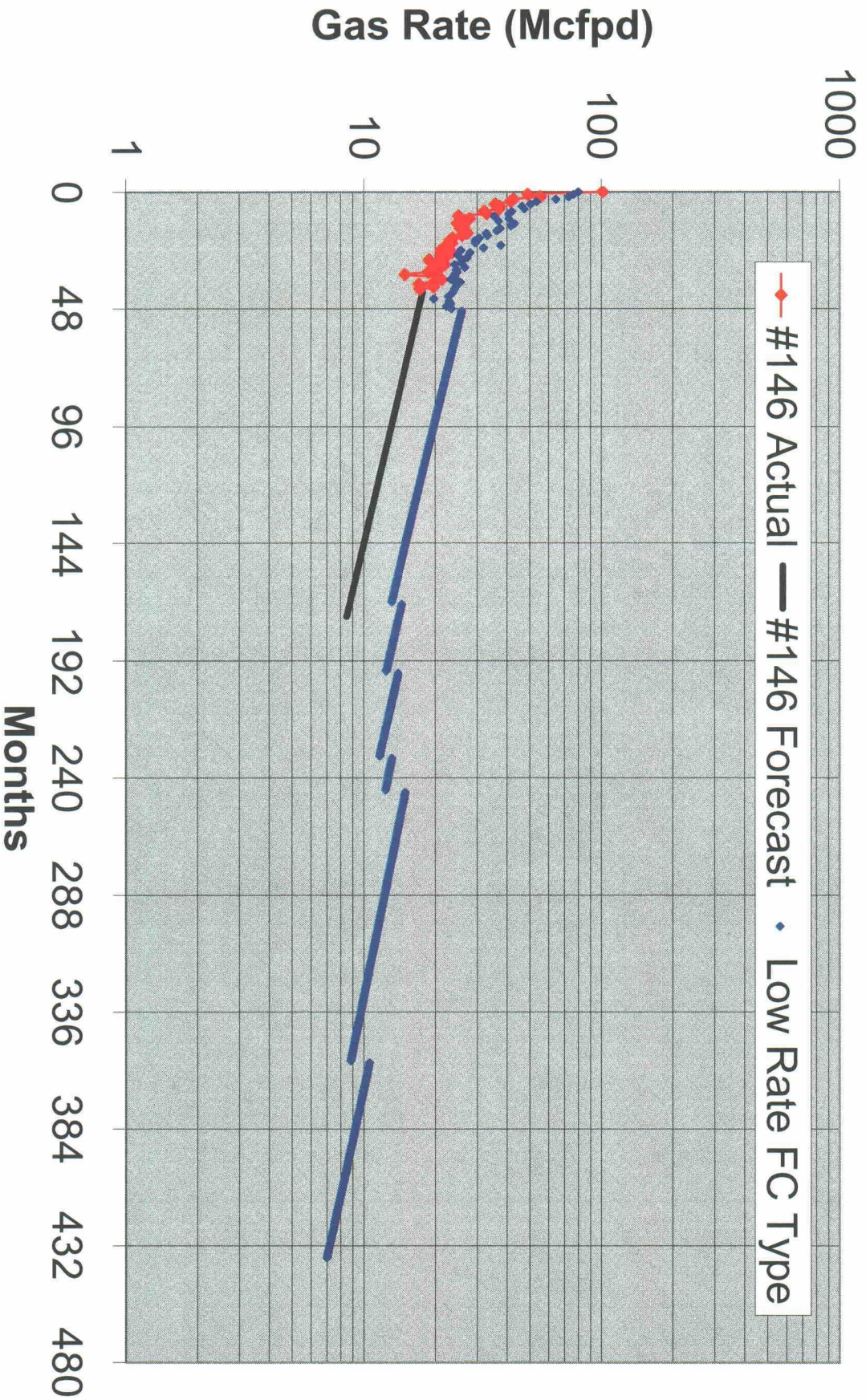
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	13.41	0.00	11.74	0.00	3.00	1.0	35.21	3.17	2.52	29.52	300.00	-270.48	-271.45	-219.92	-222.90
2003(12)	0.00	8.86	0.00	7.75	0.00	2.71	1.0	21.01	1.89	2.57	16.54	0.00	16.54	14.62	23.19	20.48
2004(12)	0.00	7.43	0.00	6.50	0.00	2.42	1.0	15.74	1.42	2.62	11.69	0.00	11.69	9.48	17.81	14.42
2005(12)	0.00	6.46	0.00	5.66	0.00	2.49	1.0	14.08	1.27	2.68	10.14	0.00	10.14	7.53	15.16	11.26
2006(12)	0.00	5.99	0.00	5.24	0.00	2.57	1.0	13.46	1.21	2.73	9.52	0.00	9.52	6.49	13.59	9.26
2007(12)	0.00	5.60	0.00	4.90	0.00	2.85	1.0	13.97	1.26	2.79	9.93	0.00	9.93	6.21	11.75	7.34
2008(12)	0.00	5.26	0.00	4.60	0.00	2.93	1.0	13.48	1.21	2.84	9.43	0.00	9.43	5.41	8.91	5.11
2009(12)	0.00	4.91	0.00	4.30	0.00	3.02	1.0	12.97	1.17	2.90	8.91	0.00	8.91	4.69	7.10	3.73
2010(12)	0.00	4.59	0.00	4.02	0.00	3.11	1.0	12.50	1.13	2.96	8.42	0.00	8.42	4.07	5.31	2.56
2011(12)	0.00	4.30	0.00	3.76	0.00	3.20	1.0	12.04	1.08	3.02	7.94	0.00	7.94	3.52	5.00	2.22
2012(12)	0.00	4.04	0.00	3.53	0.00	3.22	1.0	11.39	1.02	3.08	7.29	0.00	7.29	2.96	4.59	1.87
2013(12)	0.00	3.77	0.00	3.30	0.00	3.00	1.0	9.89	0.89	3.14	5.86	0.00	5.86	2.19	3.69	1.38
2014(12)	0.00	3.53	0.00	3.09	0.00	3.00	1.0	9.26	0.83	3.20	5.22	0.00	5.22	1.79	3.29	1.13
2015(12)	0.00	3.30	0.00	2.89	0.00	3.00	1.0	8.66	0.78	3.26	4.62	0.00	4.62	1.45	2.91	0.91
2016(12)	0.00	3.10	0.00	2.71	0.00	3.00	1.0	8.13	0.73	3.33	4.07	0.00	4.07	1.17	2.56	0.74
2017(12)	0.00	2.89	0.00	2.53	0.00	3.00	1.0	7.59	0.68	3.40	3.51	0.00	3.51	0.93	2.21	0.58
2018(12)	0.00	2.71	0.00	2.37	0.00	3.00	1.0	7.10	0.64	3.46	3.00	0.00	3.00	0.73	1.89	0.46
2019(12)	0.00	1.07	0.00	0.93	0.00	3.00	0.4	2.80	0.25	1.45	1.10	0.00	1.10	0.25	0.69	0.16
Total	0.00	91.21	0.00	79.81	0.00	0.00	0.0	229.29	20.64	51.94	156.71	300.00	-143.29	-197.98	-90.27	-139.30

San Juan 28-7 #146 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #161 FC (sdr)

Nominal

Net Present Values

	Disc Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	55	300	-245	-154
6.0	52	300	-248	-166
9.0	50	300	-250	-170
10.0	50	300	-250	-172
12.0	49	300	-251	-175
13.0	48	300	-252	-176
Arr:	55	300	-245	-154

Case Description

SJ 28-7 #161 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Stnd. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.18	0.49
9.0 Pcnt. PI	M\$/M\$	0.17	0.43
12.0 Pcnt. PI	M\$/M\$	0.16	0.42
NPV/Vol@9.0	M\$/MMSCF	-8.44	-5.76
NPV/Vol@12.0	M\$/MMSCF	-8.49	-5.91
Economic Limit Date		2005/12	
Last Scheduled Prod Date		2006/01	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	30	30	4	26
Gas-Sales	MMSCF	30	30	4	26
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

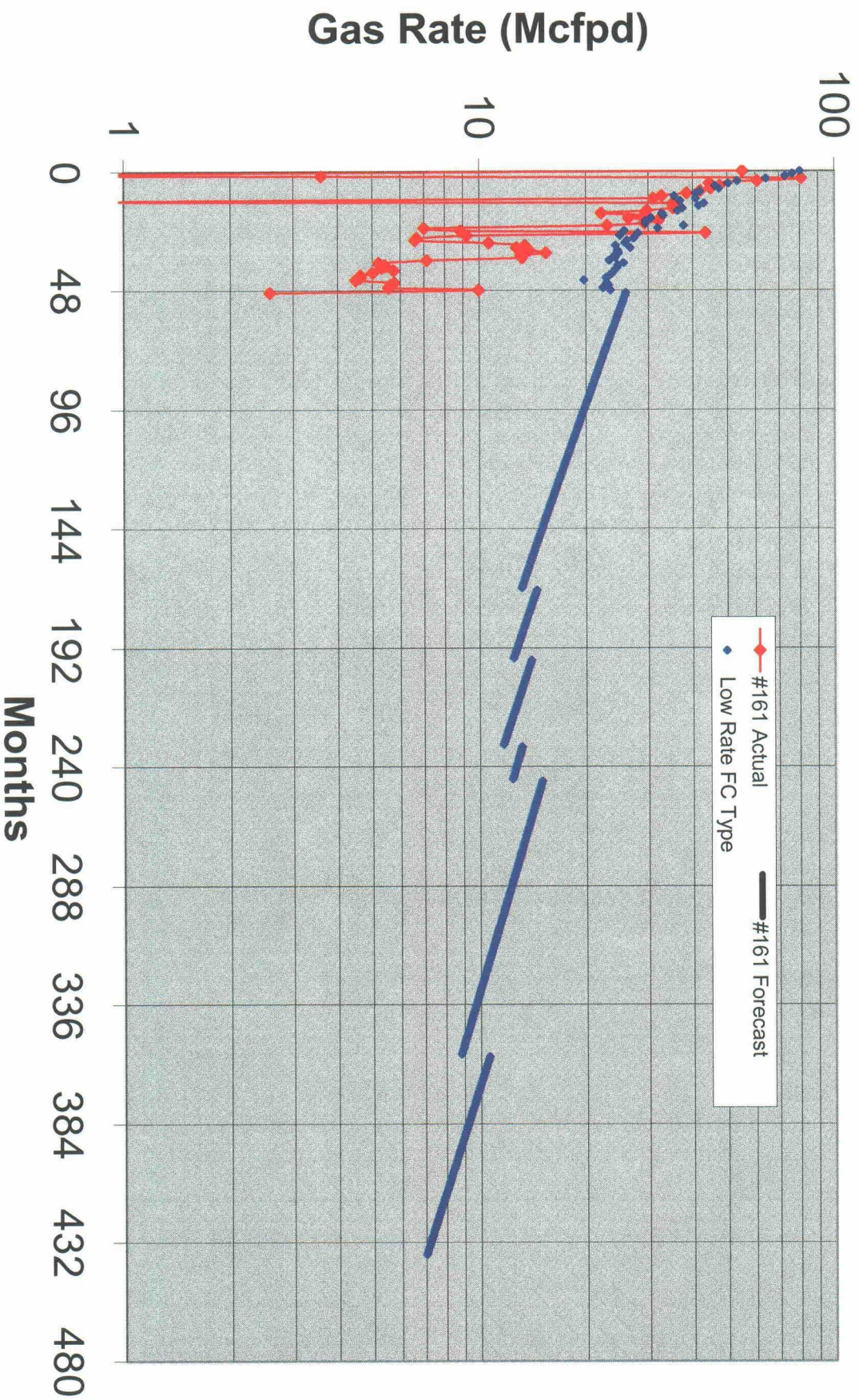
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Op costs	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	13.02	0.00	11.39	0.00	3.00	1.0	34.16	3.07	2.52	28.57	300.00	-271.43	-272.48	-220.52	-223.55
2003(12)	0.00	9.49	0.00	8.30	0.00	2.71	1.0	22.50	2.02	2.57	17.90	0.00	17.90	15.91	24.05	21.29
2004(12)	0.00	5.05	0.00	4.41	0.00	2.42	1.0	10.68	0.96	2.62	7.10	0.00	7.10	5.79	14.91	12.10
2005(12)	0.00	2.04	0.00	1.79	0.00	2.49	1.0	4.46	0.40	2.68	1.38	0.00	1.38	1.01	27.18	19.67
Total	0.00	29.59	0.00	25.89	0.00	0.00	0.0	71.80	6.46	10.40	54.94	300.00	-245.06	-249.76	-154.39	-170.49

San Juan 28-7 #161 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #168 FC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	
(%)	M\$	M\$	M\$	M\$
0.0	420	300	120	76
6.0	261	300	-39	-35
9.0	220	300	-80	-65
10.0	208	300	-92	-74
12.0	190	300	-110	-88
13.0	181	300	-119	-94
Arr:	420	300	120	76

Case Description

SJ 28-7 #168 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02
 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

	BTax	ATax
ROR	%	4.0
Payout Period	Std. (mo's)	158.3
	Proj. (mo's)	158.3
Undisc PI	M\$/M\$	1.40
9.0 Pcnt. PI	M\$/M\$	0.73
12.0 Pcnt. PI	M\$/M\$	0.63
NPV/Vol@9.0	M\$/MMSCF	-0.34
NPV/Vol@12.0	M\$/MMSCF	-0.47
Economic Limit Date	2036/08	
Last Scheduled Prod Date	2036/08	

Products Recovery (US)

	Gross	WI	Roy	Net
Oil	MSTB	0	0	0
Gas-Raw	MMSCF	236	236	207
Gas-Sales	MMSCF	236	236	207
Ethane	MSTB	0	0	0
Propane	MSTB	0	0	0
Butane	MSTB	0	0	0
Cond.	MSTB	0	0	0
Sulphur	MLt	0	0	0
Other	MSTB	0	0	0

Company WI (US)

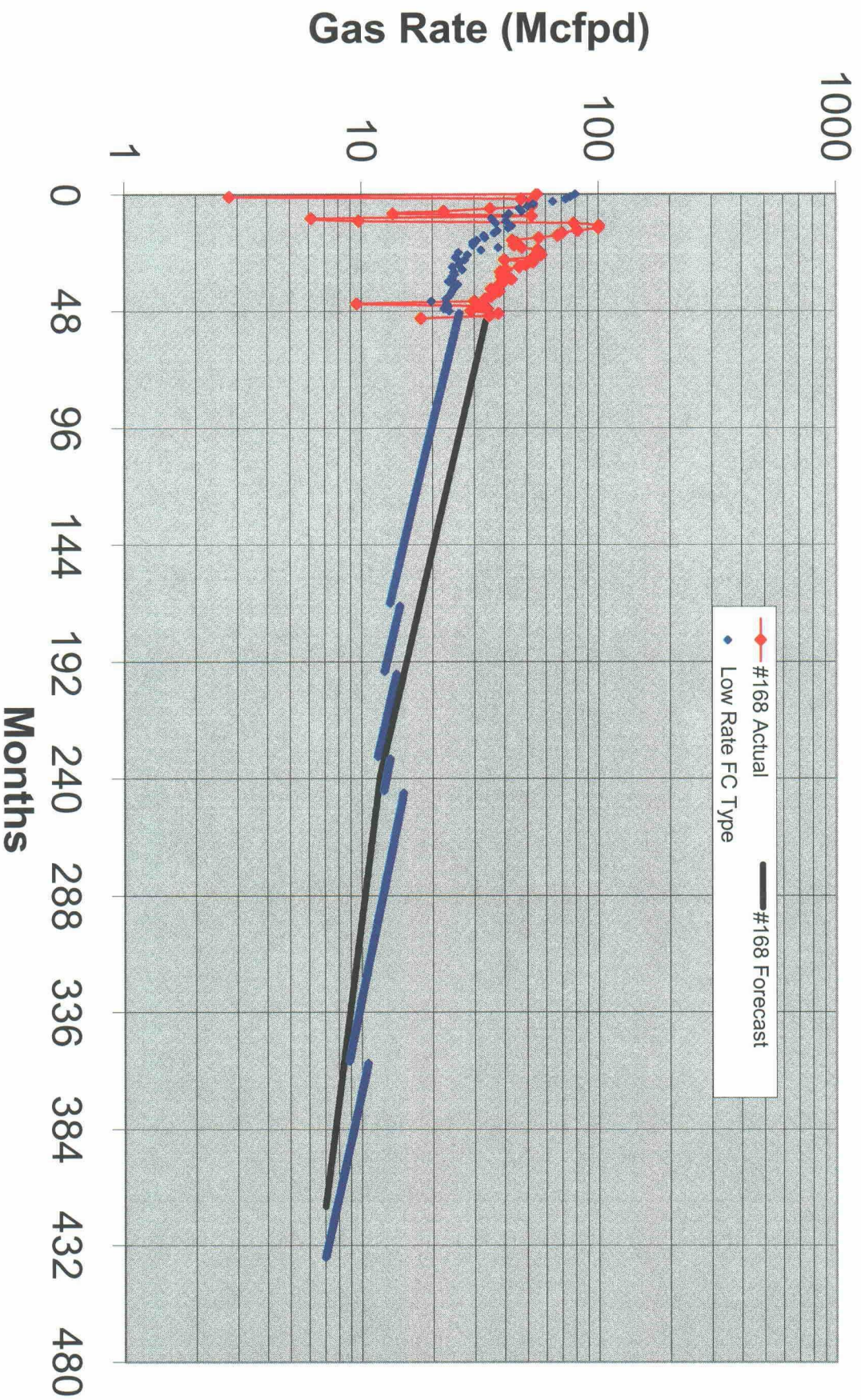
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	12.81	0.00	11.21	0.00	3.00	1.0	33.62	3.03	2.52	28.07	300.00	-271.93	-273.03	-220.84	-223.88
2003(12)	0.00	23.21	0.00	20.31	0.00	2.71	1.0	55.03	4.95	2.57	47.51	0.00	47.51	42.17	42.70	37.84
2004(12)	0.00	16.40	0.00	14.35	0.00	2.42	1.0	34.73	3.13	2.62	28.98	0.00	28.98	23.52	28.70	23.27
2005(12)	0.00	11.74	0.00	10.28	0.00	2.49	1.0	25.59	2.30	2.68	20.61	0.00	20.61	15.35	21.76	16.19
2006(12)	0.00	11.70	0.00	10.24	0.00	2.57	1.0	26.31	2.37	2.73	21.21	0.00	21.21	14.45	20.95	14.27
2007(12)	0.00	11.29	0.00	9.88	0.00	2.85	1.0	28.15	2.53	2.79	22.83	0.00	22.83	14.27	19.87	12.42
2008(12)	0.00	10.59	0.00	9.27	0.00	2.93	1.0	27.16	2.44	2.84	21.88	0.00	21.88	12.55	16.75	9.61
2009(12)	0.00	9.89	0.00	8.65	0.00	3.02	1.0	26.13	2.35	2.90	20.88	0.00	20.88	10.99	14.64	7.70
2010(12)	0.00	9.26	0.00	8.10	0.00	3.11	1.0	25.19	2.27	2.96	19.96	0.00	19.96	9.64	12.58	6.07
2011(12)	0.00	8.66	0.00	7.58	0.00	3.20	1.0	24.26	2.18	3.02	19.06	0.00	19.06	8.44	12.01	5.32
2012(12)	0.00	8.13	0.00	7.11	0.00	3.22	1.0	22.94	2.06	3.08	17.80	0.00	17.80	7.23	11.21	4.56
2013(12)	0.00	7.59	0.00	6.64	0.00	3.00	1.0	19.92	1.79	3.14	14.99	0.00	14.99	5.59	9.44	3.52
2014(12)	0.00	7.10	0.00	6.21	0.00	3.00	1.0	18.64	1.68	3.20	13.77	0.00	13.77	4.71	8.67	2.97
2015(12)	0.00	6.65	0.00	5.82	0.00	3.00	1.0	17.45	1.57	3.26	12.62	0.00	12.62	3.96	7.95	2.49
2016(12)	0.00	6.24	0.00	5.46	0.00	3.00	1.0	16.38	1.47	3.33	11.58	0.00	11.58	3.33	7.29	2.10
2017(12)	0.00	5.82	0.00	5.10	0.00	3.00	1.0	15.29	1.38	3.40	10.52	0.00	10.52	2.78	6.62	1.75
2018(12)	0.00	5.45	0.00	4.77	0.00	3.00	1.0	14.31	1.29	3.46	9.56	0.00	9.56	2.32	6.02	1.46
2019(12)	0.00	5.10	0.00	4.46	0.00	3.00	1.0	13.39	1.21	3.53	8.65	0.00	8.65	1.92	5.45	1.21
2020(12)	0.00	4.79	0.00	4.19	0.00	3.00	1.0	12.57	1.13	3.60	7.83	0.00	7.83	1.60	4.94	1.01
2021(12)	0.00	4.47	0.00	3.91	0.00	3.00	1.0	11.73	1.06	3.68	7.00	0.00	7.00	1.31	4.41	0.83
2022(12)	0.00	4.26	0.00	3.73	0.00	3.00	1.0	11.19	1.01	3.75	6.43	0.00	6.43	1.10	4.05	0.70
2023(12)	0.00	4.11	0.00	3.60	0.00	3.00	1.0	10.79	0.97	3.82	6.00	0.00	6.00	0.94	3.78	0.59
2024(12)	0.00	3.98	0.00	3.48	0.00	3.00	1.0	10.44	0.94	3.90	5.60	0.00	5.60	0.81	3.53	0.51
2025(12)	0.00	3.83	0.00	3.35	0.00	3.00	1.0	10.04	0.90	3.98	5.16	0.00	5.16	0.68	3.25	0.43
2026(12)	0.00	3.69	0.00	3.23	0.00	3.00	1.0	9.69	0.87	4.06	4.76	0.00	4.76	0.58	3.00	0.36
2027(12)	0.00	3.56	0.00	3.11	0.00	3.00	1.0	9.34	0.84	4.14	4.36	0.00	4.36	0.49	2.75	0.31
2028(12)	0.00	3.44	0.00	3.01	0.00	3.00	1.0	9.04	0.81	4.22	4.00	0.00	4.00	0.41	2.52	0.26
2029(12)	0.00	3.31	0.00	2.90	0.00	3.00	1.0	8.69	0.78	4.31	3.60	0.00	3.60	0.34	2.27	0.21
2030(12)	0.00	3.19	0.00	2.79	0.00	3.00	1.0	8.38	0.75	4.39	3.24	0.00	3.24	0.28	2.04	0.18
2031(12)	0.00	3.08	0.00	2.70	0.00	3.00	1.0	8.09	0.73	4.48	2.88	0.00	2.88	0.23	1.81	0.14
2032(12)	0.00	2.98	0.00	2.61	0.00	3.00	1.0	7.82	0.70	4.57	2.55	0.00	2.55	0.18	1.61	0.12
2033(12)	0.00	2.87	0.00	2.51	0.00	3.00	1.0	7.53	0.68	4.66	2.19	0.00	2.19	0.15	1.38	0.09
2034(12)	0.00	2.77	0.00	2.42	0.00	3.00	1.0	7.26	0.65	4.75	1.85	0.00	1.85	0.11	1.17	0.07
2035(12)	0.00	2.67	0.00	2.33	0.00	3.00	1.0	7.00	0.63	4.85	1.52	0.00	1.52	0.09	0.96	0.05
2036(12)	0.00	1.73	0.00	1.51	0.00	3.00	0.7	4.54	0.41	3.29	0.85	0.00	0.85	0.04	0.53	0.03
Total	0.00	236.36	0.00	206.81	0.00	0.00	0.0	598.63	53.88	124.47	420.28	300.00	120.28	-80.47	75.78	-65.26

San Juan 28-7 #168 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #238R FC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	1,347	300	1,047	659
6.0	850	300	550	336
9.0	728	300	428	255
10.0	697	300	397	234
12.0	643	300	343	198
13.0	620	300	320	182
Arr:	1,347	300	1,047	659

Case Description

SJ 28-7 #238R FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02
 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	57.3	38.9
Payout Period	Std. (mo's)	21.4	27.9
	Proj. (mo's)	21.4	27.9
Undisc PI	M\$/M\$	4.49	3.20
9.0 Pcnt. PI	M\$/M\$	2.43	1.85
12.0 Pcnt. PI	M\$/M\$	2.14	1.66
NPV/Vol@9.0	M\$/MMSCF	0.66	0.39
NPV/Vol@12.0	M\$/MMSCF	0.53	0.30
Economic Limit Date		2041/12	
Last Scheduled Prod Date		2041/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	651	651	81	570
Gas-Sales	MMSCF	651	651	81	570
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

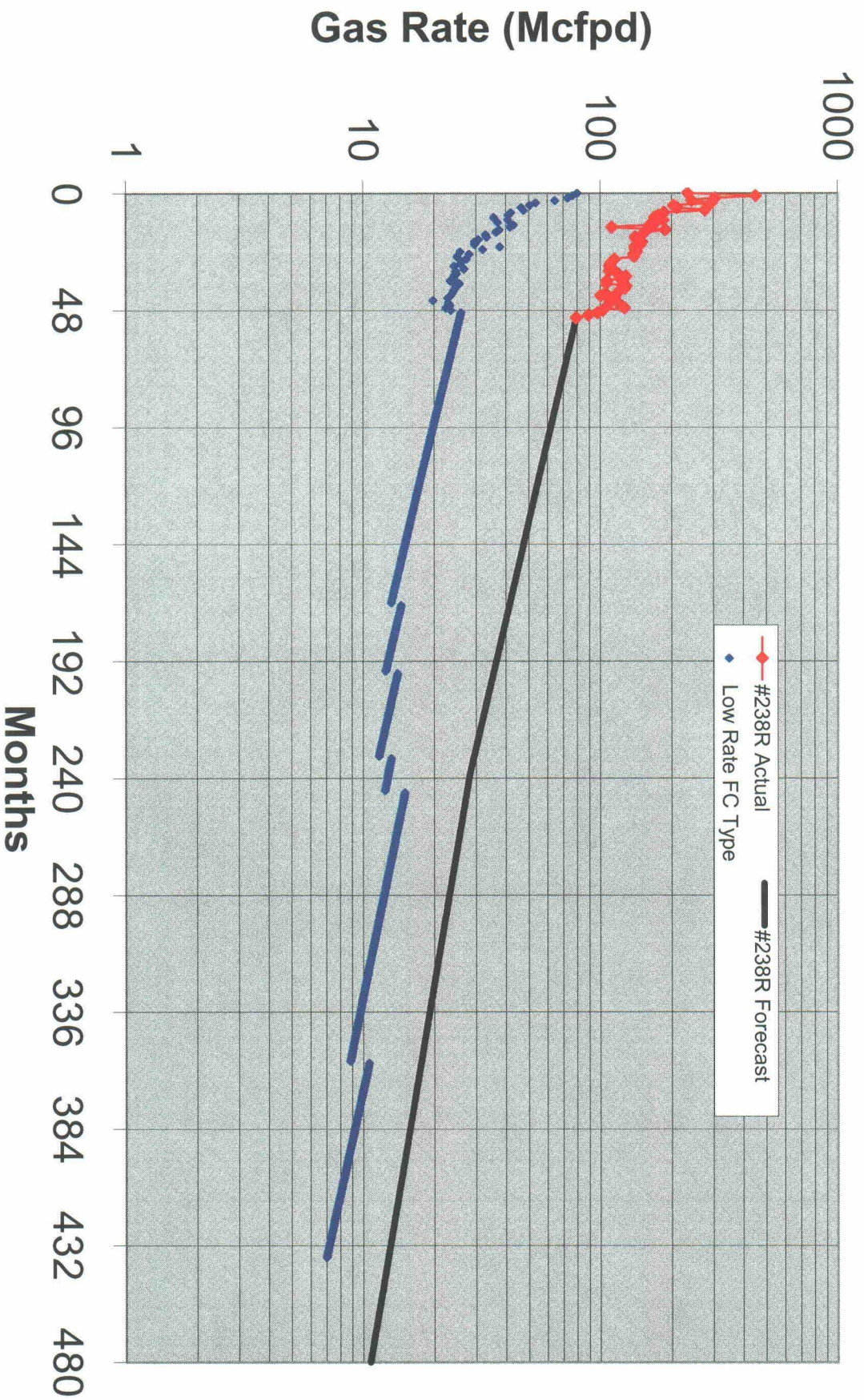
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	88.35	0.00	77.30	0.00	3.00	1.0	231.91	20.87	2.52	208.51	300.00	-91.49	-98.49	-107.16	-113.93
2003(12)	0.00	54.34	0.00	47.55	0.00	2.71	1.0	128.85	11.60	2.57	114.68	0.00	114.68	101.26	85.02	75.06
2004(12)	0.00	44.17	0.00	38.65	0.00	2.42	1.0	93.52	8.42	2.62	82.48	0.00	82.48	66.83	62.40	50.55
2005(12)	0.00	41.70	0.00	36.49	0.00	2.49	1.0	90.86	8.18	2.68	80.01	0.00	80.01	59.37	59.18	43.92
2006(12)	0.00	29.85	0.00	26.11	0.00	2.57	1.0	67.12	6.04	2.73	58.34	0.00	58.34	39.83	44.34	30.26
2007(12)	0.00	26.58	0.00	23.25	0.00	2.85	1.0	66.27	5.96	2.79	57.52	0.00	57.52	35.96	41.73	26.09
2008(12)	0.00	24.94	0.00	21.83	0.00	2.93	1.0	63.95	5.76	2.84	55.35	0.00	55.35	31.75	37.84	21.71
2009(12)	0.00	23.28	0.00	20.37	0.00	3.02	1.0	61.52	5.54	2.90	53.09	0.00	53.09	27.93	34.93	18.38
2010(12)	0.00	21.79	0.00	19.07	0.00	3.11	1.0	59.30	5.34	2.96	51.00	0.00	51.00	24.62	32.13	15.51
2011(12)	0.00	20.39	0.00	17.85	0.00	3.20	1.0	57.11	5.14	3.02	48.95	0.00	48.95	21.68	30.84	13.66
2012(12)	0.00	19.14	0.00	16.75	0.00	3.22	1.0	54.00	4.86	3.08	46.07	0.00	46.07	18.72	29.02	11.79
2013(12)	0.00	17.87	0.00	15.63	0.00	3.00	1.0	46.90	4.22	3.14	39.54	0.00	39.54	14.74	24.91	9.29
2014(12)	0.00	16.72	0.00	14.63	0.00	3.00	1.0	43.90	3.95	3.20	36.75	0.00	36.75	12.57	23.15	7.92
2015(12)	0.00	15.65	0.00	13.69	0.00	3.00	1.0	41.08	3.70	3.26	34.12	0.00	34.12	10.71	21.50	6.74
2016(12)	0.00	14.69	0.00	12.85	0.00	3.00	1.0	38.56	3.47	3.33	31.76	0.00	31.76	9.14	20.01	5.76
2017(12)	0.00	13.71	0.00	12.00	0.00	3.00	1.0	35.99	3.24	3.40	29.36	0.00	29.36	7.75	18.49	4.88
2018(12)	0.00	12.83	0.00	11.23	0.00	3.00	1.0	33.69	3.03	3.46	27.19	0.00	27.19	6.59	17.13	4.15
2019(12)	0.00	12.01	0.00	10.51	0.00	3.00	1.0	31.53	2.84	3.53	25.16	0.00	25.16	5.59	15.85	3.52
2020(12)	0.00	11.27	0.00	9.86	0.00	3.00	1.0	29.59	2.66	3.60	23.33	0.00	23.33	4.76	14.70	3.00
2021(12)	0.00	10.52	0.00	9.21	0.00	3.00	1.0	27.62	2.49	3.68	21.46	0.00	21.46	4.02	13.52	2.53
2022(12)	0.00	9.96	0.00	8.71	0.00	3.00	1.0	26.14	2.35	3.75	20.04	0.00	20.04	3.44	12.63	2.17
2023(12)	0.00	9.49	0.00	8.31	0.00	3.00	1.0	24.92	2.24	3.82	18.85	0.00	18.85	2.97	11.88	1.87
2024(12)	0.00	9.07	0.00	7.94	0.00	3.00	1.0	23.81	2.14	3.90	17.77	0.00	17.77	2.57	11.19	1.62
2025(12)	0.00	8.62	0.00	7.54	0.00	3.00	1.0	22.63	2.04	3.98	16.62	0.00	16.62	2.20	10.47	1.39
2026(12)	0.00	8.22	0.00	7.19	0.00	3.00	1.0	21.57	1.94	4.06	15.57	0.00	15.57	1.89	9.81	1.19
2027(12)	0.00	7.83	0.00	6.85	0.00	3.00	1.0	20.56	1.85	4.14	14.57	0.00	14.57	1.62	9.18	1.02
2028(12)	0.00	7.48	0.00	6.55	0.00	3.00	1.0	19.65	1.77	4.22	13.66	0.00	13.66	1.40	8.60	0.88
2029(12)	0.00	7.11	0.00	6.22	0.00	3.00	1.0	18.67	1.68	4.31	12.68	0.00	12.68	1.19	7.99	0.75
2030(12)	0.00	6.78	0.00	5.93	0.00	3.00	1.0	17.79	1.60	4.39	11.80	0.00	11.80	1.02	7.43	0.64
2031(12)	0.00	6.46	0.00	5.65	0.00	3.00	1.0	16.96	1.53	4.48	10.95	0.00	10.95	0.87	6.90	0.55
2032(12)	0.00	6.17	0.00	5.40	0.00	3.00	1.0	16.21	1.46	4.57	10.18	0.00	10.18	0.74	6.41	0.46
2033(12)	0.00	5.87	0.00	5.13	0.00	3.00	1.0	15.40	1.39	4.66	9.36	0.00	9.36	0.62	5.89	0.39
2034(12)	0.00	5.59	0.00	4.89	0.00	3.00	1.0	14.68	1.32	4.75	8.60	0.00	8.60	0.53	5.42	0.33
2035(12)	0.00	5.33	0.00	4.66	0.00	3.00	1.0	13.99	1.26	4.85	7.88	0.00	7.88	0.44	4.97	0.28
2036(12)	0.00	5.09	0.00	4.46	0.00	3.00	1.0	13.37	1.20	4.95	7.22	0.00	7.22	0.37	4.55	0.23
2037(12)	0.00	4.84	0.00	4.24	0.00	3.00	1.0	12.71	1.14	5.05	6.52	0.00	6.52	0.31	4.11	0.19
2038(12)	0.00	4.61	0.00	4.04	0.00	3.00	1.0	12.11	1.09	5.15	5.87	0.00	5.87	0.25	3.70	0.16
2039(12)	0.00	4.40	0.00	3.85	0.00	3.00	1.0	11.54	1.04	5.25	5.25	0.00	5.25	0.21	3.31	0.13
2040(12)	0.00	4.20	0.00	3.68	0.00	3.00	1.0	11.03	0.99	5.35	4.68	0.00	4.68	0.17	2.95	0.11
2041(12)	0.00	3.99	0.00	3.49	0.00	3.00	1.0	10.48	0.94	5.46	4.08	0.00	4.08	0.14	2.57	0.09
Total	0.00	650.94	0.00	569.57	0.00	0.00	0.0	1,647.49	148.27	152.39	1,346.82	300.00	1,046.82	428.26	659.50	255.24

San Juan 28-7 #238R - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #245 FC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	
(%)	M\$	M\$	M\$	M\$
0.0	705	300	405	255
6.0	437	300	137	76
9.0	367	300	67	28
10.0	349	300	49	15
12.0	318	300	18	-7
13.0	304	300	4	-17
Arr:	705	300	405	255

Case Description

SJ 28-7 #245 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02
 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

	BTax	ATax
ROR	%	13.3
Payout Period	Std. (mo's)	79.0
	Proj. (mo's)	80.2
Undisc PI	M\$/M\$	2.35
9.0 Pcnt. PI	M\$/M\$	1.22
12.0 Pcnt. PI	M\$/M\$	1.06
NPV/Vol@9.0	M\$/MMSCF	0.19
NPV/Vol@12.0	M\$/MMSCF	0.05
Economic Limit Date	2038/01	
Last Scheduled Prod Date	2038/01	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	362	362	45	316
Gas-Sales	MMSCF	362	362	45	316
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

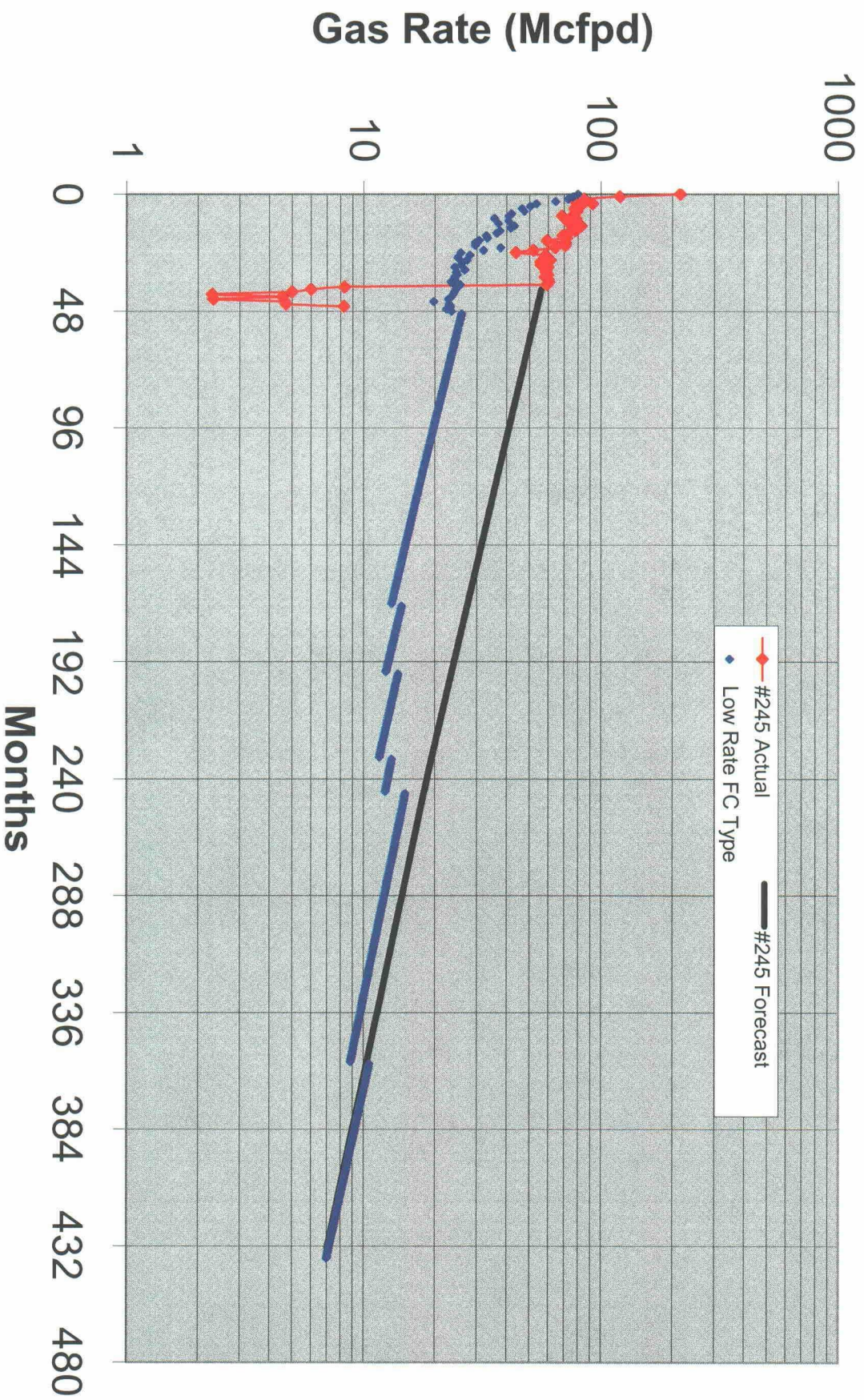
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	34.00	0.00	29.75	0.00	3.00	1.0	89.25	8.03	2.52	78.69	300.00	-221.31	-223.81	-188.95	-192.88
2003(12)	0.00	25.58	0.00	22.38	0.00	2.71	1.0	60.65	5.46	2.57	52.62	0.00	52.62	46.53	45.92	40.58
2004(12)	0.00	20.88	0.00	18.27	0.00	2.42	1.0	44.22	3.98	2.62	37.62	0.00	37.62	30.41	34.14	27.61
2005(12)	0.00	20.22	0.00	17.70	0.00	2.49	1.0	44.06	3.97	2.68	37.42	0.00	37.42	27.80	32.35	24.03
2006(12)	0.00	18.77	0.00	16.42	0.00	2.57	1.0	42.20	3.80	2.73	35.67	0.00	35.67	24.31	30.06	20.48
2007(12)	0.00	17.56	0.00	15.37	0.00	2.85	1.0	43.80	3.94	2.79	37.07	0.00	37.07	23.18	28.85	18.03
2008(12)	0.00	16.49	0.00	14.42	0.00	2.93	1.0	42.26	3.80	2.84	35.62	0.00	35.62	20.43	25.41	14.58
2009(12)	0.00	15.39	0.00	13.46	0.00	3.02	1.0	40.66	3.66	2.90	34.10	0.00	34.10	17.94	22.97	12.09
2010(12)	0.00	14.40	0.00	12.60	0.00	3.11	1.0	39.19	3.53	2.96	32.71	0.00	32.71	15.79	20.61	9.95
2011(12)	0.00	13.48	0.00	11.79	0.00	3.20	1.0	37.74	3.40	3.02	31.33	0.00	31.33	13.88	19.74	8.74
2012(12)	0.00	12.65	0.00	11.07	0.00	3.22	1.0	35.69	3.21	3.08	29.40	0.00	29.40	11.95	18.52	7.53
2013(12)	0.00	11.81	0.00	10.33	0.00	3.00	1.0	31.00	2.79	3.14	25.07	0.00	25.07	9.35	15.79	5.89
2014(12)	0.00	11.05	0.00	9.67	0.00	3.00	1.0	29.01	2.61	3.20	23.20	0.00	23.20	7.93	14.62	5.00
2015(12)	0.00	10.34	0.00	9.05	0.00	3.00	1.0	27.15	2.44	3.26	21.45	0.00	21.45	6.73	13.51	4.24
2016(12)	0.00	9.71	0.00	8.50	0.00	3.00	1.0	25.49	2.29	3.33	19.86	0.00	19.86	5.72	12.51	3.60
2017(12)	0.00	9.06	0.00	7.93	0.00	3.00	1.0	23.79	2.14	3.40	18.25	0.00	18.25	4.82	11.50	3.04
2018(12)	0.00	8.48	0.00	7.42	0.00	3.00	1.0	22.26	2.00	3.46	16.80	0.00	16.80	4.07	10.58	2.56
2019(12)	0.00	7.94	0.00	6.95	0.00	3.00	1.0	20.84	1.88	3.53	15.43	0.00	15.43	3.43	9.72	2.16
2020(12)	0.00	7.45	0.00	6.52	0.00	3.00	1.0	19.56	1.76	3.60	14.19	0.00	14.19	2.90	8.94	1.82
2021(12)	0.00	6.95	0.00	6.08	0.00	3.00	1.0	18.25	1.64	3.68	12.94	0.00	12.94	2.42	8.15	1.52
2022(12)	0.00	6.53	0.00	5.72	0.00	3.00	1.0	17.15	1.54	3.75	11.86	0.00	11.86	2.04	7.47	1.28
2023(12)	0.00	6.15	0.00	5.38	0.00	3.00	1.0	16.15	1.45	3.82	10.87	0.00	10.87	1.71	6.85	1.08
2024(12)	0.00	5.81	0.00	5.08	0.00	3.00	1.0	15.25	1.37	3.90	9.98	0.00	9.98	1.44	6.28	0.91
2025(12)	0.00	5.45	0.00	4.77	0.00	3.00	1.0	14.32	1.29	3.98	9.05	0.00	9.05	1.20	5.70	0.76
2026(12)	0.00	5.14	0.00	4.49	0.00	3.00	1.0	13.48	1.21	4.06	8.21	0.00	8.21	1.00	5.17	0.63
2027(12)	0.00	4.84	0.00	4.23	0.00	3.00	1.0	12.70	1.14	4.14	7.41	0.00	7.41	0.83	4.67	0.52
2028(12)	0.00	4.57	0.00	4.00	0.00	3.00	1.0	11.99	1.08	4.22	6.69	0.00	6.69	0.68	4.21	0.43
2029(12)	0.00	4.29	0.00	3.75	0.00	3.00	1.0	11.26	1.01	4.31	5.94	0.00	5.94	0.56	3.74	0.35
2030(12)	0.00	4.04	0.00	3.53	0.00	3.00	1.0	10.60	0.95	4.39	5.25	0.00	5.25	0.45	3.31	0.29
2031(12)	0.00	3.80	0.00	3.33	0.00	3.00	1.0	9.98	0.90	4.48	4.60	0.00	4.60	0.36	2.90	0.23
2032(12)	0.00	3.59	0.00	3.14	0.00	3.00	1.0	9.42	0.85	4.57	4.01	0.00	4.01	0.29	2.52	0.18
2033(12)	0.00	3.37	0.00	2.95	0.00	3.00	1.0	8.85	0.80	4.66	3.39	0.00	3.39	0.23	2.14	0.14
2034(12)	0.00	3.17	0.00	2.78	0.00	3.00	1.0	8.33	0.75	4.75	2.83	0.00	2.83	0.17	1.78	0.11
2035(12)	0.00	2.99	0.00	2.62	0.00	3.00	1.0	7.85	0.71	4.85	2.29	0.00	2.29	0.13	1.44	0.08
2036(12)	0.00	2.82	0.00	2.47	0.00	3.00	1.0	7.41	0.67	4.95	1.80	0.00	1.80	0.09	1.13	0.06
2037(12)	0.00	2.65	0.00	2.32	0.00	3.00	1.0	6.96	0.63	5.05	1.28	0.00	1.28	0.06	0.81	0.04
2038(12)	0.00	0.22	0.00	0.19	0.00	3.00	0.1	0.57	0.05	0.43	0.09	0.00	0.09	0.00	0.05	0.00
Total	0.00	361.64	0.00	316.44	0.00	0.00	0.0	919.32	82.74	131.61	704.97	300.00	404.97	67.01	255.13	27.65

San Juan 28-7 #245 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #284 FC (sdr)

Nominal

Net Present Values

Disc Rate (%)	Before Tax M\$	Before Tax M\$	After Tax M\$	After Tax M\$
0.0	326	300	26	16
6.0	193	300	-107	-78
9.0	161	300	-139	-102
10.0	153	300	-147	-108
12.0	140	300	-160	-119
13.0	135	300	-165	-124
Arr:	326	300	26	16

Case Description

SJ 28-7 #284 FC PA Expansion
 Wt: 100% NRI: 87.5%
 Analyze Date 1/02
 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.8	0.7
Payout Period	Stnd. (mo's)	341.0	341.0
	Proj. (mo's)	341.0	341.0
Undisc PI	M\$/M\$	1.09	1.05
9.0 Pcnt. PI	M\$/M\$	0.54	0.66
12.0 Pcnt. PI	M\$/M\$	0.47	0.60
NPV/Vol@9.0	M\$/MMSCF	-0.68	-0.50
NPV/Vol@12.0	M\$/MMSCF	-0.78	-0.58
Economic Limit Date		2041/12	
Last Scheduled Prod Date		2041/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	205	205	26	180
Gas-Sales	MMSCF	205	205	26	180
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

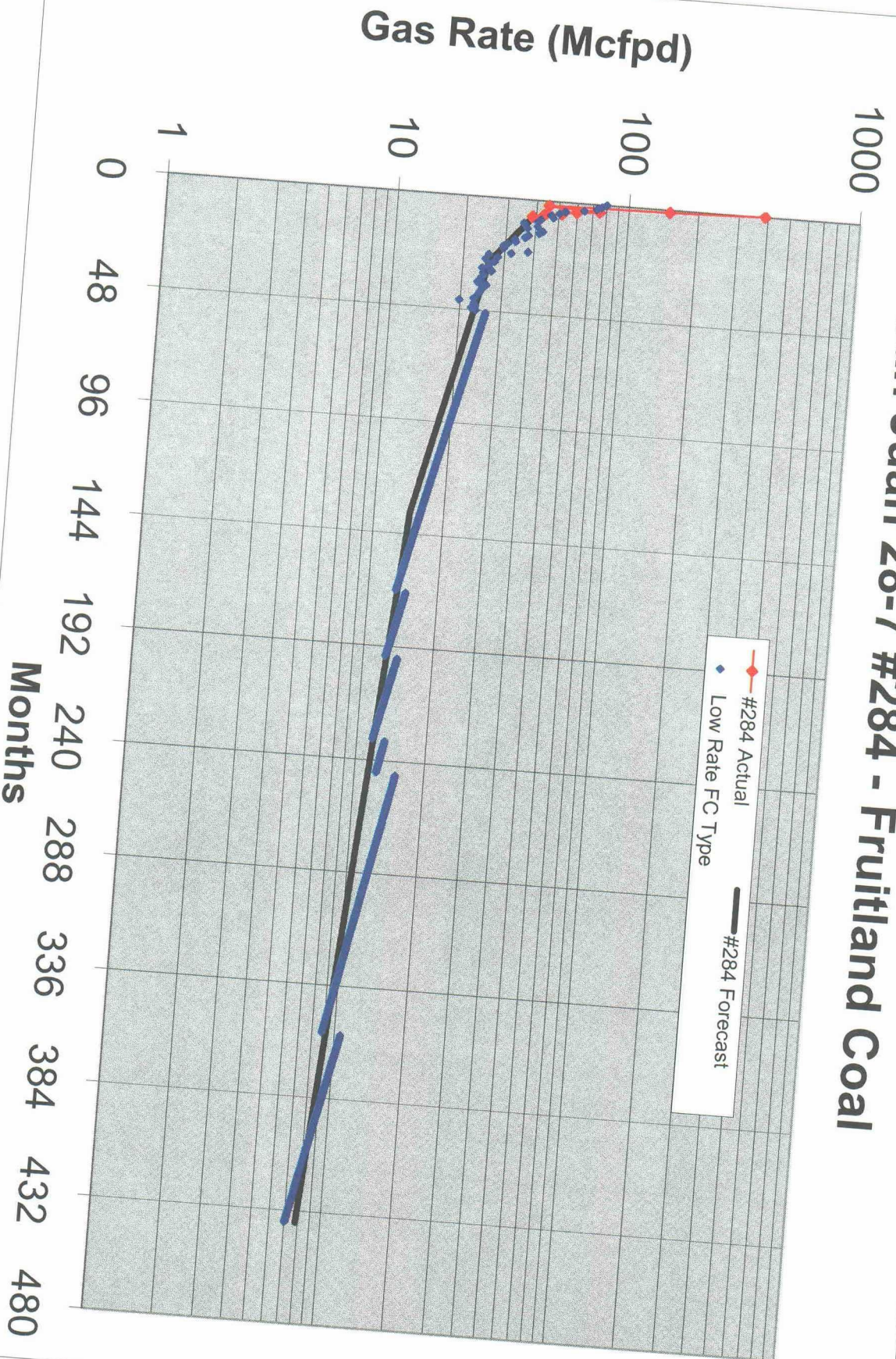
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	19.65	0.00	17.20	0.00	3.00	1.0	51.59	4.64	2.52	44.42	300.00	-255.58	-256.84	-210.54	-213.69
2003(12)	0.00	11.24	0.00	9.83	0.00	2.71	1.0	26.64	2.40	2.57	21.67	0.00	21.67	19.15	26.42	23.33
2004(12)	0.00	9.33	0.00	8.16	0.00	2.42	1.0	19.75	1.78	2.62	15.35	0.00	15.35	12.43	20.11	16.28
2005(12)	0.00	8.68	0.00	7.59	0.00	2.49	1.0	18.90	1.70	2.68	14.53	0.00	14.53	10.79	17.93	13.31
2006(12)	0.00	8.12	0.00	7.11	0.00	2.57	1.0	18.26	1.64	2.73	13.89	0.00	13.89	9.46	16.34	11.13
2007(12)	0.00	7.60	0.00	6.65	0.00	2.85	1.0	18.95	1.71	2.79	14.45	0.00	14.45	9.04	14.60	9.12
2008(12)	0.00	7.13	0.00	6.24	0.00	2.93	1.0	18.28	1.65	2.84	13.79	0.00	13.79	7.91	11.66	6.69
2009(12)	0.00	6.66	0.00	5.83	0.00	3.02	1.0	17.60	1.58	2.90	13.12	0.00	13.12	6.90	9.75	5.13
2010(12)	0.00	6.23	0.00	5.45	0.00	3.11	1.0	16.95	1.53	2.96	12.47	0.00	12.47	6.02	7.85	3.79
2011(12)	0.00	5.83	0.00	5.10	0.00	3.20	1.0	16.33	1.47	3.02	11.85	0.00	11.85	5.25	7.46	3.31
2012(12)	0.00	5.47	0.00	4.79	0.00	3.22	1.0	15.43	1.39	3.08	10.97	0.00	10.97	4.46	6.91	2.81
2013(12)	0.00	5.17	0.00	4.53	0.00	3.00	1.0	13.58	1.22	3.14	9.22	0.00	9.22	3.44	5.81	2.17
2014(12)	0.00	5.05	0.00	4.42	0.00	3.00	1.0	13.25	1.19	3.20	8.86	0.00	8.86	3.03	5.58	1.91
2015(12)	0.00	4.93	0.00	4.31	0.00	3.00	1.0	12.94	1.16	3.26	8.51	0.00	8.51	2.67	5.36	1.68
2016(12)	0.00	4.82	0.00	4.22	0.00	3.00	1.0	12.67	1.14	3.33	8.20	0.00	8.20	2.36	5.16	1.49
2017(12)	0.00	4.70	0.00	4.11	0.00	3.00	1.0	12.34	1.11	3.40	7.83	0.00	7.83	2.07	4.93	1.30
2018(12)	0.00	4.59	0.00	4.02	0.00	3.00	1.0	12.05	1.08	3.46	7.50	0.00	7.50	1.82	4.72	1.14
2019(12)	0.00	4.48	0.00	3.92	0.00	3.00	1.0	11.76	1.06	3.53	7.17	0.00	7.17	1.59	4.52	1.00
2020(12)	0.00	4.38	0.00	3.83	0.00	3.00	1.0	11.50	1.04	3.60	6.87	0.00	6.87	1.40	4.33	0.88
2021(12)	0.00	4.27	0.00	3.74	0.00	3.00	1.0	11.21	1.01	3.68	6.53	0.00	6.53	1.22	4.11	0.77
2022(12)	0.00	4.16	0.00	3.64	0.00	3.00	1.0	10.93	0.98	3.75	6.20	0.00	6.20	1.06	3.90	0.67
2023(12)	0.00	4.07	0.00	3.56	0.00	3.00	1.0	10.67	0.96	3.82	5.89	0.00	5.89	0.93	3.71	0.58
2024(12)	0.00	3.98	0.00	3.49	0.00	3.00	1.0	10.46	0.94	3.90	5.61	0.00	5.61	0.81	3.54	0.51
2025(12)	0.00	3.87	0.00	3.39	0.00	3.00	1.0	10.17	0.92	3.98	5.28	0.00	5.28	0.70	3.32	0.44
2026(12)	0.00	3.79	0.00	3.31	0.00	3.00	1.0	9.94	0.89	4.06	4.99	0.00	4.99	0.61	3.14	0.38
2027(12)	0.00	3.70	0.00	3.23	0.00	3.00	1.0	9.70	0.87	4.14	4.69	0.00	4.69	0.52	2.95	0.33
2028(12)	0.00	3.62	0.00	3.17	0.00	3.00	1.0	9.50	0.86	4.22	4.43	0.00	4.43	0.45	2.79	0.29
2029(12)	0.00	3.52	0.00	3.08	0.00	3.00	1.0	9.25	0.83	4.31	4.11	0.00	4.11	0.39	2.59	0.24
2030(12)	0.00	3.44	0.00	3.01	0.00	3.00	1.0	9.02	0.81	4.39	3.82	0.00	3.82	0.33	2.40	0.21
2031(12)	0.00	3.35	0.00	2.94	0.00	3.00	1.0	8.81	0.79	4.48	3.53	0.00	3.53	0.28	2.23	0.18
2032(12)	0.00	3.28	0.00	2.87	0.00	3.00	1.0	8.62	0.78	4.57	3.28	0.00	3.28	0.24	2.06	0.15
2033(12)	0.00	3.20	0.00	2.80	0.00	3.00	1.0	8.40	0.76	4.66	2.98	0.00	2.98	0.20	1.88	0.12
2034(12)	0.00	3.12	0.00	2.73	0.00	3.00	1.0	8.20	0.74	4.75	2.71	0.00	2.71	0.17	1.71	0.10
2035(12)	0.00	3.05	0.00	2.67	0.00	3.00	1.0	8.00	0.72	4.85	2.43	0.00	2.43	0.14	1.53	0.09
2036(12)	0.00	2.98	0.00	2.61	0.00	3.00	1.0	7.83	0.70	4.95	2.18	0.00	2.18	0.11	1.37	0.07
2037(12)	0.00	2.90	0.00	2.54	0.00	3.00	1.0	7.62	0.69	5.05	1.89	0.00	1.89	0.09	1.19	0.06
2038(12)	0.00	2.83	0.00	2.48	0.00	3.00	1.0	7.44	0.67	5.15	1.63	0.00	1.63	0.07	1.02	0.04
2039(12)	0.00	2.77	0.00	2.42	0.00	3.00	1.0	7.27	0.65	5.25	1.36	0.00	1.36	0.05	0.86	0.03
2040(12)	0.00	2.71	0.00	2.37	0.00	3.00	1.0	7.12	0.64	5.35	1.12	0.00	1.12	0.04	0.71	0.03
2041(12)	0.00	2.64	0.00	2.31	0.00	3.00	1.0	6.94	0.62	5.46	0.85	0.00	0.85	0.03	0.54	0.02
Total	0.00	205.34	0.00	179.67	0.00	0.00	0.0	525.88	47.33	152.39	326.16	300.00	26.16	-138.62	16.48	-101.90

San Juan 28-7 #284 - Fruitland Coal



US Summary Report

PAE - East - SJ 28-7 #293 FC (sdr)

Nominal

Net Present Values

Disc Rate (%)	Before Tax M\$	Before Tax M\$	Before Tax M\$	After Tax M\$
0.0	6	300	-294	-185
6.0	6	300	-294	-187
9.0	6	300	-294	-189
10.0	6	300	-294	-189
12.0	6	300	-294	-190
13.0	6	300	-294	-190
Arr:	6	300	-294	-185

Case Description

SJ 28-7 #293 FC PA Expansion
 WI: 100% NRI: 87.5%
 Analyze Date 1/02
 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.02	0.38
9.0 Pcnt. PI	M\$/M\$	0.02	0.37
12.0 Pcnt. PI	M\$/M\$	0.02	0.37
NPV/Vol@9.0	M\$/MMSCF	-95.38	-61.18
NPV/Vol@12.0	M\$/MMSCF	-95.38	-61.52
Economic Limit Date		2002/06	
Last Scheduled Prod Date		2002/06	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	3	3	0	3
Gas-Sales	MMSCF	3	3	0	3
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

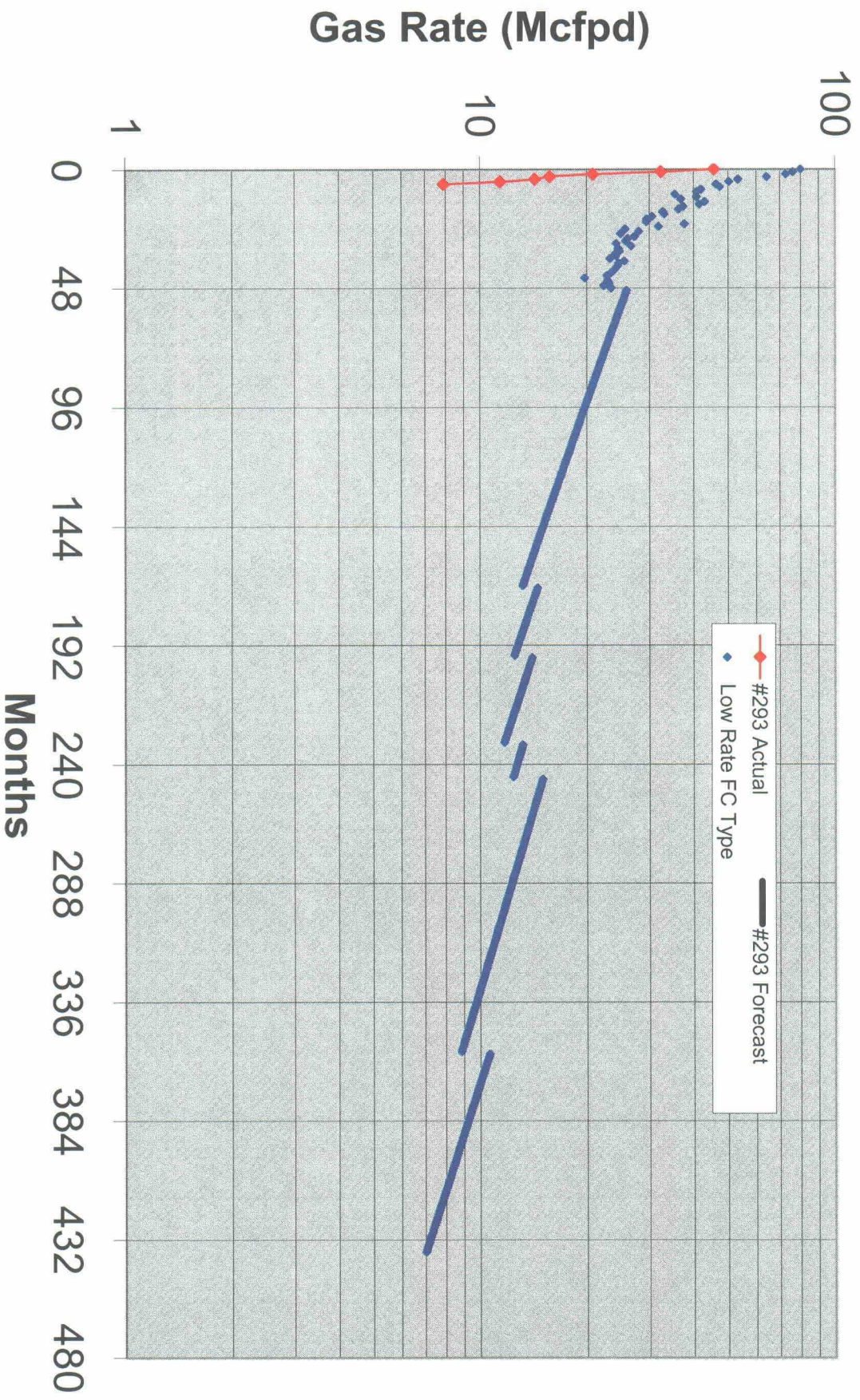
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	3.08	0.00	2.70	0.00	3.00	0.5	8.09	0.73	1.24	6.12	300.00	-293.88	-293.95	-185.15	-188.57
Total	0.00	3.08	0.00	2.70	0.00	0.00	0.0	8.09	0.73	1.24	6.12	300.00	-293.88	-293.95	-185.15	-188.57

San Juan 28-7 #293 - Fruitland Coal





Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079
(281) 293-5568

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
1235 LaPlata Highway
Farmington, New Mexico 87401

July 22, 2002

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

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

Re: San Juan 28-7 Unit 14-08-001-459
Commerciality Determination
Pictured Cliffs Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement, approved January 29, 1953, Conoco Inc., as Unit Operator, has determined that the wells on the attached list are capable of producing unitized substances in paying quantities from the Pictured Cliffs formation. Also, attached is an economic summary and production data for each well. Conoco Inc. respectfully requests agency confirmation of the enclosed paying well determinations.

Upon confirmation from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and the New Mexico Oil Conservation Division, the formal Participating Area Schedule will be prepared and submitted.

Copies of this letter are being forwarded to the working interest owners on the attached sheet. Should you have technical questions in this regard, please contact Steve Riley at 281-293-3967. Please forward any Land related questions to the undersigned at 281-293-3968.

Respectfully submitted,

Tom Scarbrough, CPL

Enclosures

San Juan 28-7 Unit 14-08-001-459
Commerciality Determination
Pictured Cliffs Formation

Well Name	Dedication	Lease No.	Completion Date	Operator's Determination
SJ 28-7 # 57	E/2 Sec. 30-28N-7W	SF-078500-A	10/6/2001	Commercial
SJ 28-7 # 284	E/2 Sec. 1-27N-7W	SF-079321-A	12/20/2001	Commercial

San Juan 28-7 Unit
Working Interest Owners
Pictured Cliffs Formation

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75060-2038

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
6704 Ashbrook Dr.
Fort Worth, TX 76132-1140

Conoco Inc.
Attn: Tom Scarbrough
600 Dairy Ashford
Houston, TX 77079

San Juan 28-7 Unit

Pictured Cliffs Completions - Wells Currently not in the PA

March 2002 (Updated July 19, 2002)

Well Name	Well #	API#	Pool	Dedication/Location	Current Status	Completion Date	Current Conoco WI	Current Conoco NRI	Gross EUR	PI @ 9% M\$/M\$	NPV @ 9% M\$	Add to P/A?	COMMENTS
SANJUAN 28-7	57	30-039-07314	Pictured Cliffs	NE 30-28N-7W	Active	10/6/2001	1.000	0.856	533	1.70	211	Yes	Recent Recompletion
SANJUAN 28-7	284	30-039-26710	Pictured Cliffs	NE 1/4 1-27N-7W	Active	12/20/2001	1.000	0.820	600	1.89	267	Yes	New Drill

Note : Planned PC completions for San Juan 28-7 #215M, #218E, and #34 were cancelled. #34 had a casing leak - location developed with the SJ 28-7 #284.
PI = (NPV + Net D&C) / (Net D&C)
PI and NPV are Before Federal Tax & After Production Tax

Economics Based on the Following _____
January 1, 2002 Effective Date
Well Drill and Complete : \$300,000
Annual OPEX : \$2,500
Working Interest : 100%
Net Revenue Interest : 87.50%
Economic Limit 10 Mcfpd or 40 years max life
Gas Price \$3.00/MMBTU flat

US Summary Report

PAE - East - SJ 28-7 #57 PC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	1,090	300	790	497
8.0	542	300	242	139
9.0	511	300	211	118
10.0	484	300	184	100
12.0	438	300	138	69
13.0	419	300	119	55
Arr:	1,090	300	790	497

Case Description

SJ 28-7 #57 PC PA Expansion
 NE/4 30-28N-7W WI: 100% NRI: 85.6%
 Well EUR = 533 MMCF
 First Production : 11/01
 Analyze Date 7/02
 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	23.2	18.7
Payout Period	Std. (mo's)	53.7	58.5
	Proj. (mo's)	53.7	58.5
Undisc PI	M\$/M\$	3.63	2.66
9.0 Pcnt. PI	M\$/M\$	1.70	1.39
12.0 Pcnt. PI	M\$/M\$	1.46	1.23
NPV/Vol@9.0	M\$/MMSCF	0.40	0.22
NPV/Vol@12.0	M\$/MMSCF	0.26	0.13
Economic Limit Date		2041/12	
Last Scheduled Prod Date		2041/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	533	533	67	466
Gas-Sales	MMSCF	533	533	67	466
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

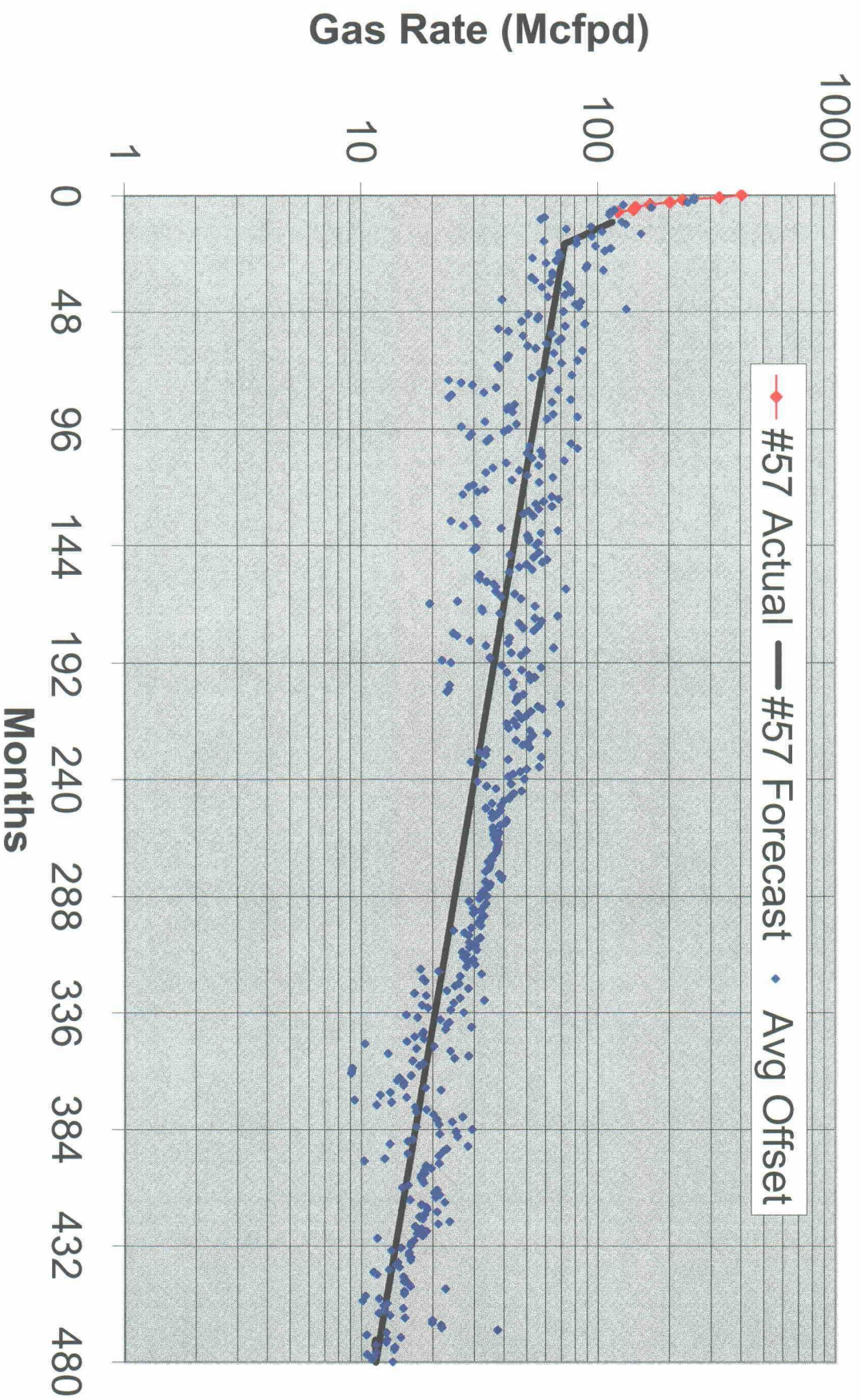
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	56.11	0.00	49.10	0.00	3.00	1.0	147.29	13.26	2.52	131.51	300.00	-168.49	-172.37	-155.67	-160.47
2003(12)	0.00	27.48	0.00	24.04	0.00	2.71	1.0	65.16	5.86	2.57	56.72	0.00	56.72	50.12	48.50	42.84
2004(12)	0.00	25.19	0.00	22.04	0.00	2.42	1.0	53.34	4.80	2.62	45.92	0.00	45.92	37.17	39.37	31.87
2005(12)	0.00	23.94	0.00	20.95	0.00	2.49	1.0	52.16	4.69	2.68	44.78	0.00	44.78	33.26	36.99	27.47
2006(12)	0.00	22.81	0.00	19.96	0.00	2.57	1.0	51.29	4.62	2.73	43.95	0.00	43.95	29.94	35.27	24.03
2007(12)	0.00	21.75	0.00	19.03	0.00	2.85	1.0	54.23	4.88	2.79	46.56	0.00	46.56	29.10	34.82	21.77
2008(12)	0.00	20.78	0.00	18.18	0.00	2.93	1.0	53.27	4.79	2.84	45.64	0.00	45.64	26.17	31.72	18.19
2009(12)	0.00	19.75	0.00	17.28	0.00	3.02	1.0	52.19	4.70	2.90	44.60	0.00	44.60	23.46	29.58	15.56
2010(12)	0.00	18.82	0.00	16.47	0.00	3.11	1.0	51.22	4.61	2.96	43.66	0.00	43.66	21.07	27.50	13.27
2011(12)	0.00	17.93	0.00	15.69	0.00	3.20	1.0	50.22	4.52	3.02	42.68	0.00	42.68	18.90	26.89	11.91
2012(12)	0.00	17.14	0.00	15.00	0.00	3.22	1.0	48.36	4.35	3.08	40.93	0.00	40.93	16.63	25.79	10.48
2013(12)	0.00	16.29	0.00	14.26	0.00	3.00	1.0	42.77	3.85	3.14	35.78	0.00	35.78	13.34	22.54	8.40
2014(12)	0.00	15.53	0.00	13.59	0.00	3.00	1.0	40.76	3.67	3.20	33.90	0.00	33.90	11.59	21.35	7.30
2015(12)	0.00	14.80	0.00	12.95	0.00	3.00	1.0	38.85	3.50	3.26	32.09	0.00	32.09	10.07	20.22	6.34
2016(12)	0.00	14.15	0.00	12.38	0.00	3.00	1.0	37.13	3.34	3.33	30.46	0.00	30.46	8.77	19.19	5.52
2017(12)	0.00	13.44	0.00	11.76	0.00	3.00	1.0	35.28	3.18	3.40	28.71	0.00	28.71	7.58	18.09	4.78
2018(12)	0.00	12.81	0.00	11.21	0.00	3.00	1.0	33.63	3.03	3.46	27.14	0.00	27.14	6.57	17.10	4.14
2019(12)	0.00	12.21	0.00	10.68	0.00	3.00	1.0	32.05	2.88	3.53	25.64	0.00	25.64	5.70	16.15	3.59
2020(12)	0.00	11.67	0.00	10.21	0.00	3.00	1.0	30.63	2.76	3.60	24.27	0.00	24.27	4.95	15.29	3.12
2021(12)	0.00	11.09	0.00	9.70	0.00	3.00	1.0	29.11	2.62	3.68	22.81	0.00	22.81	4.27	14.37	2.69
2022(12)	0.00	10.57	0.00	9.25	0.00	3.00	1.0	27.74	2.50	3.75	21.50	0.00	21.50	3.69	13.54	2.32
2023(12)	0.00	10.07	0.00	8.81	0.00	3.00	1.0	26.44	2.38	3.82	20.24	0.00	20.24	3.19	12.75	2.01
2024(12)	0.00	9.63	0.00	8.42	0.00	3.00	1.0	25.27	2.27	3.90	19.09	0.00	19.09	2.76	12.03	1.74
2025(12)	0.00	9.14	0.00	8.00	0.00	3.00	1.0	24.00	2.16	3.98	17.86	0.00	17.86	2.37	11.25	1.49
2026(12)	0.00	8.71	0.00	7.62	0.00	3.00	1.0	22.87	2.06	4.06	16.76	0.00	16.76	2.04	10.56	1.28
2027(12)	0.00	8.31	0.00	7.27	0.00	3.00	1.0	21.81	1.96	4.14	15.71	0.00	15.71	1.75	9.90	1.10
2028(12)	0.00	7.94	0.00	6.95	0.00	3.00	1.0	20.85	1.88	4.22	14.75	0.00	14.75	1.51	9.29	0.95
2029(12)	0.00	7.55	0.00	6.60	0.00	3.00	1.0	19.81	1.78	4.31	13.73	0.00	13.73	1.29	8.65	0.81
2030(12)	0.00	7.19	0.00	6.29	0.00	3.00	1.0	18.88	1.70	4.39	12.79	0.00	12.79	1.10	8.06	0.69
2031(12)	0.00	6.85	0.00	6.00	0.00	3.00	1.0	17.99	1.62	4.48	11.89	0.00	11.89	0.94	7.49	0.59
2032(12)	0.00	6.55	0.00	5.73	0.00	3.00	1.0	17.20	1.55	4.57	11.09	0.00	11.09	0.80	6.98	0.51
2033(12)	0.00	6.23	0.00	5.45	0.00	3.00	1.0	16.35	1.47	4.66	10.22	0.00	10.22	0.68	6.44	0.43
2034(12)	0.00	5.94	0.00	5.19	0.00	3.00	1.0	15.58	1.40	4.75	9.43	0.00	9.43	0.58	5.94	0.36
2035(12)	0.00	5.66	0.00	4.95	0.00	3.00	1.0	14.85	1.34	4.85	8.66	0.00	8.66	0.49	5.46	0.31
2036(12)	0.00	5.40	0.00	4.73	0.00	3.00	1.0	14.19	1.28	4.95	7.96	0.00	7.96	0.41	5.02	0.26
2037(12)	0.00	5.14	0.00	4.49	0.00	3.00	1.0	13.48	1.21	5.05	7.23	0.00	7.23	0.34	4.55	0.21
2038(12)	0.00	4.89	0.00	4.28	0.00	3.00	1.0	12.85	1.16	5.15	6.54	0.00	6.54	0.28	4.12	0.18
2039(12)	0.00	4.67	0.00	4.09	0.00	3.00	1.0	12.26	1.10	5.25	5.91	0.00	5.91	0.23	3.72	0.15
2040(12)	0.00	4.47	0.00	3.91	0.00	3.00	1.0	11.72	1.05	5.12	5.55	0.00	5.55	0.20	3.49	0.13
2041(12)	0.00	4.24	0.00	3.71	0.00	3.00	1.0	11.12	1.00	5.19	4.93	0.00	4.93	0.16	3.10	0.10
Total	0.00	532.84	0.00	466.23	0.00	0.00	0.0	1,364.21	122.78	151.89	1,089.54	300.00	789.54	211.10	497.41	118.42

San Juan 28-7 #57 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #284 PC (sdr)

Nominal

Net Present Values

Disc	Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
(%)	M\$	M\$	M\$	M\$	
0.0	1,250	300	950	598	
8.0	601	300	301	176	
9.0	567	300	267	153	
10.0	537	300	237	133	
12.0	488	300	188	100	
13.0	467	300	167	86	
Arr:	1,250	300	950	598	

Case Description

SJ 28-7 #284 PC PA Expansion
 NE/4 1-27N-7W WI: 100% NRI: 82%
 Well EUR = 600 MMCF
 First Production : 12/01
 Analyze Date 7/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	30.0	22.7
Payout Period	Std. (mo's)	42.3	49.5
	Proj. (mo's)	42.3	49.5
Undisc PI	M\$/M\$	4.17	2.99
9.0 Pcnt. PI	M\$/M\$	1.89	1.51
12.0 Pcnt. PI	M\$/M\$	1.63	1.33
NPV/Vol@9.0	M\$/MMSCF	0.44	0.26
NPV/Vol@12.0	M\$/MMSCF	0.31	0.17
Economic Limit Date		2041/12	
Last Scheduled Prod Date		2041/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-RAW	MMSCF	600	600	75	525
Gas-Sales	MMSCF	600	600	75	525
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

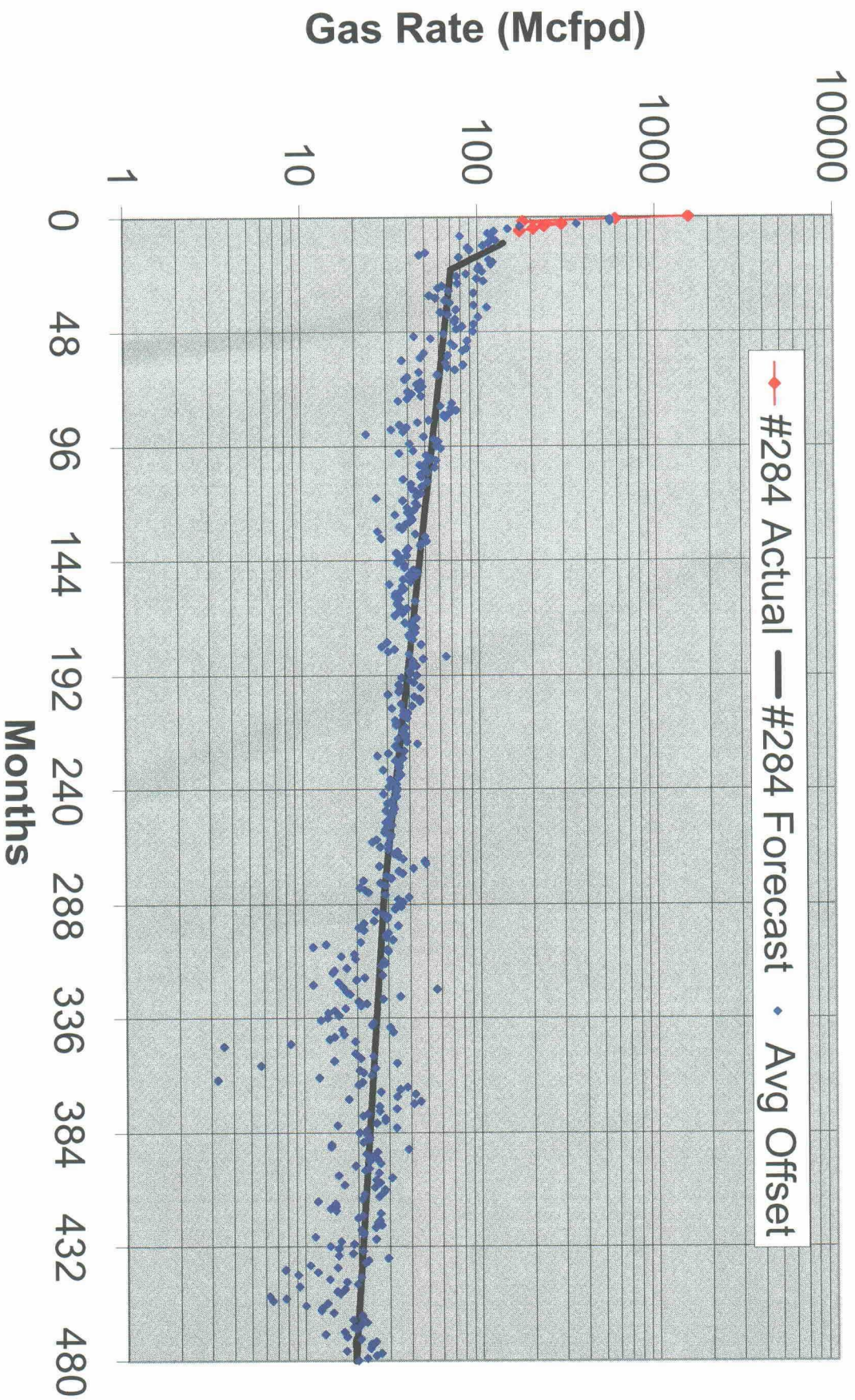
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	73.70	0.00	64.48	0.00	3.00	1.0	193.45	17.41	2.52	173.52	300.00	-126.48	-131.08	-129.21	-134.47
2003(12)	0.00	27.93	0.00	24.44	0.00	2.71	1.0	66.23	5.96	2.57	57.70	0.00	57.70	51.03	49.12	43.41
2004(12)	0.00	24.83	0.00	21.73	0.00	2.42	1.0	52.58	4.73	2.62	45.22	0.00	45.22	36.61	38.93	31.51
2005(12)	0.00	23.74	0.00	20.78	0.00	2.49	1.0	51.73	4.66	2.68	44.40	0.00	44.40	32.97	36.75	27.29
2006(12)	0.00	22.76	0.00	19.92	0.00	2.57	1.0	51.19	4.61	2.73	43.85	0.00	43.85	29.88	35.22	23.99
2007(12)	0.00	21.83	0.00	19.10	0.00	2.85	1.0	54.43	4.90	2.79	46.75	0.00	46.75	29.22	34.94	21.84
2008(12)	0.00	20.97	0.00	18.35	0.00	2.93	1.0	53.77	4.84	2.84	46.09	0.00	46.09	26.43	32.01	18.36
2009(12)	0.00	20.07	0.00	17.56	0.00	3.02	1.0	53.03	4.77	2.90	45.36	0.00	45.36	23.86	30.06	15.81
2010(12)	0.00	19.24	0.00	16.83	0.00	3.11	1.0	52.35	4.71	2.96	44.68	0.00	44.68	21.57	28.15	13.59
2011(12)	0.00	18.44	0.00	16.14	0.00	3.20	1.0	51.64	4.65	3.02	43.98	0.00	43.98	19.47	27.71	12.27
2012(12)	0.00	17.74	0.00	15.52	0.00	3.22	1.0	50.03	4.50	3.08	42.45	0.00	42.45	17.25	26.74	10.87
2013(12)	0.00	16.96	0.00	14.84	0.00	3.00	1.0	44.52	4.01	3.14	37.37	0.00	37.37	13.93	23.55	8.78
2014(12)	0.00	16.26	0.00	14.23	0.00	3.00	1.0	42.68	3.84	3.20	35.64	0.00	35.64	12.19	22.45	7.68
2015(12)	0.00	15.58	0.00	13.64	0.00	3.00	1.0	40.91	3.68	3.26	33.96	0.00	33.96	10.65	21.40	6.71
2016(12)	0.00	14.99	0.00	13.11	0.00	3.00	1.0	39.34	3.54	3.33	32.47	0.00	32.47	9.35	20.46	5.89
2017(12)	0.00	14.33	0.00	12.54	0.00	3.00	1.0	37.61	3.38	3.40	30.83	0.00	30.83	8.14	19.42	5.13
2018(12)	0.00	13.74	0.00	12.02	0.00	3.00	1.0	36.06	3.25	3.46	29.35	0.00	29.35	7.11	18.49	4.48
2019(12)	0.00	13.18	0.00	11.53	0.00	3.00	1.0	34.58	3.11	3.53	27.94	0.00	27.94	6.21	17.60	3.91
2020(12)	0.00	12.67	0.00	11.08	0.00	3.00	1.0	33.25	2.99	3.60	26.65	0.00	26.65	5.43	16.79	3.42
2021(12)	0.00	12.11	0.00	10.60	0.00	3.00	1.0	31.79	2.86	3.68	25.25	0.00	25.25	4.72	15.91	2.98
2022(12)	0.00	11.61	0.00	10.16	0.00	3.00	1.0	30.47	2.74	3.75	23.98	0.00	23.98	4.12	15.11	2.59
2023(12)	0.00	11.13	0.00	9.74	0.00	3.00	1.0	29.22	2.63	3.82	22.77	0.00	22.77	3.58	14.34	2.26
2024(12)	0.00	10.70	0.00	9.37	0.00	3.00	1.0	28.10	2.53	3.90	21.67	0.00	21.67	3.13	13.65	1.97
2025(12)	0.00	10.29	0.00	9.01	0.00	3.00	1.0	27.02	2.43	3.98	20.61	0.00	20.61	2.73	12.98	1.72
2026(12)	0.00	10.04	0.00	8.79	0.00	3.00	1.0	26.36	2.37	4.06	19.93	0.00	19.93	2.42	12.56	1.53
2027(12)	0.00	9.81	0.00	8.58	0.00	3.00	1.0	25.74	2.32	4.14	19.28	0.00	19.28	2.15	12.15	1.35
2028(12)	0.00	9.60	0.00	8.40	0.00	3.00	1.0	25.19	2.27	4.22	18.71	0.00	18.71	1.91	11.78	1.21
2029(12)	0.00	9.34	0.00	8.18	0.00	3.00	1.0	24.53	2.21	4.31	18.01	0.00	18.01	1.69	11.35	1.07
2030(12)	0.00	9.12	0.00	7.98	0.00	3.00	1.0	23.95	2.16	4.39	17.40	0.00	17.40	1.50	10.96	0.94
2031(12)	0.00	8.91	0.00	7.79	0.00	3.00	1.0	23.38	2.10	4.48	16.79	0.00	16.79	1.33	10.58	0.84
2032(12)	0.00	8.72	0.00	7.63	0.00	3.00	1.0	22.89	2.06	4.57	16.26	0.00	16.26	1.18	10.24	0.74
2033(12)	0.00	8.49	0.00	7.43	0.00	3.00	1.0	22.28	2.01	4.66	15.62	0.00	15.62	1.04	9.84	0.65
2034(12)	0.00	8.29	0.00	7.25	0.00	3.00	1.0	21.76	1.96	4.75	15.04	0.00	15.04	0.92	9.48	0.58
2035(12)	0.00	8.09	0.00	7.08	0.00	3.00	1.0	21.24	1.91	4.85	14.48	0.00	14.48	0.81	9.12	0.51
2036(12)	0.00	7.92	0.00	6.93	0.00	3.00	1.0	20.79	1.87	4.95	13.97	0.00	13.97	0.72	8.80	0.45
2037(12)	0.00	7.71	0.00	6.75	0.00	3.00	1.0	20.24	1.82	5.05	13.37	0.00	13.37	0.63	8.42	0.40
2038(12)	0.00	7.53	0.00	6.59	0.00	3.00	1.0	19.76	1.78	5.15	12.84	0.00	12.84	0.55	8.09	0.35
2039(12)	0.00	7.35	0.00	6.43	0.00	3.00	1.0	19.30	1.74	5.25	12.31	0.00	12.31	0.49	7.76	0.31
2040(12)	0.00	7.19	0.00	6.30	0.00	3.00	1.0	18.89	1.70	5.35	11.83	0.00	11.83	0.43	7.45	0.27
2041(12)	0.00	7.01	0.00	6.13	0.00	3.00	1.0	18.39	1.66	5.43	11.31	0.00	11.31	0.38	7.12	0.24
Total	0.00	599.92	0.00	524.93	0.00	0.00	0.0	1,540.69	138.66	152.36	1,249.67	300.00	949.67	266.64	598.29	153.42

San Juan 28-7 #284 - Pictured Cliffs



COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245

Fax (505) 827-5766



**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES

Phone (505) 827-5724

Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744

Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772

Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

July 17, 2002

Conoco, Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079

Attention: Mr. Tom Scarbrough

Re: San Juan 28-7 Unit Well No. 228M
W/2 Sec. 8-27N-7W
Commercial Determination
Mesaverde Formation
Rio Arriba County, New Mexico

Dear Mr. Scarbrough:

We are in receipt of your letter of June 13, 2002 and a copy of the Bureau of Land Management's letter of June 27, 2002, regarding the commercial determination for the San Juan 28-7 Unit Well No. 228M.

We concur with the Bureau of Land Management's determination that the San Juan 28-7 Unit Well No. 228M is a commercial well in the Mesaverde Formation and should be included in the Mesaverde participating area.

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

Very truly yours,

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

BY:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

pc: Reader File,
BLM-Farmington Attn: Mr. Wayne Townsend
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson



Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079
Tel: 281-293-5568
Fax: 281-293-1102

Bureau of Land Management
Farmington Resource Area
Attn: Geneva McDougal
1235 LaPlata Highway
Farmington, New Mexico 87401

July 16, 2002

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

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

Re: San Juan 28-7 Unit, # 14-08-001-459
Rio Arriba County, New Mexico
Pictured Cliffs Participating Area
Thirty-Third Expansion: Effective 5/1/98
Thirty-Fourth Expansion: Effective 12/1/00
Thirty-Fifth Expansion: Effective 1/1/01
Thirty-Sixth Expansion: Effective 2/1/01
Thirty-Seventh Expansion: Effective 3/1/01
Thirty-Eighth Expansion: Effective 5/1/01
Thirty-Ninth Expansion: Effective 6/1/01
Fortieth Expansion: Effective 7/1/01
Forty-First Expansion: Effective 9/1/01

Gentlemen:

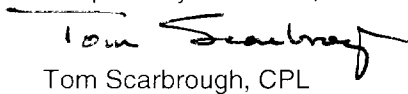
Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, approved January 29, 1953, Conoco Inc., as Unit Operator, had determined that the following wells are capable of producing unitized substances in paying quantities from the Pictured Cliffs formation and should therefore be admitted to the Pictured Cliffs Participating Area. Pursuant to BLM letter dated June 7, 2002, attached is a list of wells that have been deemed commercial along with their respective tracts and completion dates.

The Expansion Schedules for the Thirty-Third through Forty-First Expansions are included herewith. The schedules describe the Participating Areas and show the percentage of unitized substances allocated to each Unit Tract.

Conoco Inc. respectfully requests your approval of the Thirty-Third through Forty-First Expansions at your earliest convenience. Should you have questions in this regard, please contact the undersigned at 281.293.5568.

Copies of this letter are being furnished to the Working Interest Owners on the attached list.

Respectfully submitted,


Tom Scarbrough, CPL

San Juan 28-7 Unit
Working Interest Owners
Pictured Cliffs Formation

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75060-2038

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
6704 Ashbrook Dr.
Fort Worth, TX 76132-1140

Conoco Inc.
Attn: Tom Scarbrough
600 Dairy Ashford
Houston, TX 77079



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

San Juan 28-7 Unit (Pictured Cliffs PA)
3162.7 (07100)

June 7, 2002

Conoco Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079

RE: San Juan 28-7 Unit
Commerciality Determinations
Pictured Cliffs Formation
Rio Arriba, New Mexico

Dear Mr. Tom Scarbrough:

In response to your letter dated April 19, 2002, the Farmington Field Office (FFO) has reviewed the data you submitted for a commerciality determination for the following wells completed in the Pictured Cliffs formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 28-7 Unit #161*	E/2 Sec.16,T28N,R7W	NMSF078497	3/2000	Non-Commercial
San Juan 28-7 Unit #7	E/2 Sec.35,T28N,R7W	NMSF078496	4/6/98	Commercial
San Juan 28-7 Unit #68	E/2 Sec.31,T28N,R7W	NMSF078500A	6/10/99	Non-Commercial
San Juan 28-7 Unit #35	W/2 Sec.1,T27N,R7W	NMSF079321A	10/28/99	Non-Commercial
San Juan 28-7 Unit #10	W/2 Sec.36,T28N,R7W	NMSF079294	11/19/99	Commercial
San Juan 28-7 Unit #55	S/2 Sec.12,T28N,R7W	NMSF079289	11/28/00	Non-Commercial
San Juan 28-7 Unit #58A	W/2 Sec.29,T28N,R7W	NMSF078497	12/20/00	Commercial
San Juan 28-7 Unit #276	W/2 Sec.33,T28N,R7W	NMSF078498	12/8/00	Commercial
San Juan 28-7 Unit #278	E/2 Sec.35,T28N,R7W	NMSF078496	1/16/01	Commercial
San Juan 28-7 Unit #48	W/2 Sec.21,T28N,R7W	NMSF078417	2/2/01	Commercial
San Juan 28-7 Unit #53	W/2 Sec.28,T28N,R7W	NMSF078498	2/27/01	Commercial
San Juan 28-7 Unit #19	E/2 Sec.25,T28N,R7W	NMSF079290B	3/1/01	Non-Commercial
San Juan 28-7 Unit #58	W/2 Sec.29,T28N,R7W	NMSF078497	3/14/01	**
San Juan 28-7 Unit #6	W/2 Sec.16,T28N,R7W	NMSF078417	4/5/01	Commercial
San Juan 28-7 Unit #22	E/2 Sec.17,T28N,R7W	NMSF078417	4/25/01	Commercial
San Juan 28-7 Unit #47	E/2 Sec.20,T28N,R7W	NMSF078417	5/7/01	Commercial

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 28-7 Unit #28	E/2 Sec.26,T28N,R7W	NMSF079290	5/26/01	Commercial
San Juan 28-7 Unit #49	E/2 Sec.21,T28N,R7W	NMSF078417	5/31/01	Non-Commercial
San Juan 28-7 Unit #22A	E/2 Sec.17,T28N,R7W	NMSF078417	6/12/01	**
San Juan 28-7 Unit #11	E/2 Sec.36,T28N,R7W	NMSF079294	6/22/01	Non-Commercial
San Juan 28-7 Unit #18	W/2 Sec.25,T28N,R7W	NMSF079294	6/26/01	Commercial
San Juan 28-7 Unit #69	E/2 Sec.32,T28N,R7W	NMSF078498	8/3/01	Commercial
San Juan 28-7 Unit #59	E/2 Sec.29,T28N,R7W	NMSF078498	8/16/01	Commercial

* -- The No. 161 San Juan 28-7 Unit well was returned to production in March of 2000. A commercially re-determination was made using an effective date of March 1, 2000. It was determined the well is still non-commercial.

** -- Commerciality determinations are not necessary on the Nos. 58 and 22A San Juan 28-7 Unit wells. These wells are in the same 320 acre spacing units as wells that were determined to be commercial. (#58A San Juan 28-7 Unit and #22 San Juan 28-7 Unit) These two wells will automatically be admitted to the Pictured Cliffs participating area.

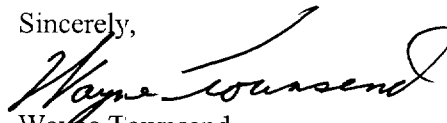
After completing our economic evaluations, we are in concurrence with the above determinations.

The wells that were determined to be commercial in the Pictured Cliffs formation are to be included in the Pictured Cliffs participating area. It is required that revisions be submitted to include these wells in the San Juan 28-7 Unit Pictured Cliffs Participating Area. The wells that were determined to be non-commercial are to be reported under their lease number or communization agreement number.

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

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

Sincerely,


Wayne Townsend
Petroleum Engineer
Petroleum Management Team

**San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
Pictured Cliffs Participating Area**

**Thirty-Third Expansion to the Participating Area – Effective 5/1/98
Total P/A Acres = 20,595.54**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #7 E/2 35-28N-7W 327.70 acres	5	E/2	327.70	4/06/98
San Juan 28-7 Unit #278 E/2 35-28N-7W 327.70 acres	5	E/2	327.70	1/30/01

**Thirty-Fourth Expansion to the Participating Area – Effective 12/1/00
Total P/A Acres = 20,924.36**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #10 W/2 36-28N-7W 328.82 acres	25	W/2	328.82	11/19/99

**Thirty-Fifth Expansion to the Participating Area – Effective 1/1/01
Total P/A Acres = 21,244.36**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #58A W/2 29-28N-7W 320.00 acres	7	W/2	320.00	12/20/00
San Juan 28-7 Unit # 58 W/2 29-28N-7W 320.00 acres	7	W/2	320.00	3/14/01

**Thirty-Sixth Expansion to the Participating Area – Effective 2/1/01
Total P/A Acres = 21,560.36**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #276 W/2 33-28N-7W 316.00 acres	9	W/2	316.00	1/04/01

**San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
Pictured Cliffs Participating Area**

**Thirty-Seventh Expansion to the Participating Area – Effective 3/1/01
Total P/A Acres = 22,200.36**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit # 48	3	NW/4, N/2SW/4	240.00	2/02/01
W/2 21-28N-7W	36A	S/2SW/4	80.00	
320.00 acres				
San Juan 28-7 Unit # 53	9	W/2	320.00	2/27/01
W/2 28-28N-7W				
320.00 acres				

**Thirty-Eighth Expansion to the Participating Area – Effective 5/1/2001
Total P/A Acres = 22,840.36**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit # 6	3	SW/4	160.00	4/5/01
W/2 16-28N-7W	7	NW/4	160.00	
320.00 acres				
San Juan 28-7 Unit # 22	3	E/2	320.00	4/25/01
E/2 17-28N-7W				
320.00 acres				
San Juan 28-7 Unit # 22A	3	E/2	320.00	6/12/01
E/2 17-28N-7W				
320.00 acres				

**Thirty-Ninth Expansion to the Participating Area – Effective 6/1/01
Total P/A Acres = 23,800.36**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit # 47	3	NE	160.00	5/7/01
E/2 20-28N-7W	7	N/2SE/4	80.00	
320.00 acres	36A	S/2SE/4	80.00	
San Juan 28-7 Unit # 28	23	NE/4	160.00	5/26/01
E/2 26-28N-7W	25	SE/4	160.00	
320.00 acres				
Undrilled Location (IDB)	8	W/2	320.00	N/A
W/2 20-28N-7W				
320.00 acres				

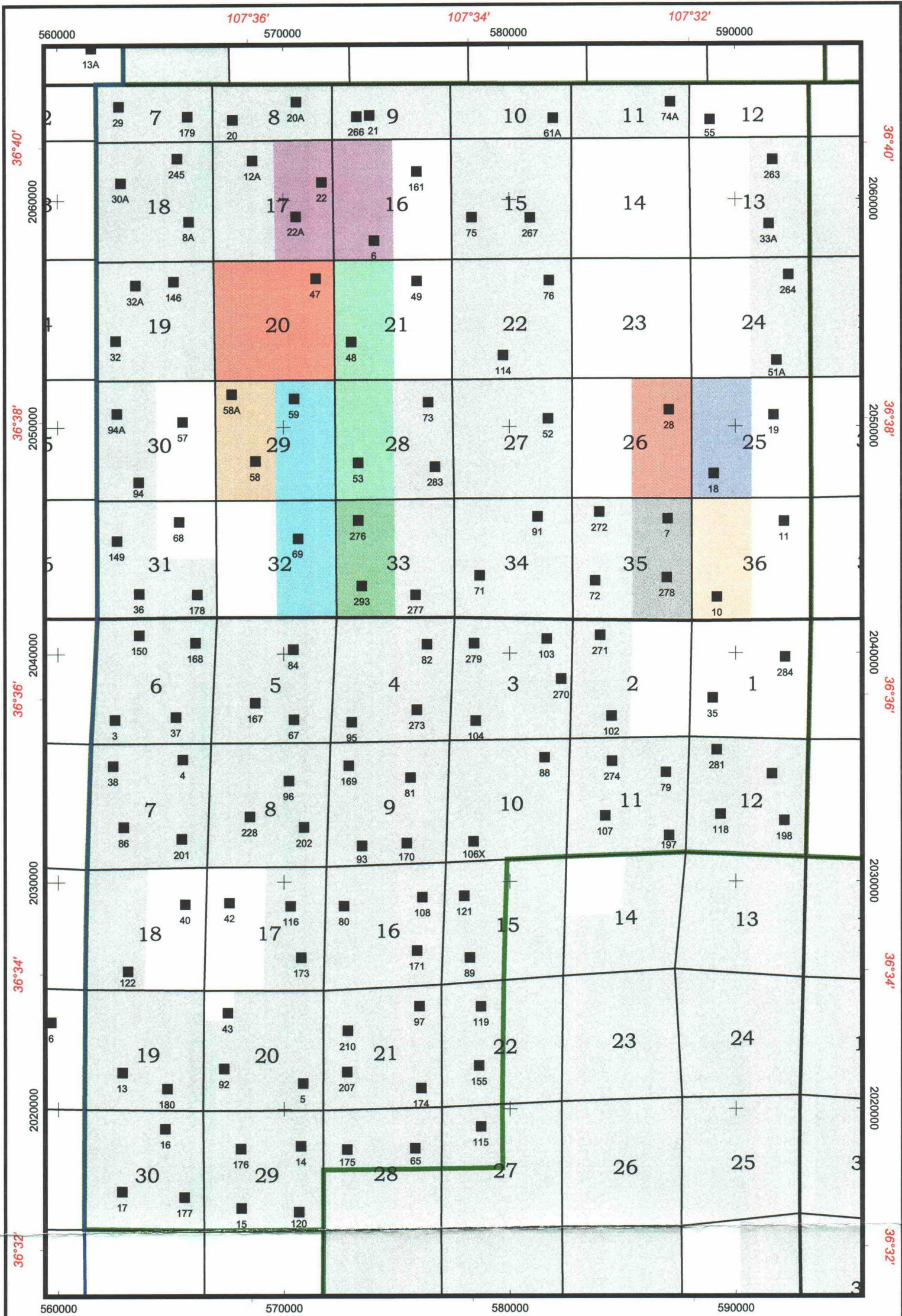
**San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
Pictured Cliffs Participating Area**

**Fortieth Expansion to the Participating Area – Effective 7/1/01
Total P/A Acres = 24,120.36**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #18	24A	NW/4	160.00	6/26/01
W/2 25-28N-7W	25A	SW/4	160.00	
320.00 acres				

**Forty-First Expansion to the Participating Area – Effective 9/1/01
Total P/A Acres = 24,756.04**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit # 69	9	E/2	315.68	8/11/01
E/2 32-28N-7W				
315.68 acres				
San Juan 28-7 Unit # 59	9	E/2	320.00	8/16/01
E/2 29-28N-7W				
320.00 acres				



5000 0 5000 Feet



28-7 Federal Unit
Pictured Cliffs Formation
San Juan Basin, N. M.

Author: Angela Whitfield	Date: 7-17-02
Compiled by:	Map of
MD File:	

Schedule XXXIV

Thirty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 1998

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation	
					Percentage	Percentage Committed		
NM 03521	T-27-N, R-7-W Section 20: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$	280.00	Royalty:		<u>Tract 1</u>	12.500000%	12.500000%	1.359518%
			Working Interest:			63.625000%	63.625000%	
			Conoco Inc.			23.875000%	23.875000%	
			ORRI:			100.000000%	100.000000%	
			Total					
NM 03560	T-27-N, R-7-W Section 29: All Section 30: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)	1,281.44	Royalty:		<u>Tract 2</u>	12.500000%	12.500000%	6.221930%
			Working Interest:			63.625000%	63.625000%	
			Conoco Inc.			23.875000%	23.875000%	
			ORRI:			100.000000%	100.000000%	
			Total					
SF 078417	T-28-N, R-7-W Section 7: S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 8: S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 17: W $\frac{1}{2}$ Section 18: E $\frac{1}{2}$	840.00	Royalty:		<u>Tract 3</u>	12.500000%	12.500000%	4.078553%
			Working Interest:			84.500000%	84.500000%	
			Conoco Inc.			3.000000%	3.000000%	
			ORRI:			100.000000%	100.000000%	
			Total					
SF 078417-A	T-28-N, R-7-W Section 18: E $\frac{1}{2}$ NW $\frac{1}{4}$ Section 22: S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$	320.00	Royalty:		<u>Tract 4</u>	12.500000%	12.500000%	1.553734%
			Working Interest:			83.500000%	83.500000%	
			Burlington Resources			4.000000%	4.000000%	
			ORRI:			100.000000%	100.000000%	
			Total					

Schedule XXXIV

Thirty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 1998

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078496	T-27-N, R-7-W	1,689.94	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000%	8.205369%
	Section 3: Lots 1-4, S½ N½				
	Section 5: Lots 1, 2, S½ NE¼				
	T-28-N, R-7-W				
	Section 27: SE¼, E½ NE¼				
	Section 34: Lots 3, 4, N½ SW¼, NW¼		Total	100.000000%	
	Section 35: Lots 1,2,3,4, N½S½ N½ (All)				
SF 078496-A	T-27-N, R-7-W	641.83	Royalty: Working Interest: Burlington Resources ORRI:	12.500000%	3.116354%
	Section 4: Lots 1-4, S½ N½				
	T-28-N, R-7-W				
	Section 34: Lots 1, 2, N½ SE¼, NE¼				
SF 078497	T-28-N, R-7-W	919.56	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000%	4.464850%
	Section 7: Lots 1-5				
	Section 8: Lots 1-4, S½ SE¼				
	Section 19: E½, Lot 1, E½ W½				
SF 078497-A	T-28-N, R-7-W	524.40	Royalty: Working Interest: Burlington Resources ORRI:	12.500000%	2.546182%
	Section 9: Lots 1-4, S½ S½ (All)				
	Section 18: Lots 1-4, E½ SW¼				

Schedule XXXIV

Thirty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 1998

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078498	<u>T-28-N, R-7-W</u> Section 27: W $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ Section 33: Lots 1, 2, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$	716.32	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 84.500000% 3.000000% <u>100.000000%</u>	3.478035%
<u>Tract 9</u>					
Total					
SF 078498-A	<u>T-28-N, R-7-W</u> Section 28: SE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$	200.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% <u>100.000000%</u>	0.971094%
<u>Tract 9-A</u>					
Total					
SF 078500-A	<u>T-28-N, R-7-W</u> Section 19: Lots 2-4 Section 31: Lots 1-7, N $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	565.36	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 84.500000% 3.000000% <u>100.000000%</u>	2.745060%
<u>Tract 10</u>					
Total					
SF 078500	<u>T-28-N, R-7-W</u> Section 30: Lots 1-3, E $\frac{1}{2}$ NW $\frac{1}{4}$	189.30	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% <u>100.000000%</u>	0.919131%
<u>Tract 10-A</u>					
Total					

Schedule XXXIV

Thirty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 1998

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078656	T-27-N, R-7-W Section 5: SE $\frac{1}{4}$ Section 8: NW $\frac{1}{4}$	320.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 69.500000% 18.000000% 100.000000%	1.553734%
			<u>Tract 11</u>		
			Total	100.000000%	
SF 078565-A	T-27-N, R-7-W Section 5: Lots 3, 4, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$	320.52	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 86.500000% 1.000000% 100.000000%	1.556259%
			<u>Tract 12</u>		
			Total	100.000000%	
SF 078569	T-27-N, R-7-W Section 8: SW $\frac{1}{4}$, NE $\frac{1}{4}$	320.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 82.500000% 5.000000% 100.000000%	1.553734%
			<u>Tract 13</u>		
			Total	100.000000%	
SF 078570	T-27-N, R-7-W Section 4: S $\frac{1}{2}$ Section 8: SE $\frac{1}{4}$ Section 9: NW $\frac{1}{4}$	640.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 80.500000% 7.000000% 100.000000%	3.107469%
			<u>Tract 14</u>		
			Total	100.000000%	

Schedule XXXIV

Thirty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 1998

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078640	T-27-N, R-7-W Section 9: SW $\frac{1}{4}$ Section 15: W $\frac{1}{2}$ Section 17: E $\frac{1}{2}$	800.00	Royalty: Working Interest: Burlington Resources ORRI:	12.5000000% 82.5000000% 5.0000000% 100.0000000%	3.884336%
Tract 15					
Total				100.0000000%	
SF 078640	T-27-N, R-7-W Section 20: E $\frac{1}{2}$ Section 21: All Section 22: W $\frac{1}{2}$ Section 27: NW $\frac{1}{4}$ Section 28: N $\frac{1}{2}$	1,760.00	Royalty: Working Interest: Burlington Resources ORRI:	12.5000000% 82.5000000% 5.0000000% 100.0000000%	8.545539%
Tract 15-A					
Total				100.0000000%	
SF 078835	T-27-N, R-7-W Section 6: Lots 3-7, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ Section 7: E $\frac{1}{2}$	640.20	Royalty: Working Interest: Burlington Resources ORRI:	12.5000000% 84.0000000% 3.5000000% 100.0000000%	3.108440%
Tract 16					
Total				100.0000000%	
SF 078835-A	T-27-N, R-7-W Section 6: Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ Section 7: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$	640.86	Royalty: Working Interest: Conoco Inc. ORRI:	12.5000000% 67.5000000% 20.0000000% 100.0000000%	3.111645%
Tract 17					
Total				100.0000000%	

Schedule XXXIV

Thirty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 1998

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078840	T-27-N, R-7-W Section 18: Lots 1-4, E½ W½	320.36	Royalty:		
			Working Interest:		
			Conoco Inc.		
			ORRI:		
			Total		
					1.555482%
SF 078840	T-27-N, R-7-W Section 19: Lots 1-4, E½ W½, E½ (All)	641.15	Royalty:		
			Working Interest:		
			Conoco Inc.		
			ORRI:		
			Total		
					3.113053%
SF 078972	T-27-N, R-7-W Section 3: S½ Section 10: All Section 11: All	1,600.00	Royalty:		
			Working Interest:		
			Burlington Resources		
			Conoco Inc.		
			ORRI:		
					7.768672%
SF 078972-A	T-27-N, R-7-W Section 9: E½	320.00	Royalty:		
			Working Interest:		
			Burlington Resources		
			W. G. Peavy Oil Company		
			Dugan Production Corp.		
Conoco Inc.					
ORRI:					
					1.553734%

Schedule XXXIV

Thirty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 1998

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 079289	T-28-N, R-7-W Section 10: Lots 1-4, S½ S½ (All) Section 15: E½ Section 22: N½ NW¼	696.08	Royalty: Working Interest: Conoco Inc. ORRI:				
				Tract 21	12.500000%	12.500000%	3.379761%
					69.500000%	69.500000%	
					18.000000%	18.000000%	
				Total	<u>100.000000%</u>	<u>100.000000%</u>	
SF 079289-A	T-28-N, R-7-W Section 11: Lots 1-4, S½ S½ (All) Section 15: W½ Section 22: E½	932.80	Royalty: Working Interest: Burlington Resources D. J. Simmons Co. LP Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI:				
				Tract 22	12.500000%	12.500000%	4.529136%
					52.500000%	52.500000%	
					26.250000%	26.250000%	
					2.187500%	2.187500%	
					2.187500%	2.187500%	
					2.187500%	2.187500%	
					2.187500%	2.187500%	
				Total	<u>100.000000%</u>	<u>100.000000%</u>	
SF 079290	T-28-N, R-7-W Section 13: E½	320.00	Royalty: Working Interest: Conoco Inc. ORRI:				
				Tract 23	12.500000%	12.500000%	1.553734%
					69.500000%	69.500000%	
					18.000000%	18.000000%	
				Total	<u>100.000000%</u>	<u>100.000000%</u>	

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

7/12/02

Schedule XXXIV

Thirty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 1998

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Percentage Committed	Present Actual Participation
						Percentage		
NM E-290-33	<u>T-27-N, R-7-W</u> Section 2: S½ NW¼	80.00	Royalty:		<u>Tract 31</u>	12.500000%	12.500000%	0.388434%
			Working Interest:			75.000000%	75.000000%	
			Burlington Resources			12.500000%	12.500000%	
			ORRI:			100.000000%	100.000000%	
			Total					
NM E-4425-25	<u>T-27-N, R-7-W</u> Section 16: NW¼ NW¼	40.00	Royalty:		<u>Tract 32</u>	12.500000%	12.500000%	0.194217%
			Working Interest:			83.500000%	83.500000%	
			Burlington Resources			4.000000%	4.000000%	
			ORRI:			100.000000%	100.000000%	
			Total					
NM E-4425-48	<u>T-27-N, R-7-W</u> Section 16: NE¼ NW¼	40.00	Royalty:		<u>Tract 33</u>	12.500000%	12.500000%	0.194217%
			Working Interest:			82.500000%	82.500000%	
			Burlington Resources			5.000000%	5.000000%	
			ORRI:			100.000000%	100.000000%	
			Total					
NM E-4425-46	<u>T-27-N, R-7-W</u> Section 16: SW¼ NW¼	40.00	Royalty:		<u>Tract 34</u>	12.500000%	12.500000%	0.194217%
			Working Interest:			50.700000%	50.700000%	
			Burlington Resources			33.800000%	33.800000%	
			Conoco Inc.			3.000000%	3.000000%	
			ORRI:			100.000000%	100.000000%	
Total								

Schedule XXXIV

Thirty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 1998

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NM E-2825-6	<u>T-27-N, R-7-W</u> Section 16: SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, E $\frac{1}{2}$	520.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:	<u>Tract 35</u> 12.500000% 49.500000% 33.000000% 5.000000% <u>100.000000%</u>	12.500000% 49.500000% 33.000000% 5.000000% <u>100.000000%</u>	2.524818%
Fee	<u>T-28-N, R-7-W</u> Section 28: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 30: Lot 4, E $\frac{1}{2}$ SW $\frac{1}{4}$	236.46	Royalty: Working Interest: Burlington Resources ORRI:	<u>Tract 36</u> 12.500000% 87.500000% 0.000000% <u>100.000000%</u>	12.500000% 87.500000% 0.000000% <u>100.000000%</u>	1.148113%

Schedule XXXIV

Thirty-Third Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 1998

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

Township 28 North, Range 7 West, N.M.P.M.						
Section 7:	Lots 1-5, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (All)					Township 27 North, Range 7 West, N.M.P.M.
Section 8:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 17: E $\frac{1}{2}$
Section 9:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Sections 2, 15, 18, 22: W $\frac{1}{2}$
Section 10:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 16, 19, 21, 29, 30: All
Section 11:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 20: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$
Sections 15, 17:	W $\frac{1}{2}$					Section 27: NW $\frac{1}{4}$
Section 18, 19:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)					Section 28: N $\frac{1}{2}$
Sections 13, 15, 24, 28, 33:	E $\frac{1}{2}$					
Sections 22, 27, 34, 35:	All					
Section 30:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ (W $\frac{1}{2}$)					
Section 31:	Lots 1-7, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$					

Total number of acres in participating area:	20,595.54
Total number of committed acres in participating area:	20,595.54
Percent of basic royalty interest committed:	100.00
Percent of working interest committed:	100.00
Percent of overriding royalty interest committed:	100.00

Schedule XXXV

Thirty-Fourth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2000

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership	Drilling Block		Present Actual Participation
				Percentage	Percentage Committed	
NM 03521	T-27-N, R-7-W	280.00	Royalty: Working Interest: Conoco Inc. ORRI:	<u>Tract 1</u>		<u>1.338153%</u>
	Section 20: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$			12.500000%	12.500000%	
				63.625000%	63.625000%	
				23.875000%	23.875000%	
	Total			100.000000%	100.000000%	
NM 03560	T-27-N, R-7-W	1,281.44	Royalty: Working Interest: Conoco Inc. ORRI:	<u>Tract 2</u>		<u>6.124154%</u>
	Section 29: All			12.500000%	12.500000%	
	Section 30: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)			63.625000%	63.625000%	
				23.875000%	23.875000%	
	Total			100.000000%	100.000000%	
SF 078417	T-28-N, R-7-W	840.00	Royalty: Working Interest: Conoco Inc. ORRI:	<u>Tract 3</u>		<u>4.014460%</u>
	Section 7: S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$			12.500000%	12.500000%	
	Section 8: S $\frac{1}{2}$ SW $\frac{1}{4}$			84.500000%	84.500000%	
	Section 17: W $\frac{1}{2}$			3.000000%	3.000000%	
	Section 18: E $\frac{1}{2}$			100.000000%	100.000000%	
	Total			100.000000%	100.000000%	
SF 078417-A	T-28-N, R-7-W	320.00	Royalty: Working Interest: Burlington Resources ORRI:	<u>Tract 4</u>		<u>1.529318%</u>
	Section 18: E $\frac{1}{2}$ NW $\frac{1}{4}$			12.500000%	12.500000%	
	Section 22: S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$			83.500000%	83.500000%	
				4.000000%	4.000000%	
	Total			100.000000%	100.000000%	

Schedule XXXV

Thirty-Fourth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2000

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block	Percentage	Percentage Committed	Present Actual Participation
SF 078496	<u>T-27-N, R-7-W</u>	1,689.94	Royalty:		<u>Tract 5</u>	12.500000%	12.500000%	8.076424%
	Section 3: Lots 1-4, S½ N½		Working Interest:					
	Section 5: Lots 1, 2, S½ NE¼		Conoco Inc.					
			ORRI:					
			<u>Total</u>	100.000000%		100.000000%		
SF 078496-A	<u>T-27-N, R-7-W</u>	641.83	Royalty:		<u>Tract 6</u>	12.500000%	12.500000%	3.067382%
	Section 4: Lots 1-4, S½ N½		Working Interest:					
			Burlington Resources					
			ORRI:					
			<u>Total</u>	100.000000%		100.000000%		
SF 078497	<u>T-28-N, R-7-W</u>	919.56	Royalty:		<u>Tract 7</u>	12.500000%	12.500000%	4.394686%
	Section 7: Lots 1-5		Working Interest:					
	Section 8: Lots 1-4, S½ SE¼		Conoco Inc.					
	Section 19: E½, Lot 1, E½ W½		ORRI:					
			<u>Total</u>	100.000000%		100.000000%		
SF 078497-A	<u>T-28-N, R-7-W</u>	524.40	Royalty:		<u>Tract 8</u>	12.500000%	12.500000%	2.506170%
	Section 9: Lots 1-4, S½ S½ (All)		Working Interest:					
	Section 18: Lots 1-4, E½ SW¼		Burlington Resources					
			ORRI:					
			<u>Total</u>	100.000000%		100.000000%		

Schedule XXXV

Thirty-Fourth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2000

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078498	<u>T-28-N, R-7-W</u>	716.32	Royalty:	12.500000%	<u>3.423378%</u>
	Section 27: W $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$		Working Interest:	84.500000%	
	Section 33: Lots 1, 2, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$		Conoco Inc.	3.000000%	
			ORRI:	100.000000%	
			<u>Total</u>	<u>100.000000%</u>	
Tract 9					
SF 078498-A	<u>T-28-N, R-7-W</u>	200.00	Royalty:	12.500000%	<u>0.955824%</u>
	Section 28: SE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$		Working Interest:	83.500000%	
			Burlington Resources	4.000000%	
			ORRI:	100.000000%	
			<u>Total</u>	<u>100.000000%</u>	
Tract 9-A					
SF 078500-A	<u>T-28-N, R-7-W</u>	565.36	Royalty:	12.500000%	<u>2.701923%</u>
	Section 19: Lots 2-4		Working Interest:	84.500000%	
	Section 31: Lots 1-7, N $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$		Conoco Inc.	3.000000%	
			ORRI:	100.000000%	
			<u>Total</u>	<u>100.000000%</u>	
Tract 10					
SF 078500	<u>T-28-N, R-7-W</u>	189.30	Royalty:	12.500000%	<u>0.904687%</u>
	Section 30: Lots 1-3, E $\frac{1}{2}$ NW $\frac{1}{4}$		Working Interest:	83.500000%	
			Burlington Resources	4.000000%	
			ORRI:	100.000000%	
			<u>Total</u>	<u>100.000000%</u>	
Tract 10-A					

Schedule XXXV

Thirty-Fourth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2000

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078656	T-27-N, R-7-W Section 5: SE $\frac{1}{4}$ Section 8: NW $\frac{1}{4}$	320.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 69.5000000% 18.000000% 100.000000%	1.529318%
Tract 11					
Total				100.000000%	
SF 078565-A	T-27-N, R-7-W Section 5: Lots 3, 4, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$	320.52	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 86.5000000% 1.000000% 100.000000%	1.531803%
Tract 12					
Total				100.000000%	
SF 078569	T-27-N, R-7-W Section 8: SW $\frac{1}{4}$, NE $\frac{1}{4}$	320.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 82.5000000% 5.000000% 100.000000%	1.529318%
Tract 13					
Total				100.000000%	
SF 078570	T-27-N, R-7-W Section 4: S $\frac{1}{2}$ Section 8: SE $\frac{1}{4}$ Section 9: NW $\frac{1}{4}$	640.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 80.5000000% 7.0000000% 100.000000%	3.058636%
Tract 14					
Total				100.000000%	

Schedule XXXV

Thirty-Fourth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2000

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078640	T-27-N, R-7-W Section 9: SW $\frac{1}{4}$ Section 15: W $\frac{1}{2}$ Section 17: E $\frac{1}{2}$	800.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 82.500000% 5.000000% 100.000000%	3.823295%
Tract 15					
Total				100.000000%	
SF 078640	T-27-N, R-7-W Section 20: E $\frac{1}{2}$ Section 21: All Section 22: W $\frac{1}{2}$ Section 27: NW $\frac{1}{4}$ Section 28: N $\frac{1}{2}$	1,760.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 82.500000% 5.000000% 100.000000%	8.411249%
Tract 15-A					
Total				100.000000%	
SF 078835	T-27-N, R-7-W Section 6: Lots 3-7, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ Section 7: E $\frac{1}{2}$	640.20	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 84.000000% 3.500000% 100.000000%	3.059592%
Tract 16					
Total				100.000000%	
SF 078835-A	T-27-N, R-7-W Section 6: Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ Section 7: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$	640.86	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 67.500000% 20.000000% 100.000000%	3.062746%
Tract 17					
Total				100.000000%	

Schedule XXXV

Thirty-Fourth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2000

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block	Percentage	Percentage Committed	Present Actual Participation
SF 078840	T-27-N, R-7-W Section 18: Lots 1-4, E½ W½	320.36	Royalty: Working Interest: Conoco Inc. ORRI:		<u>Tract 18</u>	12.500000%	12.500000%	1.531038%
						67.500000%	67.500000%	
						20.000000%	20.000000%	
						<u>100.000000%</u>	<u>100.000000%</u>	
						Total		
SF 078840	T-27-N, R-7-W Section 19: Lots 1-4, E½ W½, E½ (All)	641.15	Royalty: Working Interest: Conoco Inc. ORRI:		<u>Tract 18-A</u>	12.500000%	12.500000%	3.064132%
						67.500000%	67.500000%	
						20.000000%	20.000000%	
						<u>100.000000%</u>	<u>100.000000%</u>	
						Total		
SF 078972	T-27-N, R-7-W Section 3: S½ Section 10: All Section 11: All	1,600.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:		<u>Tract 19</u>	12.500000%	12.500000%	7.646590%
						49.500000%	49.500000%	
						33.000000%	33.000000%	
						5.000000%	5.000000%	
						<u>100.000000%</u>	<u>100.000000%</u>	
Total								
SF 078972-A	T-27-N, R-7-W Section 9: E½	320.00	Royalty: Working Interest: Burlington Resources W. G. Peavy Oil Company Dugan Production Corp. Conoco Inc. ORRI:		<u>Tract 20</u>	12.500000%	12.500000%	1.529318%
						66.667000%	66.667000%	
						6.666000%	6.666000%	
						3.333500%	3.333500%	
						7.500000%	7.500000%	
<u>100.000000%</u>	<u>100.000000%</u>							
Total								

Schedule XXXV

Thirty-Fourth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2000

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 079289	T-28-N, R-7-W	696.08	Royalty:		<u>Tract 21</u>		3.326649%
	Working Interest:			12.500000%	12.500000%		
	Section 10: Lots 1-4, S½ S½ (All)			69.500000%	69.500000%		
	Section 15: E½			18.000000%	18.000000%		
	Section 22: N½ NW¼		ORRI:		<u>Total</u>	<u>100.000000%</u>	
SF 079289-A	T-28-N, R-7-W	932.80	Royalty:		<u>Tract 22</u>		4.457962%
	Working Interest:			12.500000%	12.500000%		
	Section 11: Lots 1-4, S½ S½ (All)			52.500000%	52.500000%		
	Section 15: W½			26.250000%	26.250000%		
	Section 22: E½						
			Helen Louise Simmons		2.187500%	2.187500%	
			June Simmons Lively		2.187500%	2.187500%	
			Mary Jane Simmons Banks		2.187500%	2.187500%	
			Carolee Simmons Smith		2.187500%	2.187500%	
			ORRI:		0.000000%	0.000000%	
			<u>Total</u>		<u>100.000000%</u>	<u>100.000000%</u>	
SF 079290	T-28-N, R-7-W	320.00	Royalty:		<u>Tract 23</u>		1.529318%
	Working Interest:			12.500000%	12.500000%		
	Section 13: E½			69.500000%	69.500000%		
				18.000000%	18.000000%		
			ORRI:		<u>Total</u>	<u>100.000000%</u>	

Schedule XXXV

Thirty-Fourth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2000

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	Percentage Committed
SF 079290-A	T-28-N, R-7-W Section 24: E½	320.00	Royalty: Working Interest: Burlington Resources D. J. Simmons Co. LP Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI:	12.500000% 52.500000% 26.250000% 2.187500% 2.187500% 2.187500% 2.187500% 0.000000%	12.500000% 52.500000% 26.250000% 2.187500% 2.187500% 2.187500% 2.187500% 0.000000%
				<u>Tract 24</u>	1.529318%
				Total	100.000000%
SF-079294	T-28-N, R-7-W Section 36: Lots 3, 4, N½SW¼, NW¼	328.82	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI: Total	12.500000% 51.300000% 34.200000% 2.000000% 100.000000%	12.500000% 51.300000% 34.200000% 2.000000% 100.000000%
				<u>Tract 25</u>	1.571470%
SF 079298-B	T-27-N, R-7-W Section 12: All	640.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.500000% 82.000000% 5.500000% 100.000000%	12.500000% 82.000000% 5.500000% 100.000000%
				<u>Tract 26</u>	3.058636%
NM E-290-28	T-27-N, R-7-W Section 2: Lots 3, 4, SW¼	238.96	Royalty: Working Interest: Burlington Resources O&G ORRI: Total	12.500000% 82.500000% 5.000000% 100.000000%	12.500000% 82.500000% 5.000000% 100.000000%
				<u>Tract 28</u>	1.142018%

Schedule XXXV

Thirty-Fourth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2000

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NM E-290-33	T-27-N, R-7-W Section 2: S½ NW¼	80.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 75.000000% 12.500000% 100.000000%	12.500000% 75.000000% 12.500000% 100.000000%	0.382329%
Tract 31						
NM E-4425-25	T-27-N, R-7-W Section 1G: NW¼ NW¼	40.00	Royalty: Working interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% 100.000000%	12.500000% 83.500000% 4.000000% 100.000000%	0.191165%
Tract 32						
NM E-4425-48	T-27-N, R-7-W Section 1G: NE¼ NW¼	40.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 82.500000% 5.000000% 100.000000%	12.500000% 82.500000% 5.000000% 100.000000%	0.191165%
Tract 33						
NM E-4425-46	T-27-N, R-7-W Section 1G: SW¼ NW¼	40.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:	12.500000% 50.700000% 33.800000% 3.000000% 100.000000%	12.500000% 50.700000% 33.800000% 3.000000% 100.000000%	0.191165%
Tract 34						

Schedule XXXV

Thirty-Fourth Expanded Participating Area for the Pictured Cliffs Formation
San Juan 28-7 Unit Area, Effective December 1, 2000

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NM E-2825-6	T-27-N, R-7-W	520.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:	12.500000%	12.500000%	2.485142%
	Section 16: SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, E $\frac{1}{2}$					
			<u>Tract 35</u>			
				49.500000%	49.500000%	
				33.000000%	33.000000%	
				5.000000%	5.000000%	
			<u>Total</u>	<u>100.000000%</u>	<u>100.000000%</u>	
Fee	T-28-N, R-7-W	236.46	Royalty: Working Interest: Burlington Resources ORRI:	12.500000%	12.500000%	1.130070%
	Section 28: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$					
	Section 30: Lot 4, E $\frac{1}{2}$ SW $\frac{1}{4}$					
			<u>Tract 36</u>			
				87.500000%	87.500000%	
				0.000000%	0.000000%	
			<u>Total</u>	<u>100.000000%</u>	<u>100.000000%</u>	

Schedule XXXV

Thirty-Fourth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective December 1, 2000

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

<u>Township 28 North, Range 7 West, N.M.P.M.</u>						
Section 7:	Lots 1-5, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (All)					<u>Township 27 North, Range 7 West, N.M.P.M.</u>
Section 8:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 17: E $\frac{1}{2}$
Section 9:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Sections 2, 15, 18, 22: W $\frac{1}{2}$
Section 10:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 16, 19, 21, 29, 30: All
Section 11:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 20: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$
Sections 15, 17:	W $\frac{1}{2}$					Section 27: NW $\frac{1}{4}$
Section 18, 19:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)					Section 28: N $\frac{1}{2}$
Sections 13, 15, 24, 28, 33:	E $\frac{1}{2}$					
Sections 22, 27, 34, 35:	All					
Section 30:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ (W $\frac{1}{2}$)					
Section 31:	Lots 1-7, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$					
Section 36:	Lots 3, 4, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$					

Total number of acres in participating area:	20,924.36
Total number of committed acres in participating area:	20,924.36
Percent of basic royalty interest committed:	100.00
Percent of working interest committed:	100.00
Percent of overriding royalty interest committed:	100.00

Schedule XXXVI

Thirty-Fifth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective January 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Percentage		Present Actual Participation	
NM 03521	T-27-N, R-7-W	280.00	Royalty: Working Interest: Conoco Inc. ORRI:		<u>Tract 1</u>	12.500000%	12.500000%			1.317997%
	Section 20: SW 1/4, S 1/2 NW 1/4, NE 1/4 NW 1/4									
NM 03560	T-27-N, R-7-W	1,281.44	Royalty: Working Interest: Conoco Inc. ORRI:		<u>Tract 2</u>	12.500000%	12.500000%			6.031907%
	Section 29: All									
	Section 30: Lots 1-4, E 1/2 W 1/2, E 1/2 (All)									
SF 078417	T-28-N, R-7-W	840.00	Royalty: Working Interest: Conoco Inc. ORRI:		<u>Tract 3</u>	12.500000%	12.500000%			3.953991%
	Section 7: S 1/2 SE 1/4, SE 1/4 SW 1/4									
	Section 8: S 1/2 SW 1/4									
	Section 17: W 1/2									
SF 078417-A	T-28-N, R-7-W	320.00	Royalty: Working Interest: Burlington Resources ORRI:		<u>Tract 4</u>	12.500000%	12.500000%			1.506282%
	Section 18: E 1/2 NW 1/4									
	Section 22: S 1/2 NW 1/4, SW 1/4									

Schedule XXXVI

Thirty-Fifth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective January 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078496	T-27-N, R-7-W	1,689.94	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000%	7.954770%
	Section 3: Lots 1-4, S½ N½				
	Section 5: Lots 1, 2, S½ NE¼				
	T-28-N, R-7-W				
	Section 27: SE¼, E½ NE¼				
	Section 34: Lots 3, 4, N½ SW¼, NW¼		Total	100.000000%	
	Section 35: Lots 1,2,3,4, N½S½				
	N½ (All)				
SF 078496-A	T-27-N, R-7-W	641.83	Royalty: Working Interest: Burlington Resources ORRI:	12.500000%	3.021178%
	Section 4: Lots 1-4, S½ N½				
	T-28-N, R-7-W				
	Section 34: Lots 1, 2, N½ SE¼, NE¼				
SF 078497	T-28-N, R-7-W	1,239.56	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000%	5.834772%
	Section 7: Lots 1-5				
	Section 8: Lots 1-4, S½ SE¼				
	Section 19: E½, Lot 1, E½ W½				
	Section 29: W½				
SF 078497-A	T-28-N, R-7-W	524.40	Royalty: Working Interest: Burlington Resources ORRI:	12.500000%	2.468420%
	Section 9: Lots 1-4, S½ S½				
	(All)				
	Section 18: Lots 1-4, E½ SW¼				

Schedule XXXVI

Thirty-Fifth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective January 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 078498	<u>T-28-N, R-7-W</u> Section 27: $W\frac{1}{2}$ NE $\frac{1}{4}$, $W\frac{1}{2}$ Section 33: Lots 1, 2, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$	716.32	Royalty:				<u>3.371813%</u>
			Working Interest:				
			Conoco Inc.				
			ORRI:				
	<u>Total</u>			<u>100.000000%</u>	<u>100.000000%</u>		
SF 078498-A	<u>T-28-N, R-7-W</u> Section 28: SE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$	200.00	Royalty:				<u>0.941426%</u>
			Working Interest:				
			Burlington Resources				
			ORRI:				
	<u>Total</u>			<u>100.000000%</u>	<u>100.000000%</u>		
SF 078500-A	<u>T-28-N, R-7-W</u> Section 19: Lots 2-4 Section 31: Lots 1-7, N $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	565.36	Royalty:				<u>2.661224%</u>
			Working Interest:				
			Conoco Inc.				
			ORRI:				
	<u>Total</u>			<u>100.000000%</u>	<u>100.000000%</u>		
SF 078500	<u>T-28-N, R-7-W</u> Section 30: Lots 1-3, E $\frac{1}{2}$ NW $\frac{1}{4}$	189.30	Royalty:				<u>0.891060%</u>
			Working Interest:				
			Burlington Resources				
			ORRI:				
	<u>Total</u>			<u>100.000000%</u>	<u>100.000000%</u>		

Schedule XXXVI

Thirty-Fifth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective January 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Percentage Committed	Present Actual Participation
						Percentage		
SF 078656	T-27-N, R-7-W Section 5: SE $\frac{1}{4}$ Section 8: NW $\frac{1}{4}$	320.00	Royalty: Working Interest: Conoco Inc. ORRI:		Tract 11	12.500000% 69.500000% 18.000000% 100.000000%	12.500000% 69.500000% 18.000000% 100.000000%	1.506282%
			Total					
SF 078565-A	T-27-N, R-7-W Section 5: Lots 3, 4, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$	320.52	Royalty: Working Interest: Burlington Resources ORRI:		Tract 12	12.500000% 86.500000% 1.000000% 100.000000%	12.500000% 86.500000% 1.000000% 100.000000%	1.508730%
			Total					
SF 078569	T-27-N, R-7-W Section 8: SW $\frac{1}{4}$, NE $\frac{1}{4}$	320.00	Royalty: Working Interest: Burlington Resources ORRI:		Tract 13	12.500000% 82.500000% 5.000000% 100.000000%	12.500000% 82.500000% 5.000000% 100.000000%	1.506282%
			Total					
SF 078570	T-27-N, R-7-W Section 4: S $\frac{1}{2}$ Section 8: SE $\frac{1}{4}$ Section 9: NW $\frac{1}{4}$	640.00	Royalty: Working Interest: Conoco Inc. ORRI:		Tract 14	12.500000% 80.500000% 7.000000% 100.000000%	12.500000% 80.500000% 7.000000% 100.000000%	3.012564%
			Total					

Schedule XXXVI

Thirty-Fifth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective January 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Percentage Committed	Present Actual Participation
						Percentage		
SF 078640	<u>T-27-N, R-7-W</u>	800.00	Royalty:					3.765705%
	Section 9: SW 1/4		Working Interest:					
	Section 15: W 1/2		Burlington Resources	82.500000%	82.500000%			
	Section 17: E 1/2		ORRI:	5.000000%	5.000000%			
			Total		100.000000%	100.000000%		
SF 078640	<u>T-27-N, R-7-W</u>	1,760.00	Royalty:					8.284552%
	Section 20: E 1/2		Working Interest:					
	Section 21: All		Burlington Resources	82.500000%	82.500000%			
	Section 22: W 1/2		ORRI:	5.000000%	5.000000%			
	Section 27: NW 1/4		Total	100.000000%	100.000000%			
	Section 28: N 1/2							
SF 078835	<u>T-27-N, R-7-W</u>	640.20	Royalty:					3.013506%
	Section 6: Lots 3-7,		Working Interest:					
	SE 1/4 NW 1/4, E 1/2 SW 1/4		Burlington Resources	84.000000%	84.000000%			
	Section 7: E 1/2		ORRI:	3.500000%	3.500000%			
			Total		100.000000%	100.000000%		
SF 078835-A	<u>T-27-N, R-7-W</u>	640.86	Royalty:					3.016612%
	Section 6: Lots 1, 2, S 1/2 NE 1/4,		Working Interest:					
	SE 1/4		Conoco Inc.	67.500000%	67.500000%			
	Section 7: Lots 1-4, E 1/2 W 1/2		ORRI:	20.000000%	20.000000%			
			Total		100.000000%	100.000000%		

Schedule XXXVI

Thirty-Fifth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective January 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078840	T-27-N, R-7-W Section 18: Lots 1-4, E½ W½	320.36	Royalty:	12.500000%	<u>1.507977%</u>
			Working Interest:	67.500000%	
			Conoco Inc.	20.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
SF 078840	T-27-N, R-7-W Section 19: Lots 1-4, E½ W½, E½ (All)	641.15	Royalty:	12.500000%	<u>3.017977%</u>
			Working Interest:	67.500000%	
			Conoco Inc.	20.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
SF 078972	T-27-N, R-7-W Section 3: S½ Section 10: All Section 11: All	1,600.00	Royalty:	12.500000%	<u>7.531411%</u>
			Working Interest:	49.500000%	
			Burlington Resources	33.000000%	
			Conoco Inc.	5.000000%	
			ORRI:	100.000000%	
SF 078972-A	T-27-N, R-7-W Section 9: E½	320.00	Royalty:	12.500000%	<u>1.506282%</u>
			Working Interest:	66.667000%	
			Burlington Resources	6.666000%	
			W. G. Peavy Oil Company	3.333500%	
			Dugan Production Corp.	3.333500%	
			Conoco Inc.	7.500000%	
			ORRI:	100.000000%	
			Total	100.000000%	

Thirty-Fifth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective January 1, 2001

Unit Area Expansion Schedule - San Juan Basin

7/12/02

Schedule XXXVI

Thirty-Fifth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective January 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079290-A	T-28-N, R-7-W Section 24: E½	320.00	Royalty: Working Interest: Burlington Resources D. J. Simmons Co. LP Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI:	12.500000% 52.500000% 26.250000% 2.187500% 2.187500% 2.187500% 2.187500% 0.000000%	1.506282%
	<u>Tract 24</u>				
			<u>Total</u>	<u>100.000000%</u>	
SF-079294	T-28-N, R-7-W Section 36: Lots 3,4, NW¼	328.82	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI: Total	12.500000% 51.300000% 34.200000% 2.000000% 100.000000%	1.547799%
	<u>Tract 25</u>				
			<u>Total</u>	<u>100.000000%</u>	
SF 079298-B	T-27-N, R-7-W Section 12: All	640.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.500000% 82.000000% 5.500000% 100.000000%	3.012564%
	<u>Tract 26</u>				
			<u>Total</u>	<u>100.000000%</u>	
NM E-290-28	T-27-N, R-7-W Section 2: Lots 3, 4, SW¼	238.96	Royalty: Working Interest: Burlington Resources O&G ORRI: Total	12.500000% 82.500000% 5.000000% 100.000000%	1.124816%
	<u>Tract 28</u>				
			<u>Total</u>	<u>100.000000%</u>	

Thirty-Fifth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective January 1, 2001

Unit Area Expansion Schedule - San Juan Basin

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Schedule XXXVI

Thirty-Fifth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective January 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NM E-2825-6	T-27-N, R-7-W	520.00	Royalty:	12.500000%	12.500000%	<u>2.447708%</u>
	Section 16: SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, E $\frac{1}{2}$		Working Interest: Burlington Resources Conoco Inc. ORRI:	49.500000% 33.000000% 5.000000%	49.500000% 33.000000% 5.000000%	
			Total	<u>100.000000%</u>	<u>100.000000%</u>	
Fee	T-28-N, R-7-W	236.46	Royalty:	12.500000%	12.500000%	<u>1.113048%</u>
	Section 28: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$		Working Interest: Burlington Resources ORRI:	87.500000% 0.000000%	87.500000% 0.000000%	
	Section 30: Lot 4, E $\frac{1}{2}$ SW $\frac{1}{4}$		Total	<u>100.000000%</u>	<u>100.000000%</u>	

Schedule XXXVI

Thirty-Fifth Expanded Participating Area for the Pictured Cliffs Formation
San Juan 28-7 Unit Area, Effective January 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

<u>Township 28 North, Range 7 West, N.M.P.M.</u>						
Section 7:	Lots 1-5, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (All)					<u>Township 27 North, Range 7 West, N.M.P.M.</u>
Section 8:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 17: E $\frac{1}{2}$
Section 9:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Sections 2, 15, 18, 22: W $\frac{1}{2}$
Section 10:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 16, 19, 21, 29, 30: All
Section 11:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 20: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$
Sections 15, 17, 29:	W $\frac{1}{2}$					Section 27: NW $\frac{1}{4}$
Section 18, 19:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)					Section 28: N $\frac{1}{2}$
Sections 13, 15, 24, 28, 33:	E $\frac{1}{2}$					
Sections 22, 27, 34, 35:	All					
Section 30:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ (W $\frac{1}{2}$)					
Section 31:	Lots 1-7, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$					
Section 36:	Lots 3, 4, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$					

Total number of acres in participating area:	21,244.36
Total number of committed acres in participating area:	21,244.36
Percent of basic royalty interest committed:	100.00
Percent of working interest committed:	100.00
Percent of overriding royalty interest committed:	100.00

Schedule XXXVII

Thirty-Sixth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective February 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NM 03521	T-27-N, R-7-W	280.00	Royalty:	<u>Tract 1</u>	1.298680%
	Section 20: SW ¹ / ₄ , S ¹ / ₂ NW ¹ / ₄ , NE ¹ / ₄ NW ¹ / ₄		Working Interest:		
			Conoco Inc.		
	ORRI:				
	Total				
			12.500000%	12.500000%	
			63.625000%	63.625000%	
			23.875000%	23.875000%	
			<u>100.000000%</u>	<u>100.000000%</u>	
NM 03560	T-27-N, R-7-W	1,281.44	Royalty:	<u>Tract 2</u>	5.943500%
	Section 29: All		Working Interest:		
	Section 30: Lots 1-4, E ¹ / ₂ W ¹ / ₂ , E ¹ / ₂ (All)		Conoco Inc.		
	ORRI:				
	Total				
			12.500000%	12.500000%	
			63.625000%	63.625000%	
			23.875000%	23.875000%	
			<u>100.000000%</u>	<u>100.000000%</u>	
SF 078417	T-28-N, R-7-W	840.00	Royalty:	<u>Tract 3</u>	3.896039%
	Section 7: S ¹ / ₂ SE ¹ / ₄ , SE ¹ / ₄ SW ¹ / ₄		Working Interest:		
	Section 8: S ¹ / ₂ SW ¹ / ₄		Conoco Inc.		
	Section 17: W ¹ / ₂		ORRI:		
	Section 18: E ¹ / ₂				
			12.500000%	12.500000%	
			84.500000%	84.500000%	
			3.000000%	3.000000%	
			<u>100.000000%</u>	<u>100.000000%</u>	
SF 078417-A	T-28-N, R-7-W	320.00	Royalty:	<u>Tract 4</u>	1.484205%
	Section 18: E ¹ / ₂ NW ¹ / ₄		Working Interest:		
	Section 22: S ¹ / ₂ NW ¹ / ₄ , SW ¹ / ₄		Burlington Resources		
	ORRI:				
	Total				
			12.500000%	12.500000%	
			83.500000%	83.500000%	
			4.000000%	4.000000%	
			<u>100.000000%</u>	<u>100.000000%</u>	

Schedule XXXVII

Thirty-Sixth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective February 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078496	T-27-N, R-7-W	1,689.94	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000%	7.838181%
	Section 3: Lots 1-4, S½ N½				
	Section 5: Lots 1, 2, S½ NE¼				
	T-28-N, R-7-W				
	Section 27: SE¼, E½ NE¼				
	Section 34: Lots 3, 4, N½ SW¼, NW¼		Total	100.000000%	
	Section 35: Lots 1, 2, 3, 4, N½ S½				
	N½ (All)				
SF 078496-A	T-27-N, R-7-W	641.83	Royalty: Working Interest: Burlington Resources ORRI:	12.500000%	2.976898%
	Section 4: Lots 1-4, S½ N½				
	T-28-N, R-7-W				
	Section 34: Lots 1, 2, N½ SE¼, NE¼				
			Total	100.000000%	
SF 078497	T-28-N, R-7-W	1,239.56	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000%	5.749255%
	Section 7: Lots 1-5				
	Section 8: Lots 1-4, S½ SE¼				
	Section 19: E½, Lot 1, E½ W½				
	Section 29: W½				
			Total	100.000000%	
SF 078497-A	T-28-N, R-7-W	524.40	Royalty: Working Interest: Burlington Resources ORRI:	12.500000%	2.432241%
	Section 9: Lots 1-4, S½ S½ (All)				
	Section 18: Lots 1-4, E½ SW¼				
			Total	100.000000%	

Schedule XXXVII

Thirty-Sixth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective February 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 078498	T-28-N, R-7-W Section 27: W½ NE¼, W½ Section 33: Lots 1, 2, 3, 4, N½S½, N½ (All)	1,032.32	Royalty: Working Interest: Conoco Inc. ORRI:		<u>Tract 9</u>		4.788046%
					12.500000%	12.500000%	
					84.500000%	84.500000%	
					3.000000%	3.000000%	
					Total	100.000000%	
SF 078498-A	T-28-N, R-7-W Section 28: SE¼, NE¼ NE¼	200.00	Royalty: Working Interest: Burlington Resources ORRI:		<u>Tract 9-A</u>		0.927628%
					12.500000%	12.500000%	
					83.500000%	83.500000%	
					4.000000%	4.000000%	
					Total	100.000000%	
SF 078500-A	T-28-N, R-7-W Section 19: Lots 2-4 Section 31: Lots 1-7, N½ SE¼, E½ NW¼, NE¼ SW¼	565.36	Royalty: Working Interest: Conoco Inc. ORRI:		<u>Tract 10</u>		2.622220%
					12.500000%	12.500000%	
					84.500000%	84.500000%	
					3.000000%	3.000000%	
					Total	100.000000%	
SF 078500	T-28-N, R-7-W Section 30: Lots 1-3, E½ NW¼	189.30	Royalty: Working Interest: Burlington Resources ORRI:		<u>Tract 10-A</u>		0.878000%
					12.500000%	12.500000%	
					83.500000%	83.500000%	
					4.000000%	4.000000%	
					Total	100.000000%	

Schedule XXXVII

Thirty-Sixth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective February 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation	
			Ownership	Percentage		
SF 078656	<u>T-27-N, R-7-W</u>	320.00	Royalty:		<u>Tract 11</u>	1.484205%
	Section 5: SE¼		Working Interest:	12.500000%		
	Section 8: NW¼		Conoco Inc.	69.500000%		
	ORRI:		18.000000%			
<u>Total</u>			100.000000%	100.000000%		
SF 078565-A	<u>T-27-N, R-7-W</u>	320.52	Royalty:		<u>Tract 12</u>	1.486617%
	Section 5: Lots 3, 4, S½ NW¼, SW¼		Working Interest:	12.500000%		
	ORRI:		Burlington Resources	86.500000%		
	<u>Total</u>			1.000000%		
SF 078569	<u>T-27-N, R-7-W</u>	320.00	Royalty:		<u>Tract 13</u>	1.484205%
	Section 8: SW¼, NE¼		Working Interest:	12.500000%		
	ORRI:		Burlington Resources	82.500000%		
	<u>Total</u>			5.000000%		
SF 078570	<u>T-27-N, R-7-W</u>	640.00	Royalty:		<u>Tract 14</u>	2.968411%
	Section 4: S½		Working Interest:	12.500000%		
	Section 8: SE¼		Conoco Inc.	80.500000%		
	Section 9: NW¼		ORRI:	7.000000%		
<u>Total</u>			100.000000%	100.000000%		

Schedule XXXVII

Thirty-Sixth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective February 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 078640	T-27-N, R-7-W	800.00	Royalty:				3.710513%
	Section 9: SW ¹ / ₄		Working Interest:				
	Section 15: W ¹ / ₂		Burlington Resources	82.500000%	82.500000%		
	Section 17: E ¹ / ₂		ORRI:	5.000000%	5.000000%		
Total					100.000000%	100.000000%	
SF 078640	T-27-N, R-7-W	1,760.00	Royalty:				8.163129%
	Section 20: E ¹ / ₂		Working Interest:				
	Section 21: All		Burlington Resources	82.500000%	82.500000%		
	Section 22: W ¹ / ₂		ORRI:	5.000000%	5.000000%		
	Section 27: NW ¹ / ₄		Total	100.000000%	100.000000%		
	Section 28: N ¹ / ₂						
SF 078835	T-27-N, R-7-W	640.20	Royalty:				2.969338%
	Section 6: Lots 3-7, SE ¹ / ₄ NW ¹ / ₄ , E ¹ / ₂ SW ¹ / ₄		Working Interest:				
	Section 7: E ¹ / ₂		Burlington Resources	84.000000%	84.000000%		
			ORRI:	3.500000%	3.500000%		
Total					100.000000%	100.000000%	
SF 078835-A	T-27-N, R-7-W	640.86	Royalty:				2.972399%
	Section 6: Lots 1, 2, S ¹ / ₂ NE ¹ / ₄ , SE ¹ / ₄		Working Interest:				
	Section 7: Lots 1-4, E ¹ / ₂ W ¹ / ₂		Conoco Inc.	67.500000%	67.500000%		
			ORRI:	20.000000%	20.000000%		
Total					100.000000%	100.000000%	

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

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Schedule XXXVII

Thirty-Sixth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective February 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 079289	T-28-N, R-7-W	696.08	Royalty:		<u>Tract 21</u>		3.228518%
	Section 10: Lots 1-4, S½ S½ (All)		Working Interest:	12.500000%	12.500000%		
	Section 15: E½		Conoco Inc.	69.500000%	69.500000%		
	Section 22: N½ NW¼		ORRI:	18.000000%	18.000000%		
			Total		<u>100.000000%</u>	<u>100.000000%</u>	
SF 079289-A	T-28-N, R-7-W	932.80	Royalty:		<u>Tract 22</u>		4.326458%
	Section 11: Lots 1-4, S½ S½ (All)		Working Interest:	12.500000%	12.500000%		
	Section 15: W½		Burlington Resources	52.500000%	52.500000%		
	Section 22: E½		D. J. Simmons Co. LP	26.250000%	26.250000%		
				Helen Louise Simmons	2.187500%	2.187500%	
				June Simmons Lively	2.187500%	2.187500%	
				Mary Jane Simmons Banks	2.187500%	2.187500%	
				Carolee Simmons Smith	2.187500%	2.187500%	
			ORRI:		0.000000%	0.000000%	
			Total		<u>100.000000%</u>	<u>100.000000%</u>	
SF 079290	T-28-N, R-7-W	320.00	Royalty:		<u>Tract 23</u>		1.484205%
	Section 13: E½		Working Interest:	12.500000%	12.500000%		
			Conoco Inc.	69.500000%	69.500000%		
			ORRI:	18.000000%	18.000000%		
			Total		<u>100.000000%</u>	<u>100.000000%</u>	

Schedule XXXVII

Thirty-Sixth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective February 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079290-A	T-28-N, R-7-W Section 24: E½	320.00	Royalty: Working Interest: Burlington Resources D. J. Simmons Co. LP Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI: Total	12.500000% 52.500000% 26.250000% 2.187500% 2.187500% 2.187500% 2.187500% 0.000000% 100.000000%	1.484205% 1.525114%
SF 079298-B	T-27-N, R-7-W Section 12: All	640.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.500000% 82.000000% 5.500000% 100.000000%	2.968411% 1.108330%
NM E-290-28	T-27-N, R-7-W Section 2: Lots 3, 4, SW¼	238.96	Royalty: Working Interest: Burlington Resources O&G ORRI: Total	12.500000% 82.500000% 5.000000% 100.000000%	 1.108330%

Schedule XXXVII

Thirty-Sixth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective February 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NM E-290-33	T-27-N, R-7-W Section 2: S½ NW¼	80.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 75.000000% 12.500000% 100.000000%	0.371051%
			Tract 31		
			Total		
NM E-4425-25	T-27-N, R-7-W Section 16: NW¼ NW¼	40.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% 100.000000%	0.185526%
			Tract 32		
			Total		
NM E-4425-48	T-27-N, R-7-W Section 16: NE¼ NW¼	40.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 82.500000% 5.000000% 100.000000%	0.185526%
			Tract 33		
			Total		
NM E-4425-46	T-27-N, R-7-W Section 16: SW¼ NW¼	40.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:	12.500000% 50.700000% 33.800000% 3.000000% 100.000000%	0.185526%
			Tract 34		
			Total		

Schedule XXXVII

Thirty-Sixth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective February 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NIM E-2825-6	<u>T-27-N, R-7-W</u>	520.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:	<u>Tract 35</u>	2.411834%
	Section 16: SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, E $\frac{1}{2}$			12.500000%	
				49.500000%	
				33.000000%	
				5.000000%	
	<u>Total</u>			<u>100.000000%</u>	
Fee	<u>T-28-N, R-7-W</u>	236.46	Royalty: Working Interest: Burlington Resources ORRI:	<u>Tract 36</u>	1.096735%
	Section 28: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$			12.500000%	
	Section 30: Lot 4, E $\frac{1}{2}$ SW $\frac{1}{4}$			87.500000%	
				0.000000%	
				0.000000%	
	<u>Total</u>			<u>100.000000%</u>	

Schedule XXXVII

Thirty-Sixth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective February 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

<u>Township 28 North, Range 7 West, N.M.P.M.</u>						
Section 7:	Lots 1-5, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (All)					
Section 8:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					
Section 9:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					
Section 10:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					
Section 11:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					
Sections 15, 17, 29:	W $\frac{1}{2}$					
Section 18, 19:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)					
Sections 13, 15, 24, 28:	E $\frac{1}{2}$					
Sections 22, 27, 34, 35:	All					
Section 30:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ (W $\frac{1}{2}$)					
Section 31:	Lots 1-7, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$					
Section 33:	Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)					
Section 36:	Lots 3,4, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$					
<u>Township 27 North, Range 7 West, N.M.P.M.</u>						
Section 17:	E $\frac{1}{2}$					
Sections 2, 15, 18, 22:	W $\frac{1}{2}$					
Section 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 16, 19, 21, 29, 30:	All					
Section 20:	SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$					
Section 27:	NW $\frac{1}{4}$					
Section 28:	N $\frac{1}{2}$					

Total number of acres in participating area:	21,560.36
Total number of committed acres in participating area:	21,560.36
Percent of basic royalty interest committed:	100.00
Percent of working interest committed:	100.00
Percent of overriding royalty interest committed:	100.00

Schedule XXXVIII

Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective March 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
NM 03521	T-27-N, R-7-W	280.00	Royalty:				1.261241%
	Section 20: SW ¹ / ₄ , S ¹ / ₂ NW ¹ / ₄ , NE ¹ / ₄ NW ¹ / ₄		Working Interest:				
			Conoco Inc.				
	ORRI:						
	Total						
				12.500000%	12.500000%		
				63.625000%	63.625000%		
				23.875000%	23.875000%		
				100.000000%	100.000000%		
NM 03560	T-27-N, R-7-W	1,281.44	Royalty:				5.772159%
	Section 29: All		Working Interest:				
	Section 30: Lots 1-4, E ¹ / ₂ W ¹ / ₂ , E ¹ / ₂ (All)		Conoco Inc.				
	ORRI:						
	Total						
				12.500000%	12.500000%		
				63.625000%	63.625000%		
				23.875000%	23.875000%		
				100.000000%	100.000000%		
SF 078417	T-28-N, R-7-W	1,080.00	Royalty:				4.864786%
	Section 7: S ¹ / ₂ SE ¹ / ₄ , SE ¹ / ₄ SW ¹ / ₄		Working Interest:				
	Section 8: S ¹ / ₂ SW ¹ / ₄		Conoco Inc.				
	Section 17: W ¹ / ₂		ORRI:				
	Section 18: E ¹ / ₂						
Section 21: NW ¹ / ₄ , N ¹ / ₂ SW ¹ / ₄	Total						
				12.500000%	12.500000%		
				84.500000%	84.500000%		
				3.000000%	3.000000%		
				100.000000%	100.000000%		
SF 078417-A	T-28-N, R-7-W	320.00	Royalty:				1.441418%
	Section 18: E ¹ / ₂ NW ¹ / ₄		Working Interest:				
	Section 22: S ¹ / ₂ NW ¹ / ₄ , SW ¹ / ₄		Burlington Resources				
	ORRI:						
	Total						
				12.500000%	12.500000%		
				83.500000%	83.500000%		
				4.000000%	4.000000%		
				100.000000%	100.000000%		

Schedule XXXVIII

Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective March 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 078496	T-27-N, R-7-W	1,689.94	Royalty: Working Interest: Conoco Inc. ORRI:	<u>Tract 5</u>	12.500000%	12.500000%	<u>7.612219%</u>
	Section 3: Lots 1-4, S½ N½				84.500000%	84.500000%	
	Section 5: Lots 1, 2, S½ NE¼				3.000000%	3.000000%	
	T-28-N, R-7-W				<u>Total</u>	<u>100.000000%</u>	
	Section 27: SE¼, E½ NE¼						
SF 078497-A	Section 34: NW¼	641.83	Royalty: Working Interest: Burlington Resources ORRI:	<u>Tract 6</u>	12.500000%	12.500000%	<u>2.891079%</u>
	Section 35: Lots 1,2,3,4, N½S½				83.500000%	83.500000%	
	N½ (All)				4.000000%	4.000000%	
	T-27-N, R-7-W				<u>Total</u>	<u>100.000000%</u>	
	Section 4: Lots 1-4, S½ N½						
SF 078497	T-28-N, R-7-W	1,239.56	Royalty: Working Interest: Conoco Inc. ORRI:	<u>Tract 7</u>	12.500000%	12.500000%	<u>5.583513%</u>
	Section 7: Lots 1-5				84.500000%	84.500000%	
	Section 8: Lots 1-4, S½ SE¼				3.000000%	3.000000%	
	Section 19: E½, Lot 1, E½ W½				<u>Total</u>	<u>100.000000%</u>	
	Section 29: W½						
SF 078497-A	T-28-N, R-7-W	524.40	Royalty: Working Interest: Burlington Resources ORRI:	<u>Tract 8</u>	12.500000%	12.500000%	<u>2.362124%</u>
	Section 9: Lots 1-4, S½ S½				83.500000%	83.500000%	
	(All)				4.000000%	4.000000%	
	Section 18: Lots 1-4, E½ SW¼				<u>Total</u>	<u>100.000000%</u>	

Schedule XXXVIII

Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective March 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078498	T-28-N, R-7-W Section 28: W $\frac{1}{2}$ Section 27: W $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ Section 33: Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)	1,352.32	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 84.500000% 3.000000% 100.000000%	6.091433%
Tract 9					
Total				100.000000%	
SF 078498-A	T-28-N, R-7-W Section 28: SE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$	200.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% 100.000000%	0.900886%
Tract 9-A					
Total				100.000000%	
SF 078500-A	T-28-N, R-7-W Section 19: Lots 2-4 Section 31: Lots 1-7, N $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	565.36	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 84.500000% 3.000000% 100.000000%	2.546625%
Tract 10					
Total				100.000000%	
SF 078500	T-28-N, R-7-W Section 30: Lots 1-3, E $\frac{1}{2}$ NW $\frac{1}{4}$	189.30	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% 100.000000%	0.852689%
Tract 10-A					
Total				100.000000%	

Schedule XXXVIII

Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective March 1, 2001

Coronco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078656	T-27-N, R-7-W	320.00	Royalty:	12.500000%	1.441418%
	Section 5: SE $\frac{1}{4}$		Working Interest:	69.500000%	
	Section 8: NW $\frac{1}{4}$		Conoco Inc.	18.000000%	
			ORRI:	18.000000%	
			Total	100.000000%	
SF 078565-A	T-27-N, R-7-W	320.52	Royalty:	12.500000%	1.443760%
	Section 5: Lots 3, 4, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$		Working Interest:	86.500000%	
			Burlington Resources	1.000000%	
			ORRI:	1.000000%	
			Total	100.000000%	
SF 078569	T-27-N, R-7-W	320.00	Royalty:	12.500000%	1.441418%
	Section 8: SW $\frac{1}{4}$, NE $\frac{1}{4}$		Working Interest:	82.500000%	
			Burlington Resources	5.000000%	
			ORRI:	5.000000%	
			Total	100.000000%	
SF 078570	T-27-N, R-7-W	640.00	Royalty:	12.500000%	2.882836%
	Section 4: S $\frac{1}{2}$		Working Interest:	80.500000%	
	Section 8: SE $\frac{1}{4}$		Conoco Inc.	7.000000%	
	Section 9: NW $\frac{1}{4}$		ORRI:	7.000000%	
			Total	100.000000%	

Schedule XXXVIII

Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective March 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage Committed	
SF 078640	T-27-N, R-7-W	800.00	Royalty:		3.603545%
	Section 9: SW 1/4		Working Interest:		
	Section 15: W 1/2		Burlington Resources		
	Section 17: E 1/2		ORRI:		
			Total		
SF 078640	T-27-N, R-7-W	1,760.00	Royalty:		7.927799%
	Section 20: E 1/2		Working Interest:		
	Section 21: All		Burlington Resources		
	Section 22: W 1/2		ORRI:		
	Section 27: NW 1/4				
Section 28: N 1/2					
SF 078835	T-27-N, R-7-W	640.20	Royalty:		2.883737%
	Section 6: Lots 3-7, SE 1/4 NW 1/4, E 1/2 SW 1/4		Working Interest:		
	Section 7: E 1/2		Burlington Resources		
			ORRI:		
			Total		
SF 078835-A	T-27-N, R-7-W	640.86	Royalty:		2.886710%
	Section 6: Lots 1, 2, S 1/2 NE 1/4, SE 1/4		Working Interest:		
	Section 7: Lots 1-4, E 1/2 W 1/2		Conoco Inc.		
			ORRI:		
			Total		

Schedule XXXVIII

Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective March 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 078840	T-27-N, R-7-W Section 18: Lots 1-4, E½ W½	320.36	Royalty: Working Interest: Conoco Inc. ORRI:		12.500000% 67.500000% 20.000000% 100.000000%	12.500000% 67.500000% 20.000000% 100.000000%	1.443040%
					<u>Tract 18</u>		
					Total		
SF 078840	T-27-N, R-7-W Section 19: Lots 1-4, E½ W½, E½ (All)	641.15	Royalty: Working Interest: Conoco Inc. ORRI:		12.500000% 67.500000% 20.000000% 100.000000%	12.500000% 67.500000% 20.000000% 100.000000%	2.888016%
					<u>Tract 18-A</u>		
					Total		
SF 078972	T-27-N, R-7-W Section 3: S½ Section 10: All Section 11: All	1,600.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:		12.500000% 49.500000% 33.000000% 5.000000% 100.000000%	12.500000% 49.500000% 33.000000% 5.000000% 100.000000%	7.207090%
					<u>Tract 19</u>		
					Total		
SF 078972-A	T-27-N, R-7-W Section 9: E½	320.00	Royalty: Working Interest: Burlington Resources W. G. Peavy Oil Company Dugan Production Corp. Conoco Inc. ORRI:		12.500000% 66.667000% 6.666000% 3.333500% 3.333500% 7.500000% 100.000000%	12.500000% 66.667000% 6.666000% 3.333500% 3.333500% 7.500000% 100.000000%	1.441418%
					<u>Tract 20</u>		
					Total		

Schedule XXXVIII

Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective March 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block	Percentage Committed	Present Actual Participation
					Percentage		
SF 079289	T-28-N, R-7-W	696.08			<u>Tract 21</u>		
	Section 10: Lots 1-4, S½ S½ (All)		Royalty:	12.500000%	12.500000%	<u>3.135445%</u>	
	Section 15: E½		Working Interest:	69.500000%	69.500000%		
	Section 22: N½ NW¼		Conoco Inc.	18.000000%	18.000000%		
	ORRI:		<u>100.000000%</u>	<u>100.000000%</u>			
Total							
SF 079289-A	T-28-N, R-7-W	932.80			<u>Tract 22</u>		
	Section 11: Lots 1-4, S½ S½ (All)		Royalty:	12.500000%	12.500000%	<u>4.201734%</u>	
	Section 15: W½		Working Interest:	52.500000%	52.500000%		
	Section 22: E½		Burlington Resources	26.250000%	26.250000%		
			D. J. Simmons Co. LP	2.187500%	2.187500%		
			Helen Louise Simmons	2.187500%	2.187500%		
			June Simmons Lively	2.187500%	2.187500%		
			Mary Jane Simmons Banks	2.187500%	2.187500%		
			Carolee Simmons Smith	2.187500%	2.187500%		
			ORRI:	0.000000%	0.000000%		
			Total	<u>100.000000%</u>	<u>100.000000%</u>		
SF 079290	T-28-N, R-7-W	320.00			<u>Tract 23</u>		
	Section 13: E½		Royalty:	12.500000%	12.500000%	<u>1.441418%</u>	
			Working Interest:	69.500000%	69.500000%		
			Conoco Inc.	18.000000%	18.000000%		
			ORRI:	<u>100.000000%</u>	<u>100.000000%</u>		
Total							

Schedule XXXVIII

**Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation
San Juan 28-7 Unit Area, Effective March 1, 2001**

Coroco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079290-A	T-28-N, R-7-W Section 24: E½	320.00	Royalty: Working Interest: Burlington Resources D. J. Simmons Co. LP Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI:	12.500000% 12.500000% 52.500000% 26.250000% 2.187500% 2.187500% 2.187500% 2.187500% 0.000000%	1.441418%
			<u>Tract 24</u>		
			Total	100.000000%	
SF-079294	T-28-N, R-7-W Section 36: Lots 3, 4, NW¼	328.82	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI: Total	12.500000% 12.500000% 51.300000% 34.200000% 2.000000% 100.000000%	1.481147%
			<u>Tract 25</u>		
SF 079298-B	T-27-N, R-7-W Section 12: All	640.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.500000% 12.500000% 82.000000% 5.500000% 100.000000%	2.882836%
			<u>Tract 26</u>		
NM E-290-28	T-27-N, R-7-W Section 2: Lots 3, 4, SW¼	238.96	Royalty: Working Interest: Burlington Resources O&G ORRI: Total	12.500000% 12.500000% 82.500000% 5.000000% 100.000000%	1.076379%
			<u>Tract 28</u>		

Schedule XXXVIII

Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective March 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NM E-290-33	T-27-N, R-7-W Section 2: S½ NW¼	80.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 75.000000% 12.500000% 100.000000%	0.360355%
			<u>Tract 31</u>		
			Total		
NM E-4425-25	T-27-N, R-7-W Section 16: NW¼ NW¼	40.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% 100.000000%	0.180177%
			<u>Tract 32</u>		
			Total		
NM E-4425-48	T-27-N, R-7-W Section 16: NE¼ NW¼	40.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 82.500000% 5.000000% 100.000000%	0.180177%
			<u>Tract 33</u>		
			Total		
NM E-4425-46	T-27-N, R-7-W Section 16: SW¼ NW¼	40.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:	12.500000% 50.700000% 33.800000% 3.000000% 100.000000%	0.180177%
			<u>Tract 34</u>		
			Total		

Schedule XXXVIII

Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective March 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation	
			Ownership	Percentage		
NM E-2825-6	T-27-N, R-7-W Section 16: SE 1/4 NW 1/4, SW 1/4, E 1/2	520.00	Royalty:		2.342304%	
			Working Interest:			
			Burlington Resources			
			Conoco Inc.			
			ORRI:			
			Total			
			Tract 35			
			12.500000%	12.500000%		
			49.500000%	49.500000%		
			33.000000%	33.000000%		
5.000000%	5.000000%					
100.000000%	100.000000%					
Fee	T-28-N, R-7-W Section 28: W 1/2 NE 1/4, SE 1/4 NE 1/4 Section 30: Lot 4, E 1/2 SW 1/4	236.46	Royalty:		1.065118%	
			Working Interest:			
			Burlington Resources			
			ORRI:			
			Total			
			Tract 36			
			12.500000%	12.500000%		
			87.500000%	87.500000%		
			0.000000%	0.000000%		
			100.000000%	100.000000%		
Fee	T-28-N, R-7-W Section 21: S 1/2 SW 1/4	80.00	Royalty:		0.360355%	
			Working Interest:			
			Conoco Inc.			
			ORRI:			
			Total			
			Tract 36A			
			12.500000%	12.500000%		
			87.500000%	87.500000%		
			0.000000%	0.000000%		
			100.000000%	100.000000%		

Schedule XXXVIII

Thirty-Seventh Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective March 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Description of Lands in Participating Area:

Serial Number	Description	Number of Acres	Ownership	Drilling Block	Percentage	Percentage Committed	Present Actual Participation
<u>Recapitulation</u>							
Description of Lands in Participating Area:							
<u>Township 28 North, Range 7 West, N.M.P.M.</u>							
Section 7:	Lots 1-5, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (All)						<u>Township 27 North, Range 7 West, N.M.P.M.</u>
Section 8:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)						Section 17: E $\frac{1}{2}$
Section 9:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)						Sections 2, 15, 18, 22: W $\frac{1}{2}$
Section 10:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)						Section 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 16, 19, 21, 29, 30: All
Section 11:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)						Section 20: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$
Sections 15, 17, 21, 29:	W $\frac{1}{2}$						Section 27: NW $\frac{1}{4}$
Section 18, 19:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)						Section 28: N $\frac{1}{2}$
Sections 13, 15, 24:	E $\frac{1}{2}$						
Sections 22, 27, 28, 34, 35:	All						
Section 30:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ (W $\frac{1}{2}$)						
Section 31:	Lots 1-7, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$						
Section 33:	Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)						
Section 36:	Lots 3, 4, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$						

Total number of acres in participating area:	22,200.36
Total number of committed acres in participating area:	22,200.36
Percent of basic royalty interest committed:	100.00
Percent of working interest committed:	100.00
Percent of overriding royalty interest committed:	100.00

Schedule XXXIX

Thirty-Eighth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NM 03521	T-27-N, R-7-W Section 20: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$	280.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 63.625000% 23.875000% 100.000000%	1.225900%
Tract 1					
Total				100.000000%	
NM 03560	T-27-N, R-7-W Section 29: All Section 30: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)	1,281.44	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 63.625000% 23.875000% 100.000000%	5.610419%
Tract 2					
Total				100.000000%	
SF 078417	T-28-N, R-7-W Section 7: S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 8: S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 16: SW $\frac{1}{4}$ Section 17: All Section 18: E $\frac{1}{2}$ Section 21: NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$	1,560.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 84.500000% 3.000000% 100.000000%	6.830015%
Tract 3					
Total				100.000000%	
SF 078417-A	T-28-N, R-7-W Section 18: E $\frac{1}{2}$ NW $\frac{1}{4}$ Section 22: S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$	320.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% 100.000000%	1.401029%
Tract 4					
Total				100.000000%	

Schedule XXXIX

Thirty-Eighth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 078496	T-27-N, R-7-W Section 3: Lots 1-4, S½ N½ Section 5: Lots 1, 2, S½ NE¼ T-28-N, R-7-W Section 27: SE¼, E½ NE¼ Section 34: Lots 3, 4, N½ SW¼, NW¼ Section 35: Lots 1,2,3,4, N½S½ N½ (All)	1,689.94	Royalty: Working Interest: Conoco Inc. ORRI:		<u>Tract 5</u> 12.500000% 84.500000% 3.000000% <u>100.000000%</u>	12.500000% 84.500000% 3.000000% <u>100.000000%</u>	<u>7.398920%</u>
SF 078496-A	T-27-N, R-7-W Section 4: Lots 1-4, S½ N½ T-28-N, R-7-W Section 34: Lots 1, 2, N½ SE¼, NE¼	641.83	Royalty: Working Interest: Burlington Resources ORRI:		<u>Tract 6</u> 12.500000% 83.500000% 4.000000% <u>100.000000%</u>	12.500000% 83.500000% 4.000000% <u>100.000000%</u>	<u>2.810070%</u>
SF 078497	T-28-N, R-7-W Section 7: Lots 1-5 Section 8: Lots 1-4, S½ SE¼ Section 16: NW¼ Section 19: E½, Lot 1, E½ W½ Section 29: W½	1,399.56	Royalty: Working Interest: Conoco Inc. ORRI:		<u>Tract 7</u> 12.500000% 84.500000% 3.000000% <u>100.000000%</u>	12.500000% 84.500000% 3.000000% <u>100.000000%</u>	<u>6.127574%</u>
SF 078497-A	T-28-N, R-7-W Section 9: Lots 1-4, S½ S½ (All) Section 18: Lots 1-4, E½ SW¼	524.40	Royalty: Working Interest: Burlington Resources ORRI:		<u>Tract 8</u> 12.500000% 83.500000% 4.000000% <u>100.000000%</u>	12.500000% 83.500000% 4.000000% <u>100.000000%</u>	<u>2.295936%</u>

Schedule XXXIX

Thirty-Eighth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078498	T-28-N, R-7-W Section 28: W $\frac{1}{2}$ Section 27: W $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ Section 33: Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)	1,352.32	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 84.500000% 3.000000% 100.000000%	5.920747%
			Tract 9		
			Total		
SF 078498-A	T-28-N, R-7-W Section 28: SE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$	200.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% 100.000000%	0.875643%
			Tract 9-A		
			Total		
SF 078500-A	T-28-N, R-7-W Section 19: Lots 2-4 Section 31: Lots 1-7, N $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	565.36	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 84.500000% 3.000000% 100.000000%	2.475267%
			Tract 10		
			Total		
SF 078500	T-28-N, R-7-W Section 30: Lots 1-3, E $\frac{1}{2}$ NW $\frac{1}{4}$	189.30	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% 100.000000%	0.828796%
			Tract 10-A		
			Total		

Schedule XXXIX

Thirty-Eighth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage		Present Actual Participation
			Ownership	Percentage	Committed		
SF 078656	T-27-N, R-7-W Section 5: SE $\frac{1}{4}$ Section 8: NW $\frac{1}{4}$	320.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 69.500000% 18.000000% 100.000000%	12.500000% 69.500000% 18.000000% 100.000000%		1.401029%
Tract 11							
SF 078565-A	T-27-N, R-7-W Section 5: Lots 3, 4, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$	320.52	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 86.500000% 1.000000% 100.000000%	12.500000% 86.500000% 1.000000% 100.000000%		1.403305%
Tract 12							
SF 078569	T-27-N, R-7-W Section 8: SW $\frac{1}{4}$, NE $\frac{1}{4}$	320.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 82.500000% 5.000000% 100.000000%	12.500000% 82.500000% 5.000000% 100.000000%		1.401029%
Tract 13							
SF 078570	T-27-N, R-7-W Section 4: S $\frac{1}{2}$ Section 8: SE $\frac{1}{4}$ Section 9: NW $\frac{1}{4}$	640.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 80.500000% 7.000000% 100.000000%	12.500000% 80.500000% 7.000000% 100.000000%		2.802057%
Tract 14							

Schedule XXXIX

Thirty-Eighth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Percentage Committed	Present Actual Participation
						Percentage		
SF 078640	T-27-N, R-7-W Section 9: SW 1/4 Section 15: W 1/2 Section 17: E 1/2	800.00	Royalty: Working Interest: Burlington Resources ORRI:		<u>Tract 15</u>	12.500000% 82.500000% 5.000000% 100.000000%	12.500000% 82.500000% 5.000000% 100.000000%	3.502572%
SF 078640	T-27-N, R-7-W Section 20: E 1/2 Section 21: All Section 22: W 1/2 Section 27: NW 1/4 Section 28: N 1/2	1,760.00	Royalty: Working Interest: Burlington Resources ORRI:		<u>Tract 15-A</u>	12.500000% 82.500000% 5.000000% 100.000000%	12.500000% 82.500000% 5.000000% 100.000000%	7.705658%
SF 078835	T-27-N, R-7-W Section 6: Lots 3-7, SE 1/4 NW 1/4, E 1/2 SW 1/4 Section 7: E 1/2	640.20	Royalty: Working Interest: Burlington Resources ORRI:		<u>Tract 16</u>	12.500000% 84.000000% 3.500000% 100.000000%	12.500000% 84.000000% 3.500000% 100.000000%	2.802933%
SF 078835-A	T-27-N, R-7-W Section 6: Lots 1, 2, S 1/2 NE 1/4, SE 1/4 Section 7: Lots 1-4, E 1/2 W 1/2	640.86	Royalty: Working Interest: Conoco Inc. ORRI:		<u>Tract 17</u>	12.500000% 67.500000% 20.000000% 100.000000%	12.500000% 67.500000% 20.000000% 100.000000%	2.805823%

Schedule XXXIX

Thirty-Eighth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078840	T-27-N, R-7-W Section 18: Lots 1-4, E½ W½	320.36	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 67.500000% 20.000000% 100.000000%	1.402605%
Tract 18					
Total				100.000000%	
SF 078840	T-27-N, R-7-W Section 19: Lots 1-4, E½ W½, E½ (All)	641.15	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 67.500000% 20.000000% 100.000000%	2.807092%
Tract 18-A					
Total				100.000000%	
SF 078972	T-27-N, R-7-W Section 3: S½ Section 10: All Section 11: All	1,600.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:	12.500000% 49.500000% 33.000000% 5.000000% 100.000000%	7.005144%
Tract 19					
Total				100.000000%	
SF 078972-A	T-27-N, R-7-W Section 9: E½	320.00	Royalty: Working Interest: Burlington Resources W. G. Peavy Oil Company Dugan Production Corp. Conoco Inc. ORRI:	12.500000% 66.667000% 6.666000% 3.333500% 3.333500% 7.500000% 100.000000%	1.401029%
Tract 20					
Total				100.000000%	

Schedule XXXIX

Thirty-Eighth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079289	T-28-N, R-7-W	696.08	Royalty:	<u>Tract 21</u>	3.047588%
	Section 10: Lots 1-4,		Working Interest:		
	Section 15: E½ S½ S½ (All)		Conoco Inc.		
	Section 22: N½ NW¼		ORRI:		
			Total		
			12.500000%	12.500000%	
			69.500000%	69.500000%	
			18.000000%	18.000000%	
			<u>100.000000%</u>	<u>100.000000%</u>	
SF 079289-A	T-28-N, R-7-W	932.80	Royalty:	<u>Tract 22</u>	4.083999%
	Section 11: Lots 1-4,		Working Interest:		
	Section 15: W½ S½ S½ (All)		Burlington Resources		
	Section 22: E½		D. J. Simmons Co. LP		
			Helen Louise Simmons		
			June Simmons Lively		
			Mary Jane Simmons Banks		
			Carolee Simmons Smith		
			ORRI:		
			Total		
			12.500000%	12.500000%	
			52.500000%	52.500000%	
			26.250000%	26.250000%	
			2.187500%	2.187500%	
			2.187500%	2.187500%	
			2.187500%	2.187500%	
			2.187500%	2.187500%	
			0.000000%	0.000000%	
			<u>100.000000%</u>	<u>100.000000%</u>	
SF 079290	T-28-N, R-7-W	320.00	Royalty:	<u>Tract 23</u>	1.401029%
	Section 13: E½		Working Interest:		
			Conoco Inc.		
			ORRI:		
			Total		
			12.500000%	12.500000%	
			69.500000%	69.500000%	
			18.000000%	18.000000%	
			<u>100.000000%</u>	<u>100.000000%</u>	

Schedule XXXIX

Thirty-Eighth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079290-A	T-28-N, R-7-W Section 24: E½	320.00	Royalty: Working Interest: Burlington Resources D. J. Simmons Co. LP Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI:	12.500000% 52.500000% 26.250000% 2.187500% 2.187500% 2.187500% 2.187500% 0.000000%	1.401029%
			<u>Tract 24</u>		
			Total	100.000000%	
SF-079294	T-28-N, R-7-W Section 36: Lots 3,4, N½SW¼, NW¼	328.82	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI: Total	12.500000% 51.300000% 34.200000% 2.000000% 100.000000%	1.439645%
			<u>Tract 25</u>		
SF 079298-B	T-27-N, R-7-W Section 12: All	640.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.500000% 82.000000% 5.500000% 100.000000%	2.802057%
			<u>Tract 26</u>		
NM E-290-28	T-27-N, R-7-W Section 2: Lots 3, 4, SW¼	238.96	Royalty: Working Interest: Burlington Resources O&G ORRI: Total	12.500000% 82.500000% 5.000000% 100.000000%	1.046218%
			<u>Tract 28</u>		

Schedule XXXIX

Thirty-Eighth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NM E-290-33	<u>T-27-N, R-7-W</u> Section 2: S½ NW¼	80.00	Royalty:	12.500000%	0.350257%
			Working Interest:	75.000000%	
			Burlington Resources	12.500000%	
			ORRI:	100.000000%	
			<u>Tract 31</u>		
NM E-4425-25	<u>T-27-N, R-7-W</u> Section 16: NW¼ NW¼	40.00	Royalty:	12.500000%	0.175129%
			Working Interest:	83.500000%	
			Burlington Resources	4.000000%	
			ORRI:	100.000000%	
			<u>Tract 32</u>		
NM E-4425-48	<u>T-27-N, R-7-W</u> Section 16: NE¼ NW¼	40.00	Royalty:	12.500000%	0.175129%
			Working Interest:	82.500000%	
			Burlington Resources	5.000000%	
			ORRI:	100.000000%	
			<u>Tract 33</u>		
NM E-4425-46	<u>T-27-N, R-7-W</u> Section 16: SW¼ NW¼	40.00	Royalty:	12.500000%	0.175129%
			Working Interest:	50.700000%	
			Burlington Resources	33.800000%	
			ORRI:	3.000000%	
			<u>Tract 34</u>		
			Total	100.000000%	

Schedule XXXIX

Thirty-Eighth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective May 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Percentage Committed	Present Actual Participation
					Percentage			
NIM E-2825-6	<u>T-27-N, R-7-W</u>	520.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:		<u>Tract 35</u>		12.500000%	2.276672%
	Section 16: SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, E $\frac{1}{2}$							
			Total				<u>100.000000%</u>	
Fee	<u>T-28-N, R-7-W</u>	236.46	Royalty: Working Interest: Burlington Resources ORRI:		<u>Tract 36</u>		12.500000%	1.035273%
	Section 28: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$							
	Section 30: Lot 4, E $\frac{1}{2}$ SW $\frac{1}{4}$							
			Total				<u>100.000000%</u>	
Fee	<u>T-28-N, R-7-W</u>	80.00	Royalty: Working Interest: Conoco Inc. ORRI:		<u>Tract 36A</u>		12.500000%	0.350257%
	Section 21: S $\frac{1}{2}$ SW $\frac{1}{4}$							
			Total				<u>100.000000%</u>	

Schedule XXXIX

Thirty-Eighth Expanded Participating Area for the Pictured Cliffs Formation
San Juan 28-7 Unit Area, Effective May 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Description of Lands in Participating Area:

Township 28 North, Range 7 West, N.M.P.M. Section 7: Lots 1-5, SE ¼ SW ¼, S ½ SE ¼ (All) Section 8: Lots 1-4, S ½ S ½ (All) Section 9: Lots 1-4, S ½ S ½ (All) Section 10: Lots 1-4, S ½ S ½ (All) Section 11: Lots 1-4, S ½ S ½ (All) Sections 15, 16, 21, 29: W ½ Section 18, 19: Lots 1-4, E ½ W ½, E ½ (All) Sections 13, 15, 24: E ½ Sections 17, 22, 27, 28, 34, 35: All Section 30: Lots 1-4, E ½ W ½ (W ½) Section 31: Lots 1-7, E ½ NW ¼, NE ¼ SW ¼, N ½ SE ¼ Section 33: Lots 1, 2, 3, 4, N ½ S ½, N ½ (All) Section 36: Lots 3, 4, N ½ SW ¼, NW ¼	Township 27 North, Range 7 West, N.M.P.M. Section 17: E ½ Sections 2, 15, 18, 22: W ½ Section 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 16, 19, 21, 29, 30: All Section 20: SW ¼, S ½ NW ¼, NE ¼ NW ¼ and E ½ Section 27: NW ¼ Section 28: N ½
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Total number of acres in participating area:	22,840.36
Total number of committed acres in participating area:	22,840.36
Percent of basic royalty interest committed:	100.00
Percent of working interest committed:	100.00
Percent of overriding royalty interest committed:	100.00

Schedule XL

Thirty-Ninth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective June 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NM 03521	T-27-N, R-7-W	280.00	Royalty:		1.176453%
	Section 20: SW ¼, S½ NW ¼, NE ¼ NW ¼		Working Interest:		
			Conoco Inc.		
			ORRI:		
			Total		
			12.500000%	12.500000%	
			63.625000%	63.625000%	
			23.875000%	23.875000%	
			100.000000%	100.000000%	
NM 03560	T-27-N, R-7-W	1,281.44	Royalty:		5.384120%
	Section 29: All		Working Interest:		
	Section 30: Lots 1-4, E½ W½, E½ (All)		Conoco Inc.		
			ORRI:		
			Total		
			12.500000%	12.500000%	
			63.625000%	63.625000%	
			23.875000%	23.875000%	
			100.000000%	100.000000%	
SF 078417	T-28-N, R-7-W	1,720.00	Royalty:		7.226781%
	Section 7: S½ SE¼, SE¼ SW¼		Working Interest:		
	Section 8: S½ SW¼		Conoco Inc.		
	Section 16: SW¼		ORRI:		
			Total		
			12.500000%	12.500000%	
			84.500000%	84.500000%	
			3.000000%	3.000000%	
			100.000000%	100.000000%	
SF 078417-A	T-28-N, R-7-W	320.00	Royalty:		1.344517%
	Section 18: E½ NW¼		Working Interest:		
	Section 22: S½ NW¼, SW¼		Burlington Resources		
			ORRI:		
			Total		
			12.500000%	12.500000%	
			83.500000%	83.500000%	
			4.000000%	4.000000%	
			100.000000%	100.000000%	

Schedule XL

Thirty-Ninth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective June 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 078496	<u>T-27-N, R-7-W</u>	1,689.94	Royalty:		<u>Tract 5</u>		7.100481%
	Section 3: Lots 1-4, S½ N½		Working Interest:	12.500000%	12.500000%		
	Section 5: Lots 1, 2, S½ NE¼		Conoco Inc.	84.500000%	84.500000%		
			ORRI:	3.000000%	3.000000%		
			Total	100.000000%	100.000000%		
	<u>T-28-N, R-7-W</u>						
	Section 27: SE¼, E½ NE¼						
	Section 34: Lots 3, 4, N½ SW¼, NW¼						
	Section 35: Lots 1,2,3,4, N½S½ N½ (All)						
	SF 078496-A		<u>T-27-N, R-7-W</u>	641.83	Royalty:		
Section 4: Lots 1-4, S½ N½		Working Interest:	12.500000%		12.500000%		
		Burlington Resources	83.500000%		83.500000%		
<u>T-28-N, R-7-W</u>		ORRI:	4.000000%		4.000000%		
Section 34: Lots 1, 2, N½ SE¼, NE¼		Total	100.000000%		100.000000%		
SF 078497	<u>T-28-N, R-7-W</u>	1,479.56	Royalty:		<u>Tract 7</u>		6.216545%
	Section 7: Lots 1-5		Working Interest:	12.500000%	12.500000%		
	Section 8: Lots 1-4, S½ SE¼		Conoco Inc.	84.500000%	84.500000%		
	Section 16: NW¼		ORRI:	3.000000%	3.000000%		
	Section 19: E½, Lot 1, E½ W½		Total	100.000000%	100.000000%		
	Section 20: N½ SE¼						
	Section 29: W½						
SF 078497-A	<u>T-28-N, R-7-W</u>	844.40	Royalty:		<u>Tract 8</u>		3.547845%
	Section 9: Lots 1-4, S½ S½ (All)		Working Interest:	12.500000%	12.500000%		
	Section 18: Lots 1-4, E½ SW¼		Burlington Resources	83.500000%	83.500000%		
	Section 20: W½		ORRI:	4.000000%	4.000000%		
			Total	100.000000%	100.000000%		

Schedule XL

Thirty-Ninth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective June 1, 2001

Unit Area Expansion Schedule - San Juan Basin
Conoco Inc.

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Percentage Committed		Present Actual Participation
					Percentage				
SF 078498	T-28-N, R-7-W Section 28: W½ Section 27: W½ NE¼, W½ Section 33: Lots 1, 2, 3, 4, N½S½, N½ (All)	1,352.32	Royalty: Working Interest: Conoco Inc. ORRI:		12.500000%	12.500000%	84.500000%	84.500000%	5.681931%
<u>Tract 9</u>									
Total						100.000000%	100.000000%		
SF 078498-A	T-28-N, R-7-W Section 28: SE¼, NE¼ NE¼	200.00	Royalty: Working Interest: Burlington Resources ORRI:		12.500000%	12.500000%	83.500000%	83.500000%	0.840323%
<u>Tract 9-A</u>									
Total						100.000000%	100.000000%		
SF 078500-A	T-28-N, R-7-W Section 19: Lots 2-4 Section 31: Lots 1-7, N½ SE¼, E½ NW¼, NE¼ SW¼	565.36	Royalty: Working Interest: Conoco Inc. ORRI:		12.500000%	12.500000%	84.500000%	84.500000%	2.375426%
<u>Tract 10</u>									
Total						100.000000%	100.000000%		
SF 078500	T-28-N, R-7-W Section 30: Lots 1-3, E½ NW¼	189.30	Royalty: Working Interest: Burlington Resources ORRI:		12.500000%	12.500000%	83.500000%	83.500000%	0.795366%
<u>Tract 10-A</u>									
Total						100.000000%	100.000000%		

Schedule XL

Thirty-Ninth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective June 1, 2001

Unit Area Expansion Schedule - San Juan Basin
Conoco Inc.

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078656	T-27-N, R-7-W	320.00	Royalty:	12.500000%	1.344517%
	Section 5: SE 1/4				
	Section 8: NW 1/4				
	ORRI:				
	Total				
			<u>Tract 11</u>		
			12.500000%	12.500000%	
			69.500000%	69.500000%	
			18.000000%	18.000000%	
			100.000000%	100.000000%	
SF 078565-A	T-27-N, R-7-W	320.52	Royalty:	12.500000%	1.346702%
	Section 5: Lots 3, 4, S 1/2 NW 1/4, SW 1/4				
	Working Interest:				
	Burlington Resources				
	ORRI:				
			<u>Tract 12</u>		
			12.500000%	12.500000%	
			86.500000%	86.500000%	
			1.000000%	1.000000%	
			100.000000%	100.000000%	
SF 078569	T-27-N, R-7-W	320.00	Royalty:	12.500000%	1.344517%
	Section 8: SW 1/4, NE 1/4				
	Working Interest:				
	Burlington Resources				
	ORRI:				
			<u>Tract 13</u>		
			12.500000%	12.500000%	
			82.500000%	82.500000%	
			5.000000%	5.000000%	
			100.000000%	100.000000%	
SF 078570	T-27-N, R-7-W	640.00	Royalty:	12.500000%	2.689035%
	Section 4: S 1/2				
	Section 8: SE 1/4				
	Section 9: NW 1/4				
	ORRI:				
			<u>Tract 14</u>		
			12.500000%	12.500000%	
			80.500000%	80.500000%	
			7.000000%	7.000000%	
			100.000000%	100.000000%	

Schedule XL

Thirty-Ninth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective June 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 078640	T-27-N, R-7-W	800.00	Royalty: Working Interest: Burlington Resources ORRI:		<u>Tract 15</u>		3.361294%
	Section 9: SW $\frac{1}{4}$				12.500000%	12.500000%	
	Section 15: W $\frac{1}{2}$				82.500000%	82.500000%	
	Section 17: E $\frac{1}{2}$				5.000000%	5.000000%	
	Total				<u>100.000000%</u>	<u>100.000000%</u>	
SF 078640	T-27-N, R-7-W	1,760.00	Royalty: Working Interest: Burlington Resources ORRI:		<u>Tract 15-A</u>		7.394846%
	Section 20: E $\frac{1}{2}$				12.500000%	12.500000%	
	Section 21: All				82.500000%	82.500000%	
	Section 22: W $\frac{1}{2}$				5.000000%	5.000000%	
	Section 27: NW $\frac{1}{4}$				<u>100.000000%</u>	<u>100.000000%</u>	
	Total						
SF 078835	T-27-N, R-7-W	640.20	Royalty: Working Interest: Burlington Resources ORRI:		<u>Tract 16</u>		2.689875%
	Section 6: Lots 3-7, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$				12.500000%	12.500000%	
	Section 7: E $\frac{1}{2}$				84.000000%	84.000000%	
					3.500000%	3.500000%	
	Total				<u>100.000000%</u>	<u>100.000000%</u>	
SF 078835-A	T-27-N, R-7-W	640.86	Royalty: Working Interest: Conoco Inc. ORRI:		<u>Tract 17</u>		2.692648%
	Section 6: Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$				12.500000%	12.500000%	
	Section 7: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$				67.500000%	67.500000%	
					20.000000%	20.000000%	
	Total				<u>100.000000%</u>	<u>100.000000%</u>	

**Thirty-Ninth Expanded Participating Area for the Pictured Cliffs Formation
San Juan 28-7 Unit Area, Effective June 1, 2001**

Unit Area Expansion Schedule - San Juan Basin

7/12/02

Schedule XL

Thirty-Ninth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective June 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079289	<u>T-28-N, R-7-W</u>	696.08	Royalty:		<u>2.924662%</u>
	Working Interest:				
	Conoco Inc.				
	ORRI:				
	<u>Tract 21</u>				
			12.500000%	12.500000%	
			69.500000%	69.500000%	
			18.000000%	18.000000%	
	<u>Total</u>		<u>100.000000%</u>	<u>100.000000%</u>	
SF 079289-A	<u>T-28-N, R-7-W</u>	932.80	Royalty:		<u>3.919268%</u>
	Working Interest:				
	Burlington Resources				
	D. J. Simmons Co. LP				
	Helen Louise Simmons				
			52.500000%	52.500000%	
			26.250000%	26.250000%	
			2.187500%	2.187500%	
			2.187500%	2.187500%	
			2.187500%	2.187500%	
			2.187500%	2.187500%	
			0.000000%	0.000000%	
	<u>Total</u>		<u>100.000000%</u>	<u>100.000000%</u>	
SF 079290	<u>T-28-N, R-7-W</u>	480.00	Royalty:		<u>2.016776%</u>
	Working Interest:				
	Conoco Inc.				
	ORRI:				
	<u>Tract 23</u>				
			12.500000%	12.500000%	
			69.500000%	69.500000%	
			18.000000%	18.000000%	
	<u>Total</u>		<u>100.000000%</u>	<u>100.000000%</u>	

Schedule XL

Thirty-Ninth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective June 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079290-A	T-28-N, R-7-W Section 24: E½	320.00	Royalty: Working Interest: Burlington Resources D. J. Simmons Co. LP Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI: Total	12.500000% 52.500000% 26.250000% 2.187500% 2.187500% 2.187500% 2.187500% 0.000000% 100.000000%	1.344517% 52.500000% 26.250000% 2.187500% 2.187500% 2.187500% 2.187500% 0.000000% 100.000000%
Tract 24					
SF 079294	T-28-N, R-7-W Section 26: SE¼ Section 36: Lots 3, 4, NW¼	488.82	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI: Total	12.500000% 51.300000% 34.200000% 2.000000% 100.000000%	2.053834% 51.300000% 34.200000% 2.000000% 100.000000%
Tract 25					
SF 079298-B	T-27-N, R-7-W Section 12: All	640.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.500000% 82.000000% 5.500000% 100.000000%	2.689035% 82.000000% 5.500000% 100.000000%
Tract 26					
NM E-290-28	T-27-N, R-7-W Section 2: Lots 3, 4, SW¼	238.96	Royalty: Working Interest: Burlington Resources O&G ORRI: Total	12.500000% 82.500000% 5.000000% 100.000000%	1.004018% 82.500000% 5.000000% 100.000000%
Tract 28					

Schedule XL

Thirty-Ninth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective June 1, 2001

Unit Area Expansion Schedule - San Juan Basin
Conoco Inc.

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NM E-290-33	T-27-N, R-7-W Section 2: S½ NW¼	80.00	Royalty:	12.500000%	0.336129%
			Working Interest:	75.000000%	
			Burlington Resources	12.500000%	
			ORRI:	100.000000%	
			Total	100.000000%	
Tract 31					
NM E-4425-25	T-27-N, R-7-W Section 16: NW¼ NW¼	40.00	Royalty:	12.500000%	0.168065%
			Working Interest:	83.500000%	
			Burlington Resources	4.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
Tract 32					
NM E-4425-48	T-27-N, R-7-W Section 16: NE¼ NW¼	40.00	Royalty:	12.500000%	0.168065%
			Working Interest:	82.500000%	
			Burlington Resources	5.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
Tract 33					
NM E-4425-46	T-27-N, R-7-W Section 16: SW¼ NW¼	40.00	Royalty:	12.500000%	0.168065%
			Working Interest:	50.700000%	
			Burlington Resources	33.800000%	
			Conoco Inc.	3.000000%	
			ORRI:	100.000000%	
Tract 34					
Total				100.000000%	

Schedule XL

Thirty-Ninth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective June 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Percentage Committed	Present Actual Participation
						Percentage		
NM E-2825-6	T-27-N, R-7-W	520.00	Royalty:					2.184841%
	Section 16: SE 1/4 NW 1/4, SW 1/4, E 1/2		Working Interest:					
			Burlington Resources					
			Conoco Inc.					
			ORRI:					
			Total		100.000000%	100.000000%		
Fee	T-28-N, R-7-W	236.46	Royalty:					0.993514%
	Section 28: W 1/2 NE 1/4, SE 1/4 NE 1/4		Working Interest:					
	Section 30: Lot 4, E 1/2 SW 1/4		Burlington Resources					
			ORRI:					
			Total		100.000000%	100.000000%		
Fee	T-28-N, R-7-W	160.00	Royalty:					0.672259%
	Section 20: S 1/2 SE 1/4		Working Interest:					
	Section 21: S 1/2 SW 1/4		Conoco Inc.					
			ORRI:					
			Total		100.000000%	100.000000%		

Schedule XL

Thirty-Ninth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective June 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

<u>Township 28 North, Range 7 West, N.M.P.M.</u>						
Section 7:	Lots 1-5, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (All)					<u>Township 27 North, Range 7 West, N.M.P.M.</u>
Section 8:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 17: E $\frac{1}{2}$
Section 9:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Sections 2, 15, 18, 22: W $\frac{1}{2}$
Section 10:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 16, 19, 21, 29, 30: All
Section 11:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 20: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$
Section 15, 16, 20, 21, 29:	W $\frac{1}{2}$					Section 27: NW $\frac{1}{4}$
Section 18, 19:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)					Section 28: N $\frac{1}{2}$
Sections 13, 15, 20, 24, 26:	E $\frac{1}{2}$					
Sections 17, 22, 27, 28, 34, 35:	All					
Section 30:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ (W $\frac{1}{2}$)					
Section 31:	Lots 1-7, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$					
Section 33:	Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)					
Section 36:	Lots 3, 4, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$					

Total number of acres in participating area:	23,800.36
Total number of committed acres in participating area:	23,800.36
Percent of basic royalty interest committed:	100.00
Percent of working interest committed:	100.00
Percent of overriding royalty interest committed:	100.00

Schedule XLI

Fourtieth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NM 03521	T-27-N, R-7-W	280.00	Royalty:		1.160845%
	Section 20: SW ¼, S½ NW ¼, NE¼ NW ¼		Working Interest:		
			Conoco Inc.		
	ORRI:				
	Total				
			12.500000%	12.500000%	
			63.625000%	63.625000%	
			23.875000%	23.875000%	
			100.000000%	100.000000%	
NM 03560	T-27-N, R-7-W	1,281.44	Royalty:		5.312690%
	Section 29: All		Working Interest:		
	Section 30: Lots 1-4, E½ W½, E½ (All)		Conoco Inc.		
	ORRI:				
	Total				
			12.500000%	12.500000%	
			63.625000%	63.625000%	
			23.875000%	23.875000%	
			100.000000%	100.000000%	
SF 078417	T-28-N, R-7-W	1,720.00	Royalty:		7.130905%
	Section 7: S½ SE¼, SE¼ SW¼		Working Interest:		
	Section 8: S½ SW¼		Conoco Inc.		
	Section 16: SW¼		ORRI:		
	Section 17: All		Total		
			12.500000%	12.500000%	
			84.500000%	84.500000%	
			3.000000%	3.000000%	
			100.000000%	100.000000%	
			100.000000%	100.000000%	
			100.000000%	100.000000%	
SF 078417-A	T-28-N, R-7-W	320.00	Royalty:		1.326680%
	Section 18: E½ NW¼		Working Interest:		
	Section 22: S½ NW¼, SW ¼		Burlington Resources		
	ORRI:				
	Total				
			12.500000%	12.500000%	
			83.500000%	83.500000%	
			4.000000%	4.000000%	
			100.000000%	100.000000%	

Schedule XLI

Fourtieth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 078496	T-27-N, R-7-W	1,689.94	Royalty:		<u>Tract 5</u>		7.006280%
	Section 3: Lots 1-4, S½ N½		Working Interest:				
	Section 5: Lots 1, 2, S½ NE¼		Conoco Inc.				
			ORRI:				
			Total				
	T-28-N, R-7-W						
	Section 27: SE¼, E½ NE¼						
	Section 34: Lots 3, 4, N½ SW¼, NW¼						
	Section 35: Lots 1,2,3,4, N½S½ N½ (All)						
SF 078496-A	T-27-N, R-7-W	641.83	Royalty:		<u>Tract 6</u>		2.660947%
	Section 4: Lots 1-4, S½ N½		Working Interest:				
			Burlington Resources				
			ORRI:				
			Total				
	T-28-N, R-7-W						
	Section 34: Lots 1, 2, N½ SE¼, NE¼						
SF 078497	T-28-N, R-7-W	1,479.56	Royalty:		<u>Tract 7</u>		6.134071%
	Section 7: Lots 1-5		Working Interest:				
	Section 8: Lots 1-4, S½ SE¼		Conoco Inc.				
	Section 16: NW¼		ORRI:				
			Total				
	Section 19: E½, Lot 1, E½ W½						
	Section 20: N½ SE¼						
	Section 29: W½						
SF 078497-A	T-28-N, R-7-W	844.40	Royalty:		<u>Tract 8</u>		3.500777%
	Section 9: Lots 1-4, S½ S½ (All)		Working Interest:				
	Section 18: Lots 1-4, E½ SW¼		Burlington Resources				
	Section 20: W½		ORRI:				
			Total				

Schedule XLI

Fourtieth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 078498	T-28-N, R-7-W	1,352.32	Royalty: Working Interest: Conoco Inc. ORRI:	<u>Tract 9</u>	12.500000%	12.500000%	5.606550%
	Section 28: W½				84.500000%	84.500000%	
	Section 27: W½ NE¼, W½				3.000000%	3.000000%	
	Section 33: Lots 1, 2, 3, 4, N½S½, N½ (All)				100.000000%	100.000000%	
	Total						
SF 078498-A	T-28-N, R-7-W	200.00	Royalty: Working Interest: Burlington Resources ORRI:	<u>Tract 9-A</u>	12.500000%	12.500000%	0.829175%
	Section 28: SE¼, NE¼ NE¼				83.500000%	83.500000%	
					4.000000%	4.000000%	
	Total				100.000000%	100.000000%	
SF 078500-A	T-28-N, R-7-W	565.36	Royalty: Working Interest: Conoco Inc. ORRI:	<u>Tract 10</u>	12.500000%	12.500000%	2.343912%
	Section 19: Lots 2-4				84.500000%	84.500000%	
	Section 31: Lots 1-7, N½ SE¼, E½ NW¼, NE¼ SW¼				3.000000%	3.000000%	
	Total				100.000000%	100.000000%	
SF 078500	T-28-N, R-7-W	189.30	Royalty: Working Interest: Burlington Resources ORRI:	<u>Tract 10-A</u>	12.500000%	12.500000%	0.784814%
	Section 30: Lots 1-3, E½ NW¼				83.500000%	83.500000%	
					4.000000%	4.000000%	
	Total				100.000000%	100.000000%	

Schedule XLI

Fourtieth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078656	T-27-N, R-7-W Section 5: SE ¼ Section 8: NW ¼	320.00	Royalty:	12.500000%	1.326680%
			Working Interest:	69.500000%	
			Conoco Inc.	18.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
SF 078665-A	T-27-N, R-7-W Section 5: Lots 3, 4, S ½ NW ¼, SW ¼	320.52	Royalty:	12.500000%	1.328836%
			Working Interest:	86.500000%	
			Burlington Resources	1.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
SF 078569	T-27-N, R-7-W Section 8: SW ¼, NE ¼	320.00	Royalty:	12.500000%	1.326680%
			Working Interest:	82.500000%	
			Burlington Resources	5.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
SF 078570	T-27-N, R-7-W Section 4: S ½ Section 8: SE ¼ Section 9: NW ¼	640.00	Royalty:	12.500000%	2.653360%
			Working Interest:	80.500000%	
			Conoco Inc.	7.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	

Schedule XLI

Fourthteth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078640	T-27-N, R-7-W	800.00	Royalty:		3.316700%
	Section 9: SW 1/4		Working Interest:		
	Section 15: W 1/2		Burlington Resources		
	Section 17: E 1/2		ORRI:		
			Total		
			12.500000%	12.500000%	
			82.500000%	82.500000%	
			5.000000%	5.000000%	
			100.000000%	100.000000%	
SF 078640	T-27-N, R-7-W	1,760.00	Royalty:		7.296740%
	Section 20: E 1/2		Working Interest:		
	Section 21: All		Burlington Resources		
	Section 22: W 1/2		ORRI:		
	Section 27: NW 1/4				
Section 28: N 1/2					
			12.500000%	12.500000%	
			82.500000%	82.500000%	
			5.000000%	5.000000%	
			100.000000%	100.000000%	
SF 078835	T-27-N, R-7-W	640.20	Royalty:		2.654189%
	Section 6: Lots 3-7, SE 1/4 NW 1/4, E 1/2 SW 1/4		Working Interest:		
	Section 7: E 1/2		Burlington Resources		
			ORRI:		
			Total		
			12.500000%	12.500000%	
			84.000000%	84.000000%	
			3.500000%	3.500000%	
			100.000000%	100.000000%	
SF 078835-A	T-27-N, R-7-W	640.86	Royalty:		2.656926%
	Section 6: Lots 1, 2, S 1/2 NE 1/4, SE 1/4		Working Interest:		
	Section 7: Lots 1-4, E 1/2 W 1/2		Conoco Inc.		
			ORRI:		
			Total		
			12.500000%	12.500000%	
			67.500000%	67.500000%	
			20.000000%	20.000000%	
			100.000000%	100.000000%	

Schedule XLI

Fourtieth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078840	T-27-N, R-7-W Section 18: Lots 1-4, E½ W½	320.36	Royalty:	12.500000%	1.328173%
			Working Interest:	67.500000%	
			Conoco Inc.	20.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
<u>Tract 18</u>					
SF 078840	T-27-N, R-7-W Section 19: Lots 1-4, E½ W½, E½ (All)	641.15	Royalty:	12.500000%	2.658128%
			Working Interest:	67.500000%	
			Conoco Inc.	20.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
<u>Tract 18-A</u>					
SF 078972	T-27-N, R-7-W Section 3: S½ Section 10: All Section 11: All	1,600.00	Royalty:	12.500000%	6.633400%
			Working Interest:	49.500000%	
			Burlington Resources	33.000000%	
			Conoco Inc.	5.000000%	
			ORRI:	100.000000%	
<u>Tract 19</u>					
SF 078972-A	T-27-N, R-7-W Section 9: E½	320.00	Royalty:	12.500000%	1.326680%
			Working Interest:	66.667000%	
			Burlington Resources	6.666000%	
			W. G. Peavy Oil Company	3.333500%	
			Dugan Production Corp.	3.333500%	
Conoco Inc.	7.500000%				
ORRI:	100.000000%				
<u>Tract 20</u>					
Total					

Schedule XLI

Fortieth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079289	T-28-N, R-7-W	696.08	Royalty:	<u>Tract 21</u>	2.885861%
	Section 10: Lots 1-4, S½ S½ (All)		Working Interest:		
	Section 15: E½		Conoco Inc.		
	Section 22: N½ NW¼		ORRI:		
			Total		
			12.500000%	12.500000%	
			69.500000%	69.500000%	
			18.000000%	18.000000%	
			<u>100.000000%</u>	<u>100.000000%</u>	
SF 079289-A	T-28-N, R-7-W	932.80	Royalty:	<u>Tract 22</u>	3.867272%
	Section 11: Lots 1-4, S½ S½ (All)		Working Interest:		
	Section 15: W½		Burlington Resources		
	Section 22: E½		D. J. Simmons Co. LP		
			Helen Louise Simmons		
			June Simmons Lively	2.187500%	2.187500%
			Mary Jane Simmons Banks	2.187500%	2.187500%
			Carolee Simmons Smith	2.187500%	2.187500%
			ORRI:	0.000000%	0.000000%
			Total	<u>100.000000%</u>	<u>100.000000%</u>
SF 079290	T-28-N, R-7-W	480.00	Royalty:	<u>Tract 23</u>	1.990020%
	Section 13: E½		Working Interest:		
	Section 26: NE¼		Conoco Inc.		
			ORRI:		
			Total		
			12.500000%	12.500000%	
			69.500000%	69.500000%	
			18.000000%	18.000000%	
			<u>100.000000%</u>	<u>100.000000%</u>	

Schedule XLI

Fourthieth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Coronco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079290-A	T-28-N, R-7-W Section 24: E½	320.00	Royalty: Working Interest: Burlington Resources D. J. Simmons Co. LP Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI: Total	<u>Tract 24</u> 12.500000% 100.000000%	1.326680% 100.000000%
SF 079290-B	T-28-N, R-7-W Section 25: NW¼	160.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI: Total	<u>Tract 24A</u> 12.500000% 100.000000%	0.663340% 100.000000%
SF-079294	T-28-N, R-7-W Section 26: SE¼ Section 36: Lots 3,4, N½SW¼, NW¼	488.82	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI: Total	<u>Tract 25</u> 12.500000% 100.000000%	2.026587% 100.000000%

Schedule XLI

Fourtieth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF-079294	T-28-N, R-7-W Section 25: SW¼	160.00	Royalty:	12.500000%	0.663340%
			Working Interest:	40.800000%	
			Burlington Resources	27.200000%	
			Conoco Inc.	19.500000%	
			ORRI:	100.000000%	
			Total	100.000000%	
			<u>Tract 25A</u>		
				12.500000%	
				40.800000%	
				27.200000%	
SF 079298-B	T-27-N, R-7-W Section 12: All	640.00	Royalty:	12.500000%	2.653360%
			Working Interest:	82.000000%	
			Conoco Inc.	5.500000%	
			ORRI:	100.000000%	
			Total	100.000000%	
			<u>Tract 26</u>		
				12.500000%	
				82.000000%	
				5.500000%	
				100.000000%	
NM E-290-28	T-27-N, R-7-W Section 2: Lots 3, 4, SW¼	238.96	Royalty:	12.500000%	0.990698%
			Working Interest:	82.500000%	
			Burlington Resources O&G	5.000000%	
			ORRI:	100.000000%	
			Total	100.000000%	
			<u>Tract 28</u>		
				12.500000%	
				82.500000%	
				5.000000%	
				100.000000%	
NM E-290-33	T-27-N, R-7-W Section 2: S½ NW¼	80.00	Royalty:	12.500000%	0.331670%
			Working Interest:	75.000000%	
			Burlington Resources	12.500000%	
			ORRI:	100.000000%	
			Total	100.000000%	
			<u>Tract 31</u>		
				12.500000%	
				75.000000%	
				12.500000%	
				100.000000%	

Schedule XLI

Fourtieth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership	Drilling Block		Present Actual Participation
				Percentage	Percentage Committed	
NM E-4425-25	T-27-N, R-7-W Section 16: NW ¼ NW ¼	40.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 83.500000% 4.000000% 100.000000%	12.500000% 83.500000% 4.000000% 100.000000%	0.165835%
				<u>Tract 32</u>		
				Total		
NM E-4425-48	T-27-N, R-7-W Section 16: NE ¼ NW ¼	40.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 82.500000% 5.000000% 100.000000%	12.500000% 82.500000% 5.000000% 100.000000%	0.165835%
				<u>Tract 33</u>		
				Total		
NM E-4425-46	T-27-N, R-7-W Section 16: SW ¼ NW ¼	40.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 50.700000% 33.800000% 3.000000% 100.000000%	12.500000% 50.700000% 33.800000% 3.000000% 100.000000%	0.165835%
				<u>Tract 34</u>		
				Total		
NM E-2825-6	T-27-N, R-7-W Section 16: SE ¼ NW ¼, SW ¼, E ½	520.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:	12.500000% 49.500000% 33.000000% 5.000000% 100.000000%	12.500000% 49.500000% 33.000000% 5.000000% 100.000000%	2.155855%
				<u>Tract 35</u>		
				Total		

Schedule XLI

Fourtieth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Unit Area Expansion Schedule - San Juan Basin
Conoco Inc.

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
Fee	T-28-N, R-7-W	236.46	Royalty:	12.500000%	0.980334%
	Section 28: W½ NE¼, SE¼ NE¼		Working Interest:	87.500000%	
	Section 30: Lot 4, E½ SW¼		Burlington Resources	0.000000%	
			ORRI:	0.000000%	
	Total			<u>100.000000%</u>	
Tract 36					
Fee	T-28-N, R-7-W	160.00	Royalty:	12.500000%	0.663340%
	Section 20: S½ SE¼		Working Interest:	87.500000%	
	Section 21: S½ SW¼		Conoco Inc.	0.000000%	
			ORRI:	0.000000%	
	Total			<u>100.000000%</u>	
Tract 36A					
Fee	T-28-N, R-7-W	160.00	Royalty:	12.500000%	0.663340%
	Section 20: S½ SE¼		Working Interest:	87.500000%	
	Section 21: S½ SW¼		Conoco Inc.	0.000000%	
			ORRI:	0.000000%	
	Total			<u>100.000000%</u>	

Schedule XLI

Fourtieth Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

<u>Township 28 North, Range 7 West, N.M.P.M.</u>						
Section 7:	Lots 1-5, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (All)					<u>Township 27 North, Range 7 West, N.M.P.M.</u>
Section 8:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 17: E $\frac{1}{2}$
Section 9:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Sections 2, 15, 18, 22: W $\frac{1}{2}$
Section 10:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 16, 19, 21, 29, 30: All
Section 11:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 20: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$
Sections 15, 16, 20, 21, 25, 29:	W $\frac{1}{2}$					Section 27: NW $\frac{1}{4}$
Section 18, 19:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)					Section 28: N $\frac{1}{2}$
Sections 13, 15, 20, 24, 26:	E $\frac{1}{2}$					
Sections 17, 22, 27, 28, 34, 35:	All					
Section 30:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ (W $\frac{1}{2}$)					
Section 31:	Lots 1-7, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$					
Section 33:	Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)					
Section 36:	Lots 3, 4, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$					

Total number of acres in participating area:	24,120.36
Total number of committed acres in participating area:	24,120.36
Percent of basic royalty interest committed:	100.00
Percent of working interest committed:	100.00
Percent of overriding royalty interest committed:	100.00

Schedule XLII

Forty-First Expanded Participating Area for the Pictured Cliffs Formation

Conoco Inc.

San Juan 28-7 Unit Area, Effective September 1, 2001

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation			
					Percentage	Percentage Committed				
NM 03521	<u>T-27-N, R-7-W</u>	280.00	Royalty:		<u>Tract 1</u>	12.500000%	1.131037%			
	Working Interest:									
	Conoco Inc.									
	ORRI:									
	<u>Total</u>									
NM 03560	<u>T-27-N, R-7-W</u>	1,281.44	Royalty:		<u>Tract 2</u>	12.500000%	5.176272%			
	Working Interest:									
	Conoco Inc.									
	ORRI:									
	<u>Total</u>									
SF 078417	<u>T-28-N, R-7-W</u>	1,720.00	Royalty:		<u>Tract 3</u>	12.500000%	6.947799%			
	Working Interest:									
	Conoco Inc.									
	ORRI:									
	<u>Total</u>									
SF 078417-A	<u>T-28-N, R-7-W</u>	320.00	Royalty:		<u>Tract 4</u>	12.500000%	1.292614%			
	Working Interest:									
	Burlington Resources									
	ORRI:									
	<u>Total</u>									

Schedule XLII

Forty-First Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective September 1, 2001

Unit Area Expansion Schedule - San Juan Basin
Conoco Inc.

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation		
					Percentage	Percentage Committed			
SF 078496	T-27-N, R-7-W	1,689.94	Royalty:		<u>Tract 5</u>	12.500000%	12.500000%	6.826374%	
	Section 3: Lots 1-4, S½ N½		Working Interest:						84.500000%
	Section 5: Lots 1, 2, S½ NE¼		Conoco Inc.						84.500000%
			ORRI:						3.000000%
			Total						100.000000%
SF 078496-A	T-27-N, R-7-W	641.83	Royalty:		<u>Tract 6</u>	12.500000%	12.500000%	2.592620%	
	Section 4: Lots 1-4, S½ N½		Working Interest:						83.500000%
			Burlington Resources						83.500000%
	T-28-N, R-7-W		ORRI:						4.000000%
	Section 34: Lots 1, 2, N½ SE¼, NE¼		Total						100.000000%
SF 078497	T-28-N, R-7-W	1,479.56	Royalty:		<u>Tract 7</u>	12.500000%	12.500000%	5.976562%	
	Section 7: Lots 1-5		Working Interest:						84.500000%
	Section 8: Lots 1-4, S½ SE¼		Conoco Inc.						84.500000%
	Section 16: N½ SE¼		ORRI:						3.000000%
	Section 19: E½, Lot 1, E½ W½		Total						100.000000%
SF 078497-A	T-28-N, R-7-W	844.40	Royalty:		<u>Tract 8</u>	12.500000%	12.500000%	3.410885%	
	Section 9: Lots 1-4, S½ S½		Working Interest:						83.500000%
	(All)		Burlington Resources						83.500000%
	Section 18: Lots 1-4, E½ SW¼		ORRI:						4.000000%
	Section 20: W½		Total						100.000000%
W/2 Sec 20-28N-7W added as Intervening Drill Block									

Schedule XLII

**Forty-First Expanded Participating Area for the Pictured Cliffs Formation
San Juan 28-7 Unit Area, Effective September 1, 2001**

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basim

Serial Number	Description	Number of Acres	Ownership	Drilling Block		Present Actual Participation
				Percentage	Percentage Committed	
SF 078498	<u>T-28-N, R-7-W</u> Section 28: W $\frac{1}{2}$ Section 27: W $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ Section 29: E $\frac{1}{2}$ Section 32: Lots 1, 2, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ Section 33: Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)	1,988.00	Royalty: Working Interest: Conoco Inc. ORRI:	<u>Tract 9</u> 12.500000% 84.500000% 3.000000% 100.000000%	12.500000% 84.500000% 3.000000% 100.000000%	8.030363%
SF 078498-A	<u>T-28-N, R-7-W</u> Section 28: SE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$	200.00	Royalty: Working Interest: Burlington Resources ORRI:	<u>Tract 9-A</u> 12.500000% 83.500000% 4.000000% 100.000000%	12.500000% 83.500000% 4.000000% 100.000000%	0.807884%
SF 078500-A	<u>T-28-N, R-7-W</u> Section 19: Lots 2-4 Section 31: Lots 1-7, N $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	565.36	Royalty: Working Interest: Conoco Inc. ORRI:	<u>Tract 10</u> 12.500000% 84.500000% 3.000000% 100.000000%	12.500000% 84.500000% 3.000000% 100.000000%	2.283726%
SF 078500	<u>T-28-N, R-7-W</u> Section 30: Lots 1-3, E $\frac{1}{2}$ NW $\frac{1}{4}$	189.30	Royalty: Working Interest: Burlington Resources ORRI:	<u>Tract 10-A</u> 12.500000% 83.500000% 4.000000% 100.000000%	12.500000% 83.500000% 4.000000% 100.000000%	0.764662%

Schedule XLII

Forty-First Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective September 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078656	T-27-N, R-7-W Section 5: SE 1/4 Section 8: NW 1/4	320.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 69.500000% 18.000000% 100.000000%	12.500000% 69.500000% 18.000000% 100.000000%	1.292614%
Tract 11						
Total						
SF 078565-A	T-27-N, R-7-W Section 5: Lots 3, 4, S 1/2 NW 1/4, SW 1/4	320.52	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 86.500000% 1.000000% 100.000000%	12.500000% 86.500000% 1.000000% 100.000000%	1.294714%
Tract 12						
Total						
SF 078569	T-27-N, R-7-W Section 8: SW 1/4, NE 1/4	320.00	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 82.500000% 5.000000% 100.000000%	12.500000% 82.500000% 5.000000% 100.000000%	1.292614%
Tract 13						
Total						
SF 078570	T-27-N, R-7-W Section 4: S 1/2 Section 8: SE 1/4 Section 9: NW 1/4	640.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 80.500000% 7.000000% 100.000000%	12.500000% 80.500000% 7.000000% 100.000000%	2.585228%
Tract 14						
Total						

Schedule XLII

Forty-First Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective September 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078640	<u>T-27-N, R-7-W</u>	800.00	Royalty:		3.231535%
	Section 9: SW¼				
	Section 15: W½				
	Section 17: E½				

Forty-First Expanded Participating Area for the Pictured Cliffs Formation

Conoco Inc.

San Juan 28-7 Unit Area, Effective September 1, 2001

Unit Area Expansion Schedule - San Juan Basin

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Schedule XLII

Forty-First Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective September 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079289	T-28-N, R-7-W Section 10: Lots 1-4, S½ S½ (All) Section 15: E½ Section 22: N½ NW¼	696.08	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 69.500000% 18.000000% 100.000000%	2.811758%
			Tract 21		
			Total		
SF 079289-A	T-28-N, R-7-W Section 11: Lots 1-4, S½ S½ (All) Section 15: W½ Section 22: E½	932.80	Royalty: Working Interest: Burlington Resources D. J. Simmons Co. LP Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI:	12.500000% 52.500000% 26.250000% 2.187500% 2.187500% 2.187500% 2.187500% 0.000000% 100.000000%	3.767969%
			Tract 22		
			Total		
SF 079290	T-28-N, R-7-W Section 13: E½ Section 26: NE¼	480.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 69.500000% 18.000000% 100.000000%	1.938921%
			Tract 23		
			Total		

**Forty-First Expanded Participating Area for the Pictured Cliffs Formation
San Juan 28-7 Unit Area, Effective September 1, 2001**

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Present Actual Participation
					Percentage	Percentage Committed	
SF 079290-A	<u>T-28-N, R-7-W</u> Section 24: E½	320.00	Royalty: Working Interest: Burlington Resources D. J. Simmons Co. LP Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI:		<u>Tract 24</u>	12.500000%	1.292614%
			Total	100.000000%		100.000000%	
SF 079290-B	<u>T-28-N, R-7-W</u> Section 25: NW¼	160.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:		<u>Tract 24A</u>	12.500000%	0.646307%
			Total	100.000000%		100.000000%	
SF-079294	<u>T-28-N, R-7-W</u> Section 26: SE¼ Section 36: Lots 3,4, N½SW¼, NW¼	488.82	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI:		<u>Tract 25</u>	12.500000%	1.974548%
			Total	100.000000%		100.000000%	

Schedule XLII

Forty-First Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective September 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF-079294	T-28-N, R-7-W Section 25: SW 1/4	160.00	Royalty: Working Interest: Burlington Resources Conoco Inc. ORRI: Total	12.500000% 40.800000% 27.200000% 19.500000% 100.000000%	12.500000% 40.800000% 27.200000% 19.500000% 100.000000%	0.646307%
Tract 25A						
SF 079298-B	T-27-N, R-7-W Section 12: All	640.00	Royalty: Working Interest: Conoco Inc. <u>ORRI:</u> Total	12.500000% 82.000000% 5.500000% 100.000000%	12.500000% 82.000000% 5.500000% 100.000000%	2.585228%
Tract 26						
NM E-290-28	T-27-N, R-7-W Section 2: Lots 3, 4, SW 1/4	238.96	Royalty: Working Interest: Burlington Resources O&G ORRI: Total	12.500000% 82.500000% 5.000000% 100.000000%	12.500000% 82.500000% 5.000000% 100.000000%	0.965259%
Tract 28						
NM E-290-33	T-27-N, R-7-W Section 2: S 1/2 NW 1/4	80.00	Royalty: Working Interest: Burlington Resources ORRI: Total	12.500000% 75.000000% 12.500000% 100.000000%	12.500000% 75.000000% 12.500000% 100.000000%	0.323153%
Tract 31						

Schedule XLII

Forty-First Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective September 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Drilling Block		Percentage Committed	Present Actual Participation
						Percentage		
NM E-4425-25	<u>T-27-N, R-7-W</u> Section 16: NW ¼ NW ¼	40.00	Royalty:			12.500000%		<u>0.161577%</u>
			Working Interest:			83.500000%		
			Burlington Resources			4.000000%		
			ORRI:			<u>100.000000%</u>		
			Total			<u>100.000000%</u>		
NM E-4425-48	<u>T-27-N, R-7-W</u> Section 16: NE ¼ NW ¼	40.00	Royalty:			12.500000%		<u>0.161577%</u>
			Working Interest:			82.500000%		
			Burlington Resources			5.000000%		
			ORRI:			<u>100.000000%</u>		
			Total			<u>100.000000%</u>		
NM E-4425-46	<u>T-27-N, R-7-W</u> Section 16: SW ¼ NW ¼	40.00	Royalty:			12.500000%		<u>0.161577%</u>
			Working Interest:			50.700000%		
			Burlington Resources			33.800000%		
			Conoco Inc.			3.000000%		
			ORRI:			<u>100.000000%</u>		
Total			<u>100.000000%</u>					
NM E-2825-6	<u>T-27-N, R-7-W</u> Section 16: SE ¼ NW ¼, SW ¼, E ½	520.00	Royalty:			12.500000%		<u>2.100497%</u>
			Working Interest:			49.500000%		
			Burlington Resources			33.000000%		
			Conoco Inc.			5.000000%		
			ORRI:			<u>100.000000%</u>		
Total			<u>100.000000%</u>					

Schedule XLII

Forty-First Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective September 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
Fee	<u>T-28-N, R-7-W</u> Section 28: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 30: Lot 4, E $\frac{1}{2}$ SW $\frac{1}{4}$	236.46	Royalty: Working Interest: Burlington Resources ORRI:	12.500000% 87.500000% 0.000000% <u>100.000000%</u>	12.500000% 87.500000% 0.000000% <u>100.000000%</u>	0.955161%
			<u>Tract 36</u> Total			
Fee	<u>T-28-N, R-7-W</u> Section 20: S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 21: S $\frac{1}{2}$ SW $\frac{1}{4}$	160.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000% 87.500000% 0.000000% <u>100.000000%</u>	12.500000% 87.500000% 0.000000% <u>100.000000%</u>	0.646307%
			<u>Tract 36A</u> Total			

Schedule XLII

Forty-First Expanded Participating Area for the Pictured Cliffs Formation San Juan 28-7 Unit Area, Effective September 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

<u>Township 28 North, Range 7 West, N.M.P.M.</u>						
Section 7:	Lots 1-5, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (All)					<u>Township 27 North, Range 7 West, N.M.P.M.</u>
Section 8:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 17: E $\frac{1}{2}$
Section 9:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Sections 2, 15, 18, 22: W $\frac{1}{2}$
Section 10:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 16, 19, 21, 29, 30: All
Section 11:	Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)					Section 20: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$
Sections 15, 16, 20, 21, 25, 29:	W $\frac{1}{2}$					Section 27: NW $\frac{1}{4}$
Section 18, 19:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)					Section 28: N $\frac{1}{2}$
Sections 13, 15, 20, 24, 26, 29, 32:	E $\frac{1}{2}$					
Sections 17, 22, 27, 28, 34, 35:	All					
Section 30:	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ (W $\frac{1}{2}$)					
Section 31:	Lots 1-7, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$					
Section 33:	Lots 1, 2, 3, 4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (All)					
Section 36:	Lots 3, 4, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$					

Total number of acres in participating area:	24,756.04
Total number of committed acres in participating area:	24,756.04
Percent of basic royalty interest committed:	100.00
Percent of working interest committed:	100.00
Percent of overriding royalty interest committed:	100.00



Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079
Tel: 281-293-5568
Fax: 281-293-1102

July 12, 2002

Bureau of Land Management
Farmington Resource Area
Attn: Geneva McDougal
1235 LaPlata Highway
Farmington, New Mexico 87401

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

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

Re: San Juan 28-7 Unit, # 14-08-001-459
Rio Arriba County, New Mexico
Mesaverde Participating Area
Forty-Fifth Expansion: Effective 1/1/02

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, approved January 29, 1953, Conoco Inc., as Unit Operator, had determined that the following wells are capable of producing unitized substances in paying quantities from the Mesaverde formation and should therefore be admitted to the Mesaverde Participating Area.

Pursuant to BLM letter dated June 27, 2002, attached is a list of wells that have been deemed commercial along with their respective tracts and completion dates.

The Expansion Schedule for the Forty-Fifth Expansion is included herewith. The schedule described the Participating Area and shows the percentage of unitized substances allocated to each Unit Tract.

Conoco Inc. respectfully requests your approval of the Forty-Fifth Expansion at your earliest convenience. Should you have questions in this regard, please contact the undersigned at 281.293.5568.

Copies of this letter are being furnished to the Working Interest Owners on the attached list.

Respectfully submitted,

Tom Scarbrough, CPL

Enclosures



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

San Juan 28-7 Unit (Mesaverde PA)
3162.7 (07100)

June 27, 2002

Conoco Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079

RE: San Juan 28-7 Unit
Commerciality Determination
Mesaverde Formation
Rio Arriba, New Mexico

Dear Mr. Tom Scarbrough:

In response to your letter dated June 13, 2002, the Farmington Field Office (FFO) has reviewed the data you submitted for a commerciality determination for the following well completed in the Mesaverde formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 28-7 Unit #228M	W/2 Sec.8, T27N, R7W	NMSF078565	12/01/01	Commercial

After completing our economic evaluation, we are in concurrence with the above determination.

The well was determined to be commercial in the Mesaverde formation and is to be included in the Mesaverde participating area. It is required that a revision be submitted to include this well in the San Juan 28-7 Unit Mesaverde 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, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

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

Sincerely,

Wayne Townsend
Petroleum Engineer
Petroleum Management Team

Forty-Fifth Expansion to the Participating Area – Effective 1/01/02
Total P/A Acres = 28,606.18

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #228M W/2 Sec 8-27N-7W 320.00 acres	11	NW/4	160.00	12/1/01
San Juan 28-7 Unit #228M W/2 Sec 8-27N-7W 320.00 acres	13	SW/4	160.00	12/1/01

**San Juan 28-7 Unit
Working Interest Owners
Mesaverde Formation**

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75060-2038

The Wiser Oil Company
8115 Preston Road, #400
Dallas, TX 75225-6311

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
6704 Ashbrook Dr.
Fort Worth, TX 76132-1140

Conoco Inc.
Attn: Tom Scarbrough
600 Dairy Ashford
Houston, TX 77079

Schedule XL VI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NM 03521	<u>T-27-N, R-7-W</u> Section 20: W $\frac{1}{2}$	320.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000 % 63.625000 % 23.875000 % 100.000000 %	12.500000 % 63.625000 % 23.875000 % 100.000000 %	<u>1.118639 %</u>
<u>Tract 1</u>						
NM 03560	<u>T-27-N, R-7-W</u> Section 29: All Section 30: Lots 1, 2, 3, 4 E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)	1,281.44	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	12.500000 % 63.625000 % 23.875000 % 100.000000 %	12.500000 % 63.625000 % 23.875000 % 100.000000 %	<u>4.479591 %</u>
<u>Tract 2</u>						
SF 078417	<u>T-28-N, R-7-W</u> Section 7: S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 8: S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 16: SW $\frac{1}{4}$, SE $\frac{1}{4}$ Section 17: All Section 18: E $\frac{1}{2}$ Section 20: NE $\frac{1}{4}$ Section 21: NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	2,160.00	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	12.500000 % 84.500000 % 3.000000 % 100.000000 %	12.500000 % 84.500000 % 3.000000 % 100.000000 %	<u>7.550816 %</u>
<u>Tract 3</u>						

Schedule XLVI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078417-A	<u>T-28-N, R-7-W</u>	320.00	<u>Tract 4</u>			
	Section 18: E½ NW¼	Royalty:	12.50000	%	12.50000	%
	Section 22: SW¼, S½ NW¼	Working Interest:				
		Burlington Resources Oil & Gas	83.50000	%	83.50000	%
		ORRI:	4.00000	%	4.00000	%
	Total	100.00000	%	100.00000	%	
SF 078496	<u>T-27-N, R-7-W</u>	1,689.94	<u>Tract 5</u>			
	Section 3: Lots 1, 2, 3, 4,	Royalty:	12.50000	%	12.50000	%
	S½ NE¼, S½ NW¼	Working Interest:				
	Section 5: Lots 1, 2, S½ NE¼	Conoco Inc.	84.50000	%	84.50000	%
		ORRI:	3.00000	%	3.00000	%
	Total	100.00000	%	100.00000	%	
	<u>T-28-N, R-7-W</u>					
	Section 27: SE¼, E½ NE¼					
	Section 34: Lots 3, 4, N½ SW¼, NW¼					
	Section 35: Lots 1, 2, 3, 4, N½ SE¼, NE¼, N½ SW¼, NW¼					
					5.907605 %	

Schedule XLVI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation	
			Ownership	Percentage			
SF 078496-A	<u>T-27-N, R-7-W</u>	801.83	<u>Tract 6</u>				
	Section 4: Lots 1, 2, 3, 4, S½ NE¼, S½ NW¼	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI:	12.50000 % 83.50000 % 4.00000 %	12.50000 % 83.50000 % 4.00000 %	<u>2.802996 %</u>		
	<u>T-28-N, R-7-W</u>	<u>Total</u>	100.00000 %	100.00000 %			
	Section 26: SW¼						
	Section 34: Lots 1, 2, N½ SE¼, NE¼						
	SF 078497	<u>T-28-N, R-7-W</u>	1,639.56	<u>Tract 7</u>			
		Section 7: Lots 1, 2, 3, 4, 5 Section 8: Lots 1, 2, 3, 4, S½ SE¼	Royalty: Working Interest: Conoco Inc. ORRI:	12.50000 % 84.50000 % 3.00000 %	12.50000 % 84.50000 % 3.00000 %	<u>5.731489 %</u>	
		Section 16: NW¼, NE¼ Section 19: Lot 1, E½ W½, E½ Section 20: N½ SE¼ Section 29: W½	<u>Total</u>	100.00000 %	100.00000 %		

Schedule XLVI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078497-A	<u>T-28-N, R-7-W</u>	844.40	Royalty:	12.50000 %	12.50000 %	<u>2.951810 %</u>
	Section 9: Lots 1, 2, 3, 4, S½ S½		Working Interest:			
	Section 18: Lots 1, 2, 3, 4, E½ SW¼		Burlington Resources Oil & Gas	83.50000 %	83.50000 %	
	Section 20: W½		ORRI:	4.00000 %	4.00000 %	
	<i>Total</i>			<u>100.00000 %</u>	<u>100.00000 %</u>	
<u>Tract 8</u>						
SF 078498-A	<u>T-28-N, R-7-W</u>	1,988.00	Royalty:	12.50000 %	12.50000 %	<u>6.949547 %</u>
	Section 27: W½ NE¼, W½		Working Interest:			
	Section 28: W½		Conoco Inc.	84.50000 %	84.50000 %	
	Section 29: E½		ORRI:	3.00000 %	3.00000 %	
	Section 32: Lots 1, 2, N½ SE¼, NE¼		<i>Total</i>	<u>100.00000 %</u>	<u>100.00000 %</u>	
	Section 33: Lots 1, 2, 3, 4, N½ SW¼, NW¼, N½ SE¼, NE¼					
<u>Tract 9-A</u>						
SF 078498-A	<u>T-28-N, R-7-W</u>	515.36	Royalty:	12.50000 %	12.50000 %	<u>1.801569 %</u>
	Section 28: SE¼, NE¼ NE¼		Working Interest:			
	Section 32: Lots 3, 4, N½ SW¼, NW¼		Burlington Resources Oil & Gas	83.50000 %	83.50000 %	
			ORRI:	4.00000 %	4.00000 %	
	<i>Total</i>			<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLVI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Coroco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078500-A	<u>T-28-N, R-7-W</u>	925.36	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	12.50000 % 84.50000 % 3.00000 % <i>100.00000 %</i>	12.50000 % 84.50000 % 3.00000 % <i>100.00000 %</i>	<u>3.234825 %</u>
	Section 19: Lots 2, 3, 4 Section 30: N½ NE¼, SW¼NE¼, S½ SE¼ Section 31: Lots 1,2,3,4,5,6,7, E½ NW¼, NE¼ SW¼, NE¼, N½ SE¼ (All)					
SF 078500	<u>T-28-N, R-7-W</u>	189.30	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: <i>Total</i>	12.50000 % 83.50000 % 4.00000 % <i>100.00000 %</i>	12.50000 % 83.50000 % 4.00000 % <i>100.00000 %</i>	<u>0.661745 %</u>
	Section 30: Lots 1, 2, 3, E½ NW¼					
SF 078565	<u>T-27-N, R-7-W</u>	320.00	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	12.50000 % 69.50000 % 18.00000 % <i>100.00000 %</i>	12.50000 % 69.50000 % 18.00000 % <i>100.00000 %</i>	<u>1.118639 %</u>
	Section 5: SE¼ Section 8: NW¼					

Schedule XLVI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078565-A	<u>T-27-N, R-7-W</u> Section 5: Lots 3, 4, S½ NW¼, SW¼	320.52	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 86.50000 % 1.00000 % 100.00000 %	12.50000 % 86.50000 % 1.00000 % 100.00000 %	1.120457 %
<u>Tract 12</u>						
SF 078569	<u>T-27-N, R-7-W</u> Section 8: NE¼, SW¼	320.00	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 82.50000 % 5.00000 % 100.00000 %	12.50000 % 82.50000 % 5.00000 % 100.00000 %	1.118639 %
<u>Tract 13</u>						
SF 078570	<u>T-27-N, R-7-W</u> Section 4: SE¼, SW¼ Section 8: SE¼ Section 9: NW¼ Total	640.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.50000 % 80.50000 % 7.00000 % 100.00000 %	12.50000 % 80.50000 % 7.00000 % 100.00000 %	2.237279 %
<u>Tract 14</u>						

Schedule XL VI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078640	<u>T-27-N, R-7-W</u> Section 9: SW¼ Section 15: W½	480.00	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 82.50000 % 5.00000 % 100.00000 %	12.50000 % 82.50000 % 5.00000 % 100.00000 %	<u>1.677959 %</u>
Tract 15						
SF 078640	<u>T-27-N, R-7-W</u> Section 20: E½	320.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.50000 % 82.50000 % 5.00000 % 100.00000 %	12.50000 % 82.50000 % 5.00000 % 100.00000 %	<u>1.118639 %</u>
Tract 15-A						
SF 078835	<u>T-27-N, R-7-W</u> Section 6: Lots 3,4, S½ NW¼, SW¼ Section 7: E½	640.20	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 84.00000 % 3.50000 % 100.00000 %	12.50000 % 84.00000 % 3.50000 % 100.00000 %	<u>2.237978 %</u> E/2 Sec.7-27N-7W included as an intervening Drilling Block
Tract 16						

Schedule XLVI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078835-A	<u>T-27-N, R-7-W</u> Section 6: Lots 1, 2, S½ NE¼, SE¼ Section 7: Lots 1, 2, 3, 4, E½ W½	640.86	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	12.50000 % 67.50000 % 20.00000 % 100.00000 %	12.50000 % 67.50000 % 20.00000 % 100.00000 %	<u>2.240285 %</u>
SF 078840	<u>T-27-N, R-7-W</u> Section 18: Lots 1, 2, 3, 4, E½ W½, E½ Section 19: E½, E½ W½, Lots 1,2,3,4	1,281.51	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	12.50000 % 67.50000 % 20.00000 % 100.00000 %	12.50000 % 67.50000 % 20.00000 % 100.00000 %	<u>4.479836 %</u>
SF 078972	<u>T-27-N, R-7-W</u> Section 3: SE¼, SW¼ Section 10: E½, W½ Section 11: E½, W½	1,600.00	Royalty: Working Interest: Burlington Resources Oil & Gas Conoco Inc. ORRI: <i>Total</i>	12.50000 % 49.50000 % 33.00000 % 5.00000 % 100.00000 %	12.50000 % 49.50000 % 33.00000 % 5.00000 % 100.00000 %	<u>5.593197 %</u>

Schedule XLVI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation	
			Ownership	Percentage			
SF 078972-A	<u>T-27-N, R-7-W</u>	320.00	<u>Tract 20</u>				
	Royalty:		12.50000	%	12.50000	%	<u>1.118639</u> %
	Working Interest:						
	Burlington Resources Oil & Gas		66.66667	%	66.66667	%	
	Conoco Inc.		3.33333	%	3.33333	%	
	Dugan Production Corp.		3.33333	%	3.33333	%	
	W. G. Peavy Oil Company		6.66666	%	6.66666	%	
	ORRI:		7.50000	%	7.50000	%	
	<u>Total</u>		100.00000	%	100.00000	%	
	SF 079289		<u>T-28-N, R-7-W</u>	1,304.48	<u>Tract 21</u>		
Royalty:		12.50000	%		12.50000	%	
Working Interest:							
Conoco Inc.		69.50000	%		69.50000	%	
ORRI:		18.00000	%		18.00000	%	
<u>Total</u>		100.00000	%		100.00000	%	
Section 22: N½ NW¼							

Schedule XLVI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation		
			Ownership	Percentage				
SF 079289-A	<u>T-28-N, R-7-W</u>	1,252.80	Royalty:	12.50000 %	12.50000 %	<u>4.379473 %</u>		
		Working Interest:						
	Section 11: Lots 1, 2, 3, 4, S½ S½		Burlington Resources Oil & Gas	52.50000 %	52.50000 %			
	Section 14: W½		D. J. Simmons Co. LP	26.25000 %	26.25000 %			
	Section 15: W½		Helen Louise Simmons	2.18750 %	2.18750 %			
	Section 22: E½		June Simmons Lively	2.18750 %	2.18750 %			
			Mary Jane Simmons Banks	2.18750 %	2.18750 %			
			Carolee Simmons Smith	2.18750 %	2.18750 %			
		ORRI:		0.00000 %	0.00000 %			
		<i>Total</i>		100.00000 %	100.00000 %			
	SF 079290	<u>T-28-N, R-7-W</u>	1,280.00	Royalty:	12.50000 %		12.50000 %	<u>4.474558 %</u>
			Working Interest:					
		Section 13: E½		Conoco Inc.	69.50000 %		69.50000 %	
Section 23: W½			ORRI:	18.00000 %	18.00000 %			
Section 24: W½			<i>Total</i>	100.00000 %	100.00000 %			
Section 26: NW¼, NE¼								

Schedule XL VI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation			
			Ownership	Percentage					
SF 079290-A	<u>T-28-N, R-7-W</u>	960.00	Royalty:	12.50000	%	<u>3.355918</u> %			
	Working Interest:								
	Burlington Resources Oil & Gas		51.90000	%					
	D. J. Simmons Co. LP		25.95000	%					
	Helen Louise Simmons		2.16250	%					
	June Simmons Lively		2.16250	%					
	Mary Jane Simmons Banks		2.16250	%					
	Carolee Simmons Smith		2.16250	%					
	ORRI:		1.00000	%					
	<u>Tract 24</u>								
	<u>Total</u>		100.00000	%					
	SF 079290-B		<u>T-28-N, R-7-W</u>	320.00	Royalty:		12.50000	%	<u>1.118639</u> %
			Working Interest:						
			Conoco Inc.		28.00000		%		
			Burlington Resources Oil & Gas		42.00000		%		
ORRI:		17.50000	%						
<u>Tract 24-A</u>									
<u>Total</u>		100.00000	%						

Schedule XLVI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079294	<u>T-28-N, R-7-W</u> Section 25: SW $\frac{1}{4}$, SE $\frac{1}{4}$	320.00	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI: Total	12.50000 % 27.20000 % 40.80000 % 19.50000 % 100.00000 %	12.50000 % 27.20000 % 40.80000 % 19.50000 % 100.00000 %	<u>1.118639 %</u>
<u>Tract 25</u>						
SF 079294	<u>T-28-N, R-7-W</u> Section 26: SE $\frac{1}{4}$ Section 36: Lots 1, 2, 3, 4, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$	816.88	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI: Total	12.50000 % 34.20000 % 51.30000 % 2.00000 % 100.00000 %	12.50000 % 34.20000 % 51.30000 % 2.00000 % 100.00000 %	<u>2.855607 %</u>
<u>Tract 25-A</u>						
SF 079298-B	<u>T-27-N, R-7-W</u> Section 12: E $\frac{1}{2}$, W $\frac{1}{2}$	640.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.50000 % 82.00000 % 5.50000 % 100.00000 %	12.50000 % 82.00000 % 5.50000 % 100.00000 %	<u>2.237280 %</u>
<u>Tract 26</u>						

Schedule XLVI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079321-A	<u>T-27-N, R-7-W</u>	639.20	Royalty:	12.50000 %	12.50000 %	<u>2.234483 %</u>
	Section 1: Lots 1, 2, 3, 4, S½ NE¼, SE¼, S½ NW¼, SW¼		Working Interest: Conoco Inc. ORRI:	82.00000 % 5.50000 %	82.00000 % 5.50000 %	
	<i>Total</i>			<u>100.00000 %</u>	<u>100.00000 %</u>	
NM E-290-39	<u>T-27-N, R-7-W</u>	278.96	Royalty:	12.50000 %	12.50000 %	<u>0.975174 %</u>
	Section 2: Lots 3, 4, SW¼, SW¼ SE¼		Working Interest: Burlington Resources Oil & Gas ORRI:	82.50000 % 5.00000 %	82.50000 % 5.00000 %	
	<i>Total</i>			<u>100.00000 %</u>	<u>100.00000 %</u>	
NM E-290-3	<u>T-27-N, R-7-W</u>	119.54	Royalty:	12.50000 %	12.50000 %	<u>0.417882 %</u>
	Section 2: Lot 2, SW¼ NE¼, NW¼ SE¼		Working Interest: The Wiser Oil Company ORRI:	87.50000 % 0.00000 %	87.50000 % 0.00000 %	
	<i>Total</i>			<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLVI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
<u>Tract 30</u>						
NM E-290-39	<u>T-27-N, R-7-W</u>	39.58	Royalty:	12.50000 %	12.50000 %	<u>0.138362 %</u>
	Section 2: Lot 1		Working Interest:			
			Burlington Resources Oil & Gas	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
			<i>Total</i>	<u>100.00000 %</u>	<u>100.00000 %</u>	
<u>Tract 30-A</u>						
NM E-290-39	<u>T-27-N, R-7-W</u>	80.00	Royalty:	12.50000 %	12.50000 %	<u>0.279660 %</u>
	Section 2: SE¼ NE¼, NE¼ SE¼		Working Interest:			
			Burlington Resources Oil & Gas	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
			<i>Total</i>	<u>100.00000 %</u>	<u>100.00000 %</u>	
<u>Tract 31</u>						
NM E-290-33	<u>T-27-N, R-7-W</u>	120.00	Royalty:	12.50000 %	12.50000 %	<u>0.419490 %</u>
	Section 2: S½ NW¼, SE¼ SE¼		Working Interest:			
			Burlington Resources Oil & Gas	75.00000 %	75.00000 %	
			ORRI:	12.50000 %	12.50000 %	
			<i>Total</i>	<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLVI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
<u>Tract 35</u>						
NM E-2825-6	<u>T-27-N, R-7-W</u>	320.00	Royalty:	12.50000 %	12.50000 %	<u>1.118639 %</u>
	Working Interest:					
	Burlington Resources Oil & Gas		49.50000 %	49.50000 %		
	Conoco Inc.		33.00000 %	33.00000 %		
	ORRI:		5.00000 %	5.00000 %		
	<u>Total</u>			<u>100.00000 %</u>	<u>100.00000 %</u>	
<u>Tract 36</u>						
Fee	<u>T-28-N, R-7-W</u>	236.46	Royalty:	12.50000 %	12.50000 %	<u>0.826605 %</u>
	Working Interest:					
	Burlington Resources Oil & Gas		87.50000 %	87.50000 %		
	ORRI:		0.00000 %	0.00000 %		
			<u>Total</u>		<u>100.00000 %</u>	
<u>Tract 36-A</u>						
Fee	<u>T-28-N, R-7-W</u>	320.00	Royalty:	12.50000 %	12.50000 %	<u>1.118639 %</u>
	Working Interest:					
	Conoco Inc.		87.50000 %	87.50000 %		
	ORRI:		0.00000 %	0.00000 %		
			<u>Total</u>		<u>100.00000 %</u>	
	Section 20: S½ SE¼					
	Section 21: S½ SW¼, SW¼ SE¼					
	Section 30: N½ SE¼, SE¼ NE¼					

Schedule XLVI

Forty-Fifth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 2002

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

Township 27 North, Range 7 West, N.M.P.M.

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 18, 19, 20, 29, 30: All

Section 16: E½

Sections 15: W½

Township 28 North, Range 7 West, N.M.P.M.

Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21,

22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36: All

Total number of acres in participating area:

28,606.18

Percent of basic royalty interest committed:

100.00000 %

Percent of working interest committed:

100.00000 %

Percent of overriding royalty interest committed:

100.00000 %



Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079
(281) 293-5568

July 9, 2002

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
1235 LaPlata Highway
Farmington, New Mexico 87401

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

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

Re: San Juan 28-7 Unit 14-08-001-459
Commerciality Determination
Chacra Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement, approved January 29, 1953, Conoco Inc., as Unit Operator, has determined that the wells on the attached list are not capable of producing unitized substances in paying quantities from the Chacra formation. Also, attached is an economic summary and production data for each well. Conoco Inc. respectfully requests agency confirmation of the enclosed well determinations.

Copies of this letter are being forwarded to the working interest owners on the attached sheet. Should you have technical questions in this regard, please contact Christine Valvatne at 281.293.5767. Please forward any Land related questions to the undersigned at 281.293.5568.

Respectfully submitted,

A handwritten signature in black ink that reads "Tom Scarbrough". The signature is written in a cursive, flowing style.

Tom Scarbrough, CPL

Enclosures

San Juan 28-7 Unit
Working Interest Owners
Chacra Formation Participating Area

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75080-2038

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Conoco Inc.
Attn: Tom Scarbrough
600 N. Dairy Ashford
Houston, TX 77079

Well Name	Dedication	Lease No.	Completion Date	Operator's Determination
SJ 28-7 #249	E/2 Sec. 30-28N-7W	Fee	5/24/2000	Non-Commercial
SJ 28-7 #58A	W/2 Sec. 29-28N-7W	SF-078497	2/14/2001	Non-Commercial

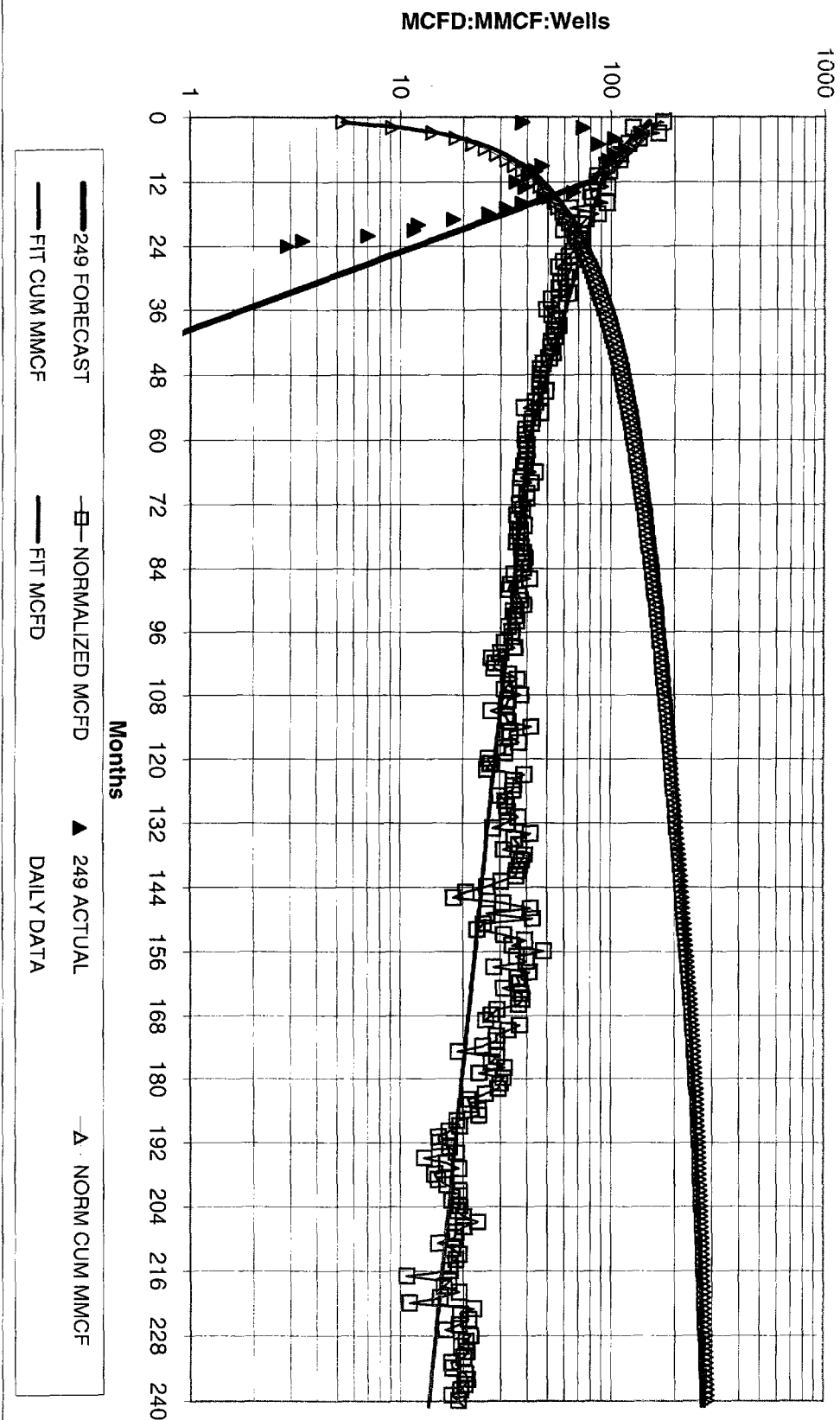
San Juan 28-7 Unit Wells Currently Not in Participating Area

API Number	Lease Name	Well #	Pool	SEC	TWN	RGE	UL	Completion	First Prod	COC WI	COC NRI	EUR MMSCF	PI @ 9% M\$/M\$	NPV @ 9% M\$
30-039-21636	SAN JUAN 28 7 UNIT	249	OTERO CHACRA	30	28N	07W	H	24-May-00	26-May-00	1.000000	0.85625	43		
30-039-23983	SAN JUAN 28 7 UNIT	58A	OTERO CHACRA	29	28N	07W	D	19-Dec-00	14-Feb-01	1.000000	0.84500	267	0.78	-101

Assumptions:

Well cost 460,000 \$
Opex 5000 \$/year
Working interest 100 %
Net Revenue interest 87.5 %
Economic limit 15 MCF/D or 40 years total
Gas price 3.00 \$/MMBTU flat gas price
Economic results are quoted after production tax, before federal tax.

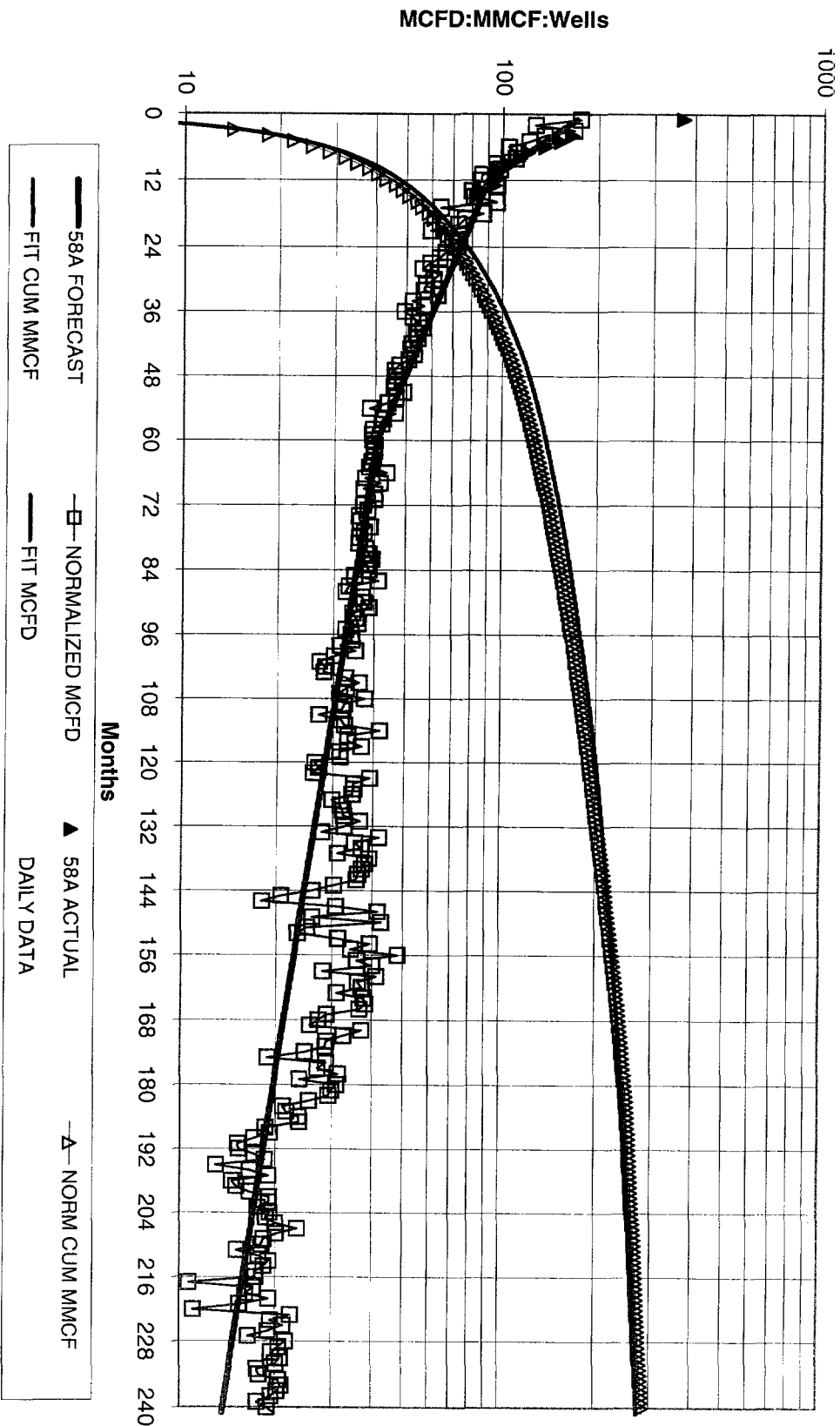
SJ 28-7 #249 CHACRA ACTUAL & FORECAST PRODUCTION VERSUS NORMALIZED PRODUCTION FROM 27 CHACRA WELLS IN 28N-7W



NORMALIZED AVG:		28-7 #249 FORECAST		FIRST PROD.: May-00	
328	MMCF EUR	43	MMCF EUR	160	MMCF IP
274	MMCF IN 20 YRS	38	MMCF TO DATE	50.0%	DECLINE, 1ST 12 MONTHS
327	MMCF IN 40 YRS	3	MCFD E.L.	85.0%	FINAL DECLINE
3	MCFD E.L.				
		180	MCFD IP		
		50.0%	DECLINE, 1ST 12 MONTHS		
		18.0%	DECLINE, NEXT 48 MONTHS		
		7.0%	FINAL DECLINE		

Based on normplot Updated SJ 28-7 Chacra Norm Plot.xls

SJ 28-7 #58A CHACRA ACTUAL & FORECAST PRODUCTION VERSUS NORMALIZED PRODUCTION FROM 27 CHACRA WELLS IN 28N-7W



NORMALIZED AVG:		28-7 #58A FORECAST	
267 MMCF EUR	180 MCFD IP	267 MMCF EUR	FIRST PROD.: Feb-01
274 MMCF IN 20 YRS	50.0% DECLINE, 1ST 12 MONTHS	327 MMCF IN 40 YRS	180 MCFD IP
327 MMCF IN 40 YRS	18.0% DECLINE, NEXT 48 MONTHS	15 MCFD E.L.	50.0% DECLINE, 1ST 12 MONTHS
15 MCFD E.L.	7.0% FINAL DECLINE		18.0% DECLINE, NEXT 48 MONTHS
			7.0% FINAL DECLINE

Based on normplot Updated SJ 28-7 Chacra Norm Plot.xls

US Summary Report

PAE - East - SJ 28-7 #58A CK (cv)
Nominal

Net Present Values

Disc	Before Tax	Before Tax	Before Tax	After Tax
Rate	Cper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	528	460	68	43
8.0	371	460	-89	-73
9.0	359	460	-101	-83
10.0	347	460	-113	-92
12.0	326	460	-134	-109
18.0	279	460	-181	-147
Arr:	528	460	68	43

Case Description

SJ 28-7 #58A CK PA Expansion
29-28N-7W WI: 100% NRI: 87.5%
CK: 292 MMCF EUR, Prod Start 02-2001

180 MCF/D IP
50% decl. 1 yr
18% decl. 4 yrs
7% final decl.; 15 MCFD E.L.

3.0 \$/MMBTU fixed gas price
Well cost: \$460,000
Op cost: \$5,000/yr

Economic Indicators (Generic)

		BTax	ATax
ROR	%	2.7	2.3
Payout Period	Stnd. (mo's)	145.3	145.3
	Proj. (mo's)	145.3	145.3
Undisc PI	M\$/M\$	1.15	1.09
9.0 Pcnt. PI	M\$/M\$	0.78	0.82
12.0 Pcnt. PI	M\$/M\$	0.71	0.78
NPV/Vol@9.0	M\$/MMSCF	-0.38	-0.31
NPV/Vol@12.0	M\$/MMSCF	-0.50	-0.41
Economic Limit Date		2019/10	
Last Scheduled Prod Date		2019/11	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	267	267	33	234
Gas-Sales	MMSCF	267	267	33	234
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLI	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS																
PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2001(12)	0.00	44.60	0.00	39.03	0.00	3.00	0.9	117.09	10.54	4.58	101.97	460.00	-358.03	-361.17	-291.50	-297.13
2002(12)	0.00	30.37	0.00	26.57	0.00	3.00	1.0	79.72	7.18	5.05	67.50	0.00	67.50	60.08	58.95	52.44
2003(12)	0.00	24.86	0.00	21.75	0.00	3.00	1.0	65.25	5.87	5.15	54.23	0.00	54.23	44.28	48.21	39.34
2004(12)	0.00	20.38	0.00	17.83	0.00	3.00	1.0	53.50	4.82	5.25	43.44	0.00	43.44	32.54	39.71	29.73
2005(12)	0.00	16.71	0.00	14.62	0.00	3.00	1.0	43.87	3.95	5.35	34.57	0.00	34.57	23.76	32.91	22.60
2006(12)	0.00	14.43	0.00	12.63	0.00	3.00	1.0	37.88	3.41	5.46	29.01	0.00	29.01	18.27	25.72	16.20
2007(12)	0.00	13.41	0.00	11.74	0.00	3.00	1.0	35.21	3.17	5.57	26.47	0.00	26.47	15.30	19.71	11.39
2008(12)	0.00	12.47	0.00	10.92	0.00	3.00	1.0	32.75	2.95	5.68	24.11	0.00	24.11	12.78	16.71	8.86
2009(12)	0.00	11.60	0.00	10.15	0.00	3.00	1.0	30.45	2.74	5.79	21.92	0.00	21.92	10.66	13.81	6.72
2010(12)	0.00	10.79	0.00	9.44	0.00	3.00	1.0	28.32	2.55	5.91	19.86	0.00	19.86	8.86	12.51	5.58
2011(12)	0.00	10.03	0.00	8.78	0.00	3.00	1.0	26.34	2.37	6.03	17.94	0.00	17.94	7.34	11.30	4.63
2012(12)	0.00	9.33	0.00	8.17	0.00	3.00	1.0	24.50	2.20	6.15	16.14	0.00	16.14	6.06	10.17	3.82
2013(12)	0.00	8.68	0.00	7.59	0.00	3.00	1.0	22.78	2.05	6.27	14.46	0.00	14.46	4.98	9.11	3.14
2014(12)	0.00	8.07	0.00	7.06	0.00	3.00	1.0	21.19	1.91	6.40	12.88	0.00	12.88	4.07	8.11	2.57
2015(12)	0.00	7.51	0.00	6.57	0.00	3.00	1.0	19.70	1.77	6.53	11.40	0.00	11.40	3.31	7.18	2.08
2016(12)	0.00	6.98	0.00	6.11	0.00	3.00	1.0	18.32	1.65	6.66	10.02	0.00	10.02	2.67	6.31	1.68
2017(12)	0.00	6.49	0.00	5.68	0.00	3.00	1.0	17.04	1.53	6.79	8.72	0.00	8.72	2.13	5.49	1.34
2018(12)	0.00	6.04	0.00	5.28	0.00	3.00	1.0	15.85	1.43	6.93	7.50	0.00	7.50	1.68	4.72	1.06
2019(12)	0.00	4.71	0.00	4.12	0.00	3.00	0.8	12.36	1.11	5.87	5.37	0.00	5.37	1.11	3.38	0.70
Total	0.00	267.47	0.00	234.04	0.00	0.00	0.0	702.12	63.19	111.43	527.50	460.00	67.50	-101.30	42.53	-83.26



Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079
Tel: (281) 293-5568

June 13, 2002

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
1235 LaPlata Highway
Farmington, New Mexico 87401

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

✓ State of New Mexico
Oil Conservation Division
1220 South St. Frances Drive
Santa Fe, New Mexico 87505-4000

Re: San Juan 28-7 Unit 14-08-001-459
Commerciality Determination
San Juan 28-7 Unit # 228M - Mesaverde
Rio Arriba County, New Mexico

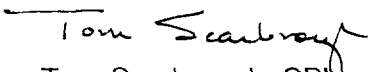
Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement, approved January 29, 1953, Conoco Inc., as Unit Operator, has determined that the referenced well is capable of producing unitized substances in paying quantities from the Mesaverde formation. Attached herewith is an economic summary and production data for the subject well. Conoco Inc. respectfully requests agency confirmation of the enclosed paying well determination.

Upon confirmation from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and the New Mexico Oil Conservation Division, the formal Expanded Participating Area Schedule will be prepared and submitted.

Copies of this letter are being forwarded to the working interest owners on the attached sheet. Should you have technical questions in this regard, please contact Christine Valvatne at 281.293.5767. Please forward any Land related questions to the undersigned at 281.293.5568.

Respectfully submitted,


Tom Scarbrough, CPL
Enclosures

**San Juan 28-7 Unit
Working Interest Owners
Mesaverde Formation**

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75060-2038

The Wiser Oil Company
8115 Preston Road, #400
Dallas, TX 75225-6311

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
6704 Ashbrook Dr.
Fort Worth, TX 76132-1140

Conoco Inc.
Attn: Tom Scarbrough
600 Dairy Ashford
Houston, TX 77079

San Juan 28-7 Unit Wells Currently Not in Participating Area

API Number	Lease Name	Well #	Pool	SEC	TWN	RGE	UL	Completion Date	First Prod Month	COC WI	COC NRI	EUR MMSCF	PI @ 9% M\$/M\$	NPV @ 9% M\$
30-039-26686	SAN JUAN 28 7 UNIT	228M	BLANCO MESAVERDE	8	27N	07W	F	1-Dec-01	Dec-01	0.50000	0.34750	805	1.55	274

Assumptions:

Well cost	500,000 \$
Opex	5000 \$/year
Working interest	100 %
Net Revenue interest	87.5 %
Economic limit	15 MCF/D or 40 years total
Gas price	3.00 \$/MMBTU flat gas price

Economic results are quoted after production tax, before federal tax.

US Summary Report

PAE - East - SJ 28-7 #228M MV (cv)

Nominal

Net Present Values					Case Description
Disc Before Tax	Before Tax	After Tax	Notes		
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
(%)	M\$	M\$	M\$	M\$	
0.0	1,815	500	1,115	702	SJ 28-7 #228M MV PA Expansion
8.0	816	500	316	187	8-27N-7W WI: 100% NRI: 87.5%
9.0	774	500	274	159	MV: 979 MMSCF EUR, Prod Start 12-2001
10.0	736	500	236	135	400 MCF/DIP
12.0	675	500	175	94	60% decl. 1 yr
18.0	554	500	54	12	20% decl. 4 yrs
Arr:	1,815	500	1,115	702	2.5% final decl.; 40 yrs total prod
					3.0 \$/MMBTU fixed gas price
					Well cost: \$500,000
					Op cost: \$5,000/yr

Economic Indicators (Generic)

		BTax	ATax
ROR	%	22.2	19.2
Payout Period	Std. (mo's)	45.7	49.4
	Proj. (mo's)	45.7	49.4
Undisc PI	M\$/M\$	3.23	2.40
9.0 Pcnt. PI	M\$/M\$	1.55	1.32
12.0 Pcnt. PI	M\$/M\$	1.35	1.19
NPV/Vol@9.0	M\$/MMSCF	0.34	0.20
NPV/Vol@12.0	M\$/MMSCF	0.22	0.12
Economic Limit Date		2041/04	
Last Scheduled Prod Date		2041/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-RAW	MMSCF	806	800	100	700
Gas-Sales	MMSCF	800	800	100	700
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

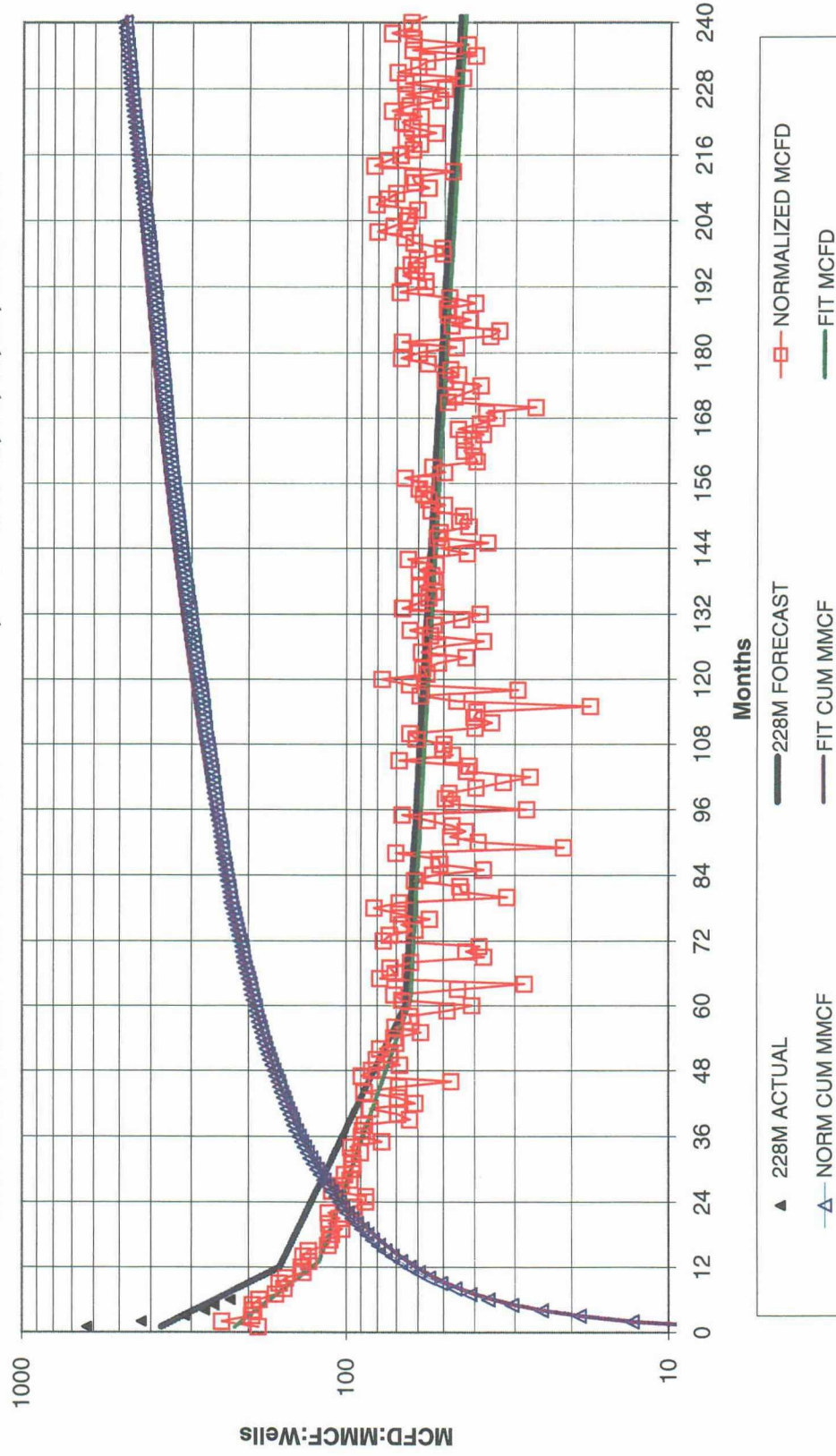
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2001(12)	0.00	11.72	0.00	10.26	0.00	3.00	0.1	30.77	2.77	0.42	27.58	500.00	-472.42	-472.42	-369.30	-369.30
2002(12)	0.00	88.70	0.00	77.61	0.00	3.00	1.0	232.84	20.96	5.05	206.84	0.00	206.84	198.77	148.16	142.27
2003(12)	0.00	51.43	0.00	45.00	0.00	3.00	1.0	135.00	12.15	5.15	117.70	0.00	117.70	103.26	89.41	78.42
2004(12)	0.00	41.14	0.00	36.00	0.00	3.00	1.0	108.00	9.72	5.25	93.03	0.00	93.03	74.88	72.02	57.95
2005(12)	0.00	32.91	0.00	28.80	0.00	3.00	1.0	86.40	7.78	5.36	73.27	0.00	73.27	54.11	58.25	43.00
2006(12)	0.00	26.35	0.00	23.05	0.00	3.00	1.0	69.16	6.22	5.46	57.47	0.00	57.47	38.94	44.31	30.01
2007(12)	0.00	23.59	0.00	20.64	0.00	3.00	1.0	61.92	5.57	5.57	50.77	0.00	50.77	31.51	35.29	21.90
2008(12)	0.00	23.00	0.00	20.12	0.00	3.00	1.0	60.37	5.43	5.68	49.25	0.00	49.25	28.05	32.68	18.61
2009(12)	0.00	22.42	0.00	19.62	0.00	3.00	1.0	58.86	5.30	5.80	47.76	0.00	47.76	24.95	30.09	15.72
2010(12)	0.00	21.86	0.00	19.13	0.00	3.00	1.0	57.39	5.16	5.91	46.31	0.00	46.31	22.19	29.18	13.98
2011(12)	0.00	21.32	0.00	18.65	0.00	3.00	1.0	55.95	5.04	6.03	44.89	0.00	44.89	19.74	28.28	12.43
2012(12)	0.00	20.78	0.00	18.18	0.00	3.00	1.0	54.55	4.91	6.15	43.50	0.00	43.50	17.55	27.40	11.05
2013(12)	0.00	20.26	0.00	17.73	0.00	3.00	1.0	53.19	4.79	6.28	42.13	0.00	42.13	15.59	26.54	9.82
2014(12)	0.00	19.76	0.00	17.29	0.00	3.00	1.0	51.86	4.67	6.40	40.79	0.00	40.79	13.85	25.70	8.73
2015(12)	0.00	19.26	0.00	16.85	0.00	3.00	1.0	50.56	4.55	6.53	39.49	0.00	39.49	12.30	24.88	7.75
2016(12)	0.00	18.78	0.00	16.43	0.00	3.00	1.0	49.30	4.44	6.66	38.21	0.00	38.21	10.92	24.07	6.88
2017(12)	0.00	18.31	0.00	16.02	0.00	3.00	1.0	48.07	4.33	6.79	36.95	0.00	36.95	9.69	23.28	6.10
2018(12)	0.00	17.85	0.00	15.62	0.00	3.00	1.0	46.87	4.22	6.93	35.72	0.00	35.72	8.59	22.50	5.41
2019(12)	0.00	17.41	0.00	15.23	0.00	3.00	1.0	45.69	4.11	7.07	34.52	0.00	34.52	7.62	21.75	4.80
2020(12)	0.00	16.97	0.00	14.85	0.00	3.00	1.0	44.55	4.01	7.21	33.34	0.00	33.34	6.75	21.00	4.25
2021(12)	0.00	16.55	0.00	14.48	0.00	3.00	1.0	43.44	3.91	7.35	32.18	0.00	32.18	5.98	20.27	3.77
2022(12)	0.00	16.13	0.00	14.12	0.00	3.00	1.0	42.35	3.81	7.50	31.04	0.00	31.04	5.29	19.56	3.33
2023(12)	0.00	15.73	0.00	13.76	0.00	3.00	1.0	41.29	3.72	7.65	29.93	0.00	29.93	4.68	18.86	2.95
2024(12)	0.00	15.34	0.00	13.42	0.00	3.00	1.0	40.26	3.62	7.80	28.84	0.00	28.84	4.14	18.17	2.61
2025(12)	0.00	14.95	0.00	13.08	0.00	3.00	1.0	39.25	3.53	7.96	27.76	0.00	27.76	3.65	17.49	2.30
2026(12)	0.00	14.58	0.00	12.76	0.00	3.00	1.0	38.27	3.44	8.12	26.71	0.00	26.71	3.22	16.83	2.03
2027(12)	0.00	14.22	0.00	12.44	0.00	3.00	1.0	37.32	3.36	8.28	25.68	0.00	25.68	2.84	16.18	1.79
2028(12)	0.00	13.86	0.00	12.13	0.00	3.00	1.0	36.38	3.27	8.44	24.67	0.00	24.67	2.51	15.54	1.58
2029(12)	0.00	13.51	0.00	11.82	0.00	3.00	1.0	35.47	3.19	8.61	23.67	0.00	23.67	2.21	14.91	1.39
2030(12)	0.00	13.18	0.00	11.53	0.00	3.00	1.0	34.59	3.11	8.79	22.69	0.00	22.69	1.94	14.29	1.22
2031(12)	0.00	12.85	0.00	11.24	0.00	3.00	1.0	33.72	3.04	8.96	21.73	0.00	21.73	1.70	13.69	1.07
2032(12)	0.00	12.53	0.00	10.96	0.00	3.00	1.0	32.88	2.96	9.14	20.78	0.00	20.78	1.50	13.09	0.94
2033(12)	0.00	12.21	0.00	10.69	0.00	3.00	1.0	32.06	2.89	9.32	19.85	0.00	19.85	1.31	12.50	0.83
2034(12)	0.00	11.91	0.00	10.42	0.00	3.00	1.0	31.26	2.81	9.51	18.93	0.00	18.93	1.15	11.93	0.72
2035(12)	0.00	11.61	0.00	10.16	0.00	3.00	1.0	30.47	2.74	9.70	18.03	0.00	18.03	1.00	11.36	0.63
2036(12)	0.00	11.32	0.00	9.90	0.00	3.00	1.0	29.71	2.67	9.89	17.15	0.00	17.15	0.87	10.80	0.55
2037(12)	0.00	11.04	0.00	9.66	0.00	3.00	1.0	28.97	2.61	10.09	16.27	0.00	16.27	0.76	10.25	0.48
2038(12)	0.00	10.76	0.00	9.42	0.00	3.00	1.0	28.25	2.54	10.29	15.41	0.00	15.41	0.68	9.71	0.42
2039(12)	0.00	10.49	0.00	9.18	0.00	3.00	1.0	27.54	2.48	10.50	14.56	0.00	14.56	0.57	9.17	0.36
2040(12)	0.00	10.23	0.00	8.95	0.00	3.11	1.0	27.88	2.51	10.71	14.66	0.00	14.66	0.53	9.24	0.33
Sub.	0.00	796.82	0.00	697.22	0.00	0.00	0.0	2,092.68	188.34	294.29	1,610.05	500.00	1,110.05	273.34	699.33	159.10
Rem	0.00	3.35	0.00	2.93	0.00	0.00	0.0	9.14	0.82	3.59	4.73	0.00	4.73	0.16	2.98	0.10
Total	0.00	800.17	0.00	700.15	0.00	0.00	0.0	2,101.82	189.16	297.88	1,614.78	500.00	1,114.78	273.50	702.31	159.20

SJ 28-7 #228M MESAVERDE ACTUAL & FORECAST PRODUCTION VERSUS NORMALISED PRODUCTION FROM WELLS IN 27-7, SECTIONS 17, 18, 19, 20, 29 AND 30



NORMALIZED AVG: 885 MMCF EUR 479 MMCF IN 20 YRS 726 MMCF IN 40 YRS 15 MCFD E.L. 0.0086 bbl/mcf oil yield	220 MCFD IP 45.0% DECLINE, 1ST 12 MONTHS 15.0% DECLINE, NEXT 48 MONTHS 2.5% FINAL DECLINE	28-7 #228M FORECAST 979 MMCF EUR 805 MMCF IN 40 YRS 15 MCFD E.L. 0.0086 bbl/mcf oil yield	FIRST PROD.: Dec-01 400 MCFD IP 60.0% DECLINE, 1ST 12 MONTHS 20.0% DECLINE, NEXT 48 MONTHS 2.5% FINAL DECLINE
--	--	--	--

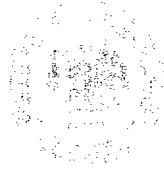
27-7 wells 78, 98, 98M, 99, 100, 100M, 101, 109, 109M, 110, 110M, 111, 111M, 113, 113M, 153, 153E, 185, 237M Based on normplot 192707MV.xls

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION
Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL
Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS
Phone (505) 827-1245
Fax (505) 827-5766



**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES
Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES
Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT
Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES
Phone (505) 827-5793
Fax (505) 827-5711

June 5, 2002

Conoco Inc.
600 N. Dairy Ashford
Dubai 3042
Houston, Texas 77079

Attn: Mr. Thomas J. Scarbrough

Re: 2002 Plan of Development
San Juan 28-7 Unit
Rio Arriba County, New Mexico

Dear Mr. Scarbrough:

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

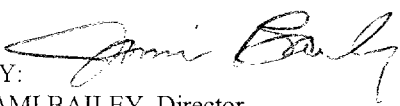
The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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

Very truly yours,

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

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
xc: Reader File

OCD

BLM

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION
Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL
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Fax (505) 827-4262

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Fax (505) 827-5711

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

May 15, 2002

Conoco, Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079

Attention: Mr. Tom Scarbrough

Re: San Juan 28-7 Unit
Commercial Determinations
Mesaverde Formation

Dear Mr. Scarbrough:

We are in receipt of your letter of February 18, 2002 and the BLM's letter of April 15, 2002 regarding the commercial determinations for the San Juan 28-7 Unit Well Nos. 166, 113M, 153E, 100M, 185, 251, 155E and 254M.

We concur with the BLM that that the San Juan Unit Well Nos. 113M, 153E, 100M, 251 and 254M are commercial wells in the Mesaverde Formation and should be included in the Mesaverde participating area. We also concur that the San Juan 28-7 Unit Well Nos. 166, 185 and 155E are non-commercial Mesaverde wells and should be produced on a lease basis.

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

Very truly yours,

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

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

pc: Reader File,
BLM-Farmington Attn: Mr. Duane Spencer
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson



Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079
281-293-5568

May 3, 2002

Bureau of Land Management
Farmington Resource Area
Attn: Geneva McDougal
1235 LaPlata Highway
Farmington, New Mexico 87401

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

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

Re: San Juan 28-7 Unit, # 14-08-001-459
Rio Arriba County, New Mexico
Mesaverde Participating Area
Forty-First Expansion: Effective 1/1/99
Forty-Second Expansion: Effective 2/1/99
Forty-Third Expansion: Effective 3/1/99
Forty-Fourth Expansion: Effective 7/1/01

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, approved January 29, 1953, Conoco Inc., as Unit Operator, had determined that the following wells are capable of producing unitized substances in paying quantities from the Mesaverde formation and should therefore be admitted to the Mesaverde Participating Area.

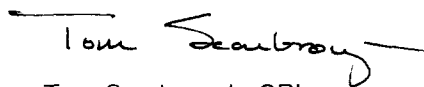
Pursuant to BLM letter dated April 15, 2002, attached is a list of wells that have been deemed commercial along with their respective tracts and completion dates.

The Expansion Schedules for the Forty-First through Forty-Fourth Expansions are included herewith. The schedules describe the Participating Areas and show the percentage of unitized substances allocated to each Unit Tract.

Conoco Inc. respectfully requests your approval of the Forty-First through Forty-Fourth Expansions at your earliest convenience. Should you have questions in this regard, please contact the undersigned at 281.293.5568.

Copies of this letter are being furnished to the Working Interest Owners on the attached list.

Respectfully submitted,


Tom Scarbrough, CPL

**San Juan 28-7 Unit
Working Interest Owners
Mesaverde Formation**

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75060-2038

The Wiser Oil Company
8115 Preston Road, #400
Dallas, TX 75225-6311

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
6704 Ashbrook Dr.
Fort Worth, TX 76132-1140

Conoco Inc.
Attn: Tom Scarbrough
600 Dairy Ashford
Houston, TX 77079



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

San Juan 28-7 Unit (Mesaverde PA)
3162.7 (07100)

April 15, 2002

Conoco Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079

RE: San Juan 28-7 Unit
Commerciality Determinations
Mesaverde Formation
Rio Arriba, New Mexico

Dear Mr. Tom Scarbrough:

In response to your letter dated February 18, 2002, the Farmington Field Office (FFO) has reviewed the data you submitted for a commerciality determination for the following wells completed in the Mesaverde formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 28-7 Unit #166	W/2 Sec.16,T27N,R7W	State	8/19/98	Non-Commercial
San Juan 28-7 Unit #113M	E/2 Sec.18,T27N,R7W	NMSF078840	12/4/98	Commercial
San Juan 28-7 Unit #153E	E/2 Sec.20,T27N,R7W	NMSF078640	12/21/98	Commercial
San Juan 28-7 Unit #100M	E/2 Sec.30,T27N,R7W	NMNM03560	1/6/99	Commercial
San Juan 28-7 Unit #185	W/2 Sec.17,T27N,R7W	NMNM03521	1/20/99	Non-Commercial
San Juan 28-7 Unit #251	E/2 Sec.31,T28N,R7W	NMSF078500A	2/12/99	Commercial
San Juan 28-7 Unit #155E	W/2 Sec.22,T27N,R7W	NMSF078640	4/12/01	Non-Commercial
San Juan 28-7 Unit #254M	W/2 Sec.6,T27N,R7W	NMSF078835	6/21/01	Commercial

After completing our economic evaluations, we are in concurrence with the above determinations. The Nos. 100, 113 and 153 San Juan 28-7 Unit wells were also re-submitted for commerciality determinations. These wells were previously determined to be non-commercial. Commerciality re-determinations are not necessary on these wells. Since the infield wells were determined to be commercial and these wells are located in the same dedicated acreage they will automatically be admitted to the Mesaverde Participating area. The effective date they will be admitted to the Mesaverde participating area is the first of the month after the infield well's completion date.

The wells that were determined to be commercial in the Mesaverde formation are to be included in the Mesaverde participating area. It is required that revisions be submitted to include these wells in the San Juan 28-7 Unit Mesaverde Participating Area. The wells that were determined to be non-commercial are to be reported under their lease number or communization agreement number.

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

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

Sincerely,

A handwritten signature in black ink that reads "Wayne Townsend". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Wayne Townsend
Petroleum Engineer
Petroleum Management Team

**San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
Mesaverde Participating Area**

**Forty-First Expansion to the Participating Area – Effective 1/1/99
Total P/A Acres = 27,330.98**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #113 E/2 18-27N-7W 320.00 acres	18	E/2	320.00	4/22/98
San Juan 28-7 Unit #113M E/2 18-27N-7W 320.00 acres	18	E/2	320.00	12/4/98
San Juan 28-7 Unit #153 E/2 20-27N-7W 320.00 acres	15A	E/2	320.00	5/8/98
San Juan 28-7 Unit #153E E/2 20-27N-7W 320.00 acres	15A	E/2	320.00	12/21/98
Undrilled Location (IDB) E/2 7-27N-7W 320.00 acres	16	E/2	320.00	N/A

**Forty-Second Expansion to the Participating Area – Effective 2/1/99
Total P/A Acres = 27,650.98**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #100 E/2 30-27N-7W 320.00 acres	2	E/2	320.00	7/22/97
San Juan 28-7 Unit #100M E/2 30-27N-7W 320.00 acres	2	E/2	320.00	1/6/99

**Forty-Third Expansion – Effective 3/1/99
Total P/A Acres = 27,965.98**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #251 E/2 31-28N-7W 315.00 acres	10	Lots 6 (37.45), 7 (37.55), NE/4, N/2 SE/4	315.00	2/12/99

**Forty-Fourth Expansion – Effective 7/1/01
Total P/A Acres = 28,286.18**

Wells No./Description	Tract #	Tr. Description	Tr. Acres	Completion Date
San Juan 28-7 Unit #254M W/2 6-27N-7W 320.20 acres	16	Lots 3 (40.15), 4 (40.05), S/2 NW/4, SW/4	320.20	6/21/01

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NM 03521	<u>T-27-N, R-7W</u>	320.00	Royalty:			<u>1.131295 %</u>
	Working Interest:					
	Conoco Inc.		63.625000 %	63.625000 %		
	ORRI:		23.875000 %	23.875000 %		
			<u>100.000000 %</u>	<u>100.000000 %</u>		
NM 03560	<u>T-27-N, R-7-W</u>	1,281.44	Royalty:			<u>4.530269 %</u>
	Section 29: All		Working Interest:			
	Section 30: Lots 1, 2, 3, 4		Conoco Inc.	63.625000 %	63.625000 %	
	E½ W½, E½ (All)		ORRI:	23.875000 %	23.875000 %	
			<u>Total</u>	<u>100.000000 %</u>	<u>100.000000 %</u>	
SF 078417	<u>T-28-N, R-7-W</u>	2,160.00	Royalty:			<u>7.636238 %</u>
	Section 7: S½ SE¼, SE¼ SW¼		Working Interest:			
	Section 8: S½ SW¼		Conoco Inc.	84.500000 %	84.500000 %	
	Section 16: SW¼, SE¼		ORRI:	3.000000 %	3.000000 %	
	Section 17: All		<u>Total</u>	<u>100.000000 %</u>	<u>100.000000 %</u>	
	Section 18: E½					
	Section 20: NE¼					
	Section 21: NW¼, N½ SW¼, NE¼, N½ SE¼, SE¼ SE¼					

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

SF 078417-A

T-28-N, R-7-W

320.00

Royalty:

Tract 4

12.50000 %

12.50000 %

1.131295 %

Section 18: E½ NW¼

Section 22: SW¼, S½ NW¼

Working Interest:
Burlington Resources Oil & Gas

ORRI:

83.50000 %

83.50000 %

4.00000 %

4.00000 %

Total

100.00000 %

100.00000 %

SF 078496

T-27-N, R-7-W

1,689.94

Royalty:

Tract 5

12.50000 %

12.50000 %

5.974437 %

Section 3: Lots 1, 2, 3, 4,

S½ NE¼, S½ NW¼

Working Interest:
Conoco Inc.

ORRI:

84.50000 %

84.50000 %

3.00000 %

3.00000 %

Total

100.00000 %

100.00000 %

T-28-N, R-7-W

Section 27: SE¼, E½ NE¼

Section 34: Lots 3, 4, N½ SW¼, NW¼

Section 35: Lots 1, 2, 3, 4, N½ SE¼,

NE¼, N½ SW¼, NW¼

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078496-A	<u>T-27-N, R-7-W</u>	801.83	<u>Tract 6</u>			<u>2.834706 %</u>
	Section 4: Lots 1, 2, 3, 4,		Royalty:	12.50000 %	12.50000 %	
	S½ NE¼, S½ NW¼		Working Interest:			
			Burlington Resources Oil & Gas	83.50000 %	83.50000 %	
			ORRI:	4.00000 %	4.00000 %	
	<u>T-28-N, R-7-W</u>		Total	100.00000 %	100.00000 %	
	Section 26: SW¼					
	Section 34: Lots 1, 2, N½ SE¼, NE¼					
	SF 078497	<u>T-28-N, R-7-W</u>	1,639.56	<u>Tract 7</u>		
Section 7: Lots 1, 2, 3, 4, 5			Royalty:	12.50000 %	12.50000 %	
Section 8: Lots 1, 2, 3, 4,			Working Interest:			
S½ SE¼			Conoco Inc.	84.50000 %	84.50000 %	
			ORRI:	3.00000 %	3.00000 %	
<u>T-28-N, R-7-W</u>			Total	100.00000 %	100.00000 %	
Section 16: NW¼, NE¼						
Section 19: Lot 1, E½ W½, E½						
Section 20: N½ SE¼						
Section 29: W½						
SF 078497-A	<u>T-28-N, R-7-W</u>	844.40	<u>Tract 8</u>			<u>2.985203 %</u>
	Section 9: Lots 1, 2, 3, 4, S½ S½		Royalty:	12.50000 %	12.50000 %	
	Section 18: Lots 1, 2, 3, 4, E½ SW¼		Working Interest:			
			Burlington Resources Oil & Gas	83.50000 %	83.50000 %	
			ORRI:	4.00000 %	4.00000 %	
	<u>T-28-N, R-7-W</u>		Total	100.00000 %	100.00000 %	
	Section 20: W½					

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

SF 078498 T-28-N, R-7-W 1,988.00 Tract 9 Royalty: 12.50000 % 12.50000 % 7.028167 %

Section 27: $W\frac{1}{2}$ NE $\frac{1}{4}$, $W\frac{1}{2}$

Section 28: $W\frac{1}{2}$ Working Interest: Conoco Inc.

Section 29: E $\frac{1}{2}$ ORRI: 84.50000 % 84.50000 % 3.00000 % 3.00000 %

Section 32: Lots 1, 2, $N\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ Total 100.00000 % 100.00000 %

Section 33: Lots 1, 2, 3, 4, $N\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$, $N\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$

SF 078498-A T-28-N, R-7-W 515.36 Tract 9-A Royalty: 12.50000 % 12.50000 % 1.821950 %

Section 28: SE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ Working Interest:

Section 32: Lots 3, 4, Burlington Resources Oil & Gas

$N\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ ORRI: 83.50000 % 83.50000 % 4.00000 % 4.00000 %

Total 100.00000 % 100.00000 %

SF 078500-A T-28-N, R-7-W 925.36 Tract 10 Royalty: 12.50000 % 12.50000 % 3.271421 %

Section 19: Lots 2, 3, 4 Working Interest:

Section 30: $N\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ Conoco Inc. 84.50000 % 84.50000 % 3.00000 % 3.00000 %

Section 31: Lots 1,2,3,4,5,6,7, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$, $N\frac{1}{2}$ SE $\frac{1}{4}$ (All) ORRI: 100.00000 % 100.00000 %

Total 100.00000 % 100.00000 %

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078500	<u>T-28-N, R-7-W</u> Section 30: Lots 1, 2, 3, E½ NW¼	189.30	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 83.50000 % 4.00000 % 100.00000 %	12.50000 % 83.50000 % 4.00000 % 100.00000 %	<u>0.669231 %</u>
<u>Tract 10-A</u>						
SF 078565	<u>T-27-N, R-7-W</u> Section 5: SE¼	160.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.50000 % 69.50000 % 18.00000 % 100.00000 %	12.50000 % 69.50000 % 18.00000 % 100.00000 %	<u>0.565647 %</u>
<u>Tract 11</u>						
SF 078565-A	<u>T-27-N, R-7-W</u> Section 5: Lots 3, 4, S½ NW¼, SW¼	320.52	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 86.50000 % 1.00000 % 100.00000 %	12.50000 % 86.50000 % 1.00000 % 100.00000 %	<u>1.133133 %</u>
<u>Tract 12</u>						

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078569	<u>T-27-N, R-7-W</u> Section 8: NE¼	160.00	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 82.50000 % 5.00000 % 100.00000 %	12.50000 % 82.50000 % 5.00000 % 100.00000 %	<u>0.565647 %</u>
Tract 13						
SF 078570	<u>T-27-N, R-7-W</u> Section 4: SE¼, SW¼ Section 8: SE¼ Section 9: NW¼	640.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.50000 % 80.50000 % 7.00000 % 100.00000 %	12.50000 % 80.50000 % 7.00000 % 100.00000 %	<u>2.262589 %</u>
Tract 14						
SF 078640	<u>T-27-N, R-7-W</u> Section 9: SW¼ Section 15: W½	480.00	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 82.50000 % 5.00000 % 100.00000 %	12.50000 % 82.50000 % 5.00000 % 100.00000 %	<u>1.696942 %</u>
Tract 15						

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078640	<u>T-27-N, R-7-W</u> Section 20: E½	320.00	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	12.50000 % 82.50000 % 5.00000 % 100.00000 %	12.50000 % 82.50000 % 5.00000 % 100.00000 %	<u>1.131295 %</u>
SF 078835	<u>T-27-N, R-7-W</u> Section 6: Lots 3, 4, S½ NW¼, SW¼ Section 7: E½	640.20	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: <i>Total</i>	12.50000 % 84.00000 % 3.50000 % 100.00000 %	12.50000 % 84.00000 % 3.50000 % 100.00000 %	<u>2.263296 %</u> E/2 Sec. 7-27N-7W included as an Intervening Drilling Block
SF 078835-A	<u>T-27-N, R-7-W</u> Section 6: Lots 1, 2, S½ NE¼, SE¼ Section 7: Lots 1, 2, 3, 4, E½ W½	640.86	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	12.50000 % 67.50000 % 20.00000 % 100.00000 %	12.50000 % 67.50000 % 20.00000 % 100.00000 %	<u>2.265629 %</u>

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078840	<u>T-27-N, R-7-W</u> Section 18: Lots 1, 2, 3, 4, E½ W½, E½ Section 19: E½, E½ W½, Lots 1,2,3,4	1,281.51	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.50000 % 67.50000 % 20.00000 % 100.00000 %	12.50000 % 67.50000 % 20.00000 % 100.00000 %	<u>4.530516 %</u>
SF 078972	<u>T-27-N, R-7-W</u> Section 3: SE¼, SW¼ Section 10: E½, W½ Section 11: E½, W½	1,600.00	Royalty: Working Interest: Burlington Resources Oil & Gas Conoco Inc. ORRI: Total	12.50000 % 49.50000 % 33.00000 % 5.00000 % 100.00000 %	12.50000 % 49.50000 % 33.00000 % 5.00000 % 100.00000 %	<u>5.656473 %</u>
SF 078972-A	<u>T-27-N, R-7-W</u> Section 9: E½	320.00	Royalty: Working Interest: Burlington Resources Oil & Gas Conoco Inc. Dugan Production Corp. W. G. Peavy Oil Company ORRI: Total	12.50000 % 66.66667 % 3.33333 % 3.33333 % 6.66666 % 7.50000 % 100.00000 %	12.50000 % 66.66667 % 3.33333 % 3.33333 % 6.66666 % 7.50000 % 100.00000 %	<u>1.131295 %</u>

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079289	<u>T-28-N, R-7-W</u>	1,304.48	Royalty:	<u>Tract 21</u>		<u>4.611722 %</u>
	Section 10: Lots 1, 2, 3, 4, S½ S½		Working Interest:	12.50000 %	12.50000 %	
	Section 12: Lots 1, 2, 3, 4, S½ S½		Conoco Inc.	69.50000 %	69.50000 %	
	Section 14: E½		ORRI:	18.00000 %	18.00000 %	
	Section 15: E½					
	Section 22: N½ NW¼		<i>Total</i>	<u>100.00000 %</u>	<u>100.00000 %</u>	
SF 079289-A	<u>T-28-N, R-7-W</u>	1,252.80	Royalty:	<u>Tract 22</u>		<u>4.429018 %</u>
	Section 11: Lots 1, 2, 3, 4, S½ S½		Working Interest:	12.50000 %	12.50000 %	
	Section 14: W½		Burlington Resources Oil & Gas	52.50000 %	52.50000 %	
	Section 15: W½		D. J. Simmons Co. LP	26.25000 %	26.25000 %	
	Section 22: E½		Helen Louise Simmons	2.18750 %	2.18750 %	
			June Simmons Lively	2.18750 %	2.18750 %	
			Mary Jane Simmons Banks	2.18750 %	2.18750 %	
			Carolee Simmons Smith	2.18750 %	2.18750 %	
			ORRI:	0.00000 %	0.00000 %	
			<i>Total</i>	<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

SF 079290	<u>T-28-N, R-7-W</u>	1,280.00	<u>Tract 23</u>				4,525,178 %
	Section 13: E½	Royalty:		12.50000 %	12.50000 %		
	Section 23: W½	Working Interest:		69.50000 %	69.50000 %		
	Section 24: W½	Conoco Inc.		18.00000 %	18.00000 %		
	Section 26: NW¼, NE¼	ORRI:		100.00000 %	100.00000 %		
		Total		100.00000 %			

SF 079290-A	<u>T-28-N, R-7-W</u>	960.00	<u>Tract 24</u>				3,393,884 %
	Section 13: W½	Royalty:		12.50000 %	12.50000 %		
	Section 23: E½	Working Interest:		51.90000 %	51.90000 %		
	Section 24: E½	Burlington Resources Oil & Gas		25.95000 %	25.95000 %		
		D. J. Simmons Co. LP		2.16250 %	2.16250 %		
		Helen Louise Simmons		2.16250 %	2.16250 %		
		June Simmons Lively		2.16250 %	2.16250 %		
		Mary Jane Simmons Banks		2.16250 %	2.16250 %		
		Carolee Simmons Smith		1.00000 %	1.00000 %		
		ORRI:		100.00000 %	100.00000 %		
		Total		100.00000 %			

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079290-B	<u>T-28-N, R-7-W</u> Section 25: NW¼, NE¼	320.00	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI:	12.50000 % 28.00000 % 42.00000 % 17.50000 %	12.50000 %	<u>1.131295 %</u>
<u>Tract 24-A</u>						
<u>Total</u>				<u>100.00000 %</u>	<u>100.00000 %</u>	
SF 079294	<u>T-28-N, R-7-W</u> Section 25: SW¼, SE¼	320.00	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI:	12.50000 % 27.20000 % 40.80000 % 19.50000 %	12.50000 %	<u>1.131295 %</u>
<u>Tract 25</u>						
<u>Total</u>				<u>100.00000 %</u>	<u>100.00000 %</u>	
SF 079294	<u>T-28-N, R-7-W</u> Section 26: SE¼ Section 36: Lots 1, 2, 3, 4, N½ SW¼, NW¼, N½ SE¼, NE¼	816.88	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI:	12.50000 % 34.20000 % 51.30000 % 2.00000 %	12.50000 %	<u>2.887912 %</u>
<u>Tract 25-A</u>				<u>100.00000 %</u>	<u>100.00000 %</u>	
<u>Total</u>				<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079298-B	<u>T-27-N, R-7-W</u> Section 12: E $\frac{1}{2}$, W $\frac{1}{2}$	640.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.50000 % 82.00000 % 5.50000 % 100.00000 %	12.50000 % 82.00000 % 5.50000 % 100.00000 %	<u>2.262589 %</u>
<u>Tract 26</u>						
SF 079321-A	<u>T-27-N, R-7-W</u> Section 1: Lots 1, 2, 3, 4, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$	639.20	Royalty: Working Interest: Conoco Inc. ORRI:	12.50000 % 82.00000 % 5.50000 % 100.00000 %	12.50000 % 82.00000 % 5.50000 % 100.00000 %	<u>2.259761 %</u>
<u>Tract 27</u>						
NM E-290-39	<u>T-27-N, R-7-W</u> Section 2: Lots 3, 4, SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$	278.96	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI:	12.50000 % 82.50000 % 5.00000 % 100.00000 %	12.50000 % 82.50000 % 5.00000 % 100.00000 %	<u>0.986206 %</u>
<u>Tract 28</u>						

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NIM E-290-3	<u>T-27-N, R-7-W</u>	119.54	<u>Tract 29</u>			
	Section 2: Lot 2, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$		Royalty:	12.50000 %	12.50000 %	<u>0.422609 %</u>
			Working Interest:			
			The Wiser Oil Company	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
	<u>Total</u>			<u>100.00000 %</u>	<u>100.00000 %</u>	
NIM E-290-39	<u>T-27-N, R-7-W</u>	39.58	<u>Tract 30</u>			
	Section 2: Lot 1		Royalty:	12.50000 %	12.50000 %	<u>0.139927 %</u>
			Working Interest:			
			Burlington Resources Oil & Gas	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
	<u>Total</u>			<u>100.00000 %</u>	<u>100.00000 %</u>	
NIM E-290-39	<u>T-27-N, R-7-W</u>	80.00	<u>Tract 30-A</u>			
	Section 2: SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$		Royalty:	12.50000 %	12.50000 %	<u>0.282824 %</u>
			Working Interest:			
			Burlington Resources Oil & Gas	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
	<u>Total</u>			<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Unit Area Expansion Schedule - San Juan Basin
Conoco Inc.

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
<u>Tract 31</u>						
NM E-290-33	<u>T-27-N, R-7-W</u>	120.00	Royalty:	12.50000 %	12.50000 %	0.424235 %
	Section 2: S½ NW¼, SE¼ SE¼		Working Interest:			
			Burlington Resources Oil & Gas	75.00000 %	75.00000 %	
			ORRI:	12.50000 %	12.50000 %	
		Total			100.00000 %	100.00000 %
<u>Tract 35</u>						
NM E-2825-6	<u>T-27-N, R-7-W</u>	320.00	Royalty:	12.50000 %	12.50000 %	1.131295 %
	Section 16: E½		Working Interest:			
			Burlington Resources Oil & Gas	49.50000 %	49.50000 %	
			Conoco Inc.	33.00000 %	33.00000 %	
		ORRI:	5.00000 %	5.00000 %		
	Total			100.00000 %	100.00000 %	
<u>Tract 36</u>						
Fee	<u>T-28-N, R-7-W</u>	236.46	Royalty:	12.50000 %	12.50000 %	0.835956 %
	Section 28: S½ NE¼, NW¼ NE¼		Working Interest:			
			Burlington Resources Oil & Gas	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
		Section 30: Lot 4, E½ SW¼		Total	100.00000 %	100.00000 %

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
<u>Tract 36-A</u>						
Fee	<u>T-28-N, R-7-W</u>	320.00	Royalty:	12.50000 %	12.50000 %	<u>1.131295 %</u>
			Working Interest:			
	Section 20: S½ SE¼		Conoco Inc.	87.50000 %	87.50000 %	
	Section 21: S½ SW¼, SW¼ SE¼		ORRI:	0.00000 %	0.00000 %	
	Section 30: N½ SE¼, SE¼ NE¼		Total	100.00000 %	100.00000 %	

Schedule XLV

Forty-Fourth Expanded Participating Area for the Mesaverde Formation
San Juan 28-7 Unit Area, Effective July 1, 2001

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

Township 27 North, Range 7 West, N.M.P.M.

Sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 18, 19, 20, 29, 30: All

Sections 8, 16: E½

Sections 15: W½

Township 28 North, Range 7 West, N.M.P.M.

Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21,

22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36: All

Total number of acres in participating area:

28,286.18

Percent of basic royalty interest committed:

100.00000 %

Percent of working interest committed:

100.00000 %

Percent of overriding royalty interest committed:

100.00000 %

Schedule XLII

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NIM 03521	<u>T-27-N, R-7-W</u> Section 20: W $\frac{1}{2}$	320.00	Royalty: Working Interest: Conoco Inc. ORRI:	<u>Tract 1</u> 12.500000 % 63.625000 % 23.875000 % 100.000000 %	12.500000 % 63.625000 % 23.875000 % 100.000000 %	<u>1.170833 %</u>
NIM 03560	<u>T-27-N, R-7-W</u> Section 29: All Section 30: Lots 1, 2, 3, 4 E $\frac{1}{2}$ W $\frac{1}{2}$	961.44	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	<u>Tract 2</u> 12.500000 % 63.625000 % 23.875000 % 100.000000 %	12.500000 % 63.625000 % 23.875000 % 100.000000 %	<u>3.517766 %</u>
SF 078417	<u>T-28-N, R-7-W</u> Section 7: S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 8: S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 16: SW $\frac{1}{4}$, SE $\frac{1}{4}$ Section 17: All Section 18: E $\frac{1}{2}$ Section 20: NE $\frac{1}{4}$ Section 21: NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	2,160.00	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	<u>Tract 3</u> 12.500000 % 84.500000 % 3.000000 % 100.000000 %	12.500000 % 84.500000 % 3.000000 % 100.000000 %	<u>7.903119 %</u>

Schedule XLI

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

SF 078417-A

T-28-N, R-7-W

320.00

Royalty:

Tract 4

12.500000 %

12.500000 %

1.170833 %

Section 18: E $\frac{1}{2}$ NW $\frac{1}{4}$

Working Interest:

Section 22: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$

Burlington Resources Oil & Gas

83.500000 %

83.500000 %

ORRI:

4.000000 %

4.000000 %

Total

100.000000 %

100.000000 %

SF 078496

T-27-N, R-7-W

1,689.94

Royalty:

Tract 5

12.500000 %

12.500000 %

6.183240 %

Section 3: Lots 1, 2, 3, 4,

Working Interest:

S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$

Conoco Inc.

84.500000 %

84.500000 %

Section 5: Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$

ORRI:

3.000000 %

3.000000 %

Total

100.000000 %

100.000000 %

T-28-N, R-7-W

Section 27: SE $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$

Section 34: Lots 3, 4, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$

Section 35: Lots 1, 2, 3, 4, N $\frac{1}{2}$ SE $\frac{1}{4}$,

NE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$

Schedule XLII

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

SF 078496-A	<u>Tract 6</u>				<u>2.933777 %</u>	
	<u>T-27-N, R-7-W</u>	801.83	Royalty:	12.50000 %		12.50000 %
	Section 4: Lots 1, 2, 3, 4,		Working Interest:			
	S½ NE¼, S½ NW¼		Burlington Resources Oil & Gas	83.50000 %		83.50000 %
			ORRI:	4.00000 %		4.00000 %
	<u>T-28-N, R-7-W</u>		Total	<u>100.00000 %</u>		<u>100.00000 %</u>
	Section 26: SW¼					
	Section 34: Lots 1, 2, N½ SE¼, NE¼					

SF 078497	<u>T-28-N, R-7-W</u>	1,639.56	Royalty:	12.50000 %	12.50000 %	<u>5.998907 %</u>
	Section 7: Lots 1, 2, 3, 4, 5		Working Interest:			
	Section 8: Lots 1, 2, 3, 4,		Conoco Inc.	84.50000 %	84.50000 %	
	S½ SE¼		ORRI:	3.00000 %	3.00000 %	
	Section 16: NW¼, NE¼		Total	100.00000 %	100.00000 %	
	Section 19: Lot 1, E½ W½, E½					
	Section 20: N½ SE¼					
	Section 29: W½					

SF 078497-A	<u>T-28-N, R-7-W</u>	844.40	Royalty:	12.50000 %	12.50000 %	<u>3.089534 %</u>
	Section 9: Lots 1, 2, 3, 4, S½ S½		Working Interest:			
	Section 18: Lots 1, 2, 3, 4, E½ SW¼		Burlington Resources Oil & Gas	83.50000 %	83.50000 %	
	Section 20: W½		ORRI:	4.00000 %	4.00000 %	
	<u>Total</u>			<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLII

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078498	<u>T-28-N, R-7-W</u>	1,988.00	Royalty:	12.50000 %	12.50000 %	<u>7.273797 %</u>
	Section 27: W½ NE¼, W½		Working Interest:			
	Section 28: W½		Conoco Inc.	84.50000 %	84.50000 %	
	Section 29: E½		ORRI:	3.00000 %	3.00000 %	
	Section 32: Lots 1, 2, N½ SE¼, NE¼		Total	100.00000 %	100.00000 %	
	Section 33: Lots 1, 2, 3, 4, N½ SW¼, NW¼, N½ SE¼, NE¼					
SF 078498-A	<u>T-28-N, R-7-W</u>	515.36	Royalty:	12.50000 %	12.50000 %	<u>1.885626 %</u>
	Section 28: SE¼, NE¼ NE¼		Working Interest:			
	Section 32: Lots 3, 4, N½ SW¼, NW¼		Burlington Resources Oil & Gas	83.50000 %	83.50000 %	
			ORRI:	4.00000 %	4.00000 %	
			Total	100.00000 %	100.00000 %	
SF 078500-A	<u>T-28-N, R-7-W</u>	610.36	Royalty:	12.50000 %	12.50000 %	<u>2.233217 %</u>
	Section 19: Lots 2, 3, 4		Working Interest:			
	Section 30: N½ NE¼, SW¼NE¼, S½ SE¼		Conoco Inc.	84.50000 %	84.50000 %	
	Section 31: Lots 1, 2, 3, 4, 5, E½ NW¼, NE¼ SW¼		ORRI:	3.00000 %	3.00000 %	
			Total	100.00000 %	100.00000 %	

Schedule XLII

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078500	<u>T-28-N, R-7-W</u> Section 30: Lots 1, 2, 3, E½ NW¼	189.30	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI:	12.50000 % 83.50000 % 4.00000 %	12.50000 % 83.50000 % 4.00000 %	<u>0.692621 %</u>
<u>Tract 10-A</u>						
<u>Total</u>				<u>100.00000 %</u>	<u>100.00000 %</u>	
SF 078565	<u>T-27-N, R-7-W</u> Section 5: SE¼	160.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.50000 % 69.50000 % 18.00000 %	12.50000 % 69.50000 % 18.00000 %	<u>0.585416 %</u>
<u>Tract 11</u>						
<u>Total</u>				<u>100.00000 %</u>	<u>100.00000 %</u>	
SF 078565-A	<u>T-27-N, R-7-W</u> Section 5: Lots 3, 4, S½ NW¼, SW¼	320.52	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI:	12.50000 % 86.50000 % 1.00000 %	12.50000 % 86.50000 % 1.00000 %	<u>1.172735 %</u>
<u>Tract 12</u>						
<u>Total</u>				<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLI

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078569	<u>T-27-N, R-7-W</u> Section 8: NE¼	160.00	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 82.50000 % 5.00000 % 100.00000 %	12.50000 % 82.50000 % 5.00000 % 100.00000 %	<u>0.585416 %</u>
<u>Tract 13</u>						
SF 078570	<u>T-27-N, R-7-W</u> Section 4: SE¼, SW¼ Section 8: SE¼ Section 9: NW¼	640.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.50000 % 80.50000 % 7.00000 % 100.00000 %	12.50000 % 80.50000 % 7.00000 % 100.00000 %	<u>2.341665 %</u>
<u>Tract 14</u>						
SF 078640	<u>T-27-N, R-7-W</u> Section 9: SW¼ Section 15: W½	480.00	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 82.50000 % 5.00000 % 100.00000 %	12.50000 % 82.50000 % 5.00000 % 100.00000 %	<u>1.756249 %</u>
<u>Tract 15</u>						

Schedule XLII

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

SF 078640	<u>T-27-N, R-7-W</u>	320.00	Royalty:	12.50000 %	12.50000 %	<u>1.170833 %</u>
	Section 20: E½		Working Interest:			
			Conoco Inc.	82.50000 %	82.50000 %	
			ORRI:	5.00000 %	5.00000 %	
			<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>	

SF 078835	<u>T-27-N, R-7-W</u>	320.00	Royalty:	12.50000 %	12.50000 %	<u>1.170833 %</u>
	Section 7: E½		Working Interest:			
			Burlington Resources Oil and Gas	84.00000 %	84.00000 %	E/2 Sec. 7-27N-7W
			ORRI:	3.50000 %	3.50000 %	included as an
			<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>	intervening
						Drilling Block

SF 078835-A	<u>T-27-N, R-7-W</u>	640.86	Royalty:	12.50000 %	12.50000 %	<u>2.344812 %</u>
	Section 6: Lots 1, 2,		Working Interest:			
	S½ NE¼, SE¼		Conoco Inc.	67.50000 %	67.50000 %	
	Section 7: Lots 1, 2, 3, 4,		ORRI:	20.00000 %	20.00000 %	
	E½ W½		<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLII

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078840	<u>T-27-N, R-7-W</u>	1,281.51	Royalty:	12.50000 %	12.50000 %	<u>4.688855 %</u>
	Section 18: Lots 1, 2, 3, 4,		Working Interest:			
	E½ W½, E½		Conoco Inc.	67.50000 %	67.50000 %	
	Section 19: E½, E½ W½,		ORRI:	20.00000 %	20.00000 %	
	Lots 1,2,3,4		Total	<u>100.00000 %</u>	<u>100.00000 %</u>	
SF 078972	<u>T-27-N, R-7-W</u>	1,600.00	Royalty:	12.50000 %	12.50000 %	<u>5.854163 %</u>
	Section 3: SE¼, SW¼		Working Interest:			
	Section 10: E½, W½		Burlington Resources Oil & Gas	49.50000 %	49.50000 %	
	Section 11: E½, W½		Conoco Inc.	33.00000 %	33.00000 %	
			ORRI:	5.00000 %	5.00000 %	
			Total	<u>100.00000 %</u>	<u>100.00000 %</u>	
SF 078972-A	<u>T-27-N, R-7-W</u>	320.00	Royalty:	12.50000 %	12.50000 %	<u>1.170833 %</u>
	Section 9: E½		Working Interest:			
			Burlington Resources Oil & Gas	66.66667 %	66.66667 %	
			Conoco Inc.	3.33333 %	3.33333 %	
			Dugan Production Corp.	3.33333 %	3.33333 %	
			W. G. Peavy Oil Company	6.66666 %	6.66666 %	
			ORRI:	7.50000 %	7.50000 %	
			Total	<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLII

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

SF 079289-A	<u>T-28-N, R-7-W</u>	1,304.48	Royalty:	12.50000 %	12.50000 %	<u>4.772899 %</u>
	Section 10: Lots 1, 2, 3, 4, S½ S½		Working Interest:			
	Section 12: Lots 1, 2, 3, 4, S½ S½		Conoco Inc.	69.50000 %	69.50000 %	
	Section 14: E½		ORRI:	18.00000 %	18.00000 %	
	Section 15: E½		Total	100.00000 %	100.00000 %	
	Section 22: N½ NW¼					

SF 079289-A	<u>T-28-N, R-7-W</u>	1,252.80	Royalty:	12.50000 %	12.50000 %	<u>4.583809 %</u>
	Section 11: Lots 1, 2, 3, 4, S½ S½		Working Interest:			
	Section 14: W½		Burlington Resources Oil & Gas	52.50000 %	52.50000 %	
	Section 15: W½		D. J. Simmons Co. LP	26.25000 %	26.25000 %	
	Section 22: E½		Helen Louise Simmons	2.18750 %	2.18750 %	
			June Simmons Lively	2.18750 %	2.18750 %	
			Mary Jane Simmons Banks	2.18750 %	2.18750 %	
			Carolee Simmons Smith	2.18750 %	2.18750 %	
			ORRI:	0.00000 %	0.00000 %	
		Total		100.00000 %	100.00000 %	

Schedule XLII

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079290						
	<u>T-28-N, R-7-W</u>	1,280.00	Royalty:			
	Section 13: E½		Working Interest:			
	Section 23: W½		Conoco Inc.	69.50000 %	69.50000 %	
	Section 24: W½		ORRI:	18.00000 %	18.00000 %	
	Section 26: NW¼, NE¼		<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>	
						<u>4.683330 %</u>

SF 079290-A						
	<u>T-28-N, R-7-W</u>	960.00	Royalty:	12.50000 %	12.50000 %	<u>3.512498 %</u>
	Section 13: W½		Working Interest:			
	Section 23: E½		Burlington Resources Oil & Gas	51.90000 %	51.90000 %	
	Section 24: E½		D. J. Simmons Co. LP	25.95000 %	25.95000 %	
			Helen Louise Simmons	2.16250 %	2.16250 %	
			June Simmons Lively	2.16250 %	2.16250 %	
			Mary Jane Simmons Banks	2.16250 %	2.16250 %	
			Carolee Simmons Smith	2.16250 %	2.16250 %	
			ORRI:	1.00000 %	1.00000 %	
		<u>Total</u>		<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLII

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079290-B	<u>T-28-N, R-7-W</u> Section 25: NW¼, NE¼	320.00	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI: Total	12.50000 % 28.00000 % 42.00000 % 17.50000 % 100.00000 %	12.50000 %	<u>1.170833 %</u>
<u>Tract 24-A</u>						
SF 079294	<u>T-28-N, R-7-W</u> Section 25: SW¼, SE¼	320.00	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI: Total	12.50000 % 27.20000 % 40.80000 % 19.50000 % 100.00000 %	12.50000 %	<u>1.170833 %</u>
<u>Tract 25</u>						
SF 079294	<u>T-28-N, R-7-W</u> Section 26: SE¼ Section 36: Lots 1, 2, 3, 4, N½ SW¼, NW¼, N½ SE¼, NE¼	816.88	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI: Total	12.50000 % 34.20000 % 51.30000 % 2.00000 % 100.00000 %	12.50000 %	<u>2.988843 %</u>
<u>Tract 25-A</u>						

Schedule XLII

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079298-B	<u>T-27-N, R-7-W</u>	640.00	<u>Tract 26</u>			
	Royalty:		12.50000	%	12.50000	%
	Working Interest:					
	Conoco Inc.		82.00000	%	82.00000	%
	ORRI:		5.50000	%	5.50000	%
	<u>Total</u>		<u>100.00000</u>	<u>%</u>	<u>100.00000</u>	<u>%</u>
	<u>Tract 27</u>					
	Royalty:		12.50000	%	12.50000	%
	Working Interest:					
Conoco Inc.	82.00000	%	82.00000	%		
ORRI:	5.50000	%	5.50000	%		
<u>Total</u>	<u>100.00000</u>	<u>%</u>	<u>100.00000</u>	<u>%</u>		
SF 079321-A	<u>T-27-N, R-7-W</u>	639.20	<u>Tract 27</u>			
	Royalty:		12.50000	%	12.50000	%
	Working Interest:					
	Conoco Inc.		82.00000	%	82.00000	%
	ORRI:		5.50000	%	5.50000	%
	<u>Total</u>		<u>100.00000</u>	<u>%</u>	<u>100.00000</u>	<u>%</u>
	<u>Tract 28</u>					
	Royalty:		12.50000	%	12.50000	%
	Working Interest:					
Burlington Resources Oil & Gas	82.50000	%	82.50000	%		
ORRI:	5.00000	%	5.00000	%		
<u>Total</u>	<u>100.00000</u>	<u>%</u>	<u>100.00000</u>	<u>%</u>		
NM E-290-39	<u>T-27-N, R-7-W</u>	278.96	<u>Tract 28</u>			
	Royalty:		12.50000	%	12.50000	%
	Working Interest:					
	Burlington Resources Oil & Gas		82.50000	%	82.50000	%
	ORRI:		5.00000	%	5.00000	%
	<u>Total</u>		<u>100.00000</u>	<u>%</u>	<u>100.00000</u>	<u>%</u>
	<u>Tract 29</u>					
	Royalty:		12.50000	%	12.50000	%
	Working Interest:					
Burlington Resources Oil & Gas	82.50000	%	82.50000	%		
ORRI:	5.00000	%	5.00000	%		
<u>Total</u>	<u>100.00000</u>	<u>%</u>	<u>100.00000</u>	<u>%</u>		
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Schedule XLII

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NM E-290-3	<u>T-27-N, R-7-W</u>	119.54	Royalty:	12.50000 %	12.50000 %	<u>0.437379 %</u>
	Section 2: Lot 2, SW¼ NE¼, NW¼ SE¼		Working Interest: The Wiser Oil Company	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
			<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>	
<u>Tract 29</u>						
NM E-290-39	<u>T-27-N, R-7-W</u>	39.58	Royalty:	12.50000 %	12.50000 %	<u>0.144817 %</u>
	Section 2: Lot 1		Working Interest: Burlington Resources Oil & Gas	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
			<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>	
<u>Tract 30</u>						
NM E-290-39	<u>T-27-N, R-7-W</u>	80.00	Royalty:	12.50000 %	12.50000 %	<u>0.292708 %</u>
	Section 2: SE¼ NE¼, NE¼ SE¼		Working Interest: Burlington Resources Oil & Gas	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
			<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLI

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
<u>Tract 31</u>						
NM E-290-33	<u>T-27-N, R-7-W</u>	120.00	Royalty:	12.50000 %	12.50000 %	0.439062 %
	Section 2: S½ NW¼, SE¼ SE¼		Working Interest: Burlington Resources Oil & Gas	75.00000 %	75.00000 %	
			ORRI:	12.50000 %	12.50000 %	
			<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>	
	<u>Tract 35</u>					
NM E-2825-6	<u>T-27-N, R-7-W</u>	320.00	Royalty:	12.50000 %	12.50000 %	1.170833 %
	Section 16: E½		Working Interest: Burlington Resources Oil & Gas Conoco Inc.	49.50000 % 33.00000 %	49.50000 % 33.00000 %	
			ORRI:	5.00000 %	5.00000 %	
			<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>	
	<u>Tract 36</u>					
Fee	<u>T-28-N, R-7-W</u>	236.46	Royalty:	12.50000 %	12.50000 %	0.865172 %
	Section 28: S½ NE¼, NW¼ NE¼		Working Interest: Burlington Resources Oil & Gas	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
		Section 30: Lot 4, E½ SW¼		<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>

Schedule XLII

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
<u>Tract 36-A</u>						
Fee	<u>I-28-N, R-7-W</u>	320.00	Royalty:	12.50000 %	12.50000 %	1.170833 %
	Section 20: S½ SE¼		Working Interest:			
	Section 21: S½ SW¼,		Conoco Inc.	87.50000 %	87.50000 %	
	SW¼ SE¼		ORRI:	0.00000 %	0.00000 %	
	Section 30: N½ SE¼,					
	SE¼ NE¼					
	<i>Total</i>			100.00000 %	100.00000 %	

Schedule XLII

Forty-First Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective January 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

Township 27 North, Range 7 West, N.M.P.M.
Sections 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 18, 19, 20, 29: All
Sections 6, 8, 16: E½
Sections 15, 30: W½

Township 28 North, Range 7 West, N.M.P.M.
Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21,
22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36: All
Section 31: W½

Total number of acres in participating area:

27,330.98

Percent of basic royalty interest committed:

100.00 %

Percent of working interest committed:

100.00 %

Percent of overriding royalty interest committed:

100.00 %

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NM 03521	<u>T-27-N, R-7W</u> Section 20: W½	320.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000 % 63.625000 % 23.875000 % 100.000000 %	12.500000 % 63.625000 % 23.875000 % 100.000000 %	<u>1.157283 %</u>
<u>Tract 1</u>						
NM 03560	<u>T-27-N, R-7-W</u> Section 29: All Section 30: Lots 1, 2, 3, 4 E½ W½, E½ (All)	1,281.44	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.500000 % 63.625000 % 23.875000 % 100.000000 %	12.500000 % 63.625000 % 23.875000 % 100.000000 %	<u>4.634338 %</u>
<u>Tract 2</u>						
SF 078417	<u>T-28-N, R-7-W</u> Section 7: S½ SE¼, SE¼ SW¼ Section 8: S½ SW¼ Section 16: SW¼, SE¼ Section 17: All Section 18: E½ Section 20: NE¼ Section 21: NW¼, N½ SW¼, NE¼, N½ SE¼, SE¼ SE¼	2,160.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.500000 % 84.500000 % 3.000000 % 100.000000 %	12.500000 % 84.500000 % 3.000000 % 100.000000 %	<u>7.811658 %</u>
<u>Tract 3</u>						

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078417-A	<u>T-28-N, R-7-W</u>	320.00	<u>Tract 4</u>			
	Section 18: E½ NW¼	Royalty:		12.50000 %	12.50000 %	<u>1.157283 %</u>
	Section 22: SW¼, S½ NW¼	Working Interest:				
		Burlington Resources Oil & Gas	83.50000 %	83.50000 %		
		ORRI:	4.00000 %	4.00000 %		
		<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>		

SF 078496	<u>T-27-N, R-7-W</u>	1,689.94	<u>Tract 5</u>			
	Section 3: Lots 1, 2, 3, 4,	Royalty:		12.50000 %	12.50000 %	<u>6.111682 %</u>
		Working Interest:				
	S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$	Conoco Inc.	84.50000 %	84.50000 %		
	Section 5: Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$	ORRI:	3.00000 %	3.00000 %		
		<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>		
	<u>T-28-N, R-7-W</u>					
	Section 27: SE $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$					
	Section 34: Lots 3, 4, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$					
	Section 35: Lots 1, 2, 3, 4, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$					

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078496-A						
	<u>T-27-N, R-7-W</u>	801.83	<u>Tract 6</u>			<u>2.899825 %</u>
	Section 4: Lots 1, 2, 3, 4, S½ NE¼, S½ NW¼		Royalty:	12.50000 %	12.50000 %	
			Working Interest: Burlington Resources Oil & Gas	83.50000 %	83.50000 %	
			ORRI:	4.00000 %	4.00000 %	
	<u>T-28-N, R-7-W</u>		Total	<u>100.00000 %</u>	<u>100.00000 %</u>	
	Section 26: SW¼					
	Section 34: Lots 1, 2, N½ SE¼, NE¼					
SF 078497						
	<u>T-28-N, R-7-W</u>	1,639.56	<u>Tract 7</u>			<u>5.929482 %</u>
	Section 7: Lots 1, 2, 3, 4, 5		Royalty:	12.50000 %	12.50000 %	
	Section 8: Lots 1, 2, 3, 4, S½ SE¼		Working Interest: Conoco Inc.	84.50000 %	84.50000 %	
			ORRI:	3.00000 %	3.00000 %	
	<u>Total</u>			<u>100.00000 %</u>	<u>100.00000 %</u>	
	Section 16: NW¼, NE¼					
	Section 19: Lot 1, E½ W½, E½					
	Section 20: N½ SE¼					
	Section 29: W½					
SF 078497-A						
	<u>T-28-N, R-7-W</u>	844.40	<u>Tract 8</u>			<u>3.053780 %</u>
	Section 9: Lots 1, 2, 3, 4, S½ S½		Royalty:	12.50000 %	12.50000 %	
	Section 18: Lots 1, 2, 3, 4, E½ SW¼		Working Interest: Burlington Resources Oil & Gas	83.50000 %	83.50000 %	
	Section 20: W½		ORRI:	4.00000 %	4.00000 %	
	<u>Total</u>			<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078498	<u>T-28-N, R-7-W</u>	1,988.00	Royalty:	12.50000 %	12.50000 %	<u>7.189619 %</u>
	Section 27: W½ NE¼, W½		Working Interest:			
	Section 28: W½		Conoco Inc.	84.50000 %	84.50000 %	
	Section 29: E½		ORRI:	3.00000 %	3.00000 %	
	Section 32: Lots 1, 2, N½ SE¼, NE¼		Total	100.00000 %	100.00000 %	
	Section 33: Lots 1, 2, 3, 4, N½ SW¼, NW¼, N½ SE¼, NE¼					
SF 078498-A	<u>T-28-N, R-7-W</u>	515.36	Royalty:	12.50000 %	12.50000 %	<u>1.863804 %</u>
	Section 28: SE¼, NE¼ NE¼		Working Interest:			
	Section 32: Lots 3, 4,		Burlington Resources Oil & Gas	83.50000 %	83.50000 %	
	N½ SW¼, NW¼		ORRI:	4.00000 %	4.00000 %	
	Total			100.00000 %	100.00000 %	
SF 078500-A	<u>T-28-N, R-7-W</u>	610.36	Royalty:	12.50000 %	12.50000 %	<u>2.207372 %</u>
	Section 19: Lots 2, 3, 4		Working Interest:			
	Section 30: N½ NE¼,		Conoco Inc.	84.50000 %	84.50000 %	
	SW¼NE¼, S½ SE¼		ORRI:	3.00000 %	3.00000 %	
	Section 31: Lots 1, 2, 3, 4, 5,		Total	100.00000 %	100.00000 %	
	E½ NW¼, NE¼ SW¼					

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078500	<u>T-28-N, R-7-W</u> Section 30: Lots 1, 2, 3, E½ NW¼	189.30	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 83.50000 % 4.00000 % 100.00000 %	12.50000 % 83.50000 % 4.00000 % 100.00000 %	<u>0.684605 %</u>
<u>Tract 10-A</u>						
SF 078565	<u>T-27-N, R-7-W</u> Section 5: SE¼	160.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.50000 % 69.50000 % 18.00000 % 100.00000 %	12.50000 % 69.50000 % 18.00000 % 100.00000 %	<u>0.578641 %</u>
<u>Tract 11</u>						
SF 078565-A	<u>T-27-N, R-7-W</u> Section 5: Lots 3, 4, S½ NW¼, SW¼	320.52	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 86.50000 % 1.00000 % 100.00000 %	12.50000 % 86.50000 % 1.00000 % 100.00000 %	<u>1.159163 %</u>
<u>Tract 12</u>						

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078569	<u>T-27-N, R-7-W</u> Section 8: NE¼	160.00	<u>Tract 13</u>			
	Royalty:			12.50000 %	12.50000 %	0.578641 %
	Working Interest:					
	Burlington Resources Oil & Gas			82.50000 %	82.50000 %	
	ORRI:			5.00000 %	5.00000 %	
	<u>Total</u>			<u>100.00000 %</u>	<u>100.00000 %</u>	
SF 078570	<u>T-27-N, R-7-W</u> Section 4: SE¼, SW¼ Section 8: SE¼ Section 9: NW¼	640.00	<u>Tract 14</u>			
	Royalty:			12.50000 %	12.50000 %	2.314565 %
	Working Interest:					
	Conoco Inc.			80.50000 %	80.50000 %	
	ORRI:			7.00000 %	7.00000 %	
	<u>Total</u>			<u>100.00000 %</u>	<u>100.00000 %</u>	
SF 078640	<u>T-27-N, R-7-W</u> Section 9: SW¼ Section 15: W½	480.00	<u>Tract 15</u>			
	Royalty:			12.50000 %	12.50000 %	1.735924 %
	Working Interest:					
	Burlington Resources Oil & Gas			82.50000 %	82.50000 %	
	ORRI:			5.00000 %	5.00000 %	
	<u>Total</u>			<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078640	<u>T-27-N, R-7-W</u> Section 20: E $\frac{1}{2}$	320.00	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	12.50000 % 82.50000 % 5.00000 % <u>100.00000 %</u>	12.50000 % 82.50000 % 5.00000 % <u>100.00000 %</u>	<u>1.157283 %</u>
<u>Tract 15-A</u>						
SF 078835	<u>T-27-N, R-7-W</u> Section 7: E $\frac{1}{2}$	320.00	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: <i>Total</i>	12.50000 % 84.00000 % 3.50000 % <u>100.00000 %</u>	12.50000 % 84.00000 % 3.50000 % <u>100.00000 %</u>	<u>1.157283 %</u> E/2 Sec. 7-27N-7W included as an Intervening Drilling Block
<u>Tract 16</u>						
SF 078835-A	<u>T-27-N, R-7-W</u> Section 6: Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ Section 7: Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$	640.86	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	12.50000 % 67.50000 % 20.00000 % <u>100.00000 %</u>	12.50000 % 67.50000 % 20.00000 % <u>100.00000 %</u>	<u>2.317676 %</u>
<u>Tract 17</u>						

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078840	<u>T-27-N, R-7-W</u> Section 18: Lots 1, 2, 3, 4, E½ W½, E½ Section 19: E½, E½ W½, Lots 1,2,3,4	1,281.51	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	12.50000 % 67.50000 % 20.00000 % 100.00000 %	12.50000 % 67.50000 % 20.00000 % 100.00000 %	<u>4.634592 %</u>
SF 078972	<u>T-27-N, R-7-W</u> Section 3: SE¼, SW¼ Section 10: E½, W½ Section 11: E½, W½	1,600.00	Royalty: Working Interest: Burlington Resources Oil & Gas Conoco Inc. ORRI: <i>Total</i>	12.50000 % 49.50000 % 33.00000 % 5.00000 % 100.00000 %	12.50000 % 49.50000 % 33.00000 % 5.00000 % 100.00000 %	<u>5.786413 %</u>
SF 078972-A	<u>T-27-N, R-7-W</u> Section 9: E½	320.00	Royalty: Working Interest: Burlington Resources Oil & Gas Conoco Inc. Dugan Production Corp. W. G. Peavy Oil Company ORRI: <i>Total</i>	12.50000 % 66.66667 % 3.33333 % 3.33333 % 6.66666 % 7.50000 % 100.00000 %	12.50000 % 66.66667 % 3.33333 % 3.33333 % 6.66666 % 7.50000 % 100.00000 %	<u>1.157283 %</u>

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079289						
	<u>T-28-N, R-7-W</u>	1,304.48	Royalty:	12.50000 %	12.50000 %	4.717663 %
	Section 10: Lots 1, 2, 3, 4, S½ S½		Working Interest:			
	Section 12: Lots 1, 2, 3, 4, S½ S½		Conoco Inc.	69.50000 %	69.50000 %	
	Section 14: E½		ORRI:	18.00000 %	18.00000 %	
	Section 15: E½		Total	100.00000 %	100.00000 %	
	Section 22: N½ NW¼					
SF 079289-A						
	<u>T-28-N, R-7-W</u>	1,252.80	Royalty:	12.50000 %	12.50000 %	4.530762 %
	Section 11: Lots 1, 2, 3, 4, S½ S½		Working Interest:			
	Section 14: W½		Burlington Resources Oil & Gas	52.50000 %	52.50000 %	
	Section 15: W½		D. J. Simmons Co. LP	26.25000 %	26.25000 %	
	Section 22: E½		Helen Louise Simmons	2.18750 %	2.18750 %	
			June Simmons Lively	2.18750 %	2.18750 %	
			Mary Jane Simmons Banks	2.18750 %	2.18750 %	
			Carolee Simmons Smith	2.18750 %	2.18750 %	
			ORRI:	0.00000 %	0.00000 %	
			Total	100.00000 %	100.00000 %	

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079290	<u>T-28-N, R-7-W</u>	1,280.00	Royalty:	12.50000 %	12.50000 %	<u>4.629131 %</u>
	Section 13: E½		Working Interest:			
	Section 23: W½		Conoco Inc.	69.50000 %	69.50000 %	
	Section 24: W½		ORRI:	18.00000 %	18.00000 %	
	Section 26: NW¼, NE¼		Total	100.00000 %	100.00000 %	

3.471848 %

SF 079290-A	<u>T-28-N, R-7-W</u>	960.00	Royalty:	12.50000 %	12.50000 %	
	Section 13: W½		Working Interest:			
	Section 23: E½		Burlington Resources Oil & Gas	51.90000 %	51.90000 %	
	Section 24: E½		D. J. Simmons Co. LP	25.95000 %	25.95000 %	
			Helen Louise Simmons	2.16250 %	2.16250 %	
			June Simmons Lively	2.16250 %	2.16250 %	
			Mary Jane Simmons Banks	2.16250 %	2.16250 %	
			Carolee Simmons Smith	2.16250 %	2.16250 %	
			ORRI:	1.00000 %	1.00000 %	
			Total	100.00000 %	100.00000 %	

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079290-B	<u>I-28-N, R-7-W</u> Section 25: NW¼, NE¼	320.00	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI: Total	12.50000 % 28.00000 % 42.00000 % 17.50000 % 100.00000 %	12.50000 %	<u>1.157283 %</u>
<u>Tract 24-A</u>						
SF 079294	<u>I-28-N, R-7-W</u> Section 25: SW¼, SE¼	320.00	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI: Total	12.50000 % 27.20000 % 40.80000 % 19.50000 % 100.00000 %	12.50000 %	<u>1.157283 %</u>
<u>Tract 25</u>						
SF 079294	<u>I-28-N, R-7-W</u> Section 26: SE¼ Section 36: Lots 1, 2, 3, 4, NW¼ SW¼, NW¼, N½ SE¼, NE¼	816.88	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI: Total	12.50000 % 34.20000 % 51.30000 % 2.00000 % 100.00000 %	12.50000 %	<u>2.954253 %</u>
<u>Tract 25-A</u>						

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079298-B	<u>T-27-N, R-7-W</u> Section 12: E½, W½	640.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.50000 % 82.00000 % 5.50000 % Total	12.50000 % 82.00000 % 5.50000 % 100.00000 %	<u>2.314565 %</u>
<u>Tract 26</u>						
SF 079321-A	<u>T-27-N, R-7-W</u> Section 1: Lots 1, 2, 3, 4, S½ NE¼, SE¼, S½ NW¼, SW¼	639.20	Royalty: Working Interest: Conoco Inc. ORRI:	12.50000 % 82.00000 % 5.50000 % Total	12.50000 % 82.00000 % 5.50000 % 100.00000 %	<u>2.311672 %</u>
<u>Tract 27</u>						
NM E-290-39	<u>T-27-N, R-7-W</u> Section 2: Lots 3, 4, SW¼, SW¼ SE¼	278.96	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI:	12.50000 % 82.50000 % 5.00000 % Total	12.50000 % 82.50000 % 5.00000 % 100.00000 %	<u>1.008861 %</u>
<u>Tract 28</u>						

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NM E-290-3	<u>T-27-N, R-7-W</u>	119.54	Royalty:	12.50000 %	12.50000 %	<u>0.432317 %</u>
	Section 2: Lot 2, SW¼ NE¼, NW¼ SE¼		Working Interest: The Wiser Oil Company	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
			Total	<u>100.00000 %</u>	<u>100.00000 %</u>	
	<u>Tract 30</u>					
NM E-290-39	<u>T-27-N, R-7-W</u>	39.58	Royalty:	12.50000 %	12.50000 %	<u>0.143141 %</u>
	Section 2: Lot 1		Working Interest: Burlington Resources Oil & Gas	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
			Total	<u>100.00000 %</u>	<u>100.00000 %</u>	
	<u>Tract 30-A</u>					
NM E-290-39	<u>T-27-N, R-7-W</u>	80.00	Royalty:	12.50000 %	12.50000 %	<u>0.289321 %</u>
	Section 2: SE¼ NE¼, NE¼ SE¼		Working Interest: Burlington Resources Oil & Gas	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
			Total	<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
<u>Tract 31</u>						
NM E-290-33	<u>T-27-N, R-7-W</u>	120.00	Royalty:	12.50000 %	12.50000 %	0.433981 %
	Section 2: S½ NW¼, SE¼ SE¼		Working Interest:			
			Burlington Resources Oil & Gas	75.00000 %	75.00000 %	
			ORRI:	12.50000 %	12.50000 %	
	<u>Total</u>			100.00000 %	100.00000 %	
<u>Tract 35</u>						
NM E-2825-6	<u>T-27-N, R-7-W</u>	320.00	Royalty:	12.50000 %	12.50000 %	1.157283 %
	Section 16: E½		Working Interest:			
			Burlington Resources Oil & Gas	49.50000 %	49.50000 %	
			Conoco Inc.	33.00000 %	33.00000 %	
	ORRI:	5.00000 %	5.00000 %			
<u>Total</u>			100.00000 %	100.00000 %		
<u>Tract 36</u>						
Fee	<u>T-28-N, R-7-W</u>	236.46	Royalty:	12.50000 %	12.50000 %	0.855160 %
	Section 28: S½ NE¼, NW¼ NE¼		Working Interest:			
			Burlington Resources Oil & Gas	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
	Section 30: Lot 4, E½ SW¼		<u>Total</u>	100.00000 %	100.00000 %	

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
<u>Tract 36-A</u>						
Fee	<u>T-28-N, R-7-W</u>	320.00	Royalty:	12.50000 %	12.50000 %	1.157283 %
			Working Interest:			
	Section 20: S½ SE¼		Conoco Inc.	87.50000 %	87.50000 %	
	Section 21: S½ SW¼,		ORRI:	0.00000 %	0.00000 %	
	SW¼ SE¼					
	Section 30: N½ SE¼,					
	SE¼ NE¼					
			<i>Total</i>	100.00000 %	100.00000 %	

Schedule XLIII

Forty-Second Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective February 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

Township 27 North, Range 7 West, N.M.P.M.

Sections 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 18, 19, 20, 29, 30: All

Sections 6, 8, 16: E½

Sections 15: W½

Township 28 North, Range 7 West, N.M.P.M.

Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21,

22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36: All

Section 31: W½

Total number of acres in participating area:

27,650.98

Percent of basic royalty interest committed:

100.00 %

Percent of working interest committed:

100.00 %

Percent of overriding royalty interest committed:

100.00 %

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NM 03521	<u>T-27-N, R-7-W</u>	320.00	Royalty:	12.500000 %	12.500000 %	<u>1.144247 %</u>
	Section 20: W½		Working Interest:			
			Conoco Inc.	63.625000 %		
			ORRI:	<u>23.875000 %</u>		
				<u>100.000000 %</u>	<u>100.000000 %</u>	
<u>Tract 1</u>						
NM 03560	<u>T-27-N, R-7-W</u>	1,281.44	Royalty:	12.500000 %	12.500000 %	<u>4.582139 %</u>
	Section 29: All		Working Interest:			
	Section 30: Lots 1, 2, 3, 4		Conoco Inc.	63.625000 %		
	E½ W½, E½ (All)		ORRI:	<u>23.875000 %</u>		
			Total	<u>100.000000 %</u>	<u>100.000000 %</u>	
<u>Tract 2</u>						
SF 078417	<u>T-28-N, R-7-W</u>	2,160.00	Royalty:	12.500000 %	12.500000 %	<u>7.723670 %</u>
	Section 7: S½ SE¼, SE¼ SW¼		Working Interest:			
	Section 8: S½ SW¼		Conoco Inc.	84.500000 %		
	Section 16: SW¼, SE¼		ORRI:	<u>3.000000 %</u>		
			Total	<u>100.000000 %</u>	<u>100.000000 %</u>	
<u>Tract 3</u>						
	Section 17: All					
	Section 18: E½					
	Section 20: NE¼					
	Section 21: NW¼, N½ SW¼, NE¼, N½ SE¼, SE¼ SE¼					

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078417-A	<u>T-28-N, R-7-W</u>	320.00	Royalty:	12.50000 %	12.50000 %	<u>1.144247 %</u>
	Section 18: E½ NW¼		Working Interest:			
	Section 22: SW¼, S½ NW¼		Burlington Resources Oil & Gas	83.50000 %	83.50000 %	
			ORRI:	4.00000 %	4.00000 %	
			<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>	

SF 078496	<u>T-27-N, R-7-W</u>	1,689.94	Royalty:	12.50000 %	12.50000 %	<u>6.042842 %</u>
	Section 3: Lots 1, 2, 3, 4,		Working Interest:			
	S½ NE¼, S½ NW¼		Conoco Inc.	84.50000 %	84.50000 %	
	Section 5: Lots 1, 2, S½ NE¼		ORRI:	3.00000 %	3.00000 %	
			<u>Total</u>	<u>100.00000 %</u>	<u>100.00000 %</u>	
	<u>T-28-N, R-7-W</u>					
	Section 27: SE¼, E½ NE¼					
	Section 34: Lots 3, 4, N½ SW¼, NW¼					
	Section 35: Lots 1, 2, 3, 4, N½ SE¼,					
	NE¼, N½ SW¼, NW¼					

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

SF 078496-A	<u>T-27-N, R-7-W</u>	801.83	Royalty:	12.50000 %	12.50000 %	<u>2.867162 %</u>
	Section 4: Lots 1, 2, 3, 4,		Working Interest:			
	S½ NE¼, S½ NW¼		Burlington Resources Oil & Gas	83.50000 %	83.50000 %	
			ORRI:	4.00000 %	4.00000 %	
	<u>T-28-N, R-7-W</u>		Total	<u>100.00000 %</u>	<u>100.00000 %</u>	
	Section 26: SW¼					
	Section 34: Lots 1, 2, N½ SE¼, NE¼					

SF 078497	<u>T-28-N, R-7-W</u>	1,639.56	Royalty:	12.50000 %	12.50000 %	<u>5.862695 %</u>
	Section 7: Lots 1, 2, 3, 4, 5		Working Interest:			
	Section 8: Lots 1, 2, 3, 4,		Conoco Inc.	84.50000 %	84.50000 %	
	S½ SE¼		ORRI:	3.00000 %	3.00000 %	
	Section 16: NW¼, NE¼		Total	<u>100.00000 %</u>	<u>100.00000 %</u>	
	Section 19: Lot 1, E½ W½, E½					
	Section 20: N½ SE¼					
	Section 29: W½					

SF 078497-A	<u>T-28-N, R-7-W</u>	844.40	Royalty:	12.50000 %	12.50000 %	<u>3.019383 %</u>
	Section 9: Lots 1, 2, 3, 4, S½ S½		Working Interest:			
	Section 18: Lots 1, 2, 3, 4, E½ SW¼		Burlington Resources Oil & Gas	83.50000 %	83.50000 %	
	Section 20: W½		ORRI:	4.00000 %	4.00000 %	
	Total			<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078498	T-28-N, R-7-W Section 27: W½ NE¼, W½ Section 28: W½ Section 29: E½ Section 32: Lots 1, 2, N½ SE¼, NE¼ Section 33: Lots 1, 2, 3, 4, N½ SW¼, NW¼, N½ SE¼, NE¼	1,988.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.50000 % 84.50000 % 3.00000 % 100.00000 %	12.50000 % 84.50000 % 3.00000 % 100.00000 %	7.108637 %
Tract 9						
SF 078498-A	T-28-N, R-7-W Section 28: SE¼, NE¼ NE¼ Section 32: Lots 3, 4, N½ SW¼, NW¼	515.36	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 83.50000 % 4.00000 % 100.00000 %	12.50000 % 83.50000 % 4.00000 % 100.00000 %	1.842810 %
Tract 9-A						
SF 078500-A	T-28-N, R-7-W Section 19: Lots 2, 3, 4 Section 30: N½ NE¼, SW¼ NE¼, S½ SE¼ Section 31: Lots 1, 2, 3, 4, 5, 6, 7, E½ NW¼, NE¼ SW¼, NE¼, N½ SE¼ (All)	925.36	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.50000 % 84.50000 % 3.00000 % 100.00000 %	12.50000 % 84.50000 % 3.00000 % 100.00000 %	3.308877 %
Tract 10						

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078500	<u>T-28-N, R-7-W</u> Section 30: Lots 1, 2, 3, E½ NW¼	189.30	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI:	12.50000 % 83.50000 % 4.00000 %	12.50000 % 83.50000 % 4.00000 %	<u>0.676894 %</u>
<u>Tract 10-A</u>						
<u>Total</u>				<u>100.00000 %</u>	<u>100.00000 %</u>	
SF 078565	<u>T-27-N, R-7-W</u> Section 5: SE¼	160.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.50000 % 69.50000 % 18.00000 %	12.50000 % 69.50000 % 18.00000 %	<u>0.572124 %</u>
<u>Tract 11</u>						
<u>Total</u>				<u>100.00000 %</u>	<u>100.00000 %</u>	
SF 078565-A	<u>T-27-N, R-7-W</u> Section 5: Lots 3, 4, S½ NW¼, SW¼	320.52	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI:	12.50000 % 86.50000 % 1.00000 %	12.50000 % 86.50000 % 1.00000 %	<u>1.146107 %</u>
<u>Tract 12</u>						
<u>Total</u>				<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078569	<u>T-27-N, R-7-W</u> Section 8: NE¼	160.00	<u>Tract 13</u>			
	Royalty:			12.50000 %	12.50000 %	<u>0.572124 %</u>
	Working Interest:					
	Burlington Resources Oil & Gas			82.50000 %	82.50000 %	
	ORRI:			5.00000 %	5.00000 %	
	<u>Total</u>			<u>100.00000 %</u>	<u>100.00000 %</u>	
SF 078570	<u>T-27-N, R-7-W</u> Section 4: SE¼, SW¼ Section 8: SE¼ Section 9: NW¼	640.00	<u>Tract 14</u>			
	Royalty:			12.50000 %	12.50000 %	<u>2.288495 %</u>
	Working Interest:					
	Conoco Inc.			80.50000 %	80.50000 %	
	ORRI:			7.00000 %	7.00000 %	
	<u>Total</u>			<u>100.00000 %</u>	<u>100.00000 %</u>	
SF 078640	<u>T-27-N, R-7-W</u> Section 9: SW¼ Section 15: W½	480.00	<u>Tract 15</u>			
	Royalty:			12.50000 %	12.50000 %	<u>1.716371 %</u>
	Working Interest:					
	Burlington Resources Oil & Gas			82.50000 %	82.50000 %	
	ORRI:			5.00000 %	5.00000 %	
	<u>Total</u>			<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Coroco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078640	<u>T-27-N, R-7-W</u> Section 20: E½	320.00	Royalty: Working Interest: Coroco Inc. ORRI: <i>Total</i>	12.50000 % 82.50000 % 5.00000 % <u>100.00000 %</u>	12.50000 % 82.50000 % 5.00000 % <u>100.00000 %</u>	<u>1.144247 %</u>
Tract 15-A						
SF 078835	<u>T-27-N, R-7-W</u> Section 7: E½	320.00	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: <i>Total</i>	12.50000 % 84.00000 % 3.50000 % <u>100.00000 %</u>	12.50000 % 84.00000 % 3.50000 % <u>100.00000 %</u>	<u>1.144247 %</u> E/2 Sec.7-27N-7W included as an intervening Drilling Block
Tract 16						
SF 078835-A	<u>T-27-N, R-7-W</u> Section 6: Lots 1, 2, S½ NE¼, SE¼ Section 7: Lots 1, 2, 3, 4, E½ W½	640.86	Royalty: Working Interest: Coroco Inc. ORRI: <i>Total</i>	12.50000 % 67.50000 % 20.00000 % <u>100.00000 %</u>	12.50000 % 67.50000 % 20.00000 % <u>100.00000 %</u>	<u>2.291570 %</u>
Tract 17						

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078840	<u>T-27-N, R-7-W</u> Section 18: Lots 1, 2, 3, 4, E½ W½, E½ Section 19: E½, E½ W½, Lots 1,2,3,4	1,281.51	Royalty: Working Interest: Conoco Inc. ORRI: <i>Total</i>	12.50000 % 67.50000 % 20.00000 % 100.00000 %	12.50000 % 67.50000 % 20.00000 % 100.00000 %	<u>4.582389 %</u>
SF 078972	<u>T-27-N, R-7-W</u> Section 3: SE¼, SW¼ Section 10: E½, W½ Section 11: E½, W½	1,600.00	Royalty: Working Interest: Burlington Resources Oil & Gas Conoco Inc. ORRI: <i>Total</i>	12.50000 % 49.50000 % 33.00000 % 5.00000 % 100.00000 %	12.50000 % 49.50000 % 33.00000 % 5.00000 % 100.00000 %	<u>5.721237 %</u>
SF 078972-A	<u>T-27-N, R-7-W</u> Section 9: E½	320.00	Royalty: Working Interest: Burlington Resources Oil & Gas Conoco Inc. Dugan Production Corp. W. G. Peavy Oil Company ORRI: <i>Total</i>	12.50000 % 66.66667 % 3.33333 % 3.33333 % 6.66666 % 7.50000 % 100.00000 %	12.50000 % 66.66667 % 3.33333 % 3.33333 % 6.66666 % 7.50000 % 100.00000 %	<u>1.144247 %</u>

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

SF 079289-A	<u>T-28-N, R-7-W</u>	1,304.48	Royalty:	<u>Tract 21</u>	12.50000 %	4.664525 %
	Section 10: Lots 1, 2, 3, 4, S½ S½		Working Interest:			
	Section 12: Lots 1, 2, 3, 4, S½ S½		Conoco Inc.	69.50000 %	69.50000 %	
	Section 14: E½		ORRI:	18.00000 %	18.00000 %	
	Section 15: E½		Total	100.00000 %	100.00000 %	
	Section 22: N½ NW¼					

SF 079289-A	<u>T-28-N, R-7-W</u>	1,252.80	Royalty:	<u>Tract 22</u>	12.50000 %	12.50000 %	4.479729 %
	Section 11: Lots 1, 2, 3, 4, S½ S½		Working Interest:				
	Section 14: W½		Burlington Resources Oil & Gas	52.50000 %	52.50000 %		
	Section 15: W½		D. J. Simmons Co. LP	26.25000 %	26.25000 %		
	Section 22: E½		Helen Louise Simmons	2.18750 %	2.18750 %		
			June Simmons Lively	2.18750 %	2.18750 %		
			Mary Jane Simmons Banks	2.18750 %	2.18750 %		
			Carolee Simmons Smith	2.18750 %	2.18750 %		
			ORRI:	0.00000 %	0.00000 %		
			Total	100.00000 %	100.00000 %		

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079290						
	<u>T-28-N, R-7-W</u>	1,280.00	Royalty:	12.50000 %	12.50000 %	<u>4.576990 %</u>
	Section 13: E½		Working Interest:			
	Section 23: W½		Conoco Inc.	69.50000 %	69.50000 %	
	Section 24: W½		ORRI:	18.00000 %	18.00000 %	
	Section 26: NW¼, NE¼		Total	<u>100.00000 %</u>	<u>100.00000 %</u>	

SF 079290-A						
	<u>T-28-N, R-7-W</u>	960.00	Royalty:	12.50000 %	12.50000 %	<u>3.432742 %</u>
	Section 13: W½		Working Interest:			
	Section 23: E½		Burlington Resources Oil & Gas	51.90000 %	51.90000 %	
	Section 24: E½		D. J. Simmons Co. LP	25.95000 %	25.95000 %	
			Helen Louise Simmons	2.16250 %	2.16250 %	
			June Simmons Lively	2.16250 %	2.16250 %	
			Mary Jane Simmons Banks	2.16250 %	2.16250 %	
			Carolee Simmons Smith	2.16250 %	2.16250 %	
			ORRI:	1.00000 %	1.00000 %	
			Total	<u>100.00000 %</u>	<u>100.00000 %</u>	

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079290-B	<u>T-28-N, R-7-W</u> Section 25: NW¼, NE¼	320.00	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI: <i>Total</i>	12.50000 % 28.00000 % 42.00000 % 17.50000 % <u>100.00000 %</u>	12.50000 % 28.00000 % 42.00000 % 17.50000 % <u>100.00000 %</u>	<u>1.144247 %</u>
<u>Tract 24-A</u>						
SF 079294	<u>T-28-N, R-7-W</u> Section 25: SW¼, SE¼	320.00	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI: <i>Total</i>	12.50000 % 27.20000 % 40.80000 % 19.50000 % <u>100.00000 %</u>	12.50000 % 27.20000 % 40.80000 % 19.50000 % <u>100.00000 %</u>	<u>1.144247 %</u>
<u>Tract 25</u>						
SF 079294	<u>T-28-N, R-7-W</u> Section 26: SE¼ Section 36: Lots 1, 2, 3, 4, NW¼ SW¼, NW¼, NW¼ SE¼, NE¼	816.88	Royalty: Working Interest: Conoco Inc. Burlington Resources Oil & Gas ORRI: <i>Total</i>	12.50000 % 34.20000 % 51.30000 % 2.00000 % <u>100.00000 %</u>	12.50000 % 34.20000 % 51.30000 % 2.00000 % <u>100.00000 %</u>	<u>2.920978 %</u>
<u>Tract 25-A</u>						

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079298-B	<u>T-27-N, R-7-W</u> Section 12: E½, W½	640.00	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.50000 % 82.00000 % 5.50000 % 100.00000 %	12.50000 % 82.00000 % 5.50000 % 100.00000 %	<u>2.288495 %</u>
<u>Tract 26</u>						
SF 079321-A	<u>T-27-N, R-7-W</u> Section 1: Lots 1, 2, 3, 4, S½ NE¼, SE¼, S½ NW¼, SW¼	639.20	Royalty: Working Interest: Conoco Inc. ORRI: Total	12.50000 % 82.00000 % 5.50000 % 100.00000 %	12.50000 % 82.00000 % 5.50000 % 100.00000 %	<u>2.285634 %</u>
<u>Tract 27</u>						
NM E-290-39	<u>T-27-N, R-7-W</u> Section 2: Lots 3, 4, SW¼, SW¼ SE¼	278.96	Royalty: Working Interest: Burlington Resources Oil & Gas ORRI: Total	12.50000 % 82.50000 % 5.00000 % 100.00000 %	12.50000 % 82.50000 % 5.00000 % 100.00000 %	<u>0.997498 %</u>
<u>Tract 28</u>						

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NM E-290-3	<u>T-27-N, R-7-W</u>	119.54	Royalty:	12.50000 %	12.50000 %	<u>0.427448 %</u>
	Section 2: Lot 2, SW¼ NE¼, NW¼ SE¼	Working Interest:				
		The Wiser Oil Company	87.50000 %	87.50000 %		
		ORRI:	0.00000 %	0.00000 %		
	<i>Total</i>		100.00000 %	100.00000 %		
NM E-290-39	<u>T-27-N, R-7-W</u>	39.58	Royalty:	12.50000 %	12.50000 %	<u>0.141529 %</u>
	Section 2: Lot 1	Working Interest:				
		Burlington Resources Oil & Gas	87.50000 %	87.50000 %		
		ORRI:	0.00000 %	0.00000 %		
	<i>Total</i>		100.00000 %	100.00000 %		
NM E-290-39	<u>T-27-N, R-7-W</u>	80.00	Royalty:	12.50000 %	12.50000 %	<u>0.286062 %</u>
	Section 2: SE¼ NE¼, NE¼ SE¼	Working Interest:				
		Burlington Resources Oil & Gas	87.50000 %	87.50000 %		
		ORRI:	0.00000 %	0.00000 %		
	<i>Total</i>		100.00000 %	100.00000 %		

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
<u>Tract 31</u>						
NM E-290-33	<u>T-27-N, R-7-W</u>	120.00	Royalty:	12.50000 %	12.50000 %	0.429093 %
			Working Interest:			
	Section 2: S½ NW¼, SE¼ SE¼		Burlington Resources Oil & Gas	75.00000 %	75.00000 %	
			ORRI:	12.50000 %	12.50000 %	
			Total	100.00000 %	100.00000 %	
<u>Tract 35</u>						
NM E-2825-6	<u>T-27-N, R-7-W</u>	320.00	Royalty:	12.50000 %	12.50000 %	1.144247 %
			Working Interest:			
	Section 16: E½		Burlington Resources Oil & Gas	49.50000 %	49.50000 %	
			Conoco Inc.	33.00000 %	33.00000 %	
			ORRI:	5.00000 %	5.00000 %	
		Total	100.00000 %	100.00000 %		
<u>Tract 36</u>						
Fee	<u>T-28-N, R-7-W</u>	236.46	Royalty:	12.50000 %	12.50000 %	0.845527 %
			Working Interest:			
	Section 28: S½ NE¼, NW¼ NE¼		Burlington Resources Oil & Gas	87.50000 %	87.50000 %	
			ORRI:	0.00000 %	0.00000 %	
			Total	100.00000 %	100.00000 %	

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Coroco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Tract 36-A

Fee	<u>T-28-N, R-7-W</u>	320.00	Royalty:		12.50000	%	12.50000	%	1.144247	%
	Section 20: S½ SE¼		Working Interest:							
	Section 21: S½ SW¼,		Coroco Inc.		87.50000	%	87.50000	%		
	SW¼ SE¼		ORRI:		0.00000	%	0.00000	%		
	Section 30: N½ SE¼, SE¼ NE¼		Total		100.00000	%	100.00000	%		

Schedule XLIV

Forty-Third Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective March 1, 1999

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

Township 27 North, Range 7 West, N.M.P.M.

Sections 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 18, 19, 20, 29, 30: All

Sections 6, 8, 16: E½

Sections 15: W½

Township 28 North, Range 7 West, N.M.P.M.

Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21,

22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36: All

Total number of acres in participating area:

27,965.98

Percent of basic royalty interest committed:

100.00000 %

Percent of working interest committed:

100.00000 %

Percent of overriding royalty interest committed:

100.00000 %



Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079
Tel: 281-293-5568
Fax: 281-293-1102

April 19, 2002

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
1235 LaPlata Highway
Farmington, New Mexico 87401

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

✓ State of New Mexico
Oil Conservation Division
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505-4000

Re: San Juan 28-7 Unit 14-08-001-459
Commerciality Determination
Pictured Cliffs Formation
Rio Arriba County, New Mexico

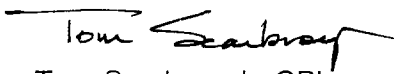
Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement, approved January 29, 1953, Conoco Inc., as Unit Operator, has determined that the wells on the attached list are capable of producing unitized substances in paying quantities from the Pictured Cliffs formation. Also attached is an economic summary and production data for each well. Conoco Inc. respectfully requests agency confirmation of the enclosed paying well determinations.

Upon confirmation from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and the New Mexico Oil Conservation Division, the formal Participating Area Schedule will be prepared and submitted.

Copies of this letter are being forwarded to the working interest owners on the attached sheet. Should you have technical questions in this regard, please contact Steve Riley at 281.293.3967. Please forward any Land related questions to the undersigned at 281.293.5568.

Respectfully submitted,


Tom Scarbrough, CPL

Encl.

APR 22 2002
11:00 AM
BLM

San Juan 28-7 Unit 14-08-001-459
Commerciality Determination
Pictured Cliffs Formation

Well Name	Dedication	Lease No.	Completion Date	Operator's Determination
SJ 28-7 # 161	E/2 Sec. 16-28N-7W	SF-078497	9/27/1972	Commercial upon Re-determination
SJ 28-7 # 7	E/2 Sec. 35-28N-7W	SF-078496	4/6/1998	Commercial
SJ 28-7 # 68	E/2 Sec. 31-28N-7W	SF-078500-A	6/10/1999	Non-Commercial
SJ 28-7 # 35	W/2 Sec. 1-27N-7W	SF-079321-A	10/28/1999	Non-Commercial
SJ 28-7 # 10	W/2 Sec. 36-28N-7W	SF-079294	11/19/1999	Commercial
SJ 28-7 # 55	S/2 Sec. 12-28N-7W	SF-079289	11/28/2000	Non-Commercial
SJ 28-7 # 58A	W/2 Sec. 29-28N-7W	SF-078497	12/20/2000	Commercial
SJ 28-7 # 276	W/2 Sec. 33-28N-7W	SF-078498	1/4/2001	Commercial
SJ 28-7 # 278	E/2 Sec. 35-28N-7W	SF-078496	1/30/2001	Commercial
SJ 28-7 # 48	W/2 Sec. 21-28N-7W	SF-078417	2/2/2001	Commercial
SJ 28-7 # 53	W/2 Sec. 28-28N-7W	SF-078498	2/27/2001	Commercial
SJ 28-7 # 19	E/2 Sec. 25-28N-7W	Sf-079290-B	3/7/2001	Non-Commercial
SJ 28-7 # 58	W/2 Sec. 29-28N-7W	SF-078497	3/14/2001	Non-Commercial
SJ 28-7 # 6	W/2 Sec. 16-28N-7W	SF-078417	4/5/2001	Commercial
SJ 28-7 # 22	E/2 Sec. 17-28N-7W	SF-078417	4/25/2001	Commercial
SJ 28-7 # 47	E/2 Sec. 20-28N-7W	SF-078417	5/7/2001	Commercial
SJ 28-7 # 28	E/2 Sec. 26-28N-7W	SF-079290	5/26/2001	Commercial
SJ 28-7 # 49	E/2 Sec. 21-28N-7W	SF-078417	5/31/2001	Commercial
SJ 28-7 # 22A	E/2 Sec. 17-28N-7W	SF-078417	6/12/2001	Commercial
SJ 28-7 # 11	E/2 Sec. 36-28N-7W	SF-079294	6/22/2001	Non-Commercial
SJ 28-7 # 18	W/2 Sec. 25-28N-7W	SF-079294	6/26/2001	Non-Commercial
SJ 28-7 # 69	E/2 Sec. 32-28N-7W	SF-078498	8/11/2001	Commercial
SJ 28-7 # 59	E/2 Sec. 29-28N-7W	SF-078498	8/16/2001	Commercial

San Juan 28-7 Unit
Working Interest Owners
Pictured Cliffs Formation

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75060-2038

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
6704 Ashbrook Dr.
Fort Worth, TX 76132-1140

Conoco Inc.
Attn: Tom Scarbrough
600 Dairy Ashford
Houston, TX 77079

San Juan 28-7 Unit

Pictured Cliffs Completions - Wells Currently not in the PA
March 5, 2002

Well Name	Well #	API#	Pool	Dedication/Location	Current Status	Completion Date	Current Contoco WI	Current Contoco NRI	Gross EUR	PI @ 9% M\$/M\$	NPV @ 9% M\$	Add to P/A?	COMMENTS
SANJUAN 28-7	6	30-039-07398	Pictured Cliffs	W/2 16-28N-7W	Active	4/5/2001			350	1.07	20	Yes	Recent Recompletion
SANJUAN 28-7	7	30-039-07265	Pictured Cliffs	NE/4 35-28N-7W	Active	4/6/1998			408	1.77	231	Yes	
SANJUAN 28-7	10	30-039-07223	Pictured Cliffs	SW/4 36-28N-7W	Active	11/19/1999			385	1.26	79	Yes	
SANJUAN 28-7	11	30-039-07263	Pictured Cliffs	E/2 36-28N-7W	Active	6/22/2001			4	---	---	no	Recomplete. Not commercial if drilled at current economic conditions.
SANJUAN 28-7	18	30-039-07289	Pictured Cliffs	W/2 25-28N-7W	Active	06/26/01			335	0.99	(4)	no	Recent Recompletion - Close. Need to obtain more production data.
SANJUAN 28-7	19	30-039-07317	Pictured Cliffs	E/2 25-28N-7W	Active	03/07/01			73	0.29	(213)	no	Recent Recompletion
SANJUAN 28-7	22	30-039-07422	Pictured Cliffs	NE/4 17-28N-7W	Active	4/25/2001			501	1.69	206	Yes	Recent Recompletion
SANJUAN 28-7	22A	30-039-21936	Pictured Cliffs	SE/4 17-28N-7W	Active	6/12/2001			480	1.52	156	Yes	Recent Recompletion
SANJUAN 28-7	28	30-039-07326	Pictured Cliffs	E/2 26-28N-7W	Active	5/26/2001			352	1.05	15	Yes	Recent Recompletion
SANJUAN 28-7	35	30-039-07178	Pictured Cliffs	SW/4 1-27N-7W	Active	10/28/1999			130	0.59	(123)	no	Not commercial if drilled at current economic conditions.
SANJUAN 28-7	40	30-039-07074	Pictured Cliffs	E/2 18-27N-7W	Active	6/29/1955			118	---	---	no	Shut-in. Not commercial if drilled at current economic conditions.
SANJUAN 28-7	42	30-039-07075	Pictured Cliffs	W/2 17-27N-7W	Shut-in	6/14/1955			227	---	---	no	Not commercial if drilled at current economic conditions.
SANJUAN 28-7	43	30-039-07014	Pictured Cliffs	NW/4NW/4 20-27N-7W	Active	6/7/1955			258	---	---	no	Not commercial if drilled at current economic conditions.
SANJUAN 28-7	47	30-039-07389	Pictured Cliffs	E/2 20-28N-7W	Active	5/7/2001			482	1.54	162	Yes	Recent Recompletion
SANJUAN 28-7	48	30-039-07362	Pictured Cliffs	W/2 21-28N-7W	Active	2/2/2001			472	1.46	138	Yes	Recent Recompletion
SANJUAN 28-7	49	30-039-07382	Pictured Cliffs	E/2 21-28N-7W	Active	5/31/2001			354	1.09	27	Yes	Recent Recompletion
SANJUAN 28-7	53	30-039-07300	Pictured Cliffs	W/2 28-28N-7W	Active	2/27/2001			531	1.85	254	Yes	Recent Recompletion
SANJUAN 28-7	55	30-039-07444	Pictured Cliffs	S/2 12-28N-7W	Active	11/28/2000			8	---	---	no	Recent Recompletion - Not commercial if drilled.
SANJUAN 28-7	57	30-039-07314	Pictured Cliffs	NE 30-28N-7W	Active	10/6/2001			342	---	---	no	Recent Recompletion - Do not have 6 months production data.
SANJUAN 28-7	58	30-039-07301	Pictured Cliffs	W/2 29-28N-7W	Active	3/14/2001			9	---	---	Maybe	Recent Recompletion - Not commercial, but bring in 320 ac w/ SJ 58A?
SANJUAN 28-7	58A	30-039-23983	Pictured Cliffs	W/2 29-28N-7W	Active	12/20/2000			592	2.10	329	Yes	Recent Recompletion
SANJUAN 28-7	59	30-039-07334	Pictured Cliffs	E/2 29-28N-7W	Active	8/16/2001			587	1.88	264	Yes	Recent Recompletion
SANJUAN 28-7	68	30-039-06071	Pictured Cliffs	NE/4 31-28N-7W	Active	6/10/1999			45	0.21	(236)	Yes	
SANJUAN 28-7	69	30-039-07258	Pictured Cliffs	NE/4 32-28N-7W	Active	8/11/2001			424	1.41	122	Yes	Recent Recompletion
SANJUAN 28-7	161	30-039-20502	Pictured Cliffs	E/2 16-28N-7W	Active	9/27/1972			479	1.44	133	Yes	
SANJUAN 28-7	276	30-039-26437	Pictured Cliffs	W/2 33-28N-7W	Active	1/4/2001			763	2.64	492	Yes	New Drill
SANJUAN 28-7	278	30-039-26439	Pictured Cliffs	E/2 35-28N-7W	Active	1/30/2001			602	1.89	268	Yes	New Drill
SANJUAN 28-7	284	30-039-26710	Pictured Cliffs	NE/4 1-27N-7W	Active	12/20/2001			419	---	---	no	New Drill - Do not have 6 months production data
SANJUAN 28-7	293	30-039-26758	Pictured Cliffs	SW/4 33-28N-7W	Active	1/9/2002			419	---	---	Yes	New Drill - Looks good. Only 2 months prod data but same 320 as #276.

Note : Planned PC completions for San Juan 28-7 #215M, #218E, and #34 had a casing leak - location developed with the SJ 28-7 #284.

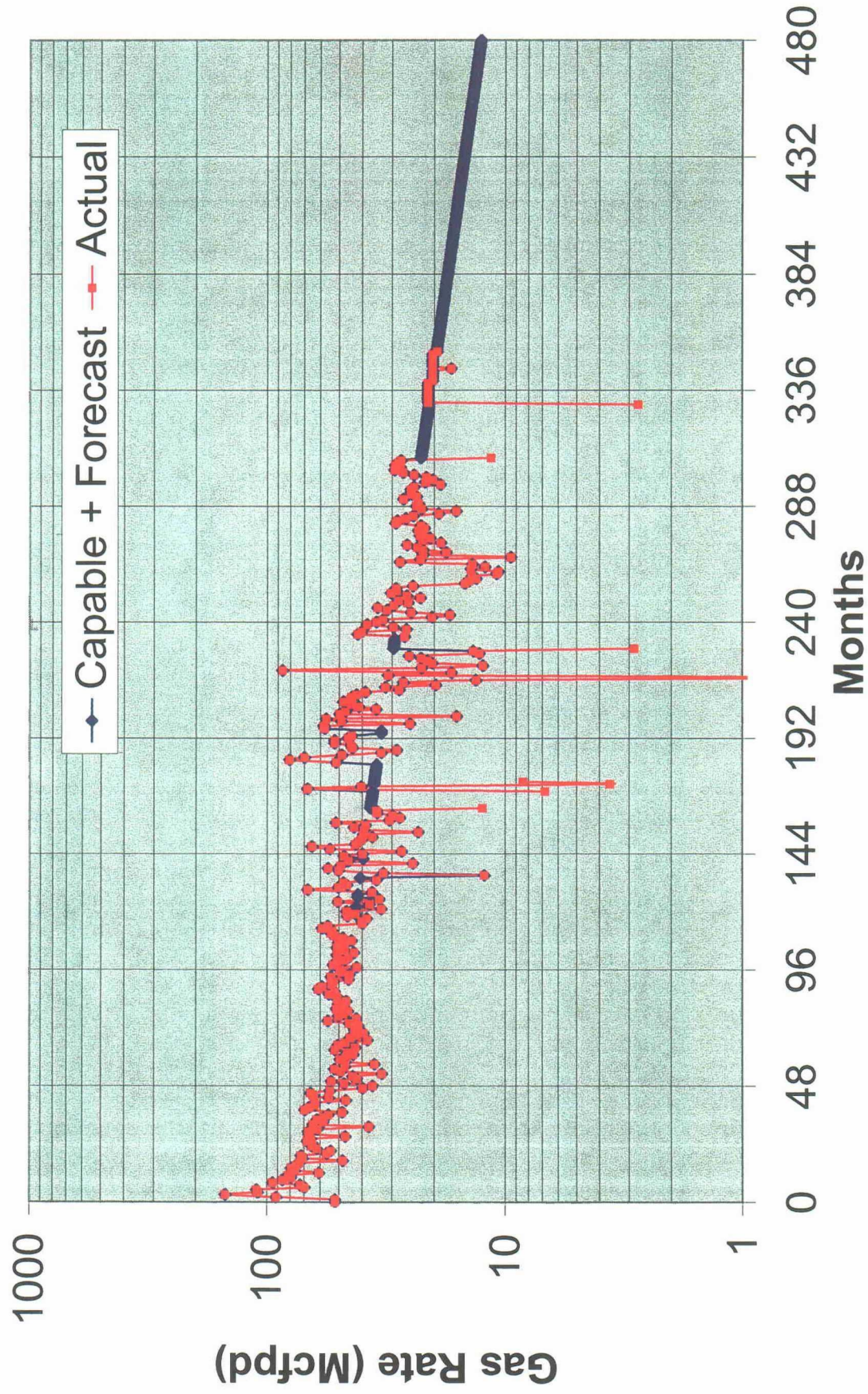
PI = (NPV + Net D&C) / (Net D&C)

PI and NPV are Before Federal Tax & After Production Tax

Economics Based on the Following

January 1, 2002 Effective Date	
Well Drill and Complete :	\$300,000
Annual OPEX :	\$2,500
Working Interest :	100%
Net Revenue Interest :	87.50%
Economic Limit	10 Mcfpd or 40 years max life
Gas Price	\$3.00/MMBTU flat

San Juan 28-7 #161 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #161 PC (sdr)
Nominal

Net Present Values

Disc Rate (%)	Before Tax M\$	Before Tax Cap Inv. M\$	After Tax Cash Flow M\$	After Tax Cash Flow M\$
0.0	993	300	693	437
8.0	462	300	162	89
9.0	433	300	133	69
10.0	407	300	107	52
12.0	364	300	64	22
18.0	280	300	-20	-38
Arr:	993	300	693	437

Case Description

SJ 28-7 #161 PC PA Expansion
E/2 16-28N-7W WI: 100% NRI: 87.5%
Well EUR = 479 MMCF
Capable EUR w/ 40 year cutoff = 479 MMcf
First Production : 10/72
Analyze as new drill w/ start date = 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

	BTax	ATax
ROR	16.2	13.8
Payout Period	72.7	74.8
	72.7	74.8
Undisc PI	3.31	2.46
9.0 Pcnt. PI	1.44	1.23
12.0 Pcnt. PI	1.21	1.07
NPV/Vol@9.0	0.28	0.14
NPV/Vol@12.0	0.13	0.05
Economic Limit Date	2041/12	
Last Scheduled Prod Date	2041/12	

Products Recovery (US)

	Gross	WI	Roy	Net
Oil	0	0	0	0
Gas-Raw	479	479	60	420
Gas-Sales	479	479	60	420
Ethane	0	0	0	0
Propane	0	0	0	0
Butane	0	0	0	0
Cond.	0	0	0	0
Sulphur	0	0	0	0
Other	0	0	0	0

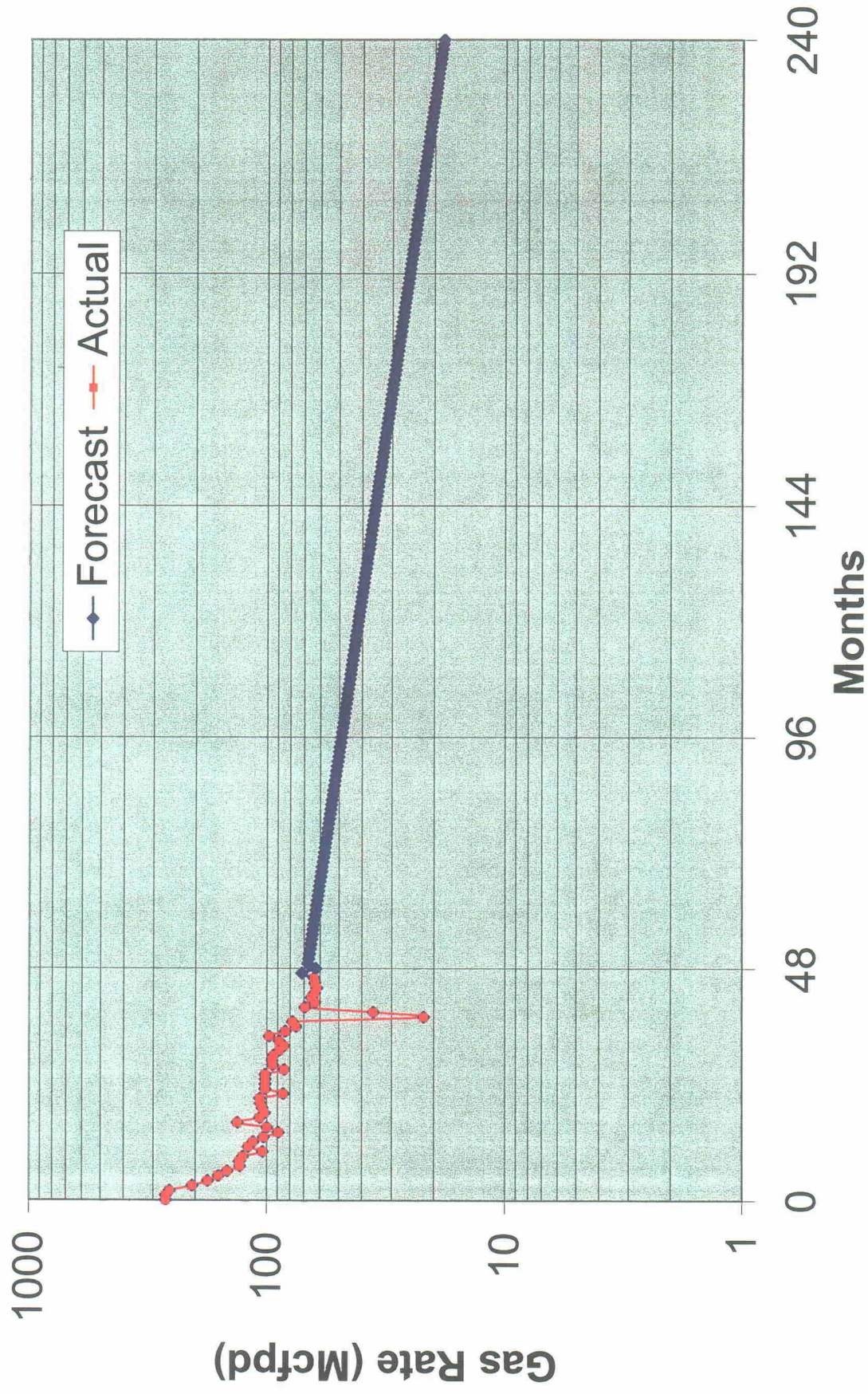
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY														
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opccosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	31.83	0.00	27.85	0.00	3.00	1.0	83.55	7.52	2.52	73.51	300.00	-226.49	-229.36
2003(12)	0.00	24.05	0.00	21.05	0.00	3.00	1.0	63.14	5.68	2.57	54.89	0.00	54.89	48.49
2004(12)	0.00	21.88	0.00	19.15	0.00	3.00	1.0	57.45	5.17	2.62	49.65	0.00	49.65	40.22
2005(12)	0.00	21.01	0.00	18.38	0.00	3.00	1.0	55.14	4.96	2.68	47.50	0.00	47.50	35.30
2006(12)	0.00	16.34	0.00	14.30	0.00	3.00	1.0	42.89	3.86	2.73	36.30	0.00	36.30	24.71
2007(12)	0.00	16.31	0.00	14.27	0.00	3.00	1.0	42.80	3.85	2.79	36.17	0.00	36.17	22.62
2008(12)	0.00	17.29	0.00	15.13	0.00	3.00	1.0	45.38	4.08	2.84	38.46	0.00	38.46	22.03
2009(12)	0.00	19.11	0.00	16.72	0.00	3.00	1.0	50.16	4.51	2.90	42.75	0.00	42.75	22.50
2010(12)	0.00	17.62	0.00	15.42	0.00	3.00	1.0	46.25	4.16	2.96	39.13	0.00	39.13	18.88
2011(12)	0.00	17.41	0.00	15.23	0.00	3.00	1.0	45.70	4.11	3.02	38.58	0.00	38.58	17.10
2012(12)	0.00	16.12	0.00	14.11	0.00	3.00	1.0	42.33	3.81	3.08	35.44	0.00	35.44	14.36
2013(12)	0.00	14.66	0.00	12.83	0.00	3.00	1.0	38.48	3.46	3.14	31.88	0.00	31.88	11.86
2014(12)	0.00	14.98	0.00	13.11	0.00	3.00	1.0	39.33	3.54	3.20	32.59	0.00	32.59	11.16
2015(12)	0.00	13.07	0.00	11.44	0.00	3.00	1.0	34.32	3.09	3.26	27.97	0.00	27.97	8.77
2016(12)	0.00	14.13	0.00	12.36	0.00	3.00	1.0	37.09	3.34	3.33	30.42	0.00	30.42	8.77
2017(12)	0.00	17.46	0.00	15.28	0.00	3.00	1.0	45.84	4.13	3.40	38.32	0.00	38.32	10.12
2018(12)	0.00	15.63	0.00	13.68	0.00	3.00	1.0	41.03	3.69	3.46	33.87	0.00	33.87	8.20
2019(12)	0.00	13.53	0.00	11.84	0.00	3.00	1.0	35.51	3.20	3.53	28.78	0.00	28.78	6.42
2020(12)	0.00	8.76	0.00	7.67	0.00	3.00	1.0	23.00	2.07	3.60	17.33	0.00	17.33	3.53
2021(12)	0.00	11.03	0.00	9.65	0.00	3.00	1.0	28.95	2.61	3.68	22.67	0.00	22.67	4.22
2022(12)	0.00	9.97	0.00	8.72	0.00	3.00	1.0	26.17	2.36	3.75	20.07	0.00	20.07	3.45
2023(12)	0.00	6.55	0.00	5.73	0.00	3.00	1.0	17.20	1.55	3.82	11.83	0.00	11.83	1.88
2024(12)	0.00	7.54	0.00	6.60	0.00	3.00	1.0	19.79	1.78	3.90	14.11	0.00	14.11	2.03
2025(12)	0.00	8.49	0.00	7.43	0.00	3.00	1.0	22.28	2.01	3.98	16.30	0.00	16.30	2.16
2026(12)	0.00	7.81	0.00	6.83	0.00	2.75	1.0	20.49	1.84	4.06	14.59	0.00	14.59	1.77
2027(12)	0.00	9.26	0.00	8.10	0.00	3.00	1.0	24.30	2.19	4.14	17.98	0.00	17.98	2.01
2028(12)	0.00	8.03	0.00	7.03	0.00	3.00	1.0	21.08	1.90	4.22	14.96	0.00	14.96	1.53
2029(12)	0.00	7.75	0.00	6.78	0.00	3.00	1.0	20.34	1.83	4.31	14.20	0.00	14.20	1.33
2030(12)	0.00	7.41	0.00	6.48	0.00	3.00	1.0	19.45	1.75	4.39	13.31	0.00	13.31	1.15
2031(12)	0.00	7.16	0.00	6.27	0.00	3.00	1.0	18.80	1.69	4.48	12.63	0.00	12.63	1.00
2032(12)	0.00	6.83	0.00	5.98	0.00	3.00	1.0	17.94	1.61	4.57	11.75	0.00	11.75	0.85
2033(12)	0.00	6.54	0.00	5.73	0.00	3.00	1.0	17.18	1.55	4.66	10.97	0.00	10.97	0.73
2034(12)	0.00	6.28	0.00	5.50	0.00	3.00	1.0	16.50	1.48	4.75	10.26	0.00	10.26	0.63
2035(12)	0.00	6.04	0.00	5.28	0.00	3.00	1.0	15.84	1.43	4.85	9.57	0.00	9.57	0.54
2036(12)	0.00	5.81	0.00	5.09	0.00	3.00	1.0	15.26	1.37	4.95	8.94	0.00	8.94	0.46
2037(12)	0.00	5.57	0.00	4.87	0.00	3.00	1.0	14.61	1.32	5.05	8.25	0.00	8.25	0.39
2038(12)	0.00	5.35	0.00	4.68	0.00	3.00	1.0	14.04	1.26	5.15	7.63	0.00	7.63	0.33
2039(12)	0.00	5.14	0.00	4.49	0.00	3.00	1.0	13.48	1.21	5.25	7.02	0.00	7.02	0.28
2040(12)	0.00	4.95	0.00	4.33	0.00	3.00	1.0	12.98	1.17	5.35	6.46	0.00	6.46	0.24
2041(12)	0.00	4.74	0.00	4.14	0.00	3.00	1.0	12.43	1.12	5.46	5.85	0.00	5.85	0.20
Total	0.00	479.44	0.00	419.51	0.00	0.00	0.0	1,258.52	113.27	152.39	992.87	300.00	692.87	132.86

San Juan 28-7 #7 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #7 PC (sdr)

Nominal

Net Present Values

Disc	Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
(%)	M\$	M\$	M\$	M\$	
0.0	884	300	584	368	
8.0	554	300	254	147	
9.0	531	300	231	131	
10.0	509	300	209	116	
12.0	472	300	172	90	
18.0	391	300	91	33	
Arr:	884	300	584	368	

Case Description

SJ 28-7 #7 PC PA Expansion
NE/4 35-28N-7W WI: 100% NRI: 87.5%
Well EUR w/ 40 year cutoff = 479 MMcf
First Production : 4/98
Analyze as new drill w/ start date = 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	30.3	23.0
Payout Period	Std. (mo's)	35.7	43.9
	Proj. (mo's)	35.7	43.9
Undisc PI	M\$/M\$	2.95	2.23
9.0 Pcnt. PI	M\$/M\$	1.77	1.44
12.0 Pcnt. PI	M\$/M\$	1.57	1.30
NPV/Vol@9.0	M\$/MMSCF	0.57	0.32
NPV/Vol@12.0	M\$/MMSCF	0.42	0.22
Economic Limit Date		2029/04	
Last Scheduled Prod Date		2029/04	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	408	408	51	357
Gas-Sales	MMSCF	408	408	51	357
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

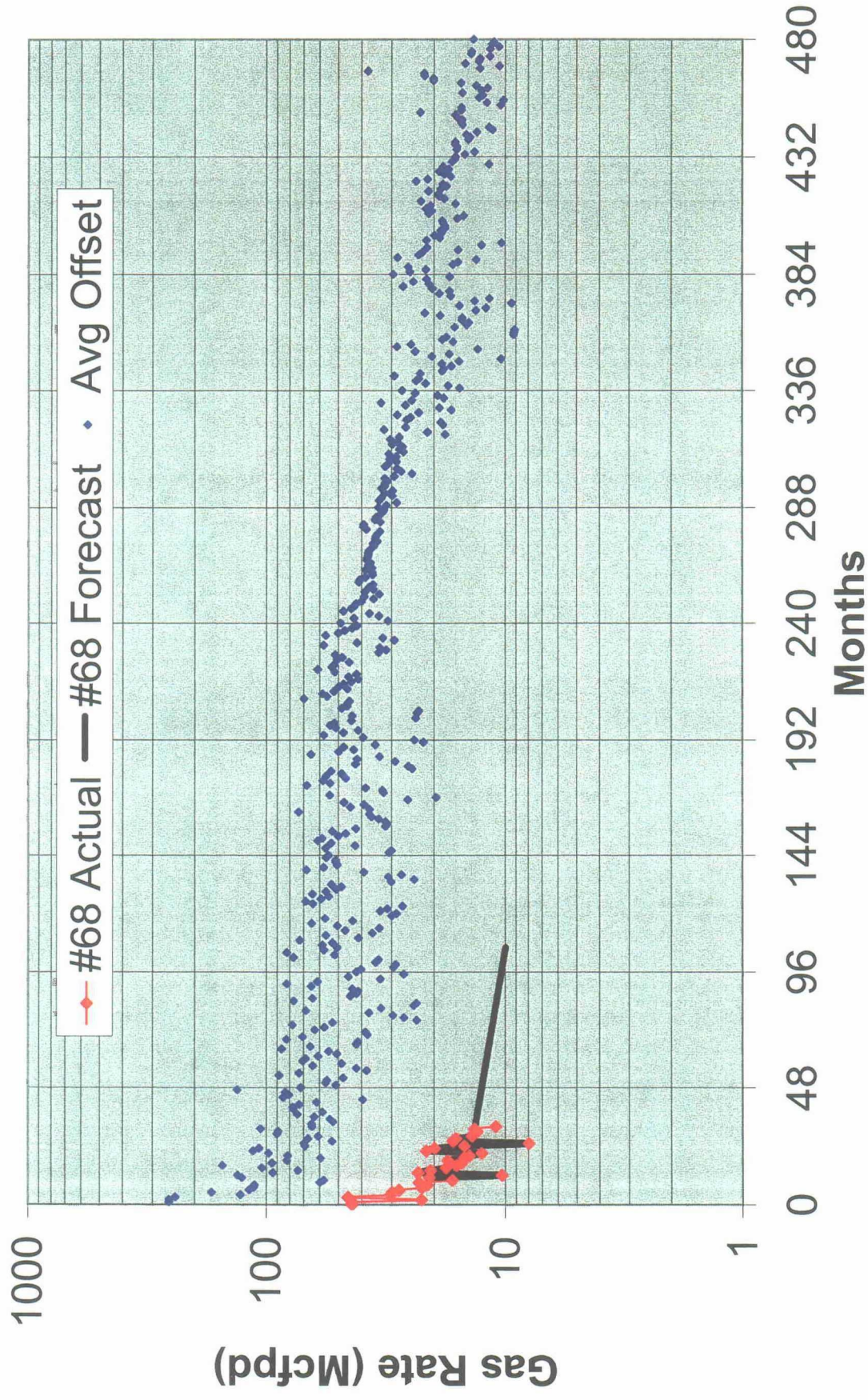
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opccosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	58.53	0.00	51.21	0.00	3.00	1.0	153.64	13.83	2.52	137.29	300.00	-162.71	-167.02	-152.03	-157.11
2003(12)	0.00	37.71	0.00	33.00	0.00	3.00	1.0	98.99	8.91	2.57	87.51	0.00	87.51	77.22	67.90	59.91
2004(12)	0.00	33.19	0.00	29.04	0.00	3.00	1.0	87.13	7.84	2.62	76.66	0.00	76.66	62.13	58.74	47.59
2005(12)	0.00	21.93	0.00	19.19	0.00	3.00	1.0	57.56	5.18	2.68	49.70	0.00	49.70	36.82	40.09	29.71
2006(12)	0.00	23.68	0.00	20.72	0.00	3.00	1.0	62.15	5.59	2.73	53.83	0.00	53.83	36.68	41.50	28.28
2007(12)	0.00	21.82	0.00	19.09	0.00	3.00	1.0	57.27	5.15	2.79	49.33	0.00	49.33	30.84	36.57	22.86
2008(12)	0.00	20.16	0.00	17.64	0.00	3.00	1.0	52.91	4.76	2.84	45.31	0.00	45.31	25.99	31.52	18.08
2009(12)	0.00	18.52	0.00	16.21	0.00	3.00	1.0	48.62	4.38	2.90	41.34	0.00	41.34	21.76	27.53	14.49
2010(12)	0.00	17.06	0.00	14.93	0.00	3.00	1.0	44.80	4.03	2.96	37.81	0.00	37.81	18.25	23.82	11.50
2011(12)	0.00	15.72	0.00	13.76	0.00	3.00	1.0	41.27	3.71	3.02	34.54	0.00	34.54	15.30	21.76	9.64
2012(12)	0.00	14.53	0.00	12.71	0.00	3.00	1.0	38.13	3.43	3.08	31.63	0.00	31.63	12.85	19.92	8.10
2013(12)	0.00	13.35	0.00	11.68	0.00	3.00	1.0	35.04	3.15	3.14	28.75	0.00	28.75	10.72	18.11	6.75
2014(12)	0.00	12.30	0.00	10.76	0.00	3.00	1.0	32.28	2.91	3.20	26.18	0.00	26.18	8.95	16.49	5.64
2015(12)	0.00	11.33	0.00	9.92	0.00	3.00	1.0	29.75	2.68	3.26	23.81	0.00	23.81	7.47	15.00	4.71
2016(12)	0.00	10.47	0.00	9.16	0.00	3.00	1.0	27.48	2.47	3.33	21.68	0.00	21.68	6.24	13.66	3.93
2017(12)	0.00	9.62	0.00	8.42	0.00	3.00	1.0	25.25	2.27	3.40	19.58	0.00	19.58	5.17	12.34	3.26
2018(12)	0.00	8.86	0.00	7.76	0.00	3.00	1.0	23.27	2.09	3.46	17.71	0.00	17.71	4.29	11.16	2.70
2019(12)	0.00	8.17	0.00	7.15	0.00	3.00	1.0	21.44	1.93	3.53	15.98	0.00	15.98	3.55	10.06	2.24
2020(12)	0.00	7.55	0.00	6.60	0.00	3.00	1.0	19.81	1.78	3.60	14.42	0.00	14.42	2.94	9.09	1.85
2021(12)	0.00	6.93	0.00	6.07	0.00	3.00	1.0	18.20	1.64	3.68	12.89	0.00	12.89	2.41	8.12	1.52
2022(12)	0.00	6.39	0.00	5.59	0.00	3.00	1.0	16.77	1.51	3.75	11.51	0.00	11.51	1.98	7.25	1.24
2023(12)	0.00	5.89	0.00	5.15	0.00	3.00	1.0	15.45	1.39	3.82	10.24	0.00	10.24	1.61	6.45	1.02
2024(12)	0.00	5.44	0.00	4.76	0.00	3.00	1.0	14.28	1.28	3.90	9.09	0.00	9.09	1.31	5.73	0.83
2025(12)	0.00	5.00	0.00	4.37	0.00	3.00	1.0	13.11	1.18	3.98	7.96	0.00	7.96	1.05	5.01	0.66
2026(12)	0.00	4.60	0.00	4.03	0.00	3.00	1.0	12.08	1.09	4.06	6.94	0.00	6.94	0.84	4.37	0.53
2027(12)	0.00	4.24	0.00	3.71	0.00	3.00	1.0	11.13	1.00	4.14	5.99	0.00	5.99	0.67	3.78	0.42
2028(12)	0.00	3.92	0.00	3.43	0.00	3.00	1.0	10.29	0.93	4.22	5.14	0.00	5.14	0.53	3.24	0.33
2029(12)	0.00	1.22	0.00	1.06	0.00	3.00	0.3	3.19	0.29	1.41	1.50	0.00	1.50	0.14	0.94	0.09
Total	0.00	408.11	0.00	357.10	0.00	0.00	0.0	1,071.29	96.42	90.58	884.30	300.00	584.30	230.71	368.11	130.78

San Juan 28-7 #68 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #68 PC (sdr)

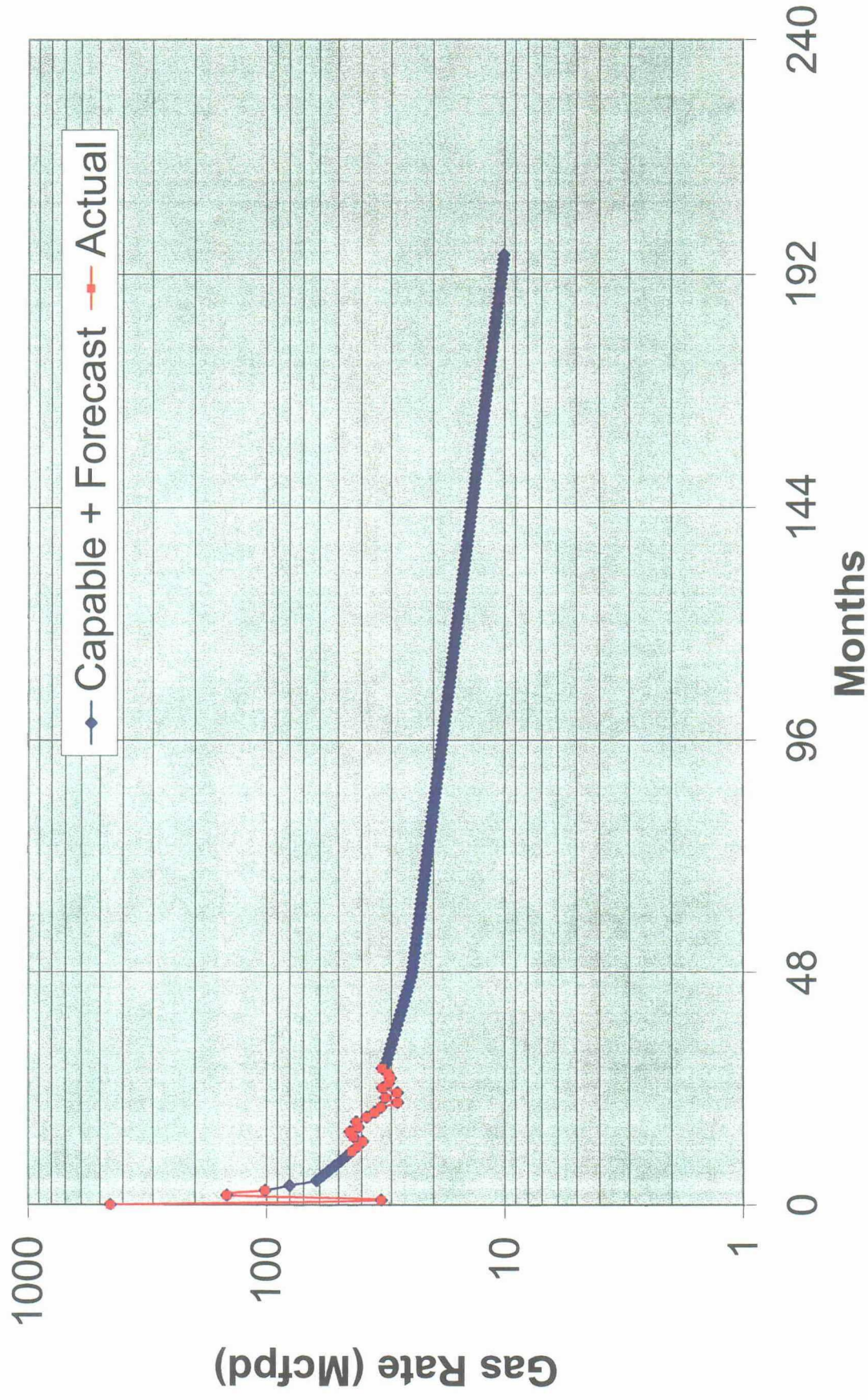
Nominal

Net Present Values					Case Description
Disc Before Tax	Before Tax	Before Tax	After Tax		SJ 28-7 #68 PC PA Expansion Eval NE/4 31-28N-7W WI: 100% NRI: 87.5% Well EUR = 45 MMCF First Production : 6/99 Analyze Date 1/02 3.0 \$/MMBTU fixed gas price Well cost: \$300,000 Op cost: \$2,500/yr Analyze at 100% WI and 87.5% NRI
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
(%)	M\$	M\$	M\$	M\$	
0.0	84	300	-216	-136	
8.0	66	300	-234	-161	
9.0	64	300	-236	-163	
10.0	63	300	-237	-165	
12.0	60	300	-240	-170	
18.0	52	300	-248	-181	
Arr:	84	300	-216	-136	

Economic Indicators (Generic)					Products Recovery (US)				Company WI (US)		
			BTax	ATax		Gross	WI	Roy	Net	Initial %	Final %
ROR		%	0.0	0.0	Oil	MSTB	0	0	0	Working	100.0
Payout Period	Std. (mo's)		0.0	0.0	Gas-Raw	MMSCF	45	45	6	Oil NRI	87.5
	Proj. (mo's)		0.0	0.0	Gas-Sales	MMSCF	45	45	6	Gas NRI	87.5
Undisc PI	M\$/M\$		0.28	0.55	Ethane	MSTB	0	0	0	Byprod. NRI	87.5
9.0 Pcnt. PI	M\$/M\$		0.21	0.46	Propane	MSTB	0	0	0	Capital	100.0
12.0 Pcnt. PI	M\$/M\$		0.20	0.43	Butane	MSTB	0	0	0		
NPV/Vol@9.0	M\$/MMSCF		-5.21	-3.60	Cond.	MSTB	0	0	0		
NPV/Vol@12.0	M\$/MMSCF		-5.31	-3.75	Sulphur	MLt	0	0	0		
Economic Limit Date			2010/10		Other	MSTB	0	0	0		
Last Scheduled Prod Date			2010/10								

Cash Flow Summary																
RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	9.59	0.00	8.39	0.00	3.00	1.0	25.17	2.26	2.52	20.38	300.00	-279.62	-280.24	-225.68	-228.44
2003(12)	0.00	6.33	0.00	5.54	0.00	3.00	1.0	16.61	1.49	2.57	12.54	0.00	12.54	11.08	20.67	18.25
2004(12)	0.00	4.90	0.00	4.29	0.00	3.00	1.0	12.87	1.16	2.62	9.09	0.00	9.09	7.35	16.17	13.08
2005(12)	0.00	4.69	0.00	4.10	0.00	3.00	1.0	12.31	1.11	2.68	8.53	0.00	8.53	6.33	14.15	10.51
2006(12)	0.00	4.47	0.00	3.91	0.00	3.00	1.0	11.74	1.06	2.73	7.95	0.00	7.95	5.42	12.59	8.58
2007(12)	0.00	4.25	0.00	3.72	0.00	3.00	1.0	11.17	1.01	2.79	7.38	0.00	7.38	4.61	10.14	6.34
2008(12)	0.00	4.07	0.00	3.56	0.00	3.00	1.0	10.69	0.96	2.84	6.89	0.00	6.89	3.95	7.31	4.19
2009(12)	0.00	3.87	0.00	3.38	0.00	3.00	1.0	10.15	0.91	2.90	6.34	0.00	6.34	3.33	5.48	2.88
2010(12)	0.00	3.08	0.00	2.70	0.00	3.00	0.8	8.09	0.73	2.46	4.90	0.00	4.90	2.38	3.09	1.50
Total	0.00	45.25	0.00	39.60	0.00	0.00	0.0	118.79	10.69	24.11	83.98	300.00	-216.02	-235.78	-136.09	-163.11

San Juan 28-7 #35 - Pictured Cliffs



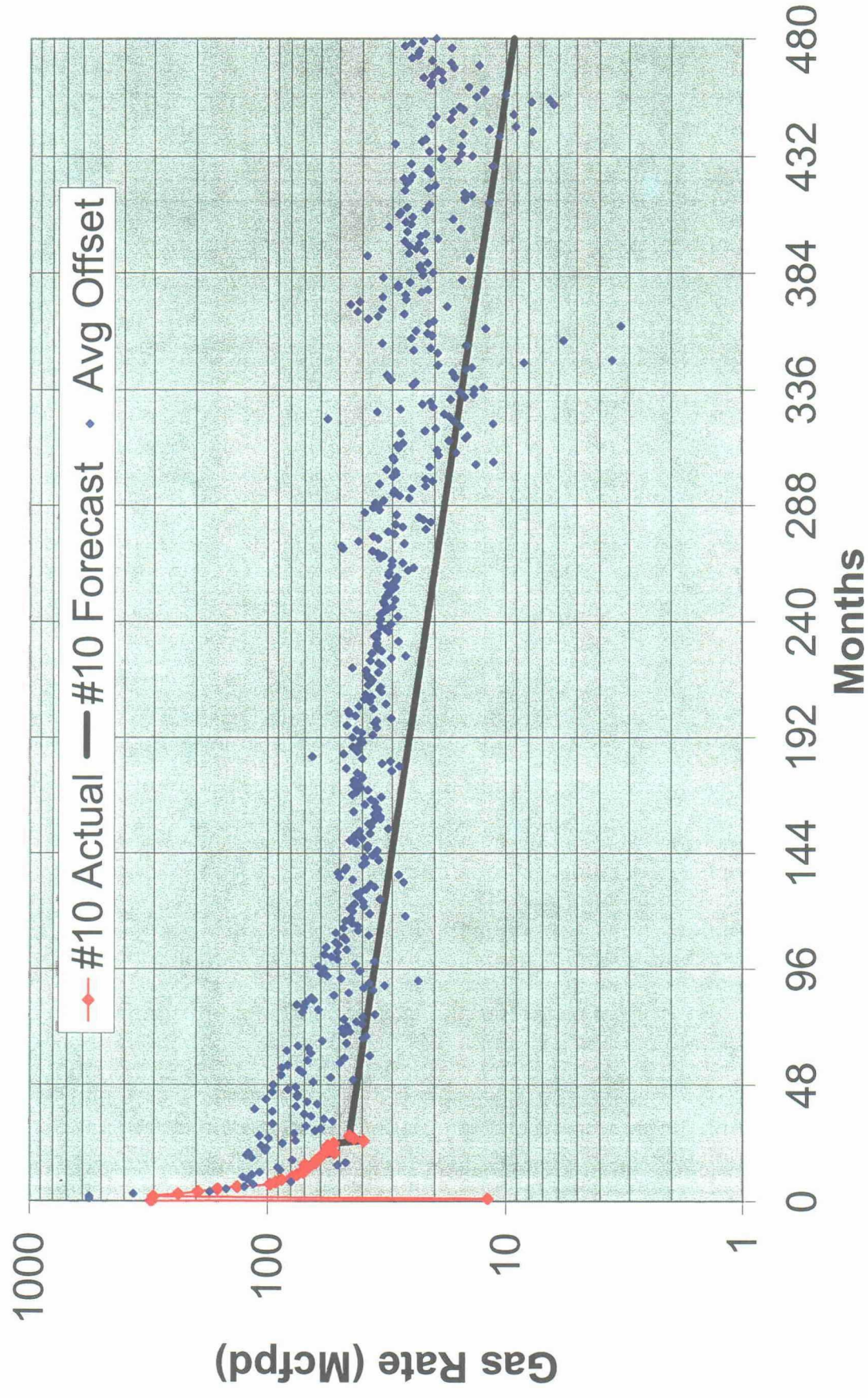
Nominal

Disc	Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
(%)	M\$	M\$	M\$	M\$	
0.0	262	300	-38	-24	SJ 28-7 #35 PC PA Expansion
8.0	184	300	-116	-87	SW/4 1-27N-7W WI: 100% NRI: 87.5%
9.0	177	300	-123	-92	Well EUR = 118 MMCF
10.0	171	300	-129	-97	Capable EUR w/ 40 year cutoff = 130 MMCF
12.0	160	300	-140	-106	First Production : 10/99
18.0	136	300	-164	-128	Analyze as new drill w/ start date = 1/02
Arr:	262	300	-38	-24	3.0 \$/MMBTU fixed gas price
					Well cost: \$300,000
					Op cost: \$2,500/yr
					Analyze at 100% WI and 87.5% NRI

Products Recovery (US)						Company WI (US)		
		Gross	WI	Roy	Net		Initial %	Final %
Oil	MSTB	0	0	0	0	Working	100.0	100.0
Gas-Raw	MMSCF	130	130	16	114	Oil NRI	87.5	87.5
Gas-Sales	MMSCF	130	130	16	114	Gas NRI	87.5	87.5
Ethane	MSTB	0	0	0	0	Byprod. NRI	87.5	87.5
Propane	MSTB	0	0	0	0	Capital	100.0	100.0
Butane	MSTB	0	0	0	0			
Cond.	MSTB	0	0	0	0			
Sulphur	MLt	0	0	0	0			
Other	MSTB	0	0	0	0			

	Gross Oil	Gross Gas	NRI	NRI	Oil	Gas	No. of	Total	Total	Total	Operation	Total	BTAX	BTAX	ATAX	ATAX
Date	Volume	Volume	Oil	Gas	Price	Price	Wells	NRI	Prod	Opcosts	Cash Flow	Capital	Cash Flow	Cash Flow	Cash Flow	Cash Flow
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		Revenue	Taxes					Disc @ 9%		Disc @ 9%
								M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	23.13	0.00	20.24	0.00	3.00	1.0	60.72	5.47	2.52	52.73	300.00	-247.27	-248.97	-205.30	-208.73
2003(12)	0.00	13.32	0.00	11.65	0.00	3.00	1.0	34.96	3.15	2.57	29.24	0.00	29.24	25.88	31.19	27.57
2004(12)	0.00	11.15	0.00	9.76	0.00	3.00	1.0	29.28	2.63	2.62	24.02	0.00	24.02	19.45	25.57	20.70
2005(12)	0.00	9.60	0.00	8.40	0.00	3.00	1.0	25.21	2.27	2.68	20.27	0.00	20.27	15.06	21.54	16.01
2006(12)	0.00	8.59	0.00	7.52	0.00	3.00	1.0	22.56	2.03	2.73	17.80	0.00	17.80	12.13	18.80	12.81
2007(12)	0.00	7.99	0.00	6.99	0.00	3.00	1.0	20.98	1.89	2.79	16.31	0.00	16.31	10.20	15.76	9.85
2008(12)	0.00	7.45	0.00	6.52	0.00	3.00	1.0	19.57	1.76	2.84	14.97	0.00	14.97	8.59	12.40	7.11
2009(12)	0.00	6.91	0.00	6.05	0.00	3.00	1.0	18.15	1.63	2.90	13.62	0.00	13.62	7.17	10.06	5.30
2010(12)	0.00	6.43	0.00	5.63	0.00	3.00	1.0	16.88	1.52	2.96	12.40	0.00	12.40	5.99	7.81	3.77
2011(12)	0.00	5.98	0.00	5.23	0.00	3.00	1.0	15.70	1.41	3.02	11.27	0.00	11.27	4.99	7.10	3.14
2012(12)	0.00	5.58	0.00	4.88	0.00	3.00	1.0	14.64	1.32	3.08	10.25	0.00	10.25	4.16	6.46	2.62
2013(12)	0.00	5.17	0.00	4.53	0.00	3.00	1.0	13.58	1.22	3.14	9.22	0.00	9.22	3.44	5.81	2.17
2014(12)	0.00	4.81	0.00	4.21	0.00	3.00	1.0	12.63	1.14	3.20	8.29	0.00	8.29	2.84	5.22	1.79
2015(12)	0.00	4.47	0.00	3.91	0.00	3.00	1.0	11.74	1.06	3.26	7.42	0.00	7.42	2.33	4.68	1.47
2016(12)	0.00	4.17	0.00	3.65	0.00	3.00	1.0	10.95	0.99	3.33	6.64	0.00	6.64	1.91	4.18	1.20
2017(12)	0.00	3.87	0.00	3.39	0.00	3.00	1.0	10.16	0.91	3.40	5.85	0.00	5.85	1.54	3.68	0.97
2018(12)	0.00	1.21	0.00	1.06	0.00	3.00	0.3	3.18	0.29	1.13	1.76	0.00	1.76	0.44	1.11	0.28
Total	0.00	129.86	0.00	113.63	0.00	0.00	0.0	340.88	30.68	48.16	262.05	300.00	-37.95	-122.85	-23.91	-91.96

San Juan 28-7 #10 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #10 PC (sdr)

Nominal

Net Present Values

	Disc Before Tax	Before Tax	Before Tax	After Tax
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	768	300	468	295
8.0	400	300	100	50
9.0	379	300	79	35
10.0	360	300	60	22
12.0	329	300	29	0
18.0	267	300	-33	-46
Arr:	768	300	468	295

Case Description

SJ 28-7 #10 PC PA Expansion
 SW/4 36-28N-7W WI: 100% NRI: 87.5%
 Well EUR = 385 MMCF
 First Production : 11/99
 Analyze Date 1/02
 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

	BTax	ATax
ROR	%	14.4
Payout Period	Std. (mo's)	74.5
	Proj. (mo's)	76.6
Undisc PI	M\$/M\$	2.56
9.0 Pcnt. PI	M\$/M\$	1.26
12.0 Pcnt. PI	M\$/M\$	1.10
NPV/Vol@9.0	M\$/MMSCF	0.20
NPV/Vol@12.0	M\$/MMSCF	0.08
Economic Limit Date	2042/01	
Last Scheduled Prod Date	2042/01	

Products Recovery (US)

	Gross	WI	Roy	Net
Oil	MSTB	0	0	0
Gas-Raw	MMSCF	385	385	48
Gas-Sales	MMSCF	385	385	48
Ethane	MSTB	0	0	0
Propane	MSTB	0	0	0
Butane	MSTB	0	0	0
Cond.	MSTB	0	0	0
Sulphur	MLt	0	0	0
Other	MSTB	0	0	0

Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

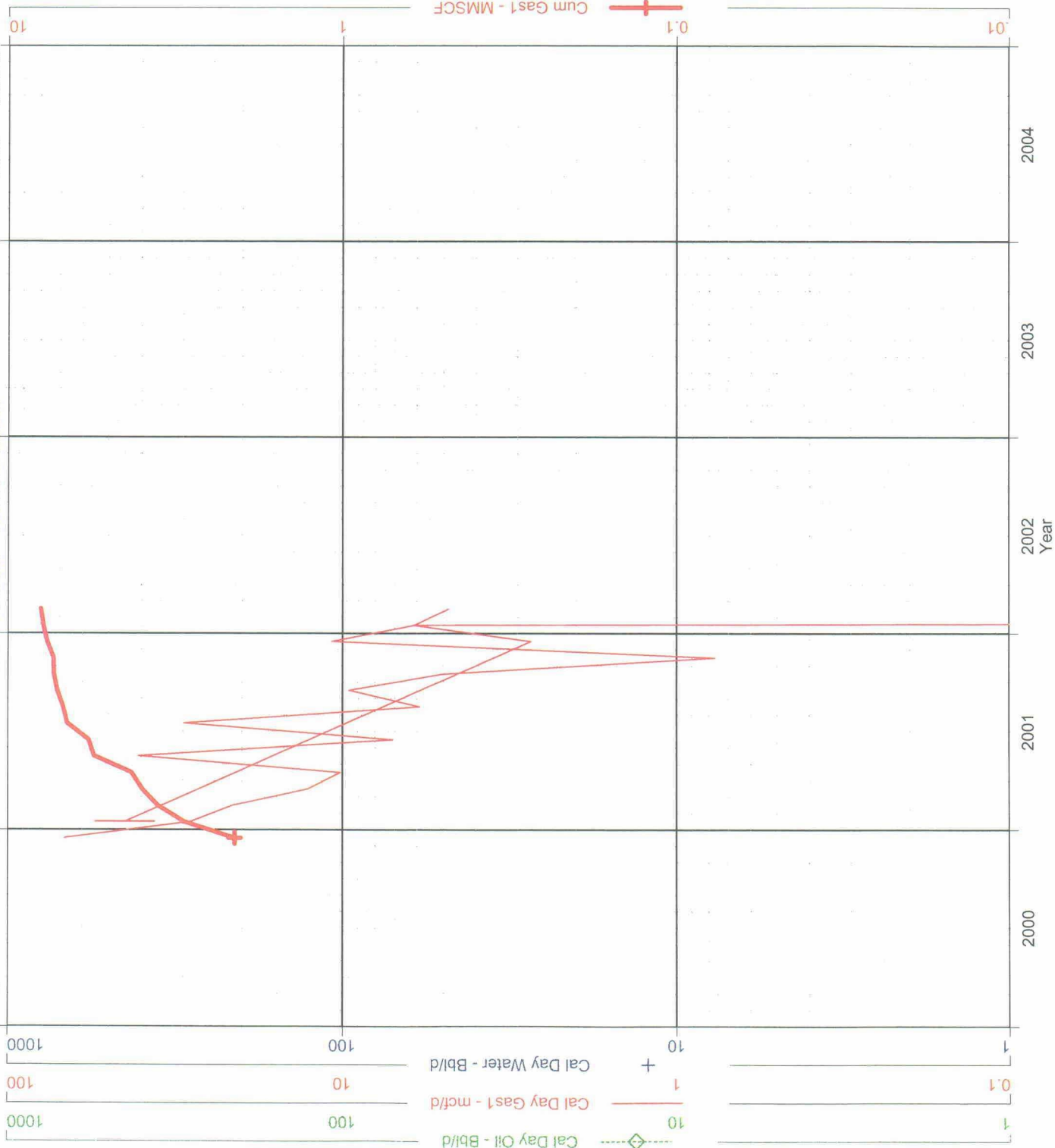
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	46.29	0.00	40.50	0.00	3.00	1.0	121.51	10.94	2.52	108.05	300.00	-191.95	-195.34	-170.45	-174.95
2003(12)	0.00	22.02	0.00	19.27	0.00	3.00	1.0	57.81	5.20	2.57	50.03	0.00	50.03	44.23	44.29	39.13
2004(12)	0.00	16.14	0.00	14.13	0.00	3.00	1.0	42.38	3.81	2.62	35.94	0.00	35.94	29.08	33.08	26.77
2005(12)	0.00	15.68	0.00	13.72	0.00	3.00	1.0	41.15	3.70	2.68	34.77	0.00	34.77	25.82	30.68	22.78
2006(12)	0.00	15.03	0.00	13.15	0.00	3.00	1.0	39.46	3.55	2.73	33.17	0.00	33.17	22.60	28.49	19.41
2007(12)	0.00	14.41	0.00	12.61	0.00	3.00	1.0	37.83	3.41	2.79	31.64	0.00	31.64	19.78	25.43	15.89
2008(12)	0.00	13.86	0.00	12.13	0.00	3.00	1.0	36.38	3.27	2.84	30.26	0.00	30.26	17.36	22.04	12.64
2009(12)	0.00	13.25	0.00	11.59	0.00	3.00	1.0	34.78	3.13	2.90	28.75	0.00	28.75	15.12	19.60	10.31
2010(12)	0.00	12.70	0.00	11.12	0.00	3.00	1.0	33.35	3.00	2.96	27.39	0.00	27.39	13.22	17.26	8.33
2011(12)	0.00	12.18	0.00	10.66	0.00	3.00	1.0	31.97	2.88	3.02	26.07	0.00	26.07	11.55	16.43	7.27
2012(12)	0.00	11.71	0.00	10.25	0.00	3.00	1.0	30.74	2.77	3.08	24.90	0.00	24.90	10.12	15.69	6.37
2013(12)	0.00	11.20	0.00	9.80	0.00	3.00	1.0	29.39	2.64	3.14	23.61	0.00	23.61	8.80	14.87	5.54
2014(12)	0.00	10.75	0.00	9.40	0.00	3.00	1.0	28.21	2.54	3.20	22.48	0.00	22.48	7.68	14.16	4.84
2015(12)	0.00	10.29	0.00	9.01	0.00	3.00	1.0	27.02	2.43	3.26	21.32	0.00	21.32	6.69	13.43	4.21
2016(12)	0.00	9.90	0.00	8.66	0.00	3.00	1.0	25.99	2.34	3.33	20.32	0.00	20.32	5.85	12.80	3.68
2017(12)	0.00	9.46	0.00	8.28	0.00	3.00	1.0	24.84	2.24	3.40	19.21	0.00	19.21	5.07	12.10	3.19
2018(12)	0.00	9.08	0.00	7.94	0.00	3.00	1.0	23.82	2.14	3.46	18.22	0.00	18.22	4.41	11.48	2.78
2019(12)	0.00	8.70	0.00	7.61	0.00	3.00	1.0	22.83	2.05	3.53	17.25	0.00	17.25	3.83	10.86	2.41
2020(12)	0.00	8.37	0.00	7.32	0.00	3.00	1.0	21.96	1.98	3.60	16.38	0.00	16.38	3.34	10.32	2.10
2021(12)	0.00	8.00	0.00	7.00	0.00	3.00	1.0	20.99	1.89	3.68	15.42	0.00	15.42	2.89	9.72	1.82
2022(12)	0.00	7.66	0.00	6.71	0.00	3.00	1.0	20.12	1.81	3.75	14.56	0.00	14.56	2.50	9.17	1.57
2023(12)	0.00	7.35	0.00	6.43	0.00	3.00	1.0	19.30	1.74	3.82	13.74	0.00	13.74	2.16	8.65	1.36
2024(12)	0.00	7.06	0.00	6.18	0.00	3.00	1.0	18.54	1.67	3.90	12.97	0.00	12.97	1.87	8.17	1.18
2025(12)	0.00	6.76	0.00	5.91	0.00	3.00	1.0	17.74	1.60	3.98	12.16	0.00	12.16	1.61	7.66	1.02
2026(12)	0.00	6.48	0.00	5.67	0.00	3.00	1.0	17.01	1.53	4.06	11.42	0.00	11.42	1.39	7.19	0.87
2027(12)	0.00	6.22	0.00	5.44	0.00	3.00	1.0	16.32	1.47	4.14	10.71	0.00	10.71	1.19	6.75	0.75
2028(12)	0.00	5.97	0.00	5.23	0.00	3.00	1.0	15.68	1.41	4.22	10.04	0.00	10.04	1.03	6.33	0.65
2029(12)	0.00	5.71	0.00	5.00	0.00	3.00	1.0	14.99	1.35	4.31	9.34	0.00	9.34	0.88	5.88	0.55
2030(12)	0.00	5.47	0.00	4.79	0.00	3.00	1.0	14.37	1.29	4.39	8.68	0.00	8.68	0.75	5.47	0.47
2031(12)	0.00	5.26	0.00	4.60	0.00	3.00	1.0	13.80	1.24	4.48	8.07	0.00	8.07	0.64	5.09	0.40
2032(12)	0.00	5.05	0.00	4.42	0.00	3.00	1.0	13.26	1.19	4.57	7.49	0.00	7.49	0.54	4.72	0.34
2033(12)	0.00	4.83	0.00	4.22	0.00	3.00	1.0	12.67	1.14	4.66	6.87	0.00	6.87	0.46	4.33	0.29
2034(12)	0.00	4.63	0.00	4.05	0.00	3.00	1.0	12.14	1.09	4.75	6.30	0.00	6.30	0.38	3.97	0.24
2035(12)	0.00	4.44	0.00	3.88	0.00	3.00	1.0	11.65	1.05	4.85	5.75	0.00	5.75	0.32	3.62	0.20
2036(12)	0.00	4.27	0.00	3.73	0.00	3.00	1.0	11.20	1.01	4.95	5.25	0.00	5.25	0.27	3.30	0.17
2037(12)	0.00	4.08	0.00	3.57	0.00	3.00	1.0	10.71	0.96	5.05	4.70	0.00	4.70	0.22	2.96	0.14
2038(12)	0.00	3.91	0.00	3.42	0.00	3.00	1.0	10.26	0.92	5.15	4.19	0.00	4.19	0.18	2.64	0.11
2039(12)	0.00	3.75	0.00	3.28	0.00	3.00	1.0	9.84	0.89	5.25	3.71	0.00	3.71	0.15	2.34	0.09
2040(12)	0.00	3.60	0.00	3.15	0.00	3.00	1.0	9.46	0.85	5.35	3.26	0.00	3.26	0.12	2.05	0.07
2041(12)	0.00	3.45	0.00	3.02	0.00	3.00	1.0	9.05	0.81	5.43	2.81	0.00	2.81	0.09	1.77	0.06
2042(12)	0.00	0.50	0.00	0.44	0.00	3.00	0.0	1.31	0.12	0.00	1.19	0.00	1.19	0.04	0.75	0.02
Total	0.00	385.45	0.00	337.27	0.00	0.00	0.0	1,011.81	91.06	152.36	768.38	300.00	468.38	78.89	295.08	35.13

SAN JUAN 28 7 UNIT - 55_PC (1985713) Data: Dec.2000-Feb.2002

Operator: CONOCO INC
Field: BLANCO (PICTURED CLIFFS) PC
Zone: PICTURED CLIFFS
Type: Gas
Group: Well::East Area Wells

Cal Day Gas FC 1 (Rate-Time)
qi: 50.633 mcf/d, Jan, 2001
qf: 4.82143 mcf/d, Mar, 2002
di(Exp): 95.2552 CTD: 7.973 MMSCF
RR: 0 MMSCF Tot: 7.973 MMSCF

Production Cums
Oil: 0 MSTB
Gas: 7.973 MMSCF
Water: 0 MSTB
Cond: 0 MSTB



Cal Day Oil - Bbl/d

Cum: 0 MSTB

Cal Day Gas1 - mcf/d

Cum: 7.973 MMSCF

Cal Day Gas FC 1 - mcf/d

versus time

Qi: 50.633 mcf/d, Jan, 2001

Qf: 4.82143 mcf/d, Mar, 2002

Di:(Exponential) : 95.2552

RR: 0 MMSCF

EUR: 7.973 MMSCF

Corr coeff: N/A

+ Cal Day Water - Bbl/d

Cum: 0 MSTB

+ Cum Gas1 - MMSCF

Cum: 0

US Summary Report

PAE - East - SJ 28-7 #55 PC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	16	300	-284	-179
8.0	15	300	-285	-186
9.0	15	300	-285	-186
10.0	15	300	-285	-187
12.0	15	300	-285	-189
18.0	15	300	-285	-193
Arr:	16	300	-284	-179

Case Description

SJ 28-7 #55 PC PA Expansion
 S/2 12-28N-7W WI: 100% NRI: 87.5%
 Well EUR = 8 MMCF
 First Production : 12/00
 Analyze as new drill w/ start date = 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.05	0.40
9.0 Pcnt. PI	M\$/M\$	0.05	0.38
12.0 Pcnt. PI	M\$/M\$	0.05	0.37
NPV/Vol@9.0	M\$/MMSCF	-35.98	-23.56
NPV/Vol@12.0	M\$/MMSCF	-36.00	-23.84
Economic Limit Date		2003/03	
Last Scheduled Prod Date		2003/03	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	8	8	1	7
Gas-Sales	MMSCF	8	8	1	7
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

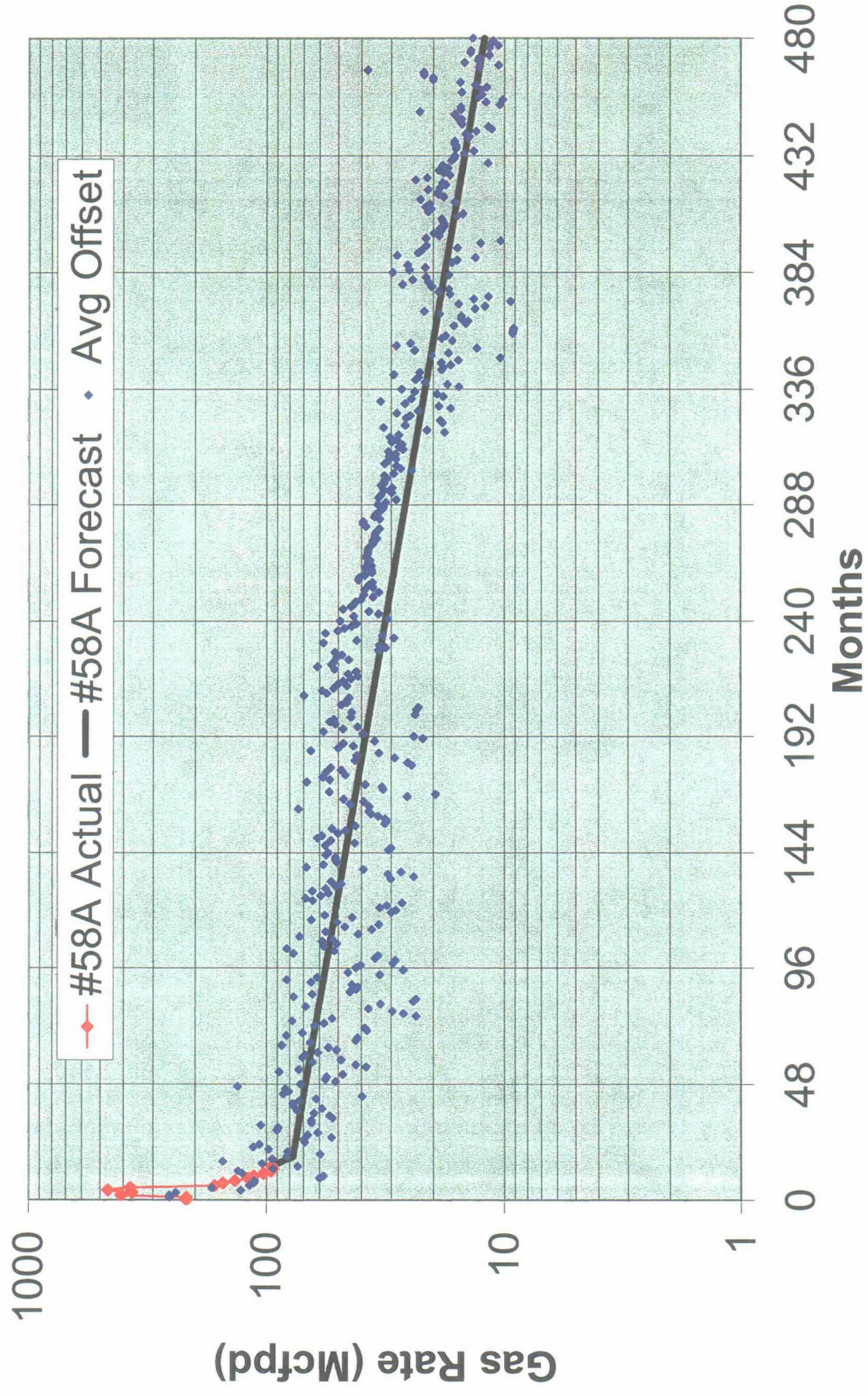
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY														
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	ATAX Cash Flow
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	7.26	0.00	6.35	0.00	3.00	1.0	19.05	1.71	2.54	14.80	300.00	-285.20	-285.51
2003(12)	0.00	0.65	0.00	0.57	0.00	3.00	0.3	1.71	0.15	0.65	0.91	0.00	0.91	0.83
Total	0.00	7.91	0.00	6.92	0.00	0.00	0.0	20.77	1.87	3.19	15.71	300.00	-284.29	-284.68

San Juan 28-7 #58A - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #58A PC (sdr)

Nominal

Net Present Values

Disc	Before Tax	Before Tax	Before Tax	After Tax
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	1,262	300	962	606
8.0	663	300	363	216
9.0	629	300	329	193
10.0	599	300	299	172
12.0	548	300	248	138
18.0	447	300	147	68
Arr:	1,262	300	962	606

Case Description

SJ 28-7 #58A PC PA Expansion
W/2 29-28N-7W WI: 100% NRI: 87.5%
Well EUR = 592 MMCF
First Production : 12/00
Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	40.0	28.7
Payout Period	Std. (mo's)	31.3	39.0
	Proj. (mo's)	31.3	39.0
Undisc PI	M\$/M\$	4.21	3.02
9.0 Pcnt. PI	M\$/M\$	2.10	1.64
12.0 Pcnt. PI	M\$/M\$	1.83	1.46
NPV/Vol@9.0	M\$/MMSCF	0.56	0.33
NPV/Vol@12.0	M\$/MMSCF	0.42	0.23
Economic Limit Date		2041/12	
Last Scheduled Prod Date		2041/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	592	592	74	518
Gas-Sales	MMSCF	592	592	74	518
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

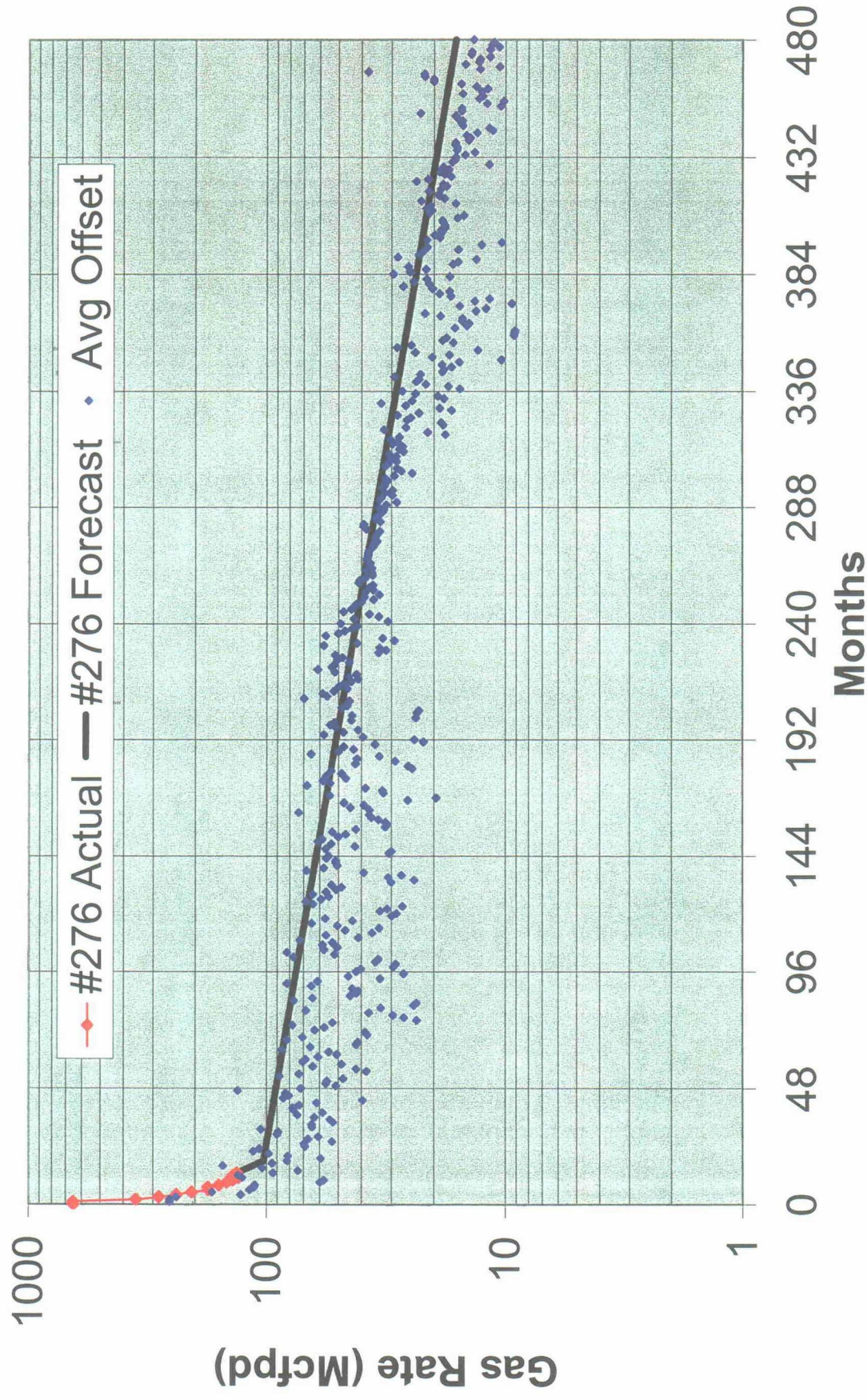
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	81.98	0.00	71.73	0.00	3.00	1.0	215.20	19.37	2.52	193.31	300.00	-106.69	-112.10	-116.74	-122.51
2003(12)	0.00	29.81	0.00	26.08	0.00	3.00	1.0	78.24	7.04	2.57	68.63	0.00	68.63	60.65	56.01	49.48
2004(12)	0.00	26.92	0.00	23.55	0.00	3.00	1.0	70.66	6.36	2.62	61.68	0.00	61.68	49.93	49.30	39.91
2005(12)	0.00	25.59	0.00	22.39	0.00	3.00	1.0	67.17	6.04	2.68	58.44	0.00	58.44	43.40	45.60	33.86
2006(12)	0.00	24.38	0.00	21.33	0.00	3.00	1.0	64.00	5.76	2.73	55.51	0.00	55.51	37.82	42.56	28.99
2007(12)	0.00	23.24	0.00	20.33	0.00	3.00	1.0	61.00	5.49	2.79	52.73	0.00	52.73	32.96	38.71	24.19
2008(12)	0.00	22.21	0.00	19.43	0.00	3.00	1.0	58.30	5.25	2.84	50.21	0.00	50.21	28.80	34.60	19.85
2009(12)	0.00	21.11	0.00	18.47	0.00	3.00	1.0	55.41	4.99	2.90	47.52	0.00	47.52	25.00	31.42	16.53
2010(12)	0.00	20.11	0.00	17.60	0.00	3.00	1.0	52.80	4.75	2.96	45.09	0.00	45.09	21.76	28.41	13.71
2011(12)	0.00	19.17	0.00	16.78	0.00	3.00	1.0	50.33	4.53	3.02	42.78	0.00	42.78	18.95	26.95	11.94
2012(12)	0.00	18.34	0.00	16.04	0.00	3.00	1.0	48.13	4.33	3.08	40.72	0.00	40.72	16.55	25.66	10.42
2013(12)	0.00	17.41	0.00	15.24	0.00	3.00	1.0	45.71	4.11	3.14	38.46	0.00	38.46	14.34	24.23	9.03
2014(12)	0.00	16.60	0.00	14.52	0.00	3.00	1.0	43.57	3.92	3.20	36.45	0.00	36.45	12.46	22.96	7.85
2015(12)	0.00	15.82	0.00	13.84	0.00	3.00	1.0	41.51	3.74	3.26	34.51	0.00	34.51	10.83	21.74	6.82
2016(12)	0.00	15.11	0.00	13.23	0.00	3.00	1.0	39.68	3.57	3.33	32.78	0.00	32.78	9.43	20.65	5.94
2017(12)	0.00	14.37	0.00	12.57	0.00	3.00	1.0	37.71	3.39	3.40	30.92	0.00	30.92	8.17	19.48	5.14
2018(12)	0.00	13.69	0.00	11.98	0.00	3.00	1.0	35.93	3.23	3.46	29.23	0.00	29.23	7.08	18.41	4.46
2019(12)	0.00	13.05	0.00	11.42	0.00	3.00	1.0	34.26	3.08	3.53	27.64	0.00	27.64	6.14	17.41	3.87
2020(12)	0.00	12.47	0.00	10.91	0.00	3.00	1.0	32.74	2.95	3.60	26.19	0.00	26.19	5.34	16.50	3.36
2021(12)	0.00	11.85	0.00	10.37	0.00	3.00	1.0	31.11	2.80	3.68	24.64	0.00	24.64	4.61	15.52	2.90
2022(12)	0.00	11.30	0.00	9.88	0.00	3.00	1.0	29.65	2.67	3.75	23.23	0.00	23.23	3.99	14.64	2.51
2023(12)	0.00	10.77	0.00	9.42	0.00	3.00	1.0	28.26	2.54	3.82	21.89	0.00	21.89	3.45	13.79	2.17
2024(12)	0.00	10.29	0.00	9.00	0.00	3.00	1.0	27.00	2.43	3.90	20.67	0.00	20.67	2.99	13.02	1.88
2025(12)	0.00	9.77	0.00	8.55	0.00	3.00	1.0	25.66	2.31	3.98	19.37	0.00	19.37	2.57	12.20	1.62
2026(12)	0.00	9.32	0.00	8.16	0.00	3.00	1.0	24.48	2.20	4.06	18.22	0.00	18.22	2.21	11.48	1.40
2027(12)	0.00	8.89	0.00	7.78	0.00	3.00	1.0	23.33	2.10	4.14	17.09	0.00	17.09	1.91	10.77	1.20
2028(12)	0.00	8.48	0.00	7.42	0.00	3.00	1.0	22.27	2.00	4.22	16.05	0.00	16.05	1.64	10.11	1.03
2029(12)	0.00	8.07	0.00	7.06	0.00	3.00	1.0	21.17	1.91	4.31	14.96	0.00	14.96	1.40	9.43	0.88
2030(12)	0.00	7.69	0.00	6.73	0.00	3.00	1.0	20.18	1.82	4.39	13.97	0.00	13.97	1.20	8.80	0.76
2031(12)	0.00	7.33	0.00	6.41	0.00	3.00	1.0	19.23	1.73	4.48	13.02	0.00	13.02	1.03	8.20	0.65
2032(12)	0.00	7.00	0.00	6.13	0.00	3.00	1.0	18.38	1.65	4.57	12.16	0.00	12.16	0.88	7.66	0.56
2033(12)	0.00	6.65	0.00	5.82	0.00	3.00	1.0	17.47	1.57	4.66	11.23	0.00	11.23	0.75	7.08	0.47
2034(12)	0.00	6.34	0.00	5.55	0.00	3.00	1.0	16.65	1.50	4.75	10.40	0.00	10.40	0.63	6.55	0.40
2035(12)	0.00	6.05	0.00	5.29	0.00	3.00	1.0	15.87	1.43	4.85	9.59	0.00	9.59	0.54	6.04	0.34
2036(12)	0.00	5.78	0.00	5.05	0.00	3.00	1.0	15.16	1.36	4.95	8.85	0.00	8.85	0.45	5.58	0.29
2037(12)	0.00	5.49	0.00	4.81	0.00	3.00	1.0	14.42	1.30	5.05	8.07	0.00	8.07	0.38	5.09	0.24
2038(12)	0.00	5.23	0.00	4.58	0.00	3.00	1.0	13.73	1.24	5.15	7.35	0.00	7.35	0.32	4.63	0.20
2039(12)	0.00	4.99	0.00	4.36	0.00	3.00	1.0	13.09	1.18	5.25	6.67	0.00	6.67	0.26	4.20	0.17
2040(12)	0.00	4.76	0.00	4.17	0.00	3.00	1.0	12.50	1.13	5.35	6.02	0.00	6.02	0.22	3.80	0.14
2041(12)	0.00	4.53	0.00	3.96	0.00	3.00	1.0	11.88	1.07	5.43	5.38	0.00	5.38	0.18	3.39	0.11
Total	0.00	591.94	0.00	517.95	0.00	0.00	0.0	1,553.85	139.85	152.36	1,261.64	300.00	961.64	329.11	605.83	192.77

San Juan 28-7 #276 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #276 PC (sdr)

Nominal

Net Present Values

	Disc Before Tax	Before Tax	After Tax	
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	1,671	300	1,371	864
8.0	839	300	539	327
9.0	792	300	492	296
10.0	751	300	451	268
12.0	683	300	383	223
18.0	546	300	246	130
Arr:	1,671	300	1,371	864

Case Description

SJ 28-7 #276 PC PA Expansion
W/2 33-28N-7W WI: 100% NRI: 87.5%
Well EUR = 763 MMCF
First Production : 3/01
Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	54.5	37.9
Payout Period	Std. (mo's)	25.0	31.9
	Proj. (mo's)	25.0	31.9
Undisc PI	M\$/M\$	5.57	3.88
9.0 Pcnt. PI	M\$/M\$	2.64	1.99
12.0 Pcnt. PI	M\$/M\$	2.28	1.74
NPV/Vol@9.0	M\$/MMSCF	0.65	0.39
NPV/Vol@12.0	M\$/MMSCF	0.50	0.29
Economic Limit Date		2042/01	
Last Scheduled Prod Date		2042/01	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	763	763	95	668
Gas-Sales	MMSCF	763	763	95	668
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MT	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

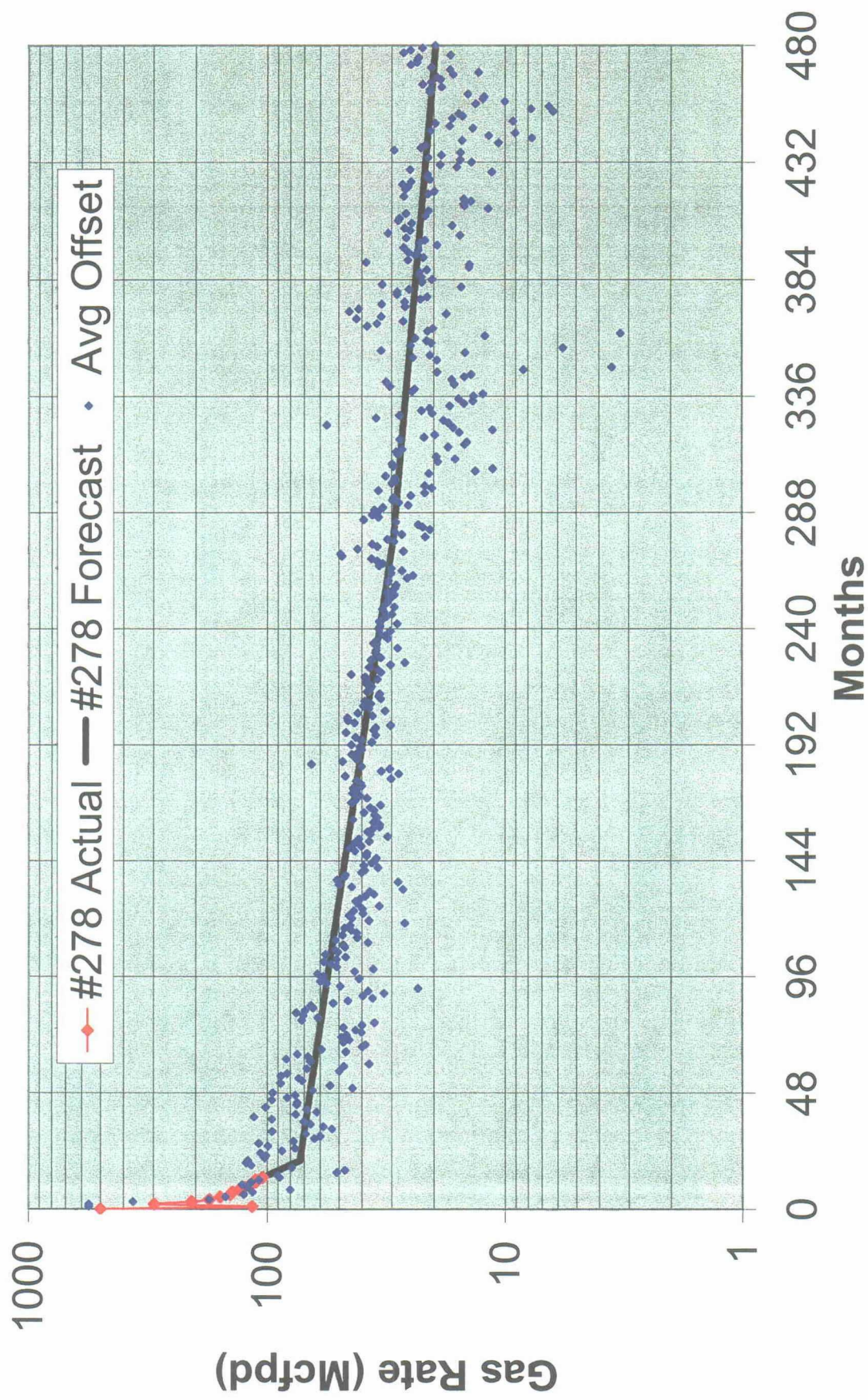
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opccosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	84.78	0.00	74.18	0.00	3.00	1.0	222.55	20.03	2.52	200.00	300.00	-100.00	-105.38	-112.52	-118.28
2003(12)	0.00	39.88	0.00	34.89	0.00	3.00	1.0	104.67	9.42	2.57	92.68	0.00	92.68	81.93	71.16	62.88
2004(12)	0.00	35.78	0.00	31.31	0.00	3.00	1.0	93.93	8.45	2.62	82.85	0.00	82.85	67.07	62.64	50.71
2005(12)	0.00	34.01	0.00	29.76	0.00	3.00	1.0	89.27	8.03	2.68	78.56	0.00	78.56	58.34	58.27	43.27
2006(12)	0.00	32.41	0.00	28.36	0.00	3.00	1.0	85.09	7.66	2.73	74.70	0.00	74.70	50.89	54.65	37.23
2007(12)	0.00	30.89	0.00	27.03	0.00	3.00	1.0	81.09	7.30	2.79	71.01	0.00	71.01	44.38	50.22	31.39
2008(12)	0.00	29.52	0.00	25.83	0.00	3.00	1.0	77.50	6.97	2.84	67.68	0.00	67.68	38.81	45.61	26.16
2009(12)	0.00	28.06	0.00	24.55	0.00	3.00	1.0	73.65	6.63	2.90	64.12	0.00	64.12	33.73	41.88	22.03
2010(12)	0.00	26.74	0.00	23.39	0.00	3.00	1.0	70.18	6.32	2.96	60.91	0.00	60.91	29.40	38.37	18.52
2011(12)	0.00	25.48	0.00	22.30	0.00	3.00	1.0	66.89	6.02	3.02	57.86	0.00	57.86	25.62	36.45	16.14
2012(12)	0.00	24.36	0.00	21.31	0.00	3.00	1.0	63.93	5.75	3.08	55.10	0.00	55.10	22.39	34.72	14.10
2013(12)	0.00	23.14	0.00	20.25	0.00	3.00	1.0	60.75	5.47	3.14	52.15	0.00	52.15	19.44	32.85	12.25
2014(12)	0.00	22.06	0.00	19.30	0.00	3.00	1.0	57.90	5.21	3.20	49.49	0.00	49.49	16.92	31.18	10.66
2015(12)	0.00	21.02	0.00	18.39	0.00	3.00	1.0	55.18	4.97	3.26	46.95	0.00	46.95	14.73	29.58	9.28
2016(12)	0.00	20.09	0.00	17.58	0.00	3.00	1.0	52.73	4.75	3.33	44.66	0.00	44.66	12.85	28.14	8.10
2017(12)	0.00	19.10	0.00	16.71	0.00	3.00	1.0	50.13	4.51	3.40	42.22	0.00	42.22	11.15	26.60	7.02
2018(12)	0.00	18.21	0.00	15.94	0.00	3.00	1.0	47.80	4.30	3.46	40.04	0.00	40.04	9.70	25.22	6.11
2019(12)	0.00	17.34	0.00	15.18	0.00	3.00	1.0	45.53	4.10	3.53	37.90	0.00	37.90	8.42	23.88	5.31
2020(12)	0.00	16.58	0.00	14.50	0.00	3.00	1.0	43.51	3.92	3.60	35.99	0.00	35.99	7.34	22.68	4.62
2021(12)	0.00	15.75	0.00	13.78	0.00	3.00	1.0	41.35	3.72	3.68	33.95	0.00	33.95	6.35	21.39	4.00
2022(12)	0.00	15.02	0.00	13.14	0.00	3.00	1.0	39.42	3.55	3.75	32.12	0.00	32.12	5.51	20.23	3.47
2023(12)	0.00	14.31	0.00	12.52	0.00	3.00	1.0	37.56	3.38	3.82	30.36	0.00	30.36	4.78	19.13	3.01
2024(12)	0.00	13.67	0.00	11.96	0.00	3.00	1.0	35.88	3.23	3.90	28.75	0.00	28.75	4.15	18.11	2.62
2025(12)	0.00	13.00	0.00	11.37	0.00	3.00	1.0	34.12	3.07	3.98	27.07	0.00	27.07	3.59	17.06	2.26
2026(12)	0.00	12.39	0.00	10.84	0.00	3.00	1.0	32.52	2.93	4.06	25.53	0.00	25.53	3.10	16.09	1.96
2027(12)	0.00	11.80	0.00	10.33	0.00	3.00	1.0	30.98	2.79	4.14	24.06	0.00	24.06	2.68	15.16	1.69
2028(12)	0.00	11.28	0.00	9.87	0.00	3.00	1.0	29.62	2.67	4.22	22.73	0.00	22.73	2.33	14.32	1.47
2029(12)	0.00	10.72	0.00	9.38	0.00	3.00	1.0	28.15	2.53	4.31	21.31	0.00	21.31	2.00	13.43	1.26
2030(12)	0.00	10.22	0.00	8.94	0.00	3.00	1.0	26.82	2.41	4.39	20.02	0.00	20.02	1.72	12.61	1.09
2031(12)	0.00	9.74	0.00	8.52	0.00	3.00	1.0	25.56	2.30	4.48	18.78	0.00	18.78	1.48	11.83	0.94
2032(12)	0.00	9.31	0.00	8.15	0.00	3.00	1.0	24.45	2.20	4.57	17.68	0.00	17.68	1.28	11.14	0.81
2033(12)	0.00	8.85	0.00	7.74	0.00	3.00	1.0	23.23	2.09	4.66	16.48	0.00	16.48	1.10	10.38	0.69
2034(12)	0.00	8.43	0.00	7.38	0.00	3.00	1.0	22.13	1.99	4.75	15.38	0.00	15.38	0.94	9.69	0.59
2035(12)	0.00	8.03	0.00	7.03	0.00	3.00	1.0	21.08	1.90	4.85	14.34	0.00	14.34	0.80	9.03	0.51
2036(12)	0.00	7.68	0.00	6.72	0.00	3.00	1.0	20.16	1.81	4.95	13.40	0.00	13.40	0.69	8.44	0.43
2037(12)	0.00	7.30	0.00	6.39	0.00	3.00	1.0	19.16	1.72	5.05	12.39	0.00	12.39	0.58	7.81	0.37
2038(12)	0.00	6.95	0.00	6.08	0.00	3.00	1.0	18.25	1.64	5.15	11.46	0.00	11.46	0.50	7.22	0.31
2039(12)	0.00	6.63	0.00	5.80	0.00	3.00	1.0	17.40	1.57	5.25	10.59	0.00	10.59	0.42	6.67	0.26
2040(12)	0.00	6.33	0.00	5.54	0.00	3.00	1.0	16.63	1.50	5.35	9.78	0.00	9.78	0.36	6.16	0.22
2041(12)	0.00	6.02	0.00	5.27	0.00	3.00	1.0	15.81	1.42	5.43	8.95	0.00	8.95	0.30	5.64	0.19
2042(12)	0.00	0.50	0.00	0.44	0.00	3.00	0.0	1.31	0.12	0.00	1.19	0.00	1.19	0.04	0.75	0.02
Total	0.00	763.40	0.00	667.97	0.00	0.00	0.0	2,003.92	180.35	152.36	1,671.21	300.00	1,371.21	492.45	863.86	295.68

San Juan 28-7 #278 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #278 PC (sdr)

Nominal

Net Present Values

Disc Rate	Before Tax	Before Tax	Before Tax	After Tax
Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
(%)	M\$	M\$	M\$	M\$
0.0	1,285	300	985	620
8.0	604	300	304	178
9.0	568	300	268	154
10.0	536	300	236	133
12.0	484	300	184	98
18.0	381	300	81	27
Arr:	1,285	300	985	620

Case Description

SJ 28-7 #278 PC PA Expansion
E/2 35-28N-7W WI: 100% NRI: 87.5%
Well EUR = 602 MMCF
First Production : 1/01
Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

	BTax	ATax
ROR	%	26.9
Payout Period	Std. (mo's)	45.1
	Proj. (mo's)	45.1
Undisc PI	M\$/M\$	4.28
9.0 Pcnt. PI	M\$/M\$	1.89
12.0 Pcnt. PI	M\$/M\$	1.61
NPV/Vol@9.0	M\$/MMSCF	0.44
NPV/Vol@12.0	M\$/MMSCF	0.31
Economic Limit Date	2042/01	
Last Scheduled Prod Date	2042/01	

Products Recovery (US)

	Gross	WI	Roy	Net
Oil	MSTB	0	0	0
Gas-Raw	MMSCF	602	75	526
Gas-Sales	MMSCF	602	75	526
Ethane	MSTB	0	0	0
Propane	MSTB	0	0	0
Butane	MSTB	0	0	0
Cond.	MSTB	0	0	0
Sulphur	MLt	0	0	0
Other	MSTB	0	0	0

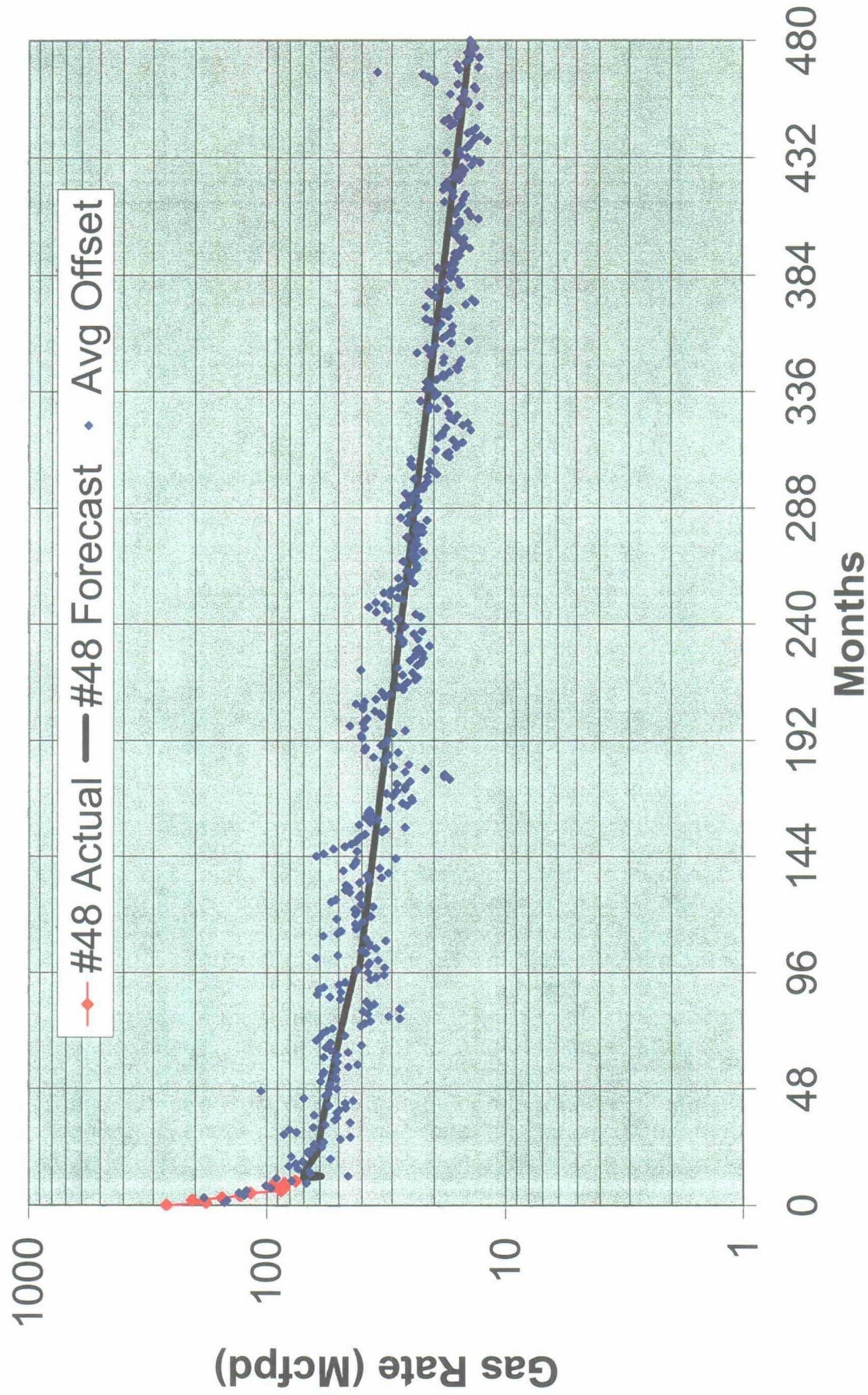
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcoats	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	55.25	0.00	48.35	0.00	3.00	1.0	145.04	13.05	2.52	129.46	300.00	-170.54	-174.89	-156.96	-162.06
2003(12)	0.00	30.11	0.00	26.35	0.00	3.00	1.0	79.04	7.11	2.57	69.35	0.00	69.35	61.37	56.46	49.93
2004(12)	0.00	25.70	0.00	22.49	0.00	3.00	1.0	67.46	6.07	2.62	58.76	0.00	58.76	47.57	47.46	38.42
2005(12)	0.00	24.57	0.00	21.50	0.00	3.00	1.0	64.50	5.80	2.68	56.02	0.00	56.02	41.60	44.07	32.72
2006(12)	0.00	23.56	0.00	20.61	0.00	3.00	1.0	61.84	5.57	2.73	53.54	0.00	53.54	36.48	41.32	28.15
2007(12)	0.00	22.59	0.00	19.77	0.00	3.00	1.0	59.30	5.34	2.79	51.18	0.00	51.18	31.99	37.73	23.58
2008(12)	0.00	21.72	0.00	19.00	0.00	3.00	1.0	57.01	5.13	2.84	49.04	0.00	49.04	28.12	33.87	19.42
2009(12)	0.00	20.77	0.00	18.17	0.00	3.00	1.0	54.51	4.91	2.90	46.71	0.00	46.71	24.57	30.91	16.26
2010(12)	0.00	19.91	0.00	17.42	0.00	3.00	1.0	52.26	4.70	2.96	44.60	0.00	44.60	21.53	28.10	13.56
2011(12)	0.00	19.09	0.00	16.70	0.00	3.00	1.0	50.11	4.51	3.02	42.59	0.00	42.59	18.86	26.83	11.88
2012(12)	0.00	18.35	0.00	16.06	0.00	3.00	1.0	48.18	4.34	3.08	40.77	0.00	40.77	16.56	25.68	10.43
2013(12)	0.00	17.55	0.00	15.36	0.00	3.00	1.0	46.07	4.15	3.14	38.78	0.00	38.78	14.45	24.43	9.11
2014(12)	0.00	16.83	0.00	14.72	0.00	3.00	1.0	44.17	3.97	3.20	36.99	0.00	36.99	12.65	23.30	7.97
2015(12)	0.00	16.13	0.00	14.12	0.00	3.00	1.0	42.35	3.81	3.26	35.28	0.00	35.28	11.07	22.23	6.97
2016(12)	0.00	15.52	0.00	13.58	0.00	3.00	1.0	40.73	3.67	3.33	33.74	0.00	33.74	9.71	21.26	6.12
2017(12)	0.00	14.83	0.00	12.98	0.00	3.00	1.0	38.93	3.50	3.40	32.03	0.00	32.03	8.46	20.18	5.33
2018(12)	0.00	14.22	0.00	12.44	0.00	3.00	1.0	37.33	3.36	3.46	30.51	0.00	30.51	7.39	19.22	4.66
2019(12)	0.00	13.63	0.00	11.93	0.00	3.00	1.0	35.79	3.22	3.53	29.04	0.00	29.04	6.45	18.29	4.07
2020(12)	0.00	13.11	0.00	11.47	0.00	3.00	1.0	34.42	3.10	3.60	27.72	0.00	27.72	5.65	17.46	3.56
2021(12)	0.00	12.53	0.00	10.97	0.00	3.00	1.0	32.90	2.96	3.68	26.26	0.00	26.26	4.91	16.55	3.09
2022(12)	0.00	12.02	0.00	10.51	0.00	3.00	1.0	31.54	2.84	3.75	24.96	0.00	24.96	4.28	15.72	2.70
2023(12)	0.00	11.52	0.00	10.08	0.00	3.00	1.0	30.25	2.72	3.82	23.70	0.00	23.70	3.73	14.93	2.35
2024(12)	0.00	11.08	0.00	9.69	0.00	3.00	1.0	29.08	2.62	3.90	22.56	0.00	22.56	3.26	14.21	2.05
2025(12)	0.00	10.65	0.00	9.32	0.00	3.00	1.0	27.97	2.52	3.98	21.47	0.00	21.47	2.84	13.53	1.79
2026(12)	0.00	10.40	0.00	9.10	0.00	3.00	1.0	27.29	2.46	4.06	20.78	0.00	20.78	2.53	13.09	1.59
2027(12)	0.00	10.15	0.00	8.88	0.00	3.00	1.0	26.64	2.40	4.14	20.11	0.00	20.11	2.24	12.67	1.41
2028(12)	0.00	9.93	0.00	8.69	0.00	3.00	1.0	26.08	2.35	4.22	19.51	0.00	19.51	2.00	12.29	1.26
2029(12)	0.00	9.67	0.00	8.46	0.00	3.00	1.0	25.39	2.29	4.31	18.80	0.00	18.80	1.76	11.84	1.11
2030(12)	0.00	9.44	0.00	8.26	0.00	3.00	1.0	24.79	2.23	4.39	18.17	0.00	18.17	1.56	11.45	0.99
2031(12)	0.00	9.22	0.00	8.06	0.00	3.00	1.0	24.19	2.18	4.48	17.53	0.00	17.53	1.39	11.05	0.87
2032(12)	0.00	9.02	0.00	7.89	0.00	3.00	1.0	23.68	2.13	4.57	16.98	0.00	16.98	1.23	10.70	0.78
2033(12)	0.00	8.78	0.00	7.69	0.00	3.00	1.0	23.06	2.08	4.66	16.32	0.00	16.32	1.09	10.28	0.68
2034(12)	0.00	8.58	0.00	7.50	0.00	3.00	1.0	22.51	2.03	4.75	15.73	0.00	15.73	0.96	9.91	0.60
2035(12)	0.00	8.38	0.00	7.33	0.00	3.00	1.0	21.99	1.98	4.85	15.16	0.00	15.16	0.85	9.55	0.53
2036(12)	0.00	8.20	0.00	7.17	0.00	3.00	1.0	21.52	1.94	4.95	14.64	0.00	14.64	0.75	9.22	0.47
2037(12)	0.00	7.98	0.00	6.98	0.00	3.00	1.0	20.95	1.89	5.05	14.02	0.00	14.02	0.66	8.83	0.42
2038(12)	0.00	7.79	0.00	6.82	0.00	3.00	1.0	20.46	1.84	5.15	13.47	0.00	13.47	0.58	8.48	0.37
2039(12)	0.00	7.61	0.00	6.66	0.00	3.00	1.0	19.97	1.80	5.25	12.92	0.00	12.92	0.51	8.14	0.32
2040(12)	0.00	7.44	0.00	6.51	0.00	3.00	1.0	19.54	1.76	5.35	12.43	0.00	12.43	0.45	7.83	0.28
2041(12)	0.00	7.25	0.00	6.34	0.00	3.00	1.0	19.03	1.71	5.43	11.88	0.00	11.88	0.40	7.49	0.25
2042(12)	0.00	0.50	0.00	0.44	0.00	3.00	0.0	1.31	0.12	0.00	1.19	0.00	1.19	0.04	0.75	0.02
Total	0.00	601.59	0.00	526.39	0.00	0.00	0.0	1,579.17	142.13	152.36	1,284.69	300.00	984.69	267.62	620.35	154.03

San Juan 28-7 #48 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #48 PC (sdr)

Nominal

Net Present Values

Case Description

Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	
(%)	M\$	M\$	M\$	
0.0	975	300	675	425
8.0	465	300	165	91
9.0	438	300	138	72
10.0	414	300	114	56
12.0	374	300	74	28
18.0	295	300	-5	-28
Att:	975	300	675	425

SJ 28-7 #48 PC PA Expansion
 W/2 21-28N-7W Wt: 100% NRI: 87.5%
 Well EUR = 472 MMCF
 First Production : 2/01
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

Products Recovery (US)

Company WI (US)

		BTax	ATax
ROR	%	17.5	14.6
Payout Period	Std. (mo's)	63.6	66.8
	Proj. (mo's)	63.6	66.8
Undisc PI	M\$/M\$	3.25	2.42
9.0 Pcnt. PI	M\$/M\$	1.46	1.24
12.0 Pcnt. PI	M\$/M\$	1.25	1.09
NPV/Vol@9.0	M\$/MMSCF	0.29	0.15
NPV/Vol@12.0	M\$/MMSCF	0.16	0.06
Economic Limit Date		2041/12	
Last Scheduled Prod Date		2041/12	

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-RAW	MMSCF	472	472	59	413
Gas-Sales	MMSCF	472	472	59	413
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

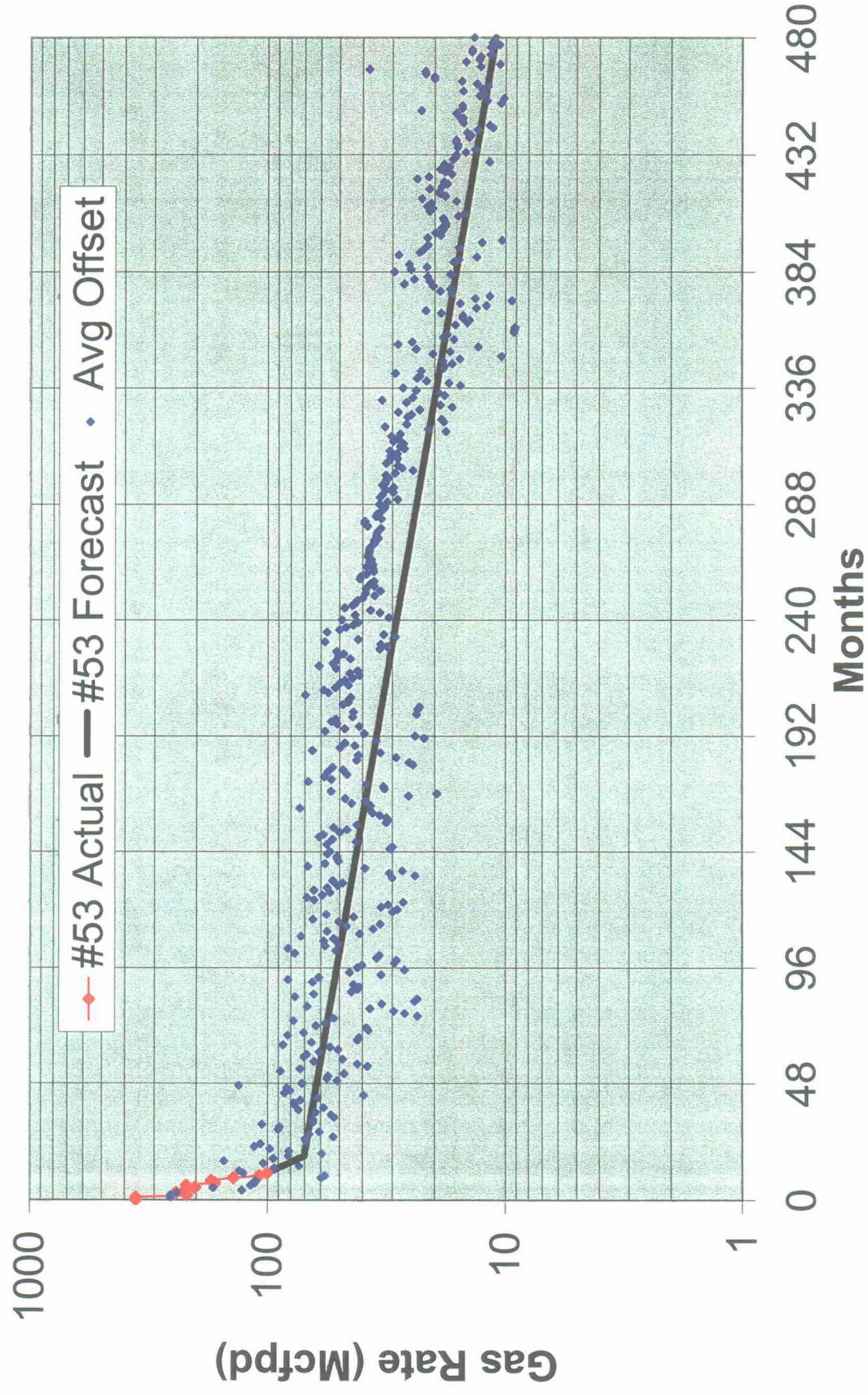
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Op costs	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Disc @ 9%	ATAX Cash Flow	ATAX Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	40.59	0.00	35.51	0.00	3.00	1.0	106.54	9.59	2.52	94.43	300.00	-205.57	-208.37	-179.03	-183.16
2003(12)	0.00	23.61	0.00	20.66	0.00	3.00	1.0	61.97	5.58	2.57	53.82	0.00	53.82	47.53	46.68	41.21
2004(12)	0.00	21.67	0.00	18.96	0.00	3.00	1.0	56.89	5.12	2.62	49.14	0.00	49.14	39.78	41.40	33.51
2005(12)	0.00	20.54	0.00	17.97	0.00	3.00	1.0	53.91	4.85	2.68	46.38	0.00	46.38	34.45	38.00	28.22
2006(12)	0.00	19.44	0.00	17.01	0.00	3.00	1.0	51.04	4.59	2.73	43.71	0.00	43.71	29.78	35.13	23.93
2007(12)	0.00	18.35	0.00	16.05	0.00	3.00	1.0	48.16	4.33	2.79	41.04	0.00	41.04	25.66	31.35	19.59
2008(12)	0.00	17.30	0.00	15.14	0.00	3.00	1.0	45.42	4.09	2.84	38.49	0.00	38.49	22.08	27.22	15.61
2009(12)	0.00	16.16	0.00	14.14	0.00	3.00	1.0	42.41	3.82	2.90	35.70	0.00	35.70	18.78	23.98	12.62
2010(12)	0.00	14.80	0.00	12.95	0.00	3.00	1.0	38.85	3.50	2.96	32.40	0.00	32.40	15.64	20.41	9.85
2011(12)	0.00	14.26	0.00	12.48	0.00	3.00	1.0	37.44	3.37	3.02	31.05	0.00	31.05	13.75	19.56	8.66
2012(12)	0.00	13.83	0.00	12.10	0.00	3.00	1.0	36.29	3.27	3.08	29.95	0.00	29.95	12.17	18.87	7.67
2013(12)	0.00	13.34	0.00	11.67	0.00	3.00	1.0	35.02	3.15	3.14	28.73	0.00	28.73	10.71	18.10	6.75
2014(12)	0.00	12.90	0.00	11.29	0.00	3.00	1.0	33.87	3.05	3.20	27.62	0.00	27.62	9.44	17.40	5.95
2015(12)	0.00	12.46	0.00	10.91	0.00	3.00	1.0	32.72	2.94	3.26	26.51	0.00	26.51	8.32	16.70	5.24
2016(12)	0.00	12.09	0.00	10.58	0.00	3.00	1.0	31.73	2.86	3.33	25.54	0.00	25.54	7.35	16.09	4.63
2017(12)	0.00	11.65	0.00	10.20	0.00	3.00	1.0	30.59	2.75	3.40	24.44	0.00	24.44	6.45	15.40	4.06
2018(12)	0.00	11.27	0.00	9.86	0.00	3.00	1.0	29.59	2.66	3.46	23.46	0.00	23.46	5.68	14.78	3.58
2019(12)	0.00	10.89	0.00	9.53	0.00	3.00	1.0	28.60	2.57	3.53	22.49	0.00	22.49	5.00	14.17	3.15
2020(12)	0.00	10.56	0.00	9.24	0.00	3.00	1.0	27.72	2.50	3.60	21.63	0.00	21.63	4.41	13.62	2.78
2021(12)	0.00	10.19	0.00	8.91	0.00	3.00	1.0	26.74	2.41	3.68	20.66	0.00	20.66	3.86	13.01	2.43
2022(12)	0.00	9.85	0.00	8.62	0.00	3.00	1.0	25.85	2.33	3.75	19.78	0.00	19.78	3.39	12.46	2.14
2023(12)	0.00	9.53	0.00	8.34	0.00	3.00	1.0	25.01	2.25	3.82	18.93	0.00	18.93	2.98	11.93	1.88
2024(12)	0.00	9.23	0.00	8.08	0.00	3.00	1.0	24.24	2.18	3.90	18.16	0.00	18.16	2.62	11.44	1.65
2025(12)	0.00	8.91	0.00	7.79	0.00	3.00	1.0	23.38	2.10	3.98	17.29	0.00	17.29	2.29	10.90	1.44
2026(12)	0.00	8.61	0.00	7.54	0.00	3.00	1.0	22.61	2.03	4.06	16.52	0.00	16.52	2.01	10.41	1.26
2027(12)	0.00	8.32	0.00	7.28	0.00	3.00	1.0	21.85	1.97	4.14	15.75	0.00	15.75	1.76	9.92	1.11
2028(12)	0.00	8.07	0.00	7.06	0.00	3.00	1.0	21.18	1.91	4.22	15.06	0.00	15.06	1.54	9.48	0.97
2029(12)	0.00	7.79	0.00	6.81	0.00	3.00	1.0	20.44	1.84	4.31	14.29	0.00	14.29	1.34	9.00	0.85
2030(12)	0.00	7.52	0.00	6.58	0.00	3.00	1.0	19.75	1.78	4.39	13.58	0.00	13.58	1.17	8.56	0.74
2031(12)	0.00	7.28	0.00	6.37	0.00	3.00	1.0	19.10	1.72	4.48	12.90	0.00	12.90	1.02	8.13	0.64
2032(12)	0.00	7.06	0.00	6.18	0.00	3.00	1.0	18.53	1.67	4.57	12.29	0.00	12.29	0.89	7.74	0.56
2033(12)	0.00	6.81	0.00	5.96	0.00	3.00	1.0	17.87	1.61	4.66	11.60	0.00	11.60	0.77	7.31	0.49
2034(12)	0.00	6.58	0.00	5.75	0.00	3.00	1.0	17.26	1.55	4.75	10.95	0.00	10.95	0.67	6.90	0.42
2035(12)	0.00	6.36	0.00	5.57	0.00	3.00	1.0	16.70	1.50	4.85	10.35	0.00	10.35	0.58	6.52	0.36
2036(12)	0.00	6.17	0.00	5.40	0.00	3.00	1.0	16.19	1.46	4.95	9.78	0.00	9.78	0.50	6.16	0.32
2037(12)	0.00	5.95	0.00	5.20	0.00	3.00	1.0	15.61	1.40	5.05	9.16	0.00	9.16	0.43	5.77	0.27
2038(12)	0.00	5.75	0.00	5.03	0.00	3.00	1.0	15.10	1.36	5.15	8.59	0.00	8.59	0.37	5.41	0.23
2039(12)	0.00	5.56	0.00	4.86	0.00	3.00	1.0	14.59	1.31	5.25	8.03	0.00	8.03	0.32	5.06	0.20
2040(12)	0.00	5.39	0.00	4.72	0.00	3.00	1.0	14.15	1.27	5.35	7.53	0.00	7.53	0.27	4.74	0.17
2041(12)	0.00	5.20	0.00	4.55	0.00	3.00	1.0	13.64	1.23	5.43	6.99	0.00	6.99	0.23	4.40	0.15
Total	0.00	471.82	0.00	412.84	0.00	0.00	0.0	1,238.53	111.47	152.36	974.70	300.00	674.70	137.62	425.06	72.13

San Juan 28-7 #53 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #53 PC (sdr)
Nominal

Net Present Values

	Disc Before Tax	Before Tax	Before Tax	After Tax
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	1,117	300	817	515
8.0	584	300	284	166
9.0	554	300	254	145
10.0	526	300	226	127
12.0	481	300	181	96
18.0	390	300	90	32
Arr:	1,117	300	817	515

Case Description

SJ 28-7 #53 PC PA Expansion
W/2 28-28N-7W WI: 100% NRI: 87.5%
Well EUR = 531 MMCF
First Production : 3/01
Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	29.6	22.6
Payout Period	Std. (mo's)	40.8	47.3
	Proj. (mo's)	40.8	47.3
Undisc PI	M\$/M\$	3.72	2.72
9.0 Pcnt. PI	M\$/M\$	1.85	1.48
12.0 Pcnt. PI	M\$/M\$	1.60	1.32
NPV/Vol@9.0	M\$/MMSCF	0.48	0.27
NPV/Vol@12.0	M\$/MMSCF	0.34	0.18
Economic Limit Date		2041/12	
Last Scheduled Prod Date		2041/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	531	531	66	465
Gas-Sales	MMSCF	531	531	66	465
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MTI	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

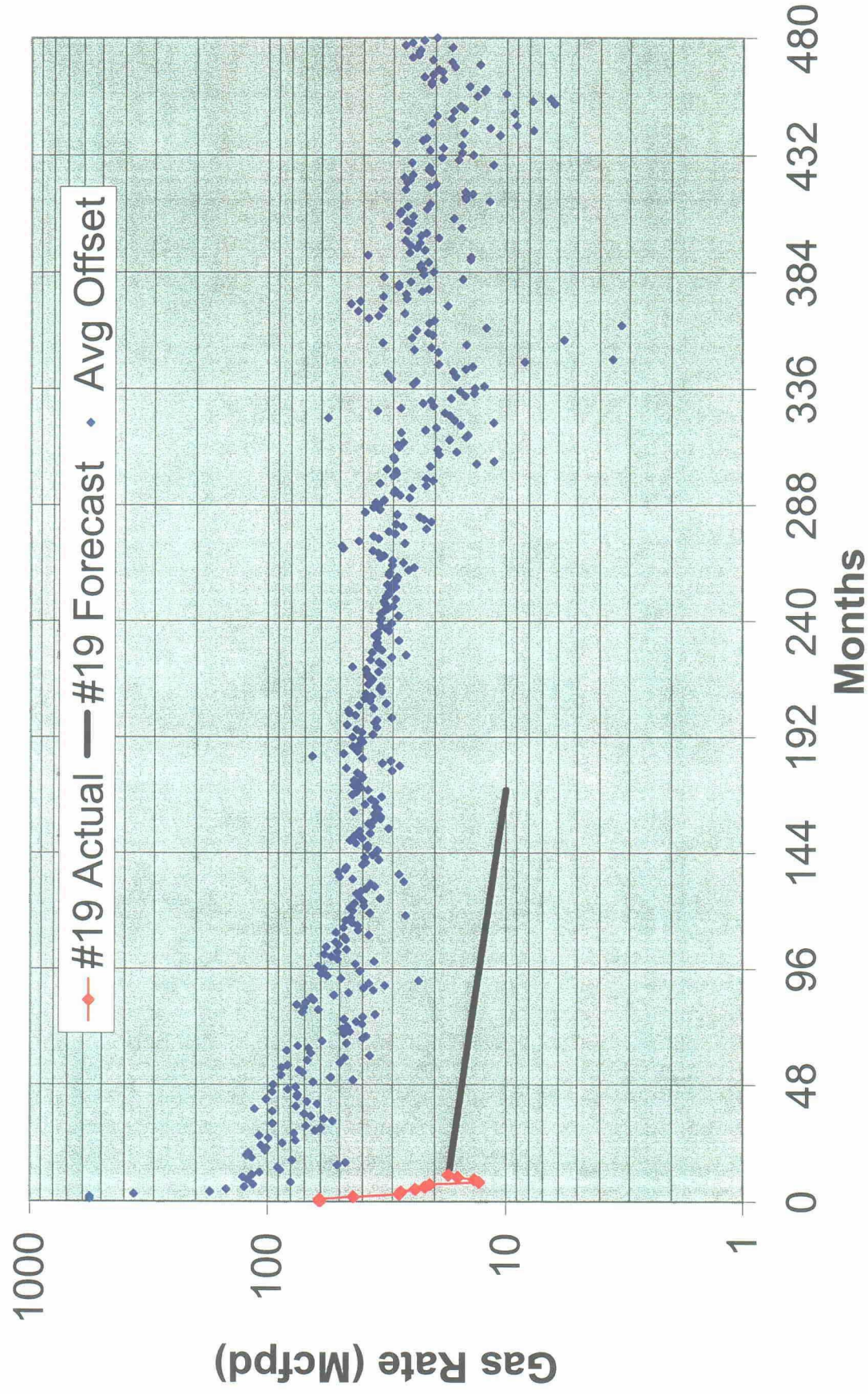
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	68.24	0.00	59.71	0.00	3.00	1.0	179.12	16.12	2.52	160.48	300.00	-139.52	-144.34	-137.42	-142.82
2003(12)	0.00	27.23	0.00	23.83	0.00	3.00	1.0	71.48	6.43	2.57	62.48	0.00	62.48	55.23	52.13	46.06
2004(12)	0.00	24.44	0.00	21.38	0.00	3.00	1.0	64.15	5.77	2.62	55.75	0.00	55.75	45.13	45.56	36.88
2005(12)	0.00	23.22	0.00	20.32	0.00	3.00	1.0	60.95	5.49	2.68	52.79	0.00	52.79	39.20	42.03	31.22
2006(12)	0.00	22.14	0.00	19.37	0.00	3.00	1.0	58.10	5.23	2.73	50.14	0.00	50.14	34.16	39.18	26.69
2007(12)	0.00	21.09	0.00	18.46	0.00	3.00	1.0	55.37	4.98	2.79	47.60	0.00	47.60	29.75	35.48	22.17
2008(12)	0.00	20.16	0.00	17.64	0.00	3.00	1.0	52.93	4.76	2.84	45.32	0.00	45.32	25.99	31.52	18.08
2009(12)	0.00	19.17	0.00	16.77	0.00	3.00	1.0	50.31	4.53	2.90	42.89	0.00	42.89	22.56	28.50	15.00
2010(12)	0.00	18.25	0.00	15.97	0.00	3.00	1.0	47.90	4.31	2.96	40.63	0.00	40.63	19.61	25.60	12.36
2011(12)	0.00	17.40	0.00	15.23	0.00	3.00	1.0	45.68	4.11	3.02	38.56	0.00	38.56	17.07	24.29	10.76
2012(12)	0.00	16.64	0.00	14.56	0.00	3.00	1.0	43.67	3.93	3.08	36.67	0.00	36.67	14.90	23.10	9.39
2013(12)	0.00	15.81	0.00	13.83	0.00	3.00	1.0	41.49	3.73	3.14	34.62	0.00	34.62	12.90	21.81	8.13
2014(12)	0.00	15.07	0.00	13.18	0.00	3.00	1.0	39.55	3.56	3.20	32.79	0.00	32.79	11.21	20.66	7.06
2015(12)	0.00	14.36	0.00	12.56	0.00	3.00	1.0	37.69	3.39	3.26	31.03	0.00	31.03	9.74	19.55	6.13
2016(12)	0.00	13.72	0.00	12.01	0.00	3.00	1.0	36.03	3.24	3.33	29.45	0.00	29.45	8.48	18.56	5.34
2017(12)	0.00	13.04	0.00	11.41	0.00	3.00	1.0	34.23	3.08	3.40	27.75	0.00	27.75	7.33	17.48	4.62
2018(12)	0.00	12.43	0.00	10.87	0.00	3.00	1.0	32.62	2.94	3.46	26.22	0.00	26.22	6.35	16.52	4.00
2019(12)	0.00	11.84	0.00	10.36	0.00	3.00	1.0	31.09	2.80	3.53	24.76	0.00	24.76	5.50	15.60	3.47
2020(12)	0.00	11.32	0.00	9.91	0.00	3.00	1.0	29.72	2.67	3.60	23.44	0.00	23.44	4.78	14.77	3.01
2021(12)	0.00	10.76	0.00	9.41	0.00	3.00	1.0	28.24	2.54	3.68	22.02	0.00	22.02	4.12	13.87	2.60
2022(12)	0.00	10.25	0.00	8.97	0.00	3.00	1.0	26.91	2.42	3.75	20.74	0.00	20.74	3.56	13.07	2.24
2023(12)	0.00	9.77	0.00	8.55	0.00	3.00	1.0	25.65	2.31	3.82	19.52	0.00	19.52	3.07	12.30	1.94
2024(12)	0.00	9.35	0.00	8.18	0.00	3.00	1.0	24.55	2.21	3.90	18.44	0.00	18.44	2.66	11.61	1.68
2025(12)	0.00	8.89	0.00	7.78	0.00	3.00	1.0	23.33	2.10	3.98	17.25	0.00	17.25	2.29	10.87	1.44
2026(12)	0.00	8.46	0.00	7.40	0.00	3.00	1.0	22.20	2.00	4.06	16.15	0.00	16.15	1.96	10.17	1.24
2027(12)	0.00	8.06	0.00	7.05	0.00	3.00	1.0	21.16	1.90	4.14	15.12	0.00	15.12	1.69	9.53	1.06
2028(12)	0.00	7.70	0.00	6.74	0.00	3.00	1.0	20.22	1.82	4.22	14.18	0.00	14.18	1.45	8.93	0.91
2029(12)	0.00	7.32	0.00	6.41	0.00	3.00	1.0	19.22	1.73	4.31	13.18	0.00	13.18	1.24	8.30	0.78
2030(12)	0.00	6.98	0.00	6.11	0.00	3.00	1.0	18.32	1.65	4.39	12.28	0.00	12.28	1.06	7.74	0.67
2031(12)	0.00	6.65	0.00	5.82	0.00	3.00	1.0	17.46	1.57	4.48	11.41	0.00	11.41	0.90	7.19	0.57
2032(12)	0.00	6.36	0.00	5.56	0.00	3.00	1.0	16.69	1.50	4.57	10.62	0.00	10.62	0.77	6.69	0.49
2033(12)	0.00	6.05	0.00	5.29	0.00	3.00	1.0	15.87	1.43	4.66	9.78	0.00	9.78	0.65	6.16	0.41
2034(12)	0.00	5.76	0.00	5.04	0.00	3.00	1.0	15.11	1.36	4.75	9.00	0.00	9.00	0.55	5.67	0.35
2035(12)	0.00	5.49	0.00	4.80	0.00	3.00	1.0	14.40	1.30	4.85	8.26	0.00	8.26	0.46	5.20	0.29
2036(12)	0.00	5.24	0.00	4.59	0.00	3.00	1.0	13.76	1.24	4.95	7.58	0.00	7.58	0.39	4.77	0.25
2037(12)	0.00	4.98	0.00	4.36	0.00	3.00	1.0	13.09	1.18	5.05	6.86	0.00	6.86	0.32	4.32	0.20
2038(12)	0.00	4.74	0.00	4.15	0.00	3.00	1.0	12.45	1.12	5.15	6.19	0.00	6.19	0.27	3.90	0.17
2039(12)	0.00	4.53	0.00	3.96	0.00	3.00	1.0	11.88	1.07	5.25	5.56	0.00	5.56	0.22	3.50	0.14
2040(12)	0.00	4.32	0.00	3.78	0.00	3.00	1.0	11.35	1.02	5.35	4.98	0.00	4.98	0.18	3.14	0.11
2041(12)	0.00	4.11	0.00	3.60	0.00	3.00	1.0	10.79	0.97	5.43	4.39	0.00	4.39	0.15	2.77	0.09
Total	0.00	531.33	0.00	464.92	0.00	0.00	0.0	1,394.75	125.53	152.36	1,116.86	300.00	816.86	253.53	514.62	145.15

San Juan 28-7 #19 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #19 PC (sdr)

Nominal

Net Present Values

Disc	Before Tax	Before Tax	Before Tax	After Tax
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	134	300	-166	-105
8.0	90	300	-210	-145
9.0	87	300	-213	-149
10.0	83	300	-217	-152
12.0	77	300	-223	-159
18.0	64	300	-236	-173
Arr:	134	300	-166	-105

Case Description

SJ 28-7 #19 PC PA Expansion
 E/2 25-28N-7W WI: 100% NRI: 87.5%
 Well EUR = 335 MMCF
 First Production : 3/01
 Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.45	0.65
9.0 Pcnt. PI	M\$/M\$	0.29	0.50
12.0 Pcnt. PI	M\$/M\$	0.26	0.47
NPV/Vol@9.0	M\$/MMSCF	-2.91	-2.03
NPV/Vol@12.0	M\$/MMSCF	-3.04	-2.17
Economic Limit Date		2016/02	
Last Scheduled Prod Date		2016/02	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	73	73	9	64
Gas-Sales	MMSCF	73	73	9	64
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

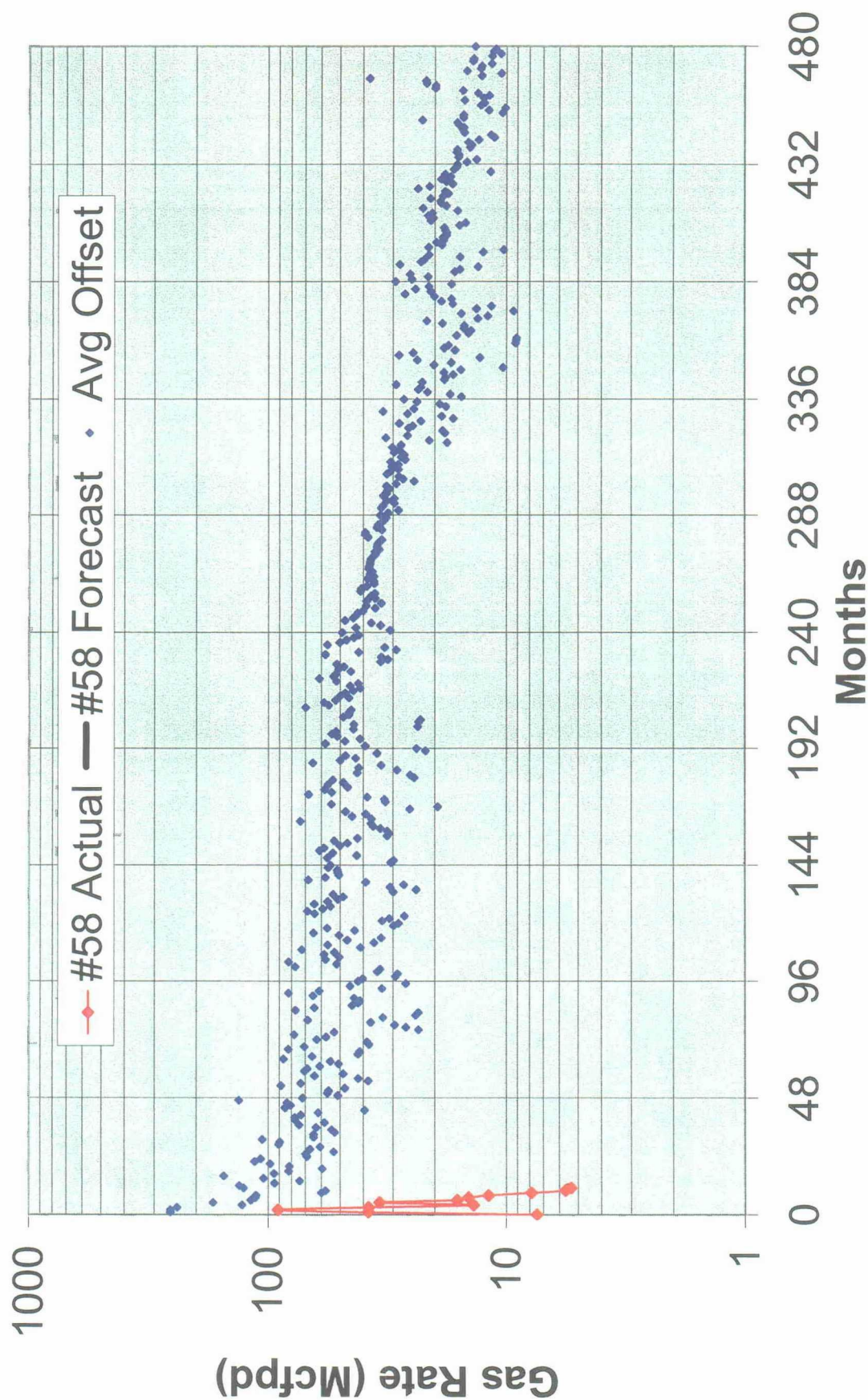
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS																	
PRODUCTION & REVENUE SUMMARY																	
	Gross Oil	Gross Gas	NRI	NRI	Oil	Gas	No. of	Total	Total	Total	Operation	Total	BTAX	BTAX	ATAX	ATAX	
Date	Volume	Volume	Oil	Gas	Price	Price	Wells	NRI	Prod	Opcosts	Cash Flow	Capital	Cash Flow	Cash Flow	Cash Flow	Cash Flow	
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2002(12)	0.00	9.21	0.00	8.06	0.00	3.00	1.0	24.17	2.18	2.52	19.48	300.00	-280.52	-281.05	-226.25	-228.95	
2003(12)	0.00	6.19	0.00	5.42	0.00	3.00	1.0	16.26	1.46	2.57	12.22	0.00	12.22	10.78	20.47	18.06	
2004(12)	0.00	5.96	0.00	5.21	0.00	3.00	1.0	15.64	1.41	2.62	11.60	0.00	11.60	9.39	17.75	14.37	
2005(12)	0.00	5.69	0.00	4.98	0.00	3.00	1.0	14.95	1.35	2.68	10.92	0.00	10.92	8.11	15.66	11.63	
2006(12)	0.00	5.46	0.00	4.77	0.00	3.00	1.0	14.32	1.29	2.73	10.30	0.00	10.30	7.02	14.08	9.59	
2007(12)	0.00	5.24	0.00	4.58	0.00	3.00	1.0	13.75	1.24	2.79	9.72	0.00	9.72	6.08	11.62	7.26	
2008(12)	0.00	5.03	0.00	4.40	0.00	3.00	1.0	13.21	1.19	2.84	9.18	0.00	9.18	5.26	8.76	5.02	
2009(12)	0.00	4.81	0.00	4.21	0.00	3.00	1.0	12.63	1.14	2.90	8.60	0.00	8.60	4.52	6.90	3.63	
2010(12)	0.00	4.61	0.00	4.04	0.00	3.00	1.0	12.11	1.09	2.96	8.07	0.00	8.07	3.89	5.08	2.45	
2011(12)	0.00	4.43	0.00	3.87	0.00	3.00	1.0	11.62	1.05	3.02	7.56	0.00	7.56	3.35	4.76	2.11	
2012(12)	0.00	4.25	0.00	3.72	0.00	3.00	1.0	11.16	1.00	3.08	7.08	0.00	7.08	2.88	4.46	1.81	
2013(12)	0.00	4.07	0.00	3.56	0.00	3.00	1.0	10.67	0.96	3.14	6.58	0.00	6.58	2.45	4.14	1.54	
2014(12)	0.00	3.90	0.00	3.41	0.00	3.00	1.0	10.24	0.92	3.20	6.12	0.00	6.12	2.09	3.86	1.32	
2015(12)	0.00	3.74	0.00	3.27	0.00	3.00	1.0	9.81	0.88	3.26	5.67	0.00	5.67	1.78	3.57	1.12	
2016(12)	0.00	0.60	0.00	0.52	0.00	3.00	0.2	1.57	0.14	0.54	0.89	0.00	0.89	0.27	0.56	0.17	
Total	0.00	73.19	0.00	64.04	0.00	0.00	0.0	192.11	17.29	40.84	133.98	300.00	-166.02	-213.17	-104.59	-148.87	

San Juan 28-7 #58 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #58 PC (sdr)

Nominal

Net Present Values

Disc Rate (%)	Before Tax	Before Tax	After Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
(%)	M\$	M\$	M\$	M\$	
0.0	18	300	-282	-178	
8.0	18	300	-282	-183	
9.0	18	300	-282	-184	
10.0	17	300	-283	-185	
12.0	17	300	-283	-186	
18.0	17	300	-283	-190	
Arr:	18	300	-282	-178	

Case Description

SJ 28-7 #58 PC PA Expansion
W/2 29-28N-7W WI: 100% NRI: 87.5%
Well EUR = 9 MMCF
First Production : 12/00
Analyze as new drill w/ start date = 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	0.0	0.0
Payout Period	Std. (mo's)	0.0	0.0
	Proj. (mo's)	0.0	0.0
Undisc PI	M\$/M\$	0.06	0.41
9.0 Pcnt. PI	M\$/M\$	0.06	0.39
12.0 Pcnt. PI	M\$/M\$	0.06	0.38
NPV/Vol@9.0	M\$/MMSCF	-32.89	-21.43
NPV/Vol@12.0	M\$/MMSCF	-32.91	-21.66
Economic Limit Date		2002/12	
Last Scheduled Prod Date		2002/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	9	9	1	8
Gas-Sales	MMSCF	9	9	1	8
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

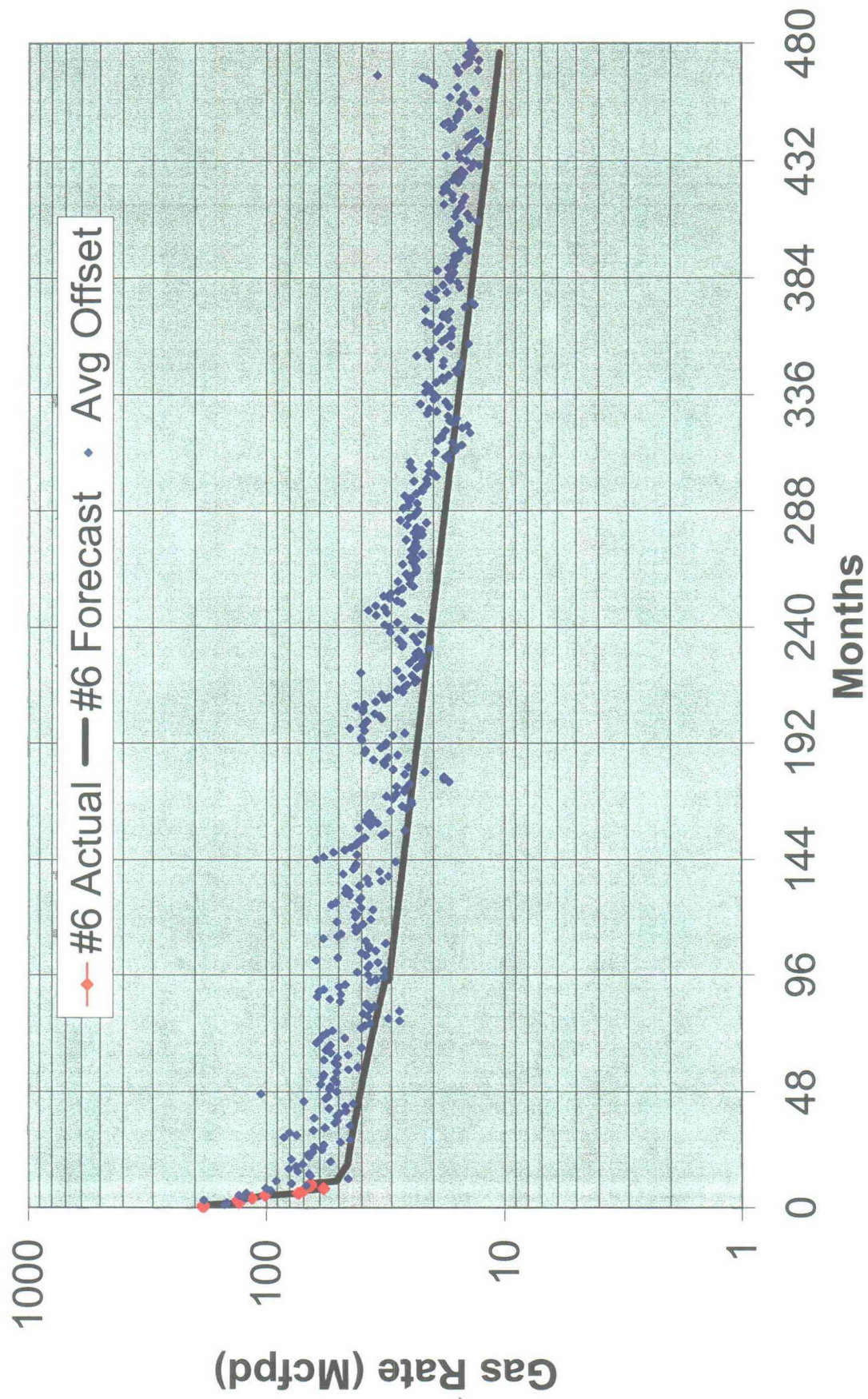
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY															
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opccosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	8.59	0.00	7.51	0.00	3.00	1.0	22.54	2.03	2.54	17.98	300.00	-282.02	-282.46	-177.67
Total	0.00	8.59	0.00	7.51	0.00	0.00	0.0	22.54	2.03	2.54	17.98	300.00	-282.02	-282.46	-177.67

San Juan 28-7 #6 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #6 PC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	
(%)	M\$	M\$	M\$	
0.0	686	300	386	243
8.0	340	300	40	12
9.0	320	300	20	-2
10.0	303	300	3	-14
12.0	275	300	-25	-34
18.0	219	300	-81	-75
Arr:	686	300	386	243

Case Description

SJ 28-7 #6 PC PA Expansion
W/2 16-28N-7W WI: 100% NRI: 87.5%
Well EUR = 350 MMCF
First Production : 4/01
Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	10.2	8.9
Payout Period	Std. (mo's)	97.3	97.3
	Proj. (mo's)	97.3	97.3
Undisc PI	M\$/M\$	2.29	1.81
9.0 Pcnt. PI	M\$/M\$	1.07	0.99
12.0 Pcnt. PI	M\$/M\$	0.92	0.89
NPV/Vol@9.0	M\$/MMSCF	0.06	0.00
NPV/Vol@12.0	M\$/MMSCF	-0.07	-0.10
Economic Limit Date		2041/08	
Last Scheduled Prod Date		2041/08	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	350	350	44	307
Gas-Sales	MMSCF	350	350	44	307
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

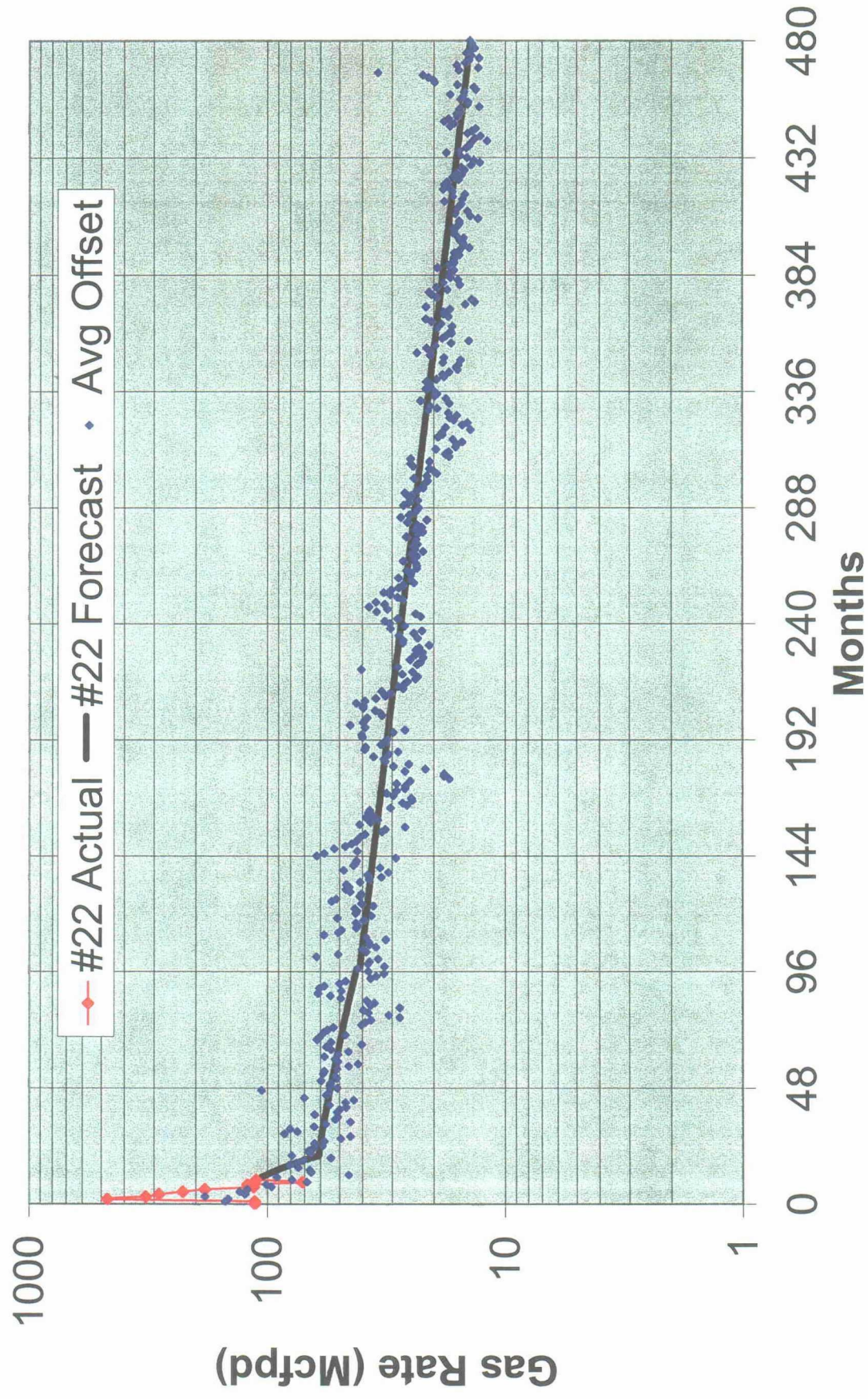
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opccosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	33.25	0.00	29.09	0.00	3.00	1.0	87.28	7.85	2.52	76.90	300.00	-223.10	-225.31	-190.08	-193.83
2003(12)	0.00	16.94	0.00	14.82	0.00	3.00	1.0	44.47	4.00	2.57	37.89	0.00	37.89	33.45	36.64	32.34
2004(12)	0.00	15.99	0.00	14.00	0.00	3.00	1.0	41.99	3.78	2.62	35.58	0.00	35.58	28.81	32.86	26.60
2005(12)	0.00	15.13	0.00	13.24	0.00	3.00	1.0	39.72	3.57	2.68	33.46	0.00	33.46	24.85	29.86	22.17
2006(12)	0.00	14.31	0.00	12.52	0.00	3.00	1.0	37.56	3.38	2.73	31.45	0.00	31.45	21.43	27.40	18.67
2007(12)	0.00	13.49	0.00	11.80	0.00	3.00	1.0	35.40	3.19	2.79	29.43	0.00	29.43	18.40	24.03	15.02
2008(12)	0.00	12.70	0.00	11.11	0.00	3.00	1.0	33.34	3.00	2.84	27.50	0.00	27.50	15.77	20.30	11.64
2009(12)	0.00	11.75	0.00	10.28	0.00	3.00	1.0	30.85	2.78	2.90	25.17	0.00	25.17	13.25	17.35	9.13
2010(12)	0.00	10.94	0.00	9.57	0.00	3.00	1.0	28.71	2.58	2.96	23.17	0.00	23.17	11.18	14.60	7.04
2011(12)	0.00	10.57	0.00	9.25	0.00	3.00	1.0	27.76	2.50	3.02	22.25	0.00	22.25	9.85	14.01	6.21
2012(12)	0.00	10.25	0.00	8.97	0.00	3.00	1.0	26.91	2.42	3.08	21.42	0.00	21.42	8.70	13.49	5.48
2013(12)	0.00	9.89	0.00	8.65	0.00	3.00	1.0	25.95	2.34	3.14	20.48	0.00	20.48	7.63	12.90	4.81
2014(12)	0.00	9.56	0.00	8.36	0.00	3.00	1.0	25.09	2.26	3.20	19.64	0.00	19.64	6.71	12.37	4.23
2015(12)	0.00	9.24	0.00	8.09	0.00	3.00	1.0	24.26	2.18	3.26	18.82	0.00	18.82	5.90	11.85	3.72
2016(12)	0.00	8.96	0.00	7.84	0.00	3.00	1.0	23.53	2.12	3.33	18.08	0.00	18.08	5.20	11.39	3.28
2017(12)	0.00	8.64	0.00	7.56	0.00	3.00	1.0	22.68	2.04	3.40	17.25	0.00	17.25	4.55	10.87	2.87
2018(12)	0.00	8.36	0.00	7.31	0.00	3.00	1.0	21.93	1.97	3.46	16.50	0.00	16.50	4.00	10.39	2.52
2019(12)	0.00	8.08	0.00	7.07	0.00	3.00	1.0	21.21	1.91	3.53	15.77	0.00	15.77	3.50	9.93	2.21
2020(12)	0.00	7.83	0.00	6.85	0.00	3.00	1.0	20.56	1.85	3.60	15.11	0.00	15.11	3.08	9.52	1.94
2021(12)	0.00	7.55	0.00	6.61	0.00	3.00	1.0	19.83	1.78	3.68	14.37	0.00	14.37	2.69	9.05	1.69
2022(12)	0.00	7.30	0.00	6.39	0.00	3.00	1.0	19.17	1.73	3.75	13.70	0.00	13.70	2.35	8.63	1.48
2023(12)	0.00	7.06	0.00	6.18	0.00	3.00	1.0	18.54	1.67	3.82	13.05	0.00	13.05	2.05	8.22	1.29
2024(12)	0.00	6.85	0.00	5.99	0.00	3.00	1.0	17.97	1.62	3.90	12.46	0.00	12.46	1.80	7.85	1.13
2025(12)	0.00	6.60	0.00	5.78	0.00	3.00	1.0	17.33	1.56	3.98	11.79	0.00	11.79	1.56	7.43	0.98
2026(12)	0.00	6.38	0.00	5.59	0.00	3.00	1.0	16.76	1.51	4.06	11.19	0.00	11.19	1.36	7.05	0.86
2027(12)	0.00	6.17	0.00	5.40	0.00	3.00	1.0	16.20	1.46	4.14	10.61	0.00	10.61	1.18	6.68	0.75
2028(12)	0.00	5.99	0.00	5.24	0.00	3.00	1.0	15.71	1.41	4.22	10.07	0.00	10.07	1.03	6.35	0.65
2029(12)	0.00	5.77	0.00	5.05	0.00	3.00	1.0	15.15	1.36	4.31	9.48	0.00	9.48	0.89	5.97	0.56
2030(12)	0.00	5.58	0.00	4.88	0.00	3.00	1.0	14.65	1.32	4.39	8.94	0.00	8.94	0.77	5.63	0.48
2031(12)	0.00	5.40	0.00	4.72	0.00	3.00	1.0	14.16	1.27	4.48	8.41	0.00	8.41	0.66	5.30	0.42
2032(12)	0.00	5.23	0.00	4.58	0.00	3.00	1.0	13.73	1.24	4.57	7.93	0.00	7.93	0.57	4.99	0.36
2033(12)	0.00	5.04	0.00	4.41	0.00	3.00	1.0	13.24	1.19	4.66	7.39	0.00	7.39	0.49	4.65	0.31
2034(12)	0.00	4.88	0.00	4.27	0.00	3.00	1.0	12.80	1.15	4.75	6.89	0.00	6.89	0.42	4.34	0.27
2035(12)	0.00	4.72	0.00	4.13	0.00	3.00	1.0	12.38	1.11	4.85	6.42	0.00	6.42	0.36	4.04	0.23
2036(12)	0.00	4.57	0.00	4.00	0.00	3.00	1.0	12.00	1.08	4.95	5.98	0.00	5.98	0.31	3.77	0.19
2037(12)	0.00	4.41	0.00	3.86	0.00	3.00	1.0	11.57	1.04	5.05	5.49	0.00	5.49	0.26	3.46	0.16
2038(12)	0.00	4.26	0.00	3.73	0.00	3.00	1.0	11.19	1.01	5.15	5.04	0.00	5.04	0.22	3.17	0.14
2039(12)	0.00	4.12	0.00	3.61	0.00	3.00	1.0	10.82	0.97	5.25	4.60	0.00	4.60	0.18	2.90	0.11
2040(12)	0.00	4.00	0.00	3.50	0.00	3.00	1.0	10.49	0.94	5.35	4.19	0.00	4.19	0.15	2.64	0.10
2041(12)	0.00	2.58	0.00	2.26	0.00	3.00	0.7	6.77	0.61	3.62	2.54	0.00	2.54	0.09	1.60	0.05
Total	0.00	350.36	0.00	306.56	0.00	0.00	0.0	919.69	82.77	150.55	686.36	300.00	386.36	20.37	243.41	-1.73

San Juan 28-7 #22 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #22 PC (sdr)
Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	1,045	300	745	469
8.0	534	300	234	134
9.0	506	300	208	115
10.0	482	300	182	99
12.0	442	300	142	71
18.0	362	300	62	14
Arr:	1,045	300	745	469

Case Description

SJ 28-7 #22 PC PA Expansion
E/2 17-28N-7W WI: 100% NRI: 87.5%
Well EUR = 501 MMCF
First Production : 4/01
Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	26.4	20.1
Payout Period	Std. (mo's)	43.9	50.7
	Proj. (mo's)	43.9	50.7
Undisc PI	M\$/M\$	3.48	2.56
9.0 Pcnt. PI	M\$/M\$	1.69	1.38
12.0 Pcnt. PI	M\$/M\$	1.47	1.24
NPV/Vol@9.0	M\$/MMSCF	0.41	0.23
NPV/Vol@12.0	M\$/MMSCF	0.28	0.14
Economic Limit Date		2041/12	
Last Scheduled Prod Date		2041/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	501	501	63	439
Gas-Sales	MMSCF	501	501	63	439
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLT	0	0	0	0
Other	MSTB	0	0	0	0

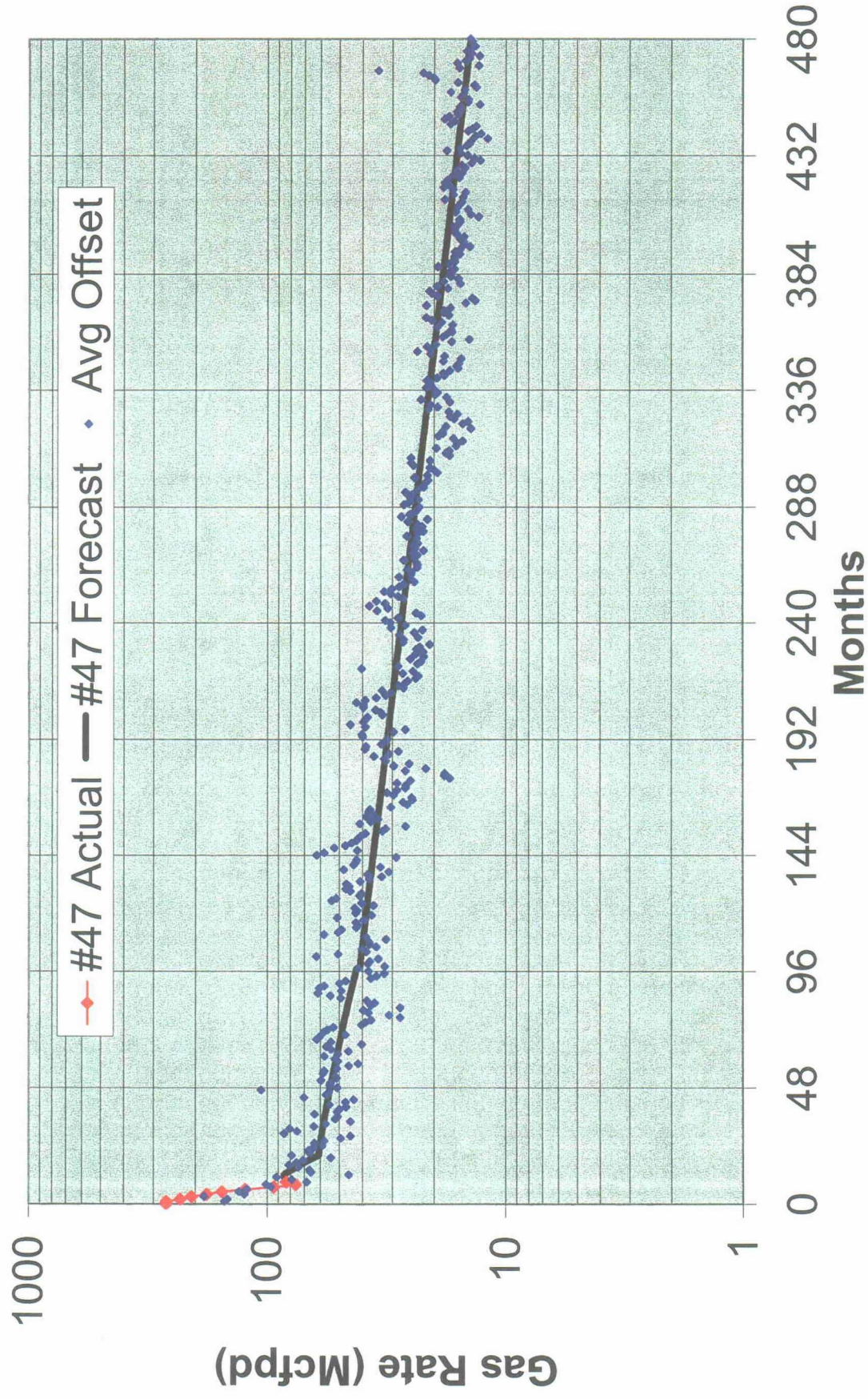
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	67.98	0.00	59.48	0.00	3.00	1.0	178.44	16.06	2.52	159.85	300.00	-140.15	-144.67	-137.81	-143.03
2003(12)	0.00	26.54	0.00	23.22	0.00	3.00	1.0	69.65	6.27	2.57	60.81	0.00	60.81	53.88	51.08	45.21
2004(12)	0.00	21.47	0.00	18.78	0.00	3.00	1.0	56.35	5.07	2.62	48.66	0.00	48.66	39.40	41.09	33.27
2005(12)	0.00	20.40	0.00	17.85	0.00	3.00	1.0	53.54	4.82	2.68	46.04	0.00	46.04	34.21	37.78	28.07
2006(12)	0.00	19.30	0.00	16.89	0.00	3.00	1.0	50.66	4.56	2.73	43.37	0.00	43.37	29.56	34.91	23.79
2007(12)	0.00	18.25	0.00	15.97	0.00	3.00	1.0	47.92	4.31	2.79	40.82	0.00	40.82	25.52	31.21	19.51
2008(12)	0.00	17.11	0.00	14.97	0.00	3.00	1.0	44.92	4.04	2.84	38.03	0.00	38.03	21.82	26.93	15.45
2009(12)	0.00	16.02	0.00	14.01	0.00	3.00	1.0	42.04	3.78	2.90	35.36	0.00	35.36	18.61	23.76	12.51
2010(12)	0.00	14.79	0.00	12.94	0.00	3.00	1.0	38.82	3.49	2.96	32.37	0.00	32.37	15.63	20.39	9.85
2011(12)	0.00	14.30	0.00	12.51	0.00	3.00	1.0	37.54	3.38	3.02	31.15	0.00	31.15	13.79	19.62	8.69
2012(12)	0.00	13.79	0.00	12.06	0.00	3.00	1.0	36.19	3.26	3.08	29.86	0.00	29.86	12.13	18.81	7.64
2013(12)	0.00	13.34	0.00	11.67	0.00	3.00	1.0	35.02	3.15	3.14	28.73	0.00	28.73	10.71	18.10	6.75
2014(12)	0.00	12.90	0.00	11.29	0.00	3.00	1.0	33.87	3.05	3.20	27.62	0.00	27.62	9.45	17.40	5.95
2015(12)	0.00	12.50	0.00	10.94	0.00	3.00	1.0	32.81	2.95	3.26	26.59	0.00	26.59	8.34	16.75	5.26
2016(12)	0.00	12.05	0.00	10.55	0.00	3.00	1.0	31.64	2.85	3.33	25.47	0.00	25.47	7.33	16.04	4.62
2017(12)	0.00	11.65	0.00	10.20	0.00	3.00	1.0	30.59	2.75	3.40	24.44	0.00	24.44	6.46	15.40	4.07
2018(12)	0.00	11.27	0.00	9.86	0.00	3.00	1.0	29.59	2.66	3.46	23.46	0.00	23.46	5.69	14.78	3.58
2019(12)	0.00	10.93	0.00	9.56	0.00	3.00	1.0	28.68	2.58	3.53	22.56	0.00	22.56	5.02	14.22	3.16
2020(12)	0.00	10.53	0.00	9.22	0.00	3.00	1.0	27.65	2.49	3.60	21.56	0.00	21.56	4.40	13.58	2.77
2021(12)	0.00	10.19	0.00	8.91	0.00	3.00	1.0	26.74	2.41	3.68	20.66	0.00	20.66	3.87	13.01	2.44
2022(12)	0.00	9.85	0.00	8.62	0.00	3.00	1.0	25.85	2.33	3.75	19.78	0.00	19.78	3.40	12.46	2.14
2023(12)	0.00	9.55	0.00	8.36	0.00	3.00	1.0	25.08	2.26	3.82	18.99	0.00	18.99	2.99	11.97	1.88
2024(12)	0.00	9.21	0.00	8.06	0.00	3.00	1.0	24.18	2.18	3.90	18.10	0.00	18.10	2.62	11.40	1.65
2025(12)	0.00	8.91	0.00	7.79	0.00	3.00	1.0	23.38	2.10	3.98	17.30	0.00	17.30	2.29	10.90	1.44
2026(12)	0.00	8.61	0.00	7.54	0.00	3.00	1.0	22.61	2.04	4.06	16.52	0.00	16.52	2.01	10.41	1.27
2027(12)	0.00	8.35	0.00	7.30	0.00	3.00	1.0	21.91	1.97	4.14	15.80	0.00	15.80	1.76	9.96	1.11
2028(12)	0.00	8.05	0.00	7.04	0.00	3.00	1.0	21.13	1.90	4.22	15.00	0.00	15.00	1.54	9.45	0.97
2029(12)	0.00	7.79	0.00	6.81	0.00	3.00	1.0	20.44	1.84	4.31	14.29	0.00	14.29	1.34	9.01	0.85
2030(12)	0.00	7.53	0.00	6.58	0.00	3.00	1.0	19.75	1.78	4.39	13.58	0.00	13.58	1.17	8.56	0.74
2031(12)	0.00	7.30	0.00	6.38	0.00	3.00	1.0	19.15	1.72	4.48	12.95	0.00	12.95	1.02	8.16	0.64
2032(12)	0.00	7.04	0.00	6.16	0.00	3.00	1.0	18.48	1.66	4.57	12.24	0.00	12.24	0.89	7.71	0.56
2033(12)	0.00	6.81	0.00	5.96	0.00	3.00	1.0	17.87	1.61	4.66	11.60	0.00	11.60	0.77	7.31	0.49
2034(12)	0.00	6.58	0.00	5.75	0.00	3.00	1.0	17.26	1.55	4.75	10.95	0.00	10.95	0.67	6.90	0.42
2035(12)	0.00	6.38	0.00	5.58	0.00	3.00	1.0	16.75	1.51	4.85	10.39	0.00	10.39	0.58	6.55	0.37
2036(12)	0.00	6.15	0.00	5.38	0.00	3.00	1.0	16.15	1.45	4.95	9.75	0.00	9.75	0.50	6.14	0.32
2037(12)	0.00	5.95	0.00	5.20	0.00	3.00	1.0	15.61	1.40	5.05	9.16	0.00	9.16	0.43	5.77	0.27
2038(12)	0.00	5.75	0.00	5.03	0.00	3.00	1.0	15.10	1.36	5.15	8.59	0.00	8.59	0.37	5.41	0.23
2039(12)	0.00	5.58	0.00	4.88	0.00	3.00	1.0	14.64	1.32	5.25	8.07	0.00	8.07	0.32	5.08	0.20
2040(12)	0.00	5.38	0.00	4.71	0.00	3.00	1.0	14.12	1.27	5.35	7.49	0.00	7.49	0.27	4.72	0.17
2041(12)	0.00	5.20	0.00	4.55	0.00	3.00	1.0	13.65	1.23	5.43	6.99	0.00	6.99	0.23	4.40	0.15
Total	0.00	501.25	0.00	438.59	0.00	0.00	0.0	1,315.77	118.42	152.36	1,044.99	300.00	744.99	206.31	469.34	115.41

San Juan 28-7 #47 - Pictured Cliffs



US Summary Report
PAE - East - SJ 28-7 #47 PC (sdr)
Nominal

Net Present Values

	Disc Before Tax	Before Tax	Before Tax	After Tax
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	999	300	699	440
8.0	489	300	189	106
9.0	462	300	162	87
10.0	438	300	138	71
12.0	398	300	98	43
18.0	319	300	19	-13
Arr:	999	300	699	440

Case Description

SJ 28-7 #47 PC PA Expansion
E/2 20-28N-7W WI: 100% NRI: 87.5%
Well EUR = 482 MMCF
First Production : 5/01
Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	20.1	16.3
Payout Period	Std. (mo's)	56.4	60.7
	Proj. (mo's)	56.4	60.7
Undisc PI	M\$/M\$	3.33	2.47
9.0 Pcnt. PI	M\$/M\$	1.54	1.29
12.0 Pcnt. PI	M\$/M\$	1.33	1.14
NPV/Vol@9.0	M\$/MMSCF	0.34	0.18
NPV/Vol@12.0	M\$/MMSCF	0.20	0.09
Economic Limit Date		2041/12	
Last Scheduled Prod Date		2041/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	482	482	60	422
Gas-Sales	MMSCF	482	482	60	422
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

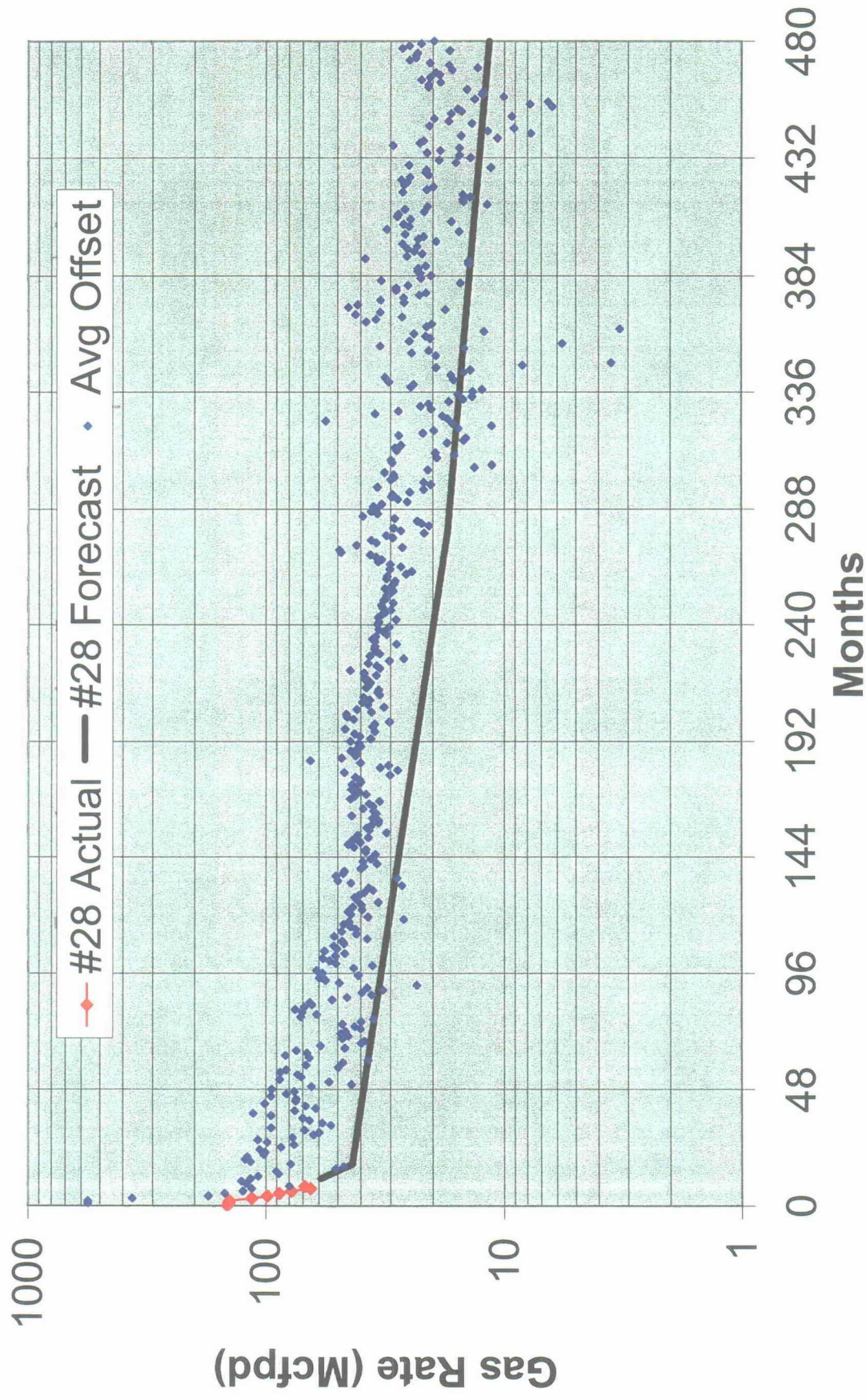
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

**RESERVES AND ECONOMICS
PRODUCTION & REVENUE SUMMARY**

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	50.46	0.00	44.15	0.00	3.00	1.0	132.46	11.92	2.52	118.02	300.00	-181.98	-185.31	-164.17	-168.63
2003(12)	0.00	24.74	0.00	21.64	0.00	3.00	1.0	64.93	5.84	2.57	56.51	0.00	56.51	49.99	48.37	42.76
2004(12)	0.00	21.52	0.00	18.83	0.00	3.00	1.0	56.50	5.09	2.62	48.79	0.00	48.79	39.50	41.18	33.33
2005(12)	0.00	20.39	0.00	17.84	0.00	3.00	1.0	53.53	4.82	2.68	46.03	0.00	46.03	34.19	37.78	28.05
2006(12)	0.00	19.30	0.00	16.88	0.00	3.00	1.0	50.65	4.56	2.73	43.36	0.00	43.36	29.55	34.91	23.78
2007(12)	0.00	18.20	0.00	15.93	0.00	3.00	1.0	47.78	4.30	2.79	40.69	0.00	40.69	25.44	31.13	19.46
2008(12)	0.00	17.16	0.00	15.01	0.00	3.00	1.0	45.03	4.05	2.84	38.14	0.00	38.14	21.88	27.00	15.49
2009(12)	0.00	16.01	0.00	14.01	0.00	3.00	1.0	42.03	3.78	2.90	35.35	0.00	35.35	18.60	23.76	12.50
2010(12)	0.00	14.79	0.00	12.94	0.00	3.00	1.0	38.82	3.49	2.96	32.37	0.00	32.37	15.62	20.39	9.84
2011(12)	0.00	14.26	0.00	12.48	0.00	3.00	1.0	37.44	3.37	3.02	31.05	0.00	31.05	13.75	19.56	8.66
2012(12)	0.00	13.83	0.00	12.10	0.00	3.00	1.0	36.29	3.27	3.08	29.95	0.00	29.95	12.17	18.87	7.67
2013(12)	0.00	13.34	0.00	11.67	0.00	3.00	1.0	35.02	3.15	3.14	28.73	0.00	28.73	10.71	18.10	6.75
2014(12)	0.00	12.90	0.00	11.29	0.00	3.00	1.0	33.87	3.05	3.20	27.62	0.00	27.62	9.44	17.40	5.95
2015(12)	0.00	12.46	0.00	10.91	0.00	3.00	1.0	32.72	2.94	3.26	26.51	0.00	26.51	8.32	16.70	5.24
2016(12)	0.00	12.09	0.00	10.58	0.00	3.00	1.0	31.73	2.86	3.33	25.54	0.00	25.54	7.35	16.09	4.63
2017(12)	0.00	11.65	0.00	10.20	0.00	3.00	1.0	30.59	2.75	3.40	24.44	0.00	24.44	6.45	15.40	4.06
2018(12)	0.00	11.27	0.00	9.86	0.00	3.00	1.0	29.59	2.66	3.46	23.46	0.00	23.46	5.68	14.78	3.58
2019(12)	0.00	10.89	0.00	9.53	0.00	3.00	1.0	28.60	2.57	3.53	22.49	0.00	22.49	5.00	14.17	3.15
2020(12)	0.00	10.56	0.00	9.24	0.00	3.00	1.0	27.72	2.50	3.60	21.63	0.00	21.63	4.41	13.62	2.78
2021(12)	0.00	10.19	0.00	8.91	0.00	3.00	1.0	26.74	2.41	3.68	20.66	0.00	20.66	3.86	13.01	2.43
2022(12)	0.00	9.85	0.00	8.62	0.00	3.00	1.0	25.85	2.33	3.75	19.78	0.00	19.78	3.39	12.46	2.14
2023(12)	0.00	9.53	0.00	8.34	0.00	3.00	1.0	25.01	2.25	3.82	18.93	0.00	18.93	2.98	11.93	1.88
2024(12)	0.00	9.23	0.00	8.08	0.00	3.00	1.0	24.24	2.18	3.90	18.16	0.00	18.16	2.62	11.44	1.65
2025(12)	0.00	8.91	0.00	7.79	0.00	3.00	1.0	23.38	2.10	3.98	17.29	0.00	17.29	2.29	10.90	1.44
2026(12)	0.00	8.61	0.00	7.54	0.00	3.00	1.0	22.61	2.03	4.06	16.52	0.00	16.52	2.01	10.41	1.26
2027(12)	0.00	8.32	0.00	7.28	0.00	3.00	1.0	21.85	1.97	4.14	15.75	0.00	15.75	1.76	9.92	1.11
2028(12)	0.00	8.07	0.00	7.06	0.00	3.00	1.0	21.18	1.91	4.22	15.06	0.00	15.06	1.54	9.48	0.97
2029(12)	0.00	7.79	0.00	6.81	0.00	3.00	1.0	20.44	1.84	4.31	14.29	0.00	14.29	1.34	9.00	0.85
2030(12)	0.00	7.52	0.00	6.58	0.00	3.00	1.0	19.75	1.78	4.39	13.58	0.00	13.58	1.17	8.56	0.74
2031(12)	0.00	7.28	0.00	6.37	0.00	3.00	1.0	19.10	1.72	4.48	12.90	0.00	12.90	1.02	8.13	0.64
2032(12)	0.00	7.06	0.00	6.18	0.00	3.00	1.0	18.53	1.67	4.57	12.29	0.00	12.29	0.89	7.74	0.56
2033(12)	0.00	6.81	0.00	5.96	0.00	3.00	1.0	17.87	1.61	4.66	11.60	0.00	11.60	0.77	7.31	0.49
2034(12)	0.00	6.58	0.00	5.75	0.00	3.00	1.0	17.26	1.55	4.75	10.95	0.00	10.95	0.67	6.90	0.42
2035(12)	0.00	6.36	0.00	5.57	0.00	3.00	1.0	16.70	1.50	4.85	10.35	0.00	10.35	0.58	6.52	0.36
2036(12)	0.00	6.17	0.00	5.40	0.00	3.00	1.0	16.19	1.46	4.95	9.78	0.00	9.78	0.50	6.16	0.32
2037(12)	0.00	5.95	0.00	5.20	0.00	3.00	1.0	15.61	1.40	5.05	9.16	0.00	9.16	0.43	5.77	0.27
2038(12)	0.00	5.75	0.00	5.03	0.00	3.00	1.0	15.10	1.36	5.15	8.59	0.00	8.59	0.37	5.41	0.23
2039(12)	0.00	5.56	0.00	4.86	0.00	3.00	1.0	14.59	1.31	5.25	8.03	0.00	8.03	0.32	5.06	0.20
2040(12)	0.00	5.39	0.00	4.72	0.00	3.00	1.0	14.15	1.27	5.35	7.53	0.00	7.53	0.27	4.74	0.17
2041(12)	0.00	5.20	0.00	4.55	0.00	3.00	1.0	13.64	1.23	5.43	6.99	0.00	6.99	0.23	4.40	0.15
Total	0.00	481.94	0.00	421.69	0.00	0.00	0.0	1,265.08	113.86	152.36	998.86	300.00	698.86	161.74	440.28	87.33

San Juan 28-7 #28 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #28 PC (sdr)

Nominal

Net Present Values

	Disc Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
(%)	M\$	M\$	M\$	M\$	
0.0	689	300	389	245	
8.0	335	300	35	9	
9.0	315	300	15	-5	
10.0	298	300	-2	-17	
12.0	270	300	-30	-38	
18.0	213	300	-87	-79	
Arr:	689	300	389	245	

Case Description

SJ 28-7 #28 PC PA Expansion
 E/2 26-28N-7W WI: 100% NRI: 87.5%
 Well EUR = 352 MMCF
 First Production : 6/01
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

	BTax	ATax
ROR	9.9	8.6
Payout Period	101.5	101.5
	101.5	101.5
Undisc PI	2.30	1.82
9.0 Pcnt. PI	1.05	0.98
12.0 Pcnt. PI	0.90	0.87
NPV/Vol@9.0	0.04	-0.01
NPV/Vol@12.0	-0.09	-0.11
Economic Limit Date	2042/01	
Last Scheduled Prod Date	2042/01	

Products Recovery (US)

	Gross	WI	Roy	Net
Oil	0	0	0	0
Gas-Raw	352	352	44	308
Gas-Sales	352	352	44	308
Ethane	0	0	0	0
Propane	0	0	0	0
Butane	0	0	0	0
Cond.	0	0	0	0
Sulphur	0	0	0	0
Other	0	0	0	0

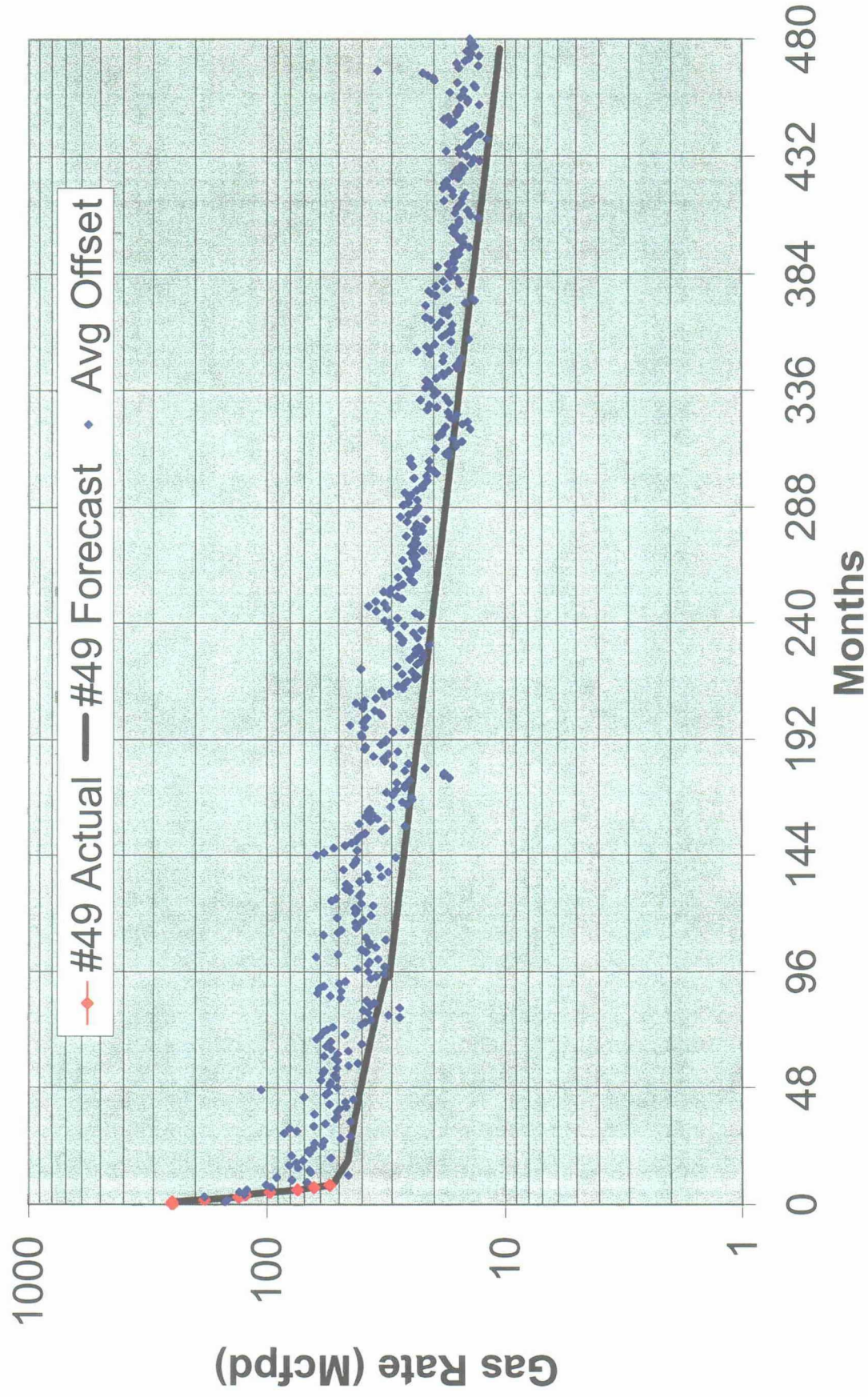
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	31.54	0.00	27.60	0.00	3.00	1.0	82.79	7.45	2.52	72.82	300.00	-227.18	-229.42	-192.65	-196.42
2003(12)	0.00	16.42	0.00	14.37	0.00	3.00	1.0	43.11	3.88	2.57	36.66	0.00	36.66	32.39	35.87	31.67
2004(12)	0.00	15.14	0.00	13.25	0.00	3.00	1.0	39.74	3.58	2.62	33.54	0.00	33.54	27.15	31.57	25.56
2005(12)	0.00	14.47	0.00	12.66	0.00	3.00	1.0	37.99	3.42	2.68	31.90	0.00	31.90	23.69	28.87	21.44
2006(12)	0.00	13.88	0.00	12.15	0.00	3.00	1.0	36.44	3.28	2.73	30.43	0.00	30.43	20.73	26.76	18.23
2007(12)	0.00	13.31	0.00	11.65	0.00	3.00	1.0	34.94	3.14	2.79	29.01	0.00	29.01	18.13	23.76	14.85
2008(12)	0.00	12.79	0.00	11.19	0.00	3.00	1.0	33.58	3.02	2.84	27.72	0.00	27.72	15.90	20.44	11.72
2009(12)	0.00	12.23	0.00	10.70	0.00	3.00	1.0	32.11	2.89	2.90	26.32	0.00	26.32	13.85	18.07	9.51
2010(12)	0.00	11.73	0.00	10.26	0.00	3.00	1.0	30.79	2.77	2.96	25.06	0.00	25.06	12.09	15.79	7.62
2011(12)	0.00	11.24	0.00	9.84	0.00	3.00	1.0	29.52	2.66	3.02	23.84	0.00	23.84	10.56	15.02	6.65
2012(12)	0.00	10.81	0.00	9.46	0.00	3.00	1.0	28.39	2.55	3.08	22.76	0.00	22.76	9.25	14.34	5.83
2013(12)	0.00	10.35	0.00	9.05	0.00	3.00	1.0	27.16	2.44	3.14	21.58	0.00	21.58	8.04	13.59	5.07
2014(12)	0.00	9.91	0.00	8.67	0.00	3.00	1.0	26.01	2.34	3.20	20.47	0.00	20.47	7.00	12.90	4.41
2015(12)	0.00	9.50	0.00	8.32	0.00	3.00	1.0	24.95	2.25	3.26	19.44	0.00	19.44	6.10	12.25	3.84
2016(12)	0.00	9.14	0.00	8.00	0.00	3.00	1.0	23.99	2.16	3.33	18.50	0.00	18.50	5.33	11.66	3.36
2017(12)	0.00	8.73	0.00	7.64	0.00	3.00	1.0	22.93	2.06	3.40	17.47	0.00	17.47	4.61	11.01	2.91
2018(12)	0.00	8.38	0.00	7.33	0.00	3.00	1.0	21.99	1.98	3.46	16.55	0.00	16.55	4.01	10.43	2.53
2019(12)	0.00	8.03	0.00	7.03	0.00	3.00	1.0	21.08	1.90	3.53	15.65	0.00	15.65	3.48	9.86	2.19
2020(12)	0.00	7.72	0.00	6.76	0.00	3.00	1.0	20.27	1.82	3.60	14.84	0.00	14.84	3.03	9.35	1.91
2021(12)	0.00	7.38	0.00	6.46	0.00	3.00	1.0	19.38	1.74	3.68	13.96	0.00	13.96	2.61	8.80	1.65
2022(12)	0.00	7.08	0.00	6.20	0.00	3.00	1.0	18.59	1.67	3.75	13.16	0.00	13.16	2.26	8.29	1.42
2023(12)	0.00	6.79	0.00	5.94	0.00	3.00	1.0	17.82	1.60	3.82	12.39	0.00	12.39	1.95	7.81	1.23
2024(12)	0.00	6.53	0.00	5.71	0.00	3.00	1.0	17.14	1.54	3.90	11.70	0.00	11.70	1.69	7.37	1.06
2025(12)	0.00	6.27	0.00	5.49	0.00	3.00	1.0	16.47	1.48	3.98	11.01	0.00	11.01	1.46	6.94	0.92
2026(12)	0.00	6.13	0.00	5.36	0.00	3.00	1.0	16.08	1.45	4.06	10.57	0.00	10.57	1.29	6.66	0.81
2027(12)	0.00	5.98	0.00	5.23	0.00	3.00	1.0	15.70	1.41	4.14	10.14	0.00	10.14	1.13	6.39	0.71
2028(12)	0.00	5.85	0.00	5.12	0.00	3.00	1.0	15.36	1.38	4.22	9.75	0.00	9.75	1.00	6.14	0.63
2029(12)	0.00	5.70	0.00	4.99	0.00	3.00	1.0	14.96	1.35	4.31	9.31	0.00	9.31	0.87	5.86	0.55
2030(12)	0.00	5.56	0.00	4.87	0.00	3.00	1.0	14.60	1.31	4.39	8.90	0.00	8.90	0.77	5.60	0.48
2031(12)	0.00	5.43	0.00	4.75	0.00	3.00	1.0	14.25	1.28	4.48	8.49	0.00	8.49	0.67	5.35	0.42
2032(12)	0.00	5.32	0.00	4.65	0.00	3.00	1.0	13.96	1.26	4.57	8.14	0.00	8.14	0.59	5.13	0.37
2033(12)	0.00	5.18	0.00	4.53	0.00	3.00	1.0	13.59	1.22	4.66	7.70	0.00	7.70	0.51	4.85	0.32
2034(12)	0.00	5.05	0.00	4.42	0.00	3.00	1.0	13.26	1.19	4.75	7.31	0.00	7.31	0.45	4.61	0.28
2035(12)	0.00	4.93	0.00	4.32	0.00	3.00	1.0	12.95	1.17	4.85	6.94	0.00	6.94	0.39	4.37	0.24
2036(12)	0.00	4.83	0.00	4.23	0.00	3.00	1.0	12.68	1.14	4.95	6.59	0.00	6.59	0.34	4.15	0.21
2037(12)	0.00	4.70	0.00	4.11	0.00	3.00	1.0	12.34	1.11	5.05	6.18	0.00	6.18	0.29	3.89	0.18
2038(12)	0.00	4.59	0.00	4.02	0.00	3.00	1.0	12.05	1.08	5.15	5.82	0.00	5.82	0.25	3.66	0.16
2039(12)	0.00	4.48	0.00	3.92	0.00	3.00	1.0	11.76	1.06	5.25	5.45	0.00	5.45	0.22	3.43	0.14
2040(12)	0.00	4.39	0.00	3.84	0.00	3.00	1.0	11.51	1.04	5.35	5.12	0.00	5.12	0.19	3.23	0.12
2041(12)	0.00	4.27	0.00	3.74	0.00	3.00	1.0	11.21	1.01	5.43	4.77	0.00	4.77	0.16	3.00	0.10
2042(12)	0.00	0.50	0.00	0.44	0.00	3.00	0.0	1.31	0.12	0.00	1.19	0.00	1.19	0.04	0.75	0.02
Total	0.00	352.29	0.00	308.25	0.00	0.00	0.0	924.76	83.23	152.36	689.17	300.00	389.17	15.03	245.18	-5.10

San Juan 28-7 #49 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #49 PC (sdr)

Nominal

Net Present Values

Disc Before Tax	Before Tax	Before Tax	After Tax	
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	694	300	394	248
8.0	346	300	46	16
9.0	327	300	27	2
10.0	310	300	10	-10
12.0	282	300	-18	-30
18.0	226	300	-74	-71
Arr:	694	300	394	248

Case Description

SJ 28-7 #49 PC PA Expansion
 E/2 21-28N-7W WI: 100% NRI: 87.5%
 Well EUR = 354 MMCF
 First Production : 6/01
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

		BTax	ATax
ROR	%	10.6	9.2
Payout Period	Std. (mo's)	94.2	94.4
	Proj. (mo's)	94.2	94.4
Undisc PI	M\$/M\$	2.31	1.83
9.0 Pcnt. PI	M\$/M\$	1.09	1.01
12.0 Pcnt. PI	M\$/M\$	0.94	0.90
NPV/Vol@9.0	M\$/MMSCF	0.08	0.01
NPV/Vol@12.0	M\$/MMSCF	-0.05	-0.08
Economic Limit Date		2041/12	
Last Scheduled Prod Date		2041/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	354	354	44	310
Gas-Sales	MMSCF	354	354	44	310
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

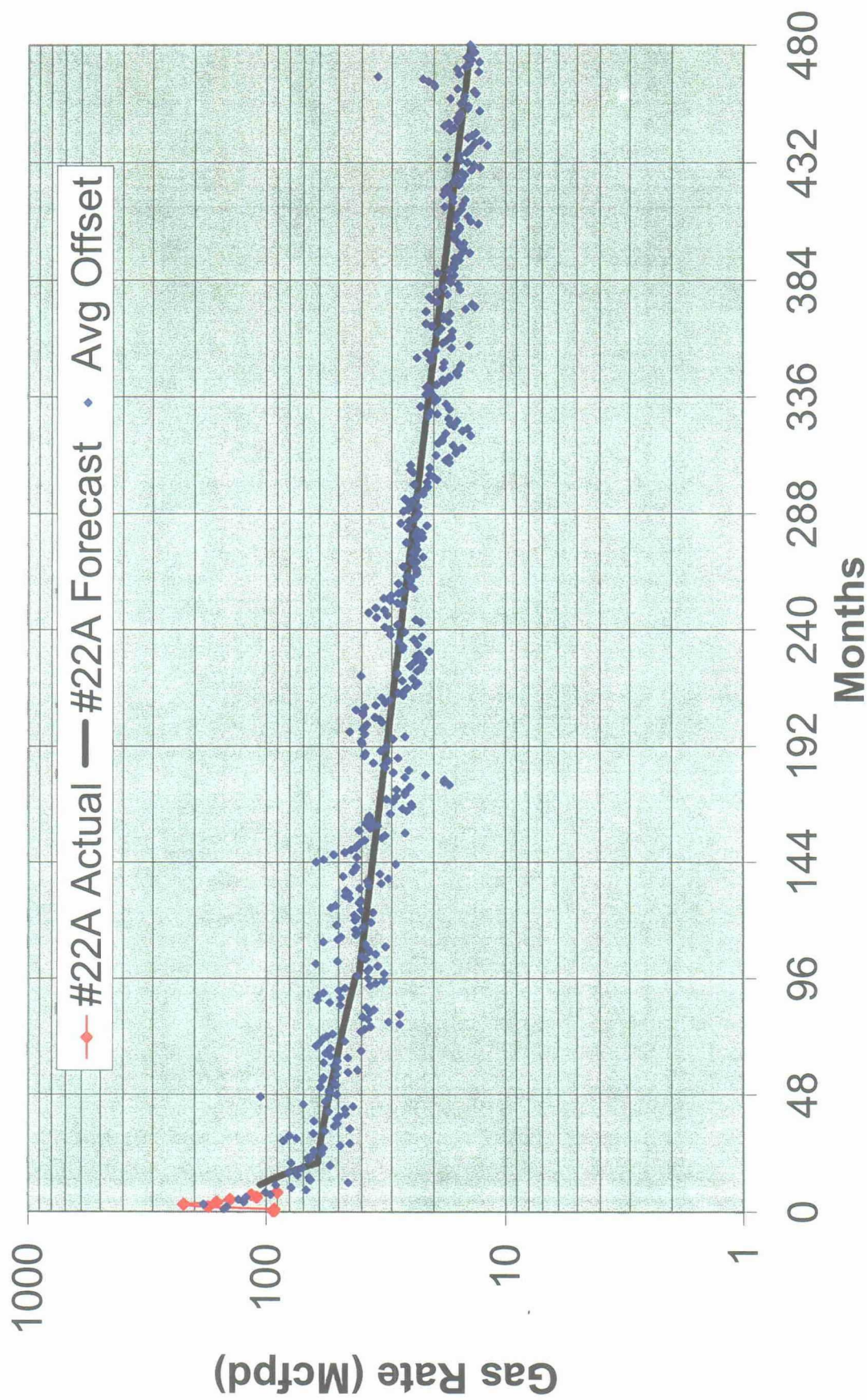
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opccosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	35.81	0.00	31.33	0.00	3.00	1.0	94.00	8.46	2.52	83.02	300.00	-216.98	-219.07	-186.22	-189.90
2003(12)	0.00	16.94	0.00	14.82	0.00	3.00	1.0	44.47	4.00	2.57	37.89	0.00	37.89	33.45	36.64	32.34
2004(12)	0.00	15.99	0.00	14.00	0.00	3.00	1.0	41.99	3.78	2.62	35.58	0.00	35.58	28.81	32.86	26.60
2005(12)	0.00	15.13	0.00	13.24	0.00	3.00	1.0	39.72	3.57	2.68	33.46	0.00	33.46	24.85	29.86	22.17
2006(12)	0.00	14.31	0.00	12.52	0.00	3.00	1.0	37.56	3.38	2.73	31.45	0.00	31.45	21.43	27.40	18.67
2007(12)	0.00	13.49	0.00	11.80	0.00	3.00	1.0	35.40	3.19	2.79	29.43	0.00	29.43	18.40	24.03	15.02
2008(12)	0.00	12.70	0.00	11.11	0.00	3.00	1.0	33.34	3.00	2.84	27.50	0.00	27.50	15.77	20.30	11.64
2009(12)	0.00	11.75	0.00	10.28	0.00	3.00	1.0	30.85	2.78	2.90	25.17	0.00	25.17	13.25	17.35	9.13
2010(12)	0.00	10.94	0.00	9.57	0.00	3.00	1.0	28.71	2.58	2.96	23.17	0.00	23.17	11.18	14.60	7.04
2011(12)	0.00	10.57	0.00	9.25	0.00	3.00	1.0	27.76	2.50	3.02	22.25	0.00	22.25	9.85	14.01	6.21
2012(12)	0.00	10.25	0.00	8.97	0.00	3.00	1.0	26.91	2.42	3.08	21.42	0.00	21.42	8.70	13.49	5.48
2013(12)	0.00	9.89	0.00	8.65	0.00	3.00	1.0	25.95	2.34	3.14	20.48	0.00	20.48	7.63	12.90	4.81
2014(12)	0.00	9.56	0.00	8.36	0.00	3.00	1.0	25.09	2.26	3.20	19.64	0.00	19.64	6.71	12.37	4.23
2015(12)	0.00	9.24	0.00	8.09	0.00	3.00	1.0	24.26	2.18	3.26	18.82	0.00	18.82	5.90	11.85	3.72
2016(12)	0.00	8.96	0.00	7.84	0.00	3.00	1.0	23.53	2.12	3.33	18.08	0.00	18.08	5.20	11.39	3.28
2017(12)	0.00	8.64	0.00	7.56	0.00	3.00	1.0	22.68	2.04	3.40	17.25	0.00	17.25	4.55	10.87	2.87
2018(12)	0.00	8.36	0.00	7.31	0.00	3.00	1.0	21.93	1.97	3.46	16.50	0.00	16.50	4.00	10.39	2.52
2019(12)	0.00	8.08	0.00	7.07	0.00	3.00	1.0	21.21	1.91	3.53	15.77	0.00	15.77	3.50	9.93	2.21
2020(12)	0.00	7.83	0.00	6.85	0.00	3.00	1.0	20.56	1.85	3.60	15.11	0.00	15.11	3.08	9.52	1.94
2021(12)	0.00	7.55	0.00	6.61	0.00	3.00	1.0	19.83	1.78	3.68	14.37	0.00	14.37	2.69	9.05	1.69
2022(12)	0.00	7.30	0.00	6.39	0.00	3.00	1.0	19.17	1.73	3.75	13.70	0.00	13.70	2.35	8.63	1.48
2023(12)	0.00	7.06	0.00	6.18	0.00	3.00	1.0	18.54	1.67	3.82	13.05	0.00	13.05	2.05	8.22	1.29
2024(12)	0.00	6.85	0.00	5.99	0.00	3.00	1.0	17.97	1.62	3.90	12.46	0.00	12.46	1.80	7.85	1.13
2025(12)	0.00	6.60	0.00	5.78	0.00	3.00	1.0	17.33	1.56	3.98	11.79	0.00	11.79	1.56	7.43	0.98
2026(12)	0.00	6.38	0.00	5.59	0.00	3.00	1.0	16.76	1.51	4.06	11.19	0.00	11.19	1.36	7.05	0.86
2027(12)	0.00	6.17	0.00	5.40	0.00	3.00	1.0	16.20	1.46	4.14	10.61	0.00	10.61	1.18	6.68	0.75
2028(12)	0.00	5.99	0.00	5.24	0.00	3.00	1.0	15.71	1.41	4.22	10.07	0.00	10.07	1.03	6.35	0.65
2029(12)	0.00	5.77	0.00	5.05	0.00	3.00	1.0	15.15	1.36	4.31	9.48	0.00	9.48	0.89	5.97	0.56
2030(12)	0.00	5.58	0.00	4.88	0.00	3.00	1.0	14.65	1.32	4.39	8.94	0.00	8.94	0.77	5.63	0.48
2031(12)	0.00	5.40	0.00	4.72	0.00	3.00	1.0	14.16	1.27	4.48	8.41	0.00	8.41	0.66	5.30	0.42
2032(12)	0.00	5.23	0.00	4.58	0.00	3.00	1.0	13.73	1.24	4.57	7.93	0.00	7.93	0.57	4.99	0.36
2033(12)	0.00	5.04	0.00	4.41	0.00	3.00	1.0	13.24	1.19	4.66	7.39	0.00	7.39	0.49	4.65	0.31
2034(12)	0.00	4.88	0.00	4.27	0.00	3.00	1.0	12.80	1.15	4.75	6.89	0.00	6.89	0.42	4.34	0.27
2035(12)	0.00	4.72	0.00	4.13	0.00	3.00	1.0	12.38	1.11	4.85	6.42	0.00	6.42	0.36	4.04	0.23
2036(12)	0.00	4.57	0.00	4.00	0.00	3.00	1.0	12.00	1.08	4.95	5.98	0.00	5.98	0.31	3.77	0.19
2037(12)	0.00	4.41	0.00	3.86	0.00	3.00	1.0	11.57	1.04	5.05	5.49	0.00	5.49	0.26	3.46	0.16
2038(12)	0.00	4.26	0.00	3.73	0.00	3.00	1.0	11.19	1.01	5.15	5.04	0.00	5.04	0.22	3.17	0.14
2039(12)	0.00	4.12	0.00	3.61	0.00	3.00	1.0	10.82	0.97	5.25	4.60	0.00	4.60	0.18	2.90	0.11
2040(12)	0.00	4.00	0.00	3.50	0.00	3.00	1.0	10.49	0.94	5.35	4.19	0.00	4.19	0.15	2.64	0.10
2041(12)	0.00	3.85	0.00	3.37	0.00	3.00	1.0	10.12	0.91	5.43	3.78	0.00	3.78	0.13	2.38	0.08
total	0.00	354.19	0.00	309.92	0.00	0.00	0.0	929.76	83.68	152.36	693.72	300.00	393.72	26.65	248.05	2.22

San Juan 28-7 #22A - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #22A PC (sdr)

Nominal

Net Present Values

Disc	Before Tax	Before Tax	Before Tax	After Tax
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	994	300	694	437
8.0	484	300	184	103
9.0	456	300	156	84
10.0	432	300	132	67
12.0	392	300	92	39
18.0	312	300	12	-17
Arr:	994	300	694	437

Notes

SJ 28-7 #22A PC PA Expansion
E/2 17-28N-7W WI: 100% NRI: 87.5%
Well EUR = 480 MMCF
First Production : 6/01
Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Case Description

Economic Indicators (Generic)

		BTax	ATax
ROR	%	19.3	15.8
Payout Period	Std. (mo's)	57.8	61.9
	Proj. (mo's)	57.8	61.9
Undisc PI	M\$/M\$	3.31	2.46
9.0 Pcnt. PI	M\$/M\$	1.52	1.28
12.0 Pcnt. PI	M\$/M\$	1.31	1.13
NPV/Vol@9.0	M\$/MMSCF	0.33	0.17
NPV/Vol@12.0	M\$/MMSCF	0.19	0.08
Economic Limit Date		2041/12	
Last Scheduled Prod Date		2041/12	

Products Recovery (US)

		Gross	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	480	480	60	420
Gas-Sales	MMSCF	480	480	60	420
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

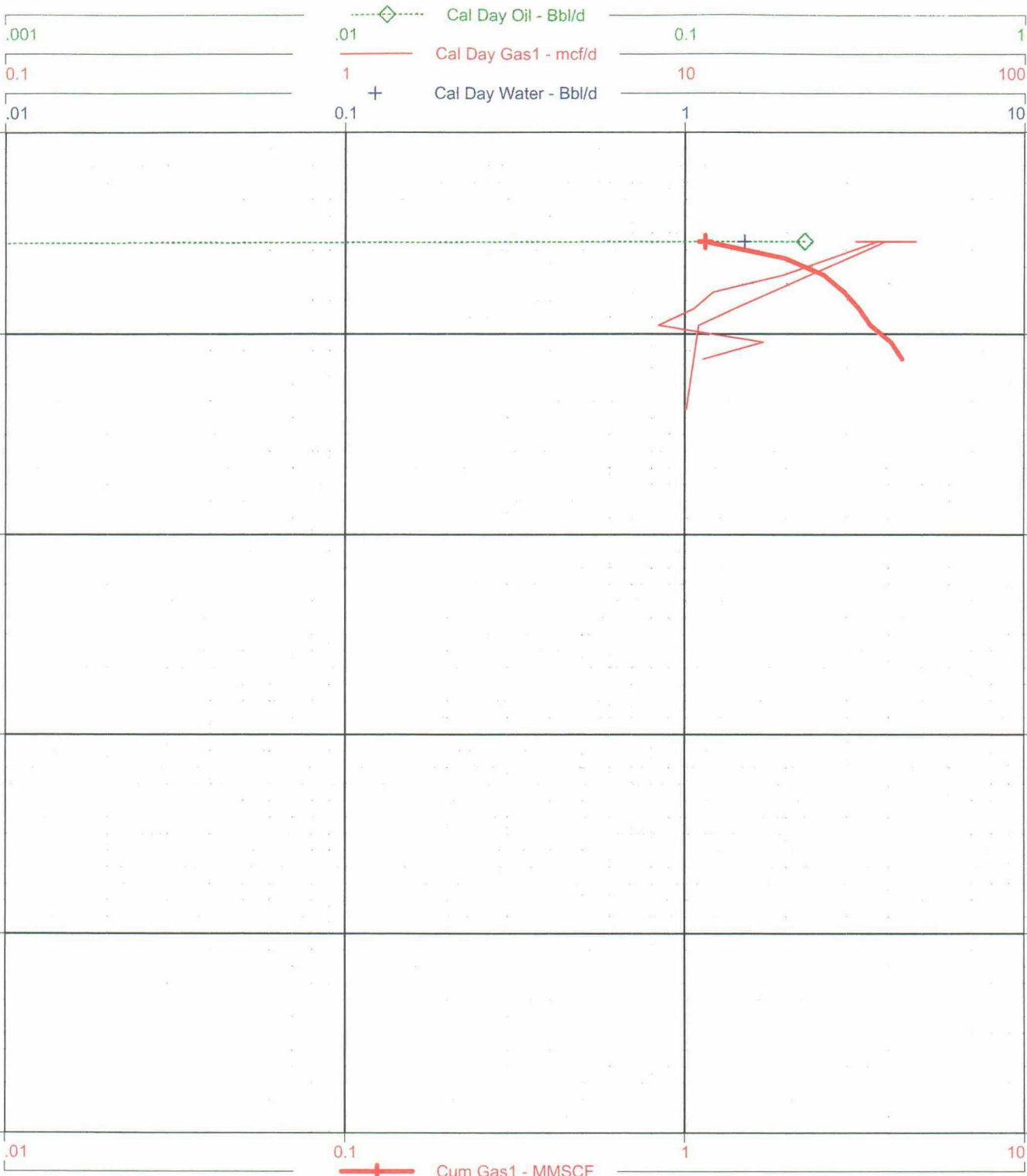
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opccosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	46.77	0.00	40.92	0.00	3.00	1.0	122.77	11.05	2.52	109.20	300.00	-190.80	-194.60	-169.73	-174.49
2003(12)	0.00	26.42	0.00	23.12	0.00	3.00	1.0	69.36	6.24	2.57	60.55	0.00	60.55	53.63	50.91	45.05
2004(12)	0.00	21.52	0.00	18.83	0.00	3.00	1.0	56.50	5.09	2.62	48.79	0.00	48.79	39.50	41.18	33.33
2005(12)	0.00	20.39	0.00	17.84	0.00	3.00	1.0	53.53	4.82	2.68	46.03	0.00	46.03	34.19	37.78	28.05
2006(12)	0.00	19.30	0.00	16.88	0.00	3.00	1.0	50.65	4.56	2.73	43.36	0.00	43.36	29.55	34.91	23.78
2007(12)	0.00	18.20	0.00	15.93	0.00	3.00	1.0	47.78	4.30	2.79	40.69	0.00	40.69	25.44	31.13	19.46
2008(12)	0.00	17.16	0.00	15.01	0.00	3.00	1.0	45.03	4.05	2.84	38.14	0.00	38.14	21.88	27.00	15.49
2009(12)	0.00	16.01	0.00	14.01	0.00	3.00	1.0	42.03	3.78	2.90	35.35	0.00	35.35	18.60	23.76	12.50
2010(12)	0.00	14.79	0.00	12.94	0.00	3.00	1.0	38.82	3.49	2.96	32.37	0.00	32.37	15.62	20.39	9.84
2011(12)	0.00	14.26	0.00	12.48	0.00	3.00	1.0	37.44	3.37	3.02	31.05	0.00	31.05	13.75	19.56	8.66
2012(12)	0.00	13.83	0.00	12.10	0.00	3.00	1.0	36.29	3.27	3.08	29.95	0.00	29.95	12.17	18.87	7.67
2013(12)	0.00	13.34	0.00	11.67	0.00	3.00	1.0	35.02	3.15	3.14	28.73	0.00	28.73	10.71	18.10	6.75
2014(12)	0.00	12.90	0.00	11.29	0.00	3.00	1.0	33.87	3.05	3.20	27.62	0.00	27.62	9.44	17.40	5.95
2015(12)	0.00	12.46	0.00	10.91	0.00	3.00	1.0	32.72	2.94	3.26	26.51	0.00	26.51	8.32	16.70	5.24
2016(12)	0.00	12.09	0.00	10.58	0.00	3.00	1.0	31.73	2.86	3.33	25.54	0.00	25.54	7.35	16.09	4.63
2017(12)	0.00	11.65	0.00	10.20	0.00	3.00	1.0	30.59	2.75	3.40	24.44	0.00	24.44	6.45	15.40	4.06
2018(12)	0.00	11.27	0.00	9.86	0.00	3.00	1.0	29.59	2.66	3.46	23.46	0.00	23.46	5.68	14.78	3.58
2019(12)	0.00	10.89	0.00	9.53	0.00	3.00	1.0	28.60	2.57	3.53	22.49	0.00	22.49	5.00	14.17	3.15
2020(12)	0.00	10.56	0.00	9.24	0.00	3.00	1.0	27.72	2.50	3.60	21.63	0.00	21.63	4.41	13.62	2.78
2021(12)	0.00	10.19	0.00	8.91	0.00	3.00	1.0	26.74	2.41	3.68	20.66	0.00	20.66	3.86	13.01	2.43
2022(12)	0.00	9.85	0.00	8.62	0.00	3.00	1.0	25.85	2.33	3.75	19.78	0.00	19.78	3.39	12.46	2.14
2023(12)	0.00	9.53	0.00	8.34	0.00	3.00	1.0	25.01	2.25	3.82	18.93	0.00	18.93	2.98	11.93	1.88
2024(12)	0.00	9.23	0.00	8.08	0.00	3.00	1.0	24.24	2.18	3.90	18.16	0.00	18.16	2.62	11.44	1.65
2025(12)	0.00	8.91	0.00	7.79	0.00	3.00	1.0	23.38	2.10	3.98	17.29	0.00	17.29	2.29	10.90	1.44
2026(12)	0.00	8.61	0.00	7.54	0.00	3.00	1.0	22.61	2.03	4.06	16.52	0.00	16.52	2.01	10.41	1.26
2027(12)	0.00	8.32	0.00	7.28	0.00	3.00	1.0	21.85	1.97	4.14	15.75	0.00	15.75	1.76	9.92	1.11
2028(12)	0.00	8.07	0.00	7.06	0.00	3.00	1.0	21.18	1.91	4.22	15.06	0.00	15.06	1.54	9.48	0.97
2029(12)	0.00	7.79	0.00	6.81	0.00	3.00	1.0	20.44	1.84	4.31	14.29	0.00	14.29	1.34	9.00	0.85
2030(12)	0.00	7.52	0.00	6.58	0.00	3.00	1.0	19.75	1.78	4.39	13.58	0.00	13.58	1.17	8.56	0.74
2031(12)	0.00	7.28	0.00	6.37	0.00	3.00	1.0	19.10	1.72	4.48	12.90	0.00	12.90	1.02	8.13	0.64
2032(12)	0.00	7.06	0.00	6.18	0.00	3.00	1.0	18.53	1.67	4.57	12.29	0.00	12.29	0.89	7.74	0.56
2033(12)	0.00	6.81	0.00	5.96	0.00	3.00	1.0	17.87	1.61	4.66	11.60	0.00	11.60	0.77	7.31	0.49
2034(12)	0.00	6.58	0.00	5.75	0.00	3.00	1.0	17.26	1.55	4.75	10.95	0.00	10.95	0.67	6.90	0.42
2035(12)	0.00	6.36	0.00	5.57	0.00	3.00	1.0	16.70	1.50	4.85	10.35	0.00	10.35	0.58	6.52	0.36
2036(12)	0.00	6.17	0.00	5.40	0.00	3.00	1.0	16.19	1.46	4.95	9.78	0.00	9.78	0.50	6.16	0.32
2037(12)	0.00	5.95	0.00	5.20	0.00	3.00	1.0	15.61	1.40	5.05	9.16	0.00	9.16	0.43	5.77	0.27
2038(12)	0.00	5.75	0.00	5.03	0.00	3.00	1.0	15.10	1.36	5.15	8.59	0.00	8.59	0.37	5.41	0.23
2039(12)	0.00	5.56	0.00	4.86	0.00	3.00	1.0	14.59	1.31	5.25	8.03	0.00	8.03	0.32	5.06	0.20
2040(12)	0.00	5.39	0.00	4.72	0.00	3.00	1.0	14.15	1.27	5.35	7.53	0.00	7.53	0.27	4.74	0.17
2041(12)	0.00	5.20	0.00	4.55	0.00	3.00	1.0	13.64	1.23	5.43	6.99	0.00	6.99	0.23	4.40	0.15
total	0.00	479.93	0.00	419.94	0.00	0.00	0.0	1,259.82	113.38	152.36	994.07	300.00	694.07	156.10	437.27	83.78

SAN JUAN 28 7 UNIT - 11_PC (1995124) Data: Jul,2001-Feb,2002

Operator: CONOCO INC
Field: BLANCO SOUTH (PICTURE CLIFFS) PC
Zone: PICTURED CLIFFS
Type: Gas
Group: Well::East Area Wells

Cal Day Gas FC 1 (Rate-Time)
qi: 44.1896 mcf/d, Jul, 2001
qt: 10.0803 mcf/d, May, 2002
di(Exp): 95.4167 CTD: 4.353 MMSCF
RR: 0.9253 MMSCF Tot: 5.2783 MMSCF

Production Cums
Oil: 0.007 MSTB
Gas: 4.353 MMSCF
Water: 0.0465 MSTB
Cond: 0 MSTB



Cal Day Oil - Bbl/d
Cum: 0.007 MSTB

Cal Day Gas1 - mcf/d
Cum: 4.353 MMSCF

Cal Day Gas FC 1 - mcf/d
versus time
qi: 44.1896 mcf/d, Jul, 2001
qt: 10.0803 mcf/d, May, 2002
di(Exponential): 95.4167
RR: 0.9253 MMSCF
EUR: 5.2783 MMSCF
Corr coeff: N/A

Cal Day Water - Bbl/d
Cum: 0.0465 MSTB

Cum Gas1 - MMSCF
Cum: 0

US Summary Report

PAE - East - SJ 28-7 #11 PC (sdr)

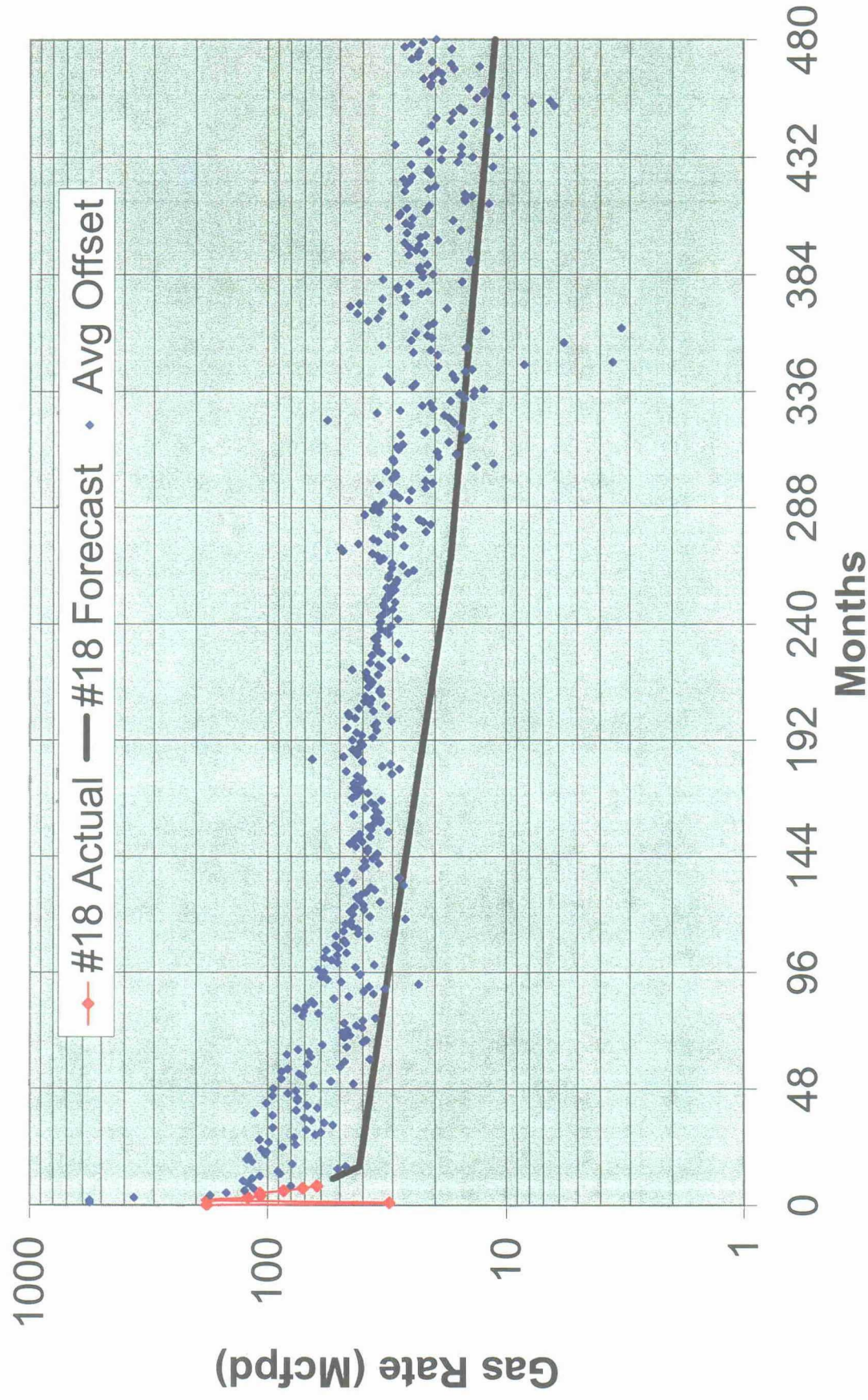
Nominal

Net Present Values					Case Description
Disc Before Tax	Before Tax	Before Tax	After Tax	Notes	SJ 28-7 #11 PC PA Expansion E/2 36-28N-7W WI: 100% NRI: 87.5% Well EUR = 5 MMCF First Production : 7/01 Analyze as new drill w/ start date = 1/02 3.0 \$/MMBTU fixed gas price Well cost: \$300,000 Op cost: \$2,500/yr Analyze at 100% WI and 87.5% NRI
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
(%)	M\$	M\$	M\$	M\$	
0.0	9	300	-291	-184	
8.0	9	300	-291	-188	
9.0	8	300	-292	-188	
10.0	8	300	-292	-189	
12.0	8	300	-292	-189	
18.0	8	300	-292	-192	
Arr	9	300	-291	-184	

Economic Indicators (Generic)				Products Recovery (US)					Company WI (US)			
		BTax	ATax			Gross	WI	Roy	Net		Initial %	Final %
ROR	%	0.0	0.0	Oil	MSTB	0	0	0	0	Working	100.0	100.0
Payout Period	Std. (mo's)	0.0	0.0	Gas-Raw	MMSCF	4	4	1	4	Oil NRI	87.5	87.5
	Proj. (mo's)	0.0	0.0	Gas-Sales	MMSCF	4	4	1	4	Gas NRI	87.5	87.5
Undisc PI	M\$/M\$	0.03	0.39	Ethane	MSTB	0	0	0	0	Byprod. NRI	87.5	87.5
9.0 Pcnt. PI	M\$/M\$	0.03	0.37	Propane	MSTB	0	0	0	0	Capital	100.0	100.0
12.0 Pcnt. PI	M\$/M\$	0.03	0.37	Butane	MSTB	0	0	0	0			
NPV/Vol@9.0	M\$/MMSCF	-67.53	-43.58	Cond.	MSTB	0	0	0	0			
NPV/Vol@12.0	M\$/MMSCF	-67.55	-43.90	Sulphur	MLt	0	0	0	0			
Economic Limit Date		2002/08		Other	MSTB	0	0	0	0			
Last Scheduled Prod Date		2002/08										

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY															
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Op costs	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	4.32	0.00	3.78	0.00	3.00	0.7	11.33	1.02	1.67	8.64	300.00	-291.36	-291.51	-183.56
Total	0.00	4.32	0.00	3.78	0.00	0.00	0.0	11.33	1.02	1.67	8.64	300.00	-291.36	-291.51	-183.56

San Juan 28-7 #18 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #18 PC (sdr)

Nominal

Net Present Values

Disc Rate (%)	Before Tax M\$	Before Tax M\$	Before Tax M\$	After Tax M\$
0.0	649	300	349	220
8.0	315	300	15	-4
9.0	296	300	-4	-17
10.0	280	300	-20	-28
12.0	254	300	-46	-48
18.0	200	300	-100	-87
Arr:	649	300	349	220

Notes

SJ 28-7 #18 PC PA Expansion
W/2 25-28N-7W WI: 100% NRI: 87.5%
Well EUR = 335 MMCF
First Production : 6/01
Analyze Date 1/02

3.0 \$/MMBTU fixed gas price
Well cost: \$300,000
Op cost: \$2,500/yr
Analyze at 100% WI and 87.5% NRI

Case Description

Economic Indicators (Generic)

	BTax	ATax
ROR	8.8	7.7
Payout Period	Std. (mo's)	110.5
	Proj. (mo's)	110.5
Undisc PI	M\$/M\$	2.16
9.0 Pcnt. PI	M\$/M\$	0.99
12.0 Pcnt. PI	M\$/M\$	0.85
NPV/Vol@9.0	M\$/MMSCF	-0.01
NPV/Vol@12.0	M\$/MMSCF	-0.14
Economic Limit Date	2042/01	
Last Scheduled Prod Date	2042/01	

Products Recovery (US)

	Gross	WI	Roy	Net
Oil	MSTB	0	0	0
Gas-Raw	MMSCF	335	335	294
Gas-Sales	MMSCF	335	335	294
Ethane	MSTB	0	0	0
Propane	MSTB	0	0	0
Butane	MSTB	0	0	0
Cond.	MSTB	0	0	0
Sulphur	MLt	0	0	0
Other	MSTB	0	0	0

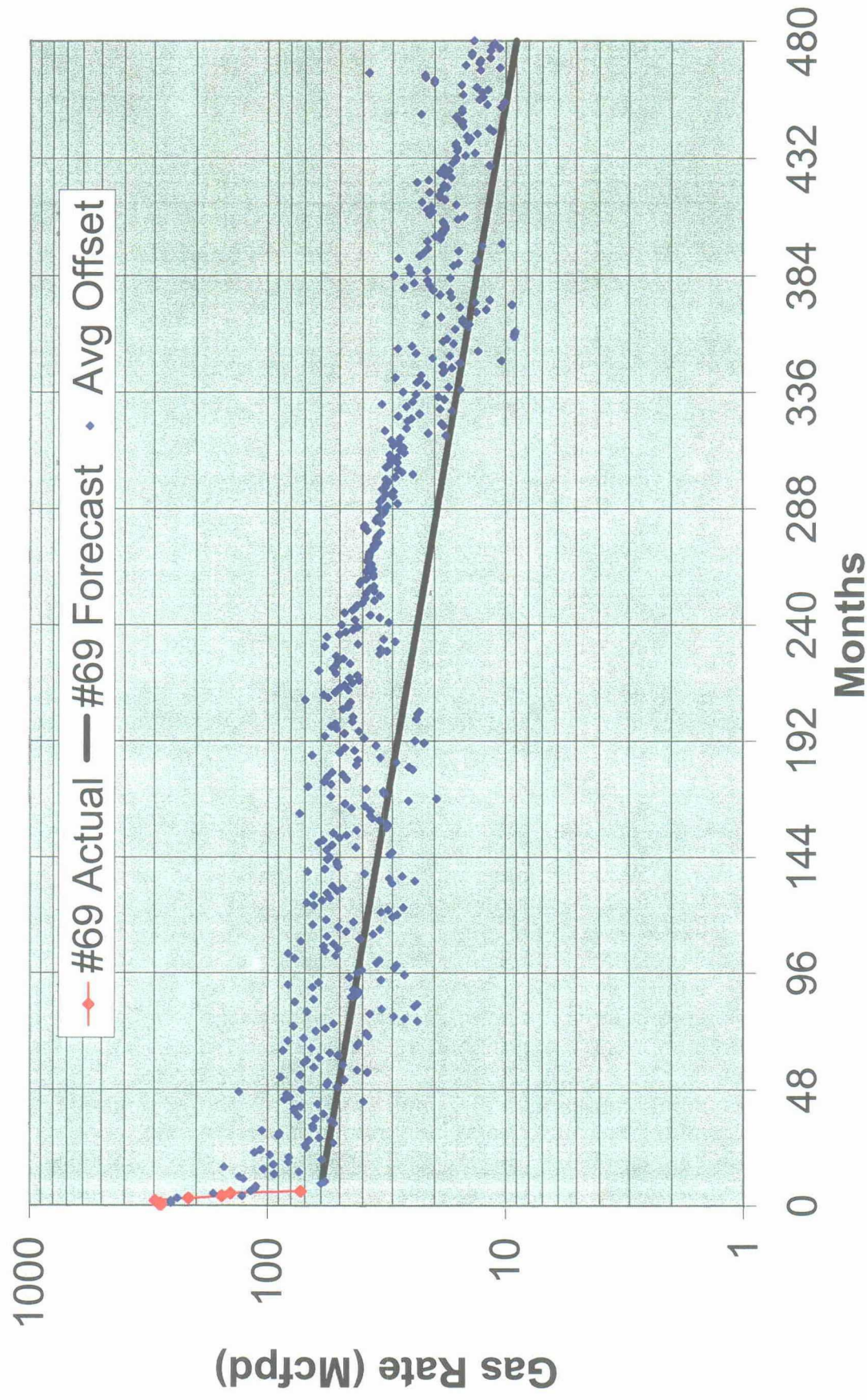
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY														
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Op costs	Operation Cash Flow	Total Capital	BTAX Cash Flow	ATAX Cash Flow
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	29.70	0.00	25.99	0.00	3.00	1.0	77.97	7.02	2.52	68.43	300.00	-231.57	-195.41
2003(12)	0.00	15.34	0.00	13.42	0.00	3.00	1.0	40.26	3.62	2.57	34.06	0.00	34.06	34.23
2004(12)	0.00	14.38	0.00	12.59	0.00	3.00	1.0	37.76	3.40	2.62	31.73	0.00	31.73	30.43
2005(12)	0.00	13.75	0.00	12.03	0.00	3.00	1.0	36.09	3.25	2.68	30.17	0.00	30.17	27.78
2006(12)	0.00	13.18	0.00	11.54	0.00	3.00	1.0	34.61	3.11	2.73	28.76	0.00	28.76	25.71
2007(12)	0.00	12.64	0.00	11.06	0.00	3.00	1.0	33.19	2.99	2.79	27.42	0.00	27.42	22.76
2008(12)	0.00	12.16	0.00	10.64	0.00	3.00	1.0	31.91	2.87	2.84	26.20	0.00	26.20	19.48
2009(12)	0.00	11.62	0.00	10.17	0.00	3.00	1.0	30.51	2.75	2.90	24.86	0.00	24.86	17.15
2010(12)	0.00	11.15	0.00	9.75	0.00	3.00	1.0	29.26	2.63	2.96	23.67	0.00	23.67	14.91
2011(12)	0.00	10.68	0.00	9.34	0.00	3.00	1.0	28.02	2.52	3.02	22.49	0.00	22.49	14.17
2012(12)	0.00	10.27	0.00	8.98	0.00	3.00	1.0	26.95	2.43	3.08	21.45	0.00	21.45	13.51
2013(12)	0.00	9.82	0.00	8.60	0.00	3.00	1.0	25.79	2.32	3.14	20.33	0.00	20.33	12.81
2014(12)	0.00	9.42	0.00	8.24	0.00	3.00	1.0	24.72	2.22	3.20	19.29	0.00	19.29	12.15
2015(12)	0.00	9.03	0.00	7.90	0.00	3.00	1.0	23.70	2.13	3.26	18.30	0.00	18.30	11.53
2016(12)	0.00	8.68	0.00	7.59	0.00	3.00	1.0	22.78	2.05	3.33	17.40	0.00	17.40	10.97
2017(12)	0.00	8.30	0.00	7.26	0.00	3.00	1.0	21.79	1.96	3.40	16.43	0.00	16.43	10.35
2018(12)	0.00	7.96	0.00	6.96	0.00	3.00	1.0	20.89	1.88	3.46	15.55	0.00	15.55	9.80
2019(12)	0.00	7.63	0.00	6.68	0.00	3.00	1.0	20.03	1.80	3.53	14.70	0.00	14.70	9.26
2020(12)	0.00	7.33	0.00	6.42	0.00	3.00	1.0	19.25	1.73	3.60	13.92	0.00	13.92	8.77
2021(12)	0.00	7.02	0.00	6.14	0.00	3.00	1.0	18.43	1.66	3.68	13.09	0.00	13.09	8.25
2022(12)	0.00	6.73	0.00	5.89	0.00	3.00	1.0	17.66	1.59	3.75	12.32	0.00	12.32	7.76
2023(12)	0.00	6.45	0.00	5.64	0.00	3.00	1.0	16.93	1.52	3.82	11.58	0.00	11.58	7.29
2024(12)	0.00	6.22	0.00	5.44	0.00	3.00	1.0	16.33	1.47	3.90	10.96	0.00	10.96	6.91
2025(12)	0.00	6.05	0.00	5.30	0.00	3.00	1.0	15.89	1.43	3.98	10.48	0.00	10.48	6.60
2026(12)	0.00	5.91	0.00	5.17	0.00	3.00	1.0	15.50	1.40	4.06	10.05	0.00	10.05	6.33
2027(12)	0.00	5.76	0.00	5.04	0.00	3.00	1.0	15.13	1.36	4.14	9.63	0.00	9.63	6.07
2028(12)	0.00	5.65	0.00	4.94	0.00	3.00	1.0	14.82	1.33	4.22	9.26	0.00	9.26	5.84
2029(12)	0.00	5.50	0.00	4.81	0.00	3.00	1.0	14.43	1.30	4.31	8.82	0.00	8.82	5.56
2030(12)	0.00	5.37	0.00	4.69	0.00	3.00	1.0	14.08	1.27	4.39	8.42	0.00	8.42	5.31
2031(12)	0.00	5.24	0.00	4.58	0.00	3.00	1.0	13.75	1.24	4.48	8.03	0.00	8.03	5.06
2032(12)	0.00	5.13	0.00	4.49	0.00	3.00	1.0	13.47	1.21	4.57	7.68	0.00	7.68	4.84
2033(12)	0.00	4.99	0.00	4.37	0.00	3.00	1.0	13.10	1.18	4.66	7.26	0.00	7.26	4.57
2034(12)	0.00	4.87	0.00	4.26	0.00	3.00	1.0	12.79	1.15	4.75	6.88	0.00	6.88	4.34
2035(12)	0.00	4.76	0.00	4.16	0.00	3.00	1.0	12.49	1.12	4.85	6.51	0.00	6.51	4.10
2036(12)	0.00	4.66	0.00	4.08	0.00	3.00	1.0	12.23	1.10	4.95	6.18	0.00	6.18	3.89
2037(12)	0.00	4.53	0.00	3.97	0.00	3.00	1.0	11.90	1.07	5.05	5.79	0.00	5.79	3.65
2038(12)	0.00	4.43	0.00	3.87	0.00	3.00	1.0	11.62	1.05	5.15	5.42	0.00	5.42	3.42
2039(12)	0.00	4.32	0.00	3.78	0.00	3.00	1.0	11.35	1.02	5.25	5.07	0.00	5.07	3.20
2040(12)	0.00	4.23	0.00	3.70	0.00	3.00	1.0	11.10	1.00	5.35	4.75	0.00	4.75	2.99
2041(12)	0.00	4.12	0.00	3.61	0.00	3.00	1.0	10.82	0.97	5.43	4.41	0.00	4.41	2.78
2042(12)	0.00	0.50	0.00	0.44	0.00	3.00	0.0	1.31	0.12	0.00	1.19	0.00	1.19	0.75
Total	0.00	335.46	0.00	293.53	0.00	0.00	0.0	880.58	79.25	152.36	648.97	300.00	348.97	219.85

San Juan 28-7 #69 - Pictured Cliffs



US Summary Report

PAE - East - SJ 28-7 #69 PC (sdr)

Nominal

Net Present Values

	Disc Before Tax	Before Tax	Before Tax	After Tax
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	861	300	561	353
8.0	446	300	146	79
9.0	422	300	122	62
10.0	401	300	101	48
12.0	365	300	65	23
18.0	293	300	-7	-29
Arr:	861	300	561	353

Case Description

SJ 28-7 #69 PC PA Expansion
 E/2 32-28N-7W WI: 100% NRI: 87.5%
 Well EUR = 424 MMCF
 First Production : 8/01
 Analyze Date 1/02

 3.0 \$/MMBTU fixed gas price
 Well cost: \$300,000
 Op cost: \$2,500/yr
 Analyze at 100% WI and 87.5% NRI

Economic Indicators (Generic)

	BTax	ATax
ROR	17.3	14.3
Payout Period	64.9	68.0
	64.9	68.0
Undisc PI	2.87	2.18
9.0 Pcnt. PI	1.41	1.21
12.0 Pcnt. PI	1.22	1.08
NPV/Vol@9.0	0.29	0.15
NPV/Vol@12.0	0.15	0.05
Economic Limit Date	2042/01	
Last Scheduled Prod Date	2042/01	

Products Recovery (US)

	Gross	WI	Roy	Net
Oil	0	0	0	0
Gas-Raw	424	424	53	371
Gas-Sales	424	424	53	371
Ethane	0	0	0	0
Propane	0	0	0	0
Butane	0	0	0	0
Cond.	0	0	0	0
Sulphur	0	0	0	0
Other	0	0	0	0

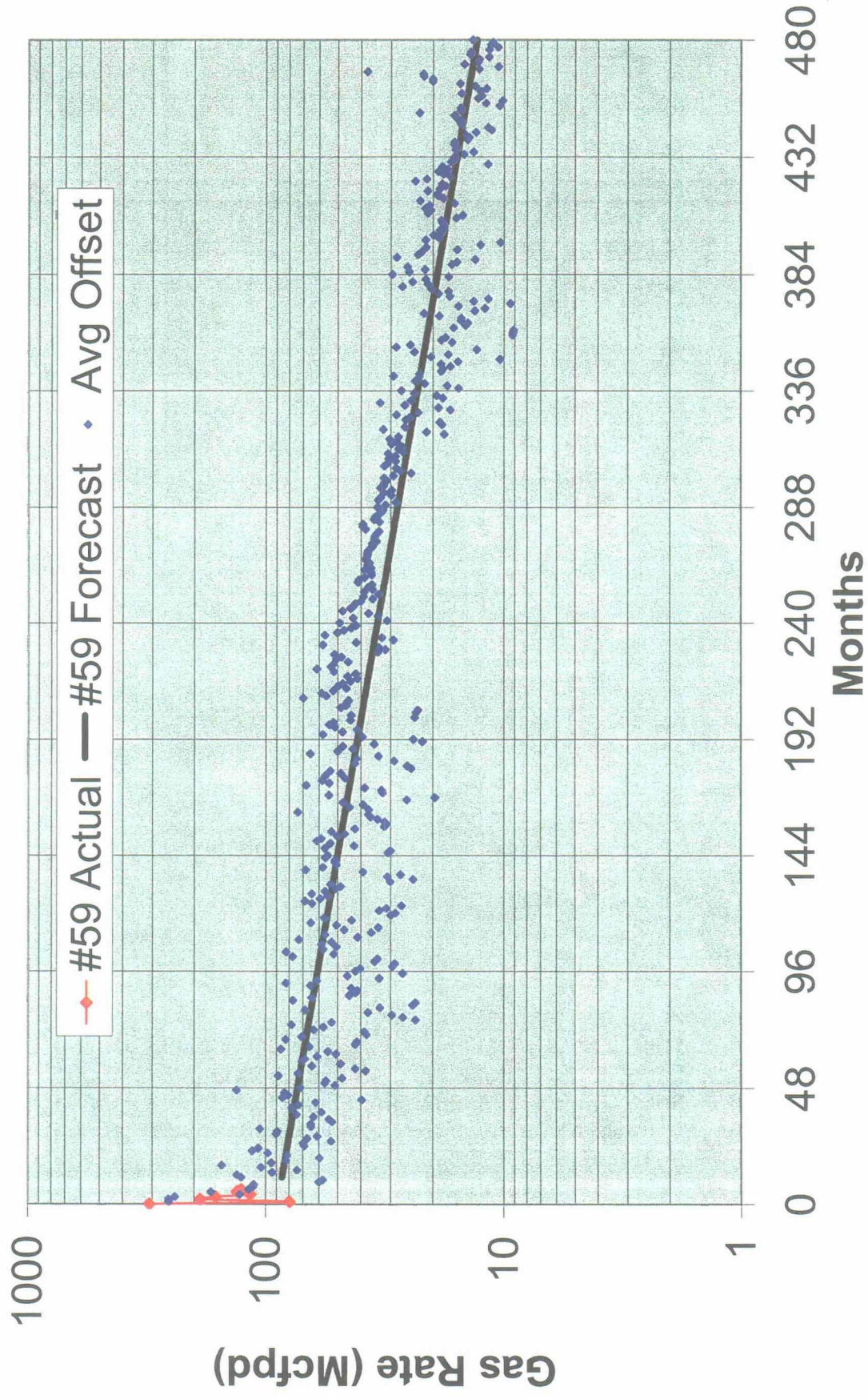
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opccosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.00	46.50	0.00	40.68	0.00	3.00	1.0	122.05	10.98	2.52	108.54	300.00	-191.46	-194.05	-170.14	-174.14
2003(12)	0.00	20.90	0.00	18.28	0.00	3.00	1.0	54.85	4.94	2.57	47.34	0.00	47.34	41.77	42.60	37.58
2004(12)	0.00	19.97	0.00	17.48	0.00	3.00	1.0	52.43	4.72	2.62	45.09	0.00	45.09	36.50	38.84	31.44
2005(12)	0.00	18.98	0.00	16.61	0.00	3.00	1.0	49.83	4.48	2.68	42.67	0.00	42.67	31.69	35.66	26.48
2006(12)	0.00	18.10	0.00	15.84	0.00	3.00	1.0	47.52	4.28	2.73	40.51	0.00	40.51	27.60	33.11	22.56
2007(12)	0.00	17.24	0.00	15.09	0.00	3.00	1.0	45.26	4.07	2.79	38.40	0.00	38.40	24.00	29.68	18.55
2008(12)	0.00	16.48	0.00	14.42	0.00	3.00	1.0	43.26	3.89	2.84	36.52	0.00	36.52	20.95	25.98	14.90
2009(12)	0.00	15.66	0.00	13.71	0.00	3.00	1.0	41.12	3.70	2.90	34.52	0.00	34.52	18.16	23.23	12.22
2010(12)	0.00	14.92	0.00	13.06	0.00	3.00	1.0	39.18	3.53	2.96	32.69	0.00	32.69	15.78	20.60	9.94
2011(12)	0.00	14.22	0.00	12.45	0.00	3.00	1.0	37.34	3.36	3.02	30.96	0.00	30.96	13.71	19.51	8.64
2012(12)	0.00	13.60	0.00	11.90	0.00	3.00	1.0	35.69	3.21	3.08	29.40	0.00	29.40	11.95	18.52	7.53
2013(12)	0.00	12.92	0.00	11.30	0.00	3.00	1.0	33.91	3.05	3.14	27.73	0.00	27.73	10.33	17.47	6.51
2014(12)	0.00	12.31	0.00	10.78	0.00	3.00	1.0	32.32	2.91	3.20	26.22	0.00	26.22	8.96	16.52	5.65
2015(12)	0.00	11.74	0.00	10.27	0.00	3.00	1.0	30.81	2.77	3.26	24.77	0.00	24.77	7.77	15.61	4.90
2016(12)	0.00	11.22	0.00	9.82	0.00	3.00	1.0	29.45	2.65	3.33	23.47	0.00	23.47	6.75	14.78	4.26
2017(12)	0.00	10.66	0.00	9.33	0.00	3.00	1.0	27.98	2.52	3.40	22.07	0.00	22.07	5.83	13.90	3.67
2018(12)	0.00	10.16	0.00	8.89	0.00	3.00	1.0	26.66	2.40	3.46	20.80	0.00	20.80	5.04	13.11	3.17
2019(12)	0.00	9.69	0.00	8.48	0.00	3.00	1.0	25.43	2.29	3.53	19.61	0.00	19.61	4.36	12.35	2.75
2020(12)	0.00	9.24	0.00	8.09	0.00	3.00	1.0	24.26	2.18	3.60	18.47	0.00	18.47	3.77	11.64	2.37
2021(12)	0.00	8.79	0.00	7.69	0.00	3.00	1.0	23.07	2.08	3.68	17.32	0.00	17.32	3.24	10.91	2.04
2022(12)	0.00	8.38	0.00	7.33	0.00	3.00	1.0	22.00	1.98	3.75	16.27	0.00	16.27	2.79	10.25	1.76
2023(12)	0.00	7.99	0.00	6.99	0.00	3.00	1.0	20.97	1.89	3.82	15.26	0.00	15.26	2.40	9.61	1.51
2024(12)	0.00	7.63	0.00	6.68	0.00	3.00	1.0	20.04	1.80	3.90	14.33	0.00	14.33	2.07	9.03	1.30
2025(12)	0.00	7.25	0.00	6.35	0.00	3.00	1.0	19.04	1.71	3.98	13.35	0.00	13.35	1.77	8.41	1.11
2026(12)	0.00	6.92	0.00	6.05	0.00	3.00	1.0	18.15	1.63	4.06	12.46	0.00	12.46	1.52	7.85	0.95
2027(12)	0.00	6.59	0.00	5.77	0.00	3.00	1.0	17.30	1.56	4.14	11.60	0.00	11.60	1.29	7.31	0.82
2028(12)	0.00	6.29	0.00	5.51	0.00	3.00	1.0	16.52	1.49	4.22	10.82	0.00	10.82	1.11	6.81	0.70
2029(12)	0.00	5.99	0.00	5.24	0.00	3.00	1.0	15.71	1.41	4.31	9.99	0.00	9.99	0.94	6.29	0.59
2030(12)	0.00	5.70	0.00	4.99	0.00	3.00	1.0	14.97	1.35	4.39	9.23	0.00	9.23	0.80	5.81	0.50
2031(12)	0.00	5.43	0.00	4.76	0.00	3.00	1.0	14.27	1.28	4.48	8.50	0.00	8.50	0.67	5.36	0.42
2032(12)	0.00	5.20	0.00	4.55	0.00	3.00	1.0	13.64	1.23	4.57	7.84	0.00	7.84	0.57	4.94	0.36
2033(12)	0.00	4.94	0.00	4.32	0.00	3.00	1.0	12.96	1.17	4.66	7.13	0.00	7.13	0.47	4.49	0.30
2034(12)	0.00	4.71	0.00	4.12	0.00	3.00	1.0	12.36	1.11	4.75	6.49	0.00	6.49	0.40	4.09	0.25
2035(12)	0.00	4.49	0.00	3.93	0.00	3.00	1.0	11.78	1.06	4.85	5.87	0.00	5.87	0.33	3.70	0.21
2036(12)	0.00	4.29	0.00	3.75	0.00	3.00	1.0	11.25	1.01	4.95	5.29	0.00	5.29	0.27	3.33	0.17
2037(12)	0.00	4.07	0.00	3.56	0.00	3.00	1.0	10.69	0.96	5.05	4.68	0.00	4.68	0.22	2.95	0.14
2038(12)	0.00	3.88	0.00	3.40	0.00	3.00	1.0	10.19	0.92	5.15	4.12	0.00	4.12	0.18	2.60	0.11
2039(12)	0.00	3.70	0.00	3.24	0.00	3.00	1.0	9.72	0.87	5.25	3.59	0.00	3.59	0.14	2.26	0.09
2040(12)	0.00	3.54	0.00	3.10	0.00	3.00	1.0	9.29	0.84	5.35	3.10	0.00	3.10	0.11	1.95	0.07
2041(12)	0.00	3.36	0.00	2.94	0.00	3.00	1.0	8.82	0.79	5.43	2.60	0.00	2.60	0.09	1.64	0.05
2042(12)	0.00	0.50	0.00	0.44	0.00	3.00	0.0	1.31	0.12	0.00	1.19	0.00	1.19	0.04	0.75	0.02
Total	0.00	424.15	0.00	371.13	0.00	0.00	0.0	1,113.40	100.21	152.36	860.84	300.00	560.83	122.29	353.33	62.47

San Juan 28-7 #59 - Pictured Cliffs



US Summary Report
PAE - East - SJ 28-7 #59 PC (sdr)
Nominal

Net Present Values					Case Description
Disc	Before Tax	Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow	
(%)	M\$	M\$	M\$	M\$	
0.0	1,250	300	950	598	
8.0	601	300	301	176	
9.0	564	300	264	152	SJ 28-7 #59 PC PA Expansion E/2 29-28N-7W WI: 100% NRI: 87.5% Well EUR = 587 MMCF First Production : 8/01 Analyze Date 1/02 3.0 \$/MMBTU fixed gas price Well cost: \$300,000 Op cost: \$2,500/yr Analyze at 100% WI and 87.5% NRI
10.0	531	300	231	130	
12.0	477	300	177	93	
18.0	369	300	69	19	
Arr:	1,250	300	950	598	

Economic Indicators (Generic)					Products Recovery (US)				Company WI (US)		
			BTax	ATax		Gross	WI	Roy	Net	Initial %	Final %
ROR		%	24.6	20.2	Oil	MSTB	0	0	0	Working	100.0
Payout Period		Std. (mo's)	49.3	53.7	Gas-Raw	MMSCF	587	587	73	Oil NRI	87.5
		Proj. (mo's)	49.3	53.7	Gas-Sales	MMSCF	587	587	73	Gas NRI	87.5
Undisc PI		M\$/M\$	4.17	2.99	Ethane	MSTB	0	0	0	Byprod. NRI	87.5
9.0 Pcnt. PI		M\$/M\$	1.88	1.51	Propane	MSTB	0	0	0	Capital	100.0
12.0 Pcnt. PI		M\$/M\$	1.59	1.31	Butane	MSTB	0	0	0		
NPV/Vol@9.0		M\$/MMSCF	0.45	0.26	Cond.	MSTB	0	0	0		
NPV/Vol@12.0		M\$/MMSCF	0.30	0.16	Sulphur	MLt	0	0	0		
Economic Limit Date			2042/01		Other	MSTB	0	0	0		
Last Scheduled Prod Date			2042/01								

Cash Flow Summary																		
RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																		
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Op costs	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Disc @ 9%	ATAX Cash Flow	ATAX Disc @ 9%		
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$		
2002(12)	0.00	40.63	0.00	35.55	0.00	3.00	1.0	106.65	9.60	2.52	94.53	300.00	-205.47	-208.72	-178.97	-183.38		
2003(12)	0.00	30.25	0.00	26.47	0.00	3.00	1.0	79.40	7.15	2.57	69.68	0.00	69.68	61.48	56.67	50.00		
2004(12)	0.00	28.91	0.00	25.30	0.00	3.00	1.0	75.89	6.83	2.62	66.43	0.00	66.43	53.78	52.29	42.33		
2005(12)	0.00	27.46	0.00	24.03	0.00	3.00	1.0	72.09	6.49	2.68	62.93	0.00	62.93	46.73	48.42	35.96		
2006(12)	0.00	26.18	0.00	22.91	0.00	3.00	1.0	68.72	6.19	2.73	59.81	0.00	59.81	40.75	45.27	30.84		
2007(12)	0.00	24.95	0.00	21.84	0.00	3.00	1.0	65.51	5.90	2.79	56.82	0.00	56.82	35.52	41.29	25.81		
2008(12)	0.00	23.84	0.00	20.86	0.00	3.00	1.0	62.59	5.63	2.84	54.12	0.00	54.12	31.04	37.06	21.26		
2009(12)	0.00	22.66	0.00	19.83	0.00	3.00	1.0	59.49	5.35	2.90	51.24	0.00	51.24	26.96	33.77	17.77		
2010(12)	0.00	21.60	0.00	18.90	0.00	3.00	1.0	56.71	5.10	2.96	48.65	0.00	48.65	23.48	30.65	14.79		
2011(12)	0.00	20.59	0.00	18.01	0.00	3.00	1.0	54.04	4.86	3.02	46.16	0.00	46.16	20.44	29.08	12.88		
2012(12)	0.00	19.67	0.00	17.21	0.00	3.00	1.0	51.64	4.65	3.08	43.91	0.00	43.91	17.84	27.67	11.24		
2013(12)	0.00	18.70	0.00	16.36	0.00	3.00	1.0	49.07	4.42	3.14	41.52	0.00	41.52	15.48	26.16	9.75		
2014(12)	0.00	17.81	0.00	15.59	0.00	3.00	1.0	46.76	4.21	3.20	39.35	0.00	39.35	13.46	24.79	8.48		
2015(12)	0.00	16.98	0.00	14.86	0.00	3.00	1.0	44.58	4.01	3.26	37.30	0.00	37.30	11.70	23.50	7.37		
2016(12)	0.00	16.23	0.00	14.20	0.00	3.00	1.0	42.61	3.84	3.33	35.45	0.00	35.45	10.20	22.33	6.43		
2017(12)	0.00	15.42	0.00	13.49	0.00	3.00	1.0	40.49	3.64	3.40	33.45	0.00	33.45	8.83	21.07	5.56		
2018(12)	0.00	14.70	0.00	12.86	0.00	3.00	1.0	38.59	3.47	3.46	31.66	0.00	31.66	7.67	19.94	4.83		
2019(12)	0.00	14.01	0.00	12.26	0.00	3.00	1.0	36.78	3.31	3.53	29.94	0.00	29.94	6.65	18.86	4.19		
2020(12)	0.00	13.39	0.00	11.72	0.00	3.00	1.0	35.15	3.16	3.60	28.39	0.00	28.39	5.79	17.88	3.65		
2021(12)	0.00	12.73	0.00	11.13	0.00	3.00	1.0	33.40	3.01	3.68	26.72	0.00	26.72	5.00	16.83	3.15		
2022(12)	0.00	12.13	0.00	10.61	0.00	3.00	1.0	31.84	2.87	3.75	25.22	0.00	25.22	4.33	15.89	2.73		
2023(12)	0.00	11.56	0.00	10.12	0.00	3.00	1.0	30.35	2.73	3.82	23.79	0.00	23.79	3.75	14.99	2.36		
2024(12)	0.00	11.05	0.00	9.67	0.00	3.00	1.0	29.00	2.61	3.90	22.49	0.00	22.49	3.25	14.17	2.05		
2025(12)	0.00	10.50	0.00	9.19	0.00	3.00	1.0	27.56	2.48	3.98	21.10	0.00	21.10	2.80	13.29	1.76		
2026(12)	0.00	10.00	0.00	8.75	0.00	3.00	1.0	26.26	2.36	4.06	19.84	0.00	19.84	2.41	12.50	1.52		
2027(12)	0.00	9.54	0.00	8.35	0.00	3.00	1.0	25.05	2.25	4.14	18.66	0.00	18.66	2.08	11.75	1.31		
2028(12)	0.00	9.12	0.00	7.98	0.00	3.00	1.0	23.93	2.15	4.22	17.55	0.00	17.55	1.80	11.06	1.13		
2029(12)	0.00	8.67	0.00	7.58	0.00	3.00	1.0	22.75	2.05	4.31	16.40	0.00	16.40	1.54	10.33	0.97		
2030(12)	0.00	8.25	0.00	7.22	0.00	3.00	1.0	21.67	1.95	4.39	15.32	0.00	15.32	1.32	9.65	0.83		
2031(12)	0.00	7.87	0.00	6.88	0.00	3.00	1.0	20.65	1.86	4.48	14.31	0.00	14.31	1.13	9.02	0.71		
2032(12)	0.00	7.52	0.00	6.58	0.00	3.00	1.0	19.73	1.78	4.57	13.39	0.00	13.39	0.97	8.43	0.61		
2033(12)	0.00	7.14	0.00	6.25	0.00	3.00	1.0	18.75	1.69	4.66	12.40	0.00	12.40	0.83	7.81	0.52		
2034(12)	0.00	6.81	0.00	5.96	0.00	3.00	1.0	17.88	1.61	4.75	11.51	0.00	11.51	0.70	7.25	0.44		
2035(12)	0.00	6.49	0.00	5.68	0.00	3.00	1.0	17.04	1.53	4.85	10.65	0.00	10.65	0.60	6.71	0.38		
2036(12)	0.00	6.20	0.00	5.43	0.00	3.00	1.0	16.28	1.46	4.95	9.86	0.00	9.86	0.51	6.21	0.32		
2037(12)	0.00	5.89	0.00	5.16	0.00	3.00	1.0	15.47	1.39	5.05	9.03	0.00	9.03	0.43	5.69	0.27		
2038(12)	0.00	5.62	0.00	4.92	0.00	3.00	1.0	14.75	1.33	5.15	8.27	0.00	8.27	0.36	5.21	0.23		
2039(12)	0.00	5.35	0.00	4.68	0.00	3.00	1.0	14.05	1.26	5.25	7.54	0.00	7.54	0.30	4.75	0.19		
2040(12)	0.00	5.12	0.00	4.48	0.00	3.00	1.0	13.43	1.21	5.35	6.87	0.00	6.87	0.25	4.33	0.16		
2041(12)	0.00	4.86	0.00	4.26	0.00	3.00	1.0	12.77	1.15	5.43	6.18	0.00	6.18	0.21	3.90	0.13		
2042(12)	0.00	0.50	0.00	0.44	0.00	3.00	0.0	1.31	0.12	0.00	1.19	0.00	1.19	0.04	0.75	0.02		
Total	0.00	586.92	0.00	513.56	0.00	0.00	0.0	1,540.67	138.66	152.36	1,249.65	300.00	949.65	263.65	598.28	151.53		



Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3042
Houston, Texas 77079
281-293-5568

April 11, 2002

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division
State of New Mexico
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505-4000

**RE: San Juan 28-7 Unit; N. 14-08-001-459
Rio Arriba County, New Mexico
2002 Plan of Development**

Gentlemen:

By letter dated February 8, 2001, Conoco Inc., as Unit Operator for the referenced Unit, filed the Plan of Development (POD) for the calendar year 2001. The First, Second and Third Amendments to the Plan of Development were dated on July 11, 2001, September 10, 2001 and November 7, 2001, respectively. The following is a recap of Conoco's drilling and recompletion activity within this unit during 2001:

Completed 2001 New Drills

#129R	(E/2) 2 27N 7W	Mesaverde/Dakota commingle
#130E	(W/2) 2 27N 7W	Mesaverde/Dakota commingle
#131E	(W/2) 34 28N 7W	Mesaverde/Dakota commingle
#132M	(W/2) 15 27N 7W	Mesaverde/Dakota commingle
#133F	(S/2) 35 28N 7W	Mesaverde/Dakota commingle
#133G	(S/2) 35 28N 7W	Mesaverde/Dakota commingle
#147M	(E/2) 9 27N 7W	Mesaverde/Dakota commingle
#152E	(W/2) 21 27N 7W	Mesaverde/Dakota commingle

#154E	(E/2) 17 27N	7W	Mesaverde/Dakota commingle
#155E	(W/2) 22 27N	7W	Mesaverde/Dakota commingle (formerly Dakota single)
#159E	(E/2) 22 28N	7W	Mesaverde/Dakota commingle
#166M	(W/2) 16 27N	7W	Mesaverde/Dakota commingle
#181F	(W/2) 3 27N	7W	Mesaverde/Dakota commingle
#184M	(W/2) 9 27N	7W	Mesaverde/Dakota commingle
#189F	(N/2) 35 28N	7W	Mesaverde/Dakota commingle
#189M	(N/2) 35 28N	7W	Mesaverde/Dakota commingle
#190F	(E/2) 27 28N	7W	Mesaverde/Dakota commingle
#216M	(E/2) 8 27N	7W	Mesaverde/Dakota commingle
#218E	(S/2) 12 28N	7W	Dakota Dualled with Pictured Cliffs/Fruitland commingle
#225F	(E/2) 34 28N	7W	Mesaverde/Dakota commingle
#228M	(W/2) 8 27N	7W	Mesaverde/Dakota commingle
#229E	(E/2) 32 28N	7W	Mesaverde/Dakota commingle
#236M	(E/2) 6 27N	7W	Mesaverde/Dakota commingle
#238F	(W/2) 29 28N	7W	Mesaverde/Dakota commingle
#243M	(W/2) 31 28N	7W	Mesaverde/Dakota commingle
#249F	(E/2) 30 28N	7W	Mesaverde/Dakota commingle
#250M	(W/2) 30 28N	7W	Mesaverde/Dakota commingle
#252M	(W/2) 32 28N	7W	Mesaverde/Dakota commingle
#253M	(E/2) 7 27N	7W	Dakota single
#254M	(W/2) 6 27N	7W	Dakota Single
#260M	(E/2) 5 27N	7W	Mesaverde/Dakota commingle
#261M	(W/2) 5 27N	7W	Mesaverde/Dakota commingle
#281	(NW/4) 12 27N	7W	Pictured Cliffs single
#283	(SE) 28 27N	7W	Pictured Cliffs single
#284	(E/2) & (SE/4) 1 27N	7W	Fruitland Coal/Pictured Cliffs commingle
#293	W/2 33 28N	7W	Fruitland Coal/Pictured Cliffs commingle

The following new drills which appeared on the 2001 POD will be carried over to 2002:

#181E	W/2 3 27N	7W	Dakota single
#186F	E/2 13 28N	7W	Mesaverde/Dakota commingle
#191F	E/2 33 28N	7W	Mesaverde/Dakota commingle
#199M	W/2 19 28N	7W	Mesaverde/Dakota commingle
#237F	E/2 19 27N	7W	Mesaverde/Dakota commingle
#252F	W/2 32 28N	7W	Mesaverde/Dakota commingle
#255F	W/2 15 28N	7W	Mesaverde/Dakota commingle
#285	(SE/4) 26 28N	7W	Fruitland Coal/Pictured Cliffs commingle
#286	(NW/4) 36 28N	7W	Fruitland Coal/Pictured Cliffs commingle
#287	(SE/4) 36 28N	7W	Fruitland Coal/Pictured Cliffs commingle
#288	(NW/4) 26 28N	7W	Fruitland Coal/Pictured Cliffs commingle
#289	(NW/4) 27 28N	7W	Fruitland Coal/Pictured Cliffs commingle
#290	(NW/4) 22 28N	7W	Fruitland Coal/Pictured Cliffs commingle
#291	SE 16 28N	7W	Pictured Cliffs/Fruitland Coal commingle
#296	SE 18 27N	7W	Pictured Cliffs/Fruitland Coal commingle
#297	W/2 17 27N	7W	Fruitland Coal/Pictured Cliffs commingle

The following new drills which appeared on the 2001 POD were cancelled and are hereby removed from the POD:

#131F	W/2 34 28N	7W	Mesaverde/Dakota commingle
#151M	E/2 21 27N	7W	Mesaverde/Dakota commingle
#185M	W/2 17 27N	7W	Mesaverde/Dakota commingle
#282	NW 28 27N	7W	Pictured Cliffs Single

Completed 2001 Re-Completions:

#6	(W/2) & (SW/4) 16	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#11	(E/2) & (NE/4) 36	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#18	(W/2) & (SW/4) 25	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#19	(E/2) & (NE/4) 25	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#20	(S/2) & (SW/4) 8	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#21	(W/2) 9	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs
#22	(E/2) & (NE/4) 17	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#22A	(SE/4) 17	28N	7W	Recomplete to Pictured Cliffs and commingle
#28	(E/2) & (NE/4) 26	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#29	(W/2) & (SW/4) 7	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#32	(W/2) & 19	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#47	(E/2) & (NE/4) 20	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#48	(W/2) & (SW/4) 21	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#49	(E/2) & (NE/4) 21	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#53	(W/2) & (SW/4) 28	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#57	(NE/4) 30	28N	7W	Recomplete to Pictured Cliffs and commingle
#58	(SW/4) 29	28N	7W	Recomplete to Pictured Cliffs and commingle
#58A	(NW/4) 29	28N	7W	Recomplete to Pictured Cliffs/Chacra and trimingle
#59	(E/2) & (NE/4) 29	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#69	(NE/4) 32	28N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#84	(E/2) & (NE/4) 5	27N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#126M	(W/2) 1	27N	7W	Recomplete to the Mesaverde and commingle
#147	(E/2) 9	27N	7W	Recomplete to Mesaverde and commingle
#165	(E/2) 16	27N	7W	Recomplete to the Mesaverde and commingle
#187	(E/2) 24	28N	7W	Recompletion to the Mesaverde and commingle.
#190M	(E/2) 27	28N	7W	Recomplete to the Mesaverde and commingle
#215M	(NW) 4	27N	7W	Recomplete to Pictured Cliffs and trimingle
#241E	(S/2) 9	28N	7W	Recomplete to Mesaverde and commingle
#260	(E/2) 5	27N	7W	Recomplete to Mesaverde and commingle

The following recompletions which appeared on the 2001 POD will be carried over to 2002:

#27	W/2 26	28N	7W	Recomplete to Pictured Cliffs/Fruitland Coal & commingle
#35A	NW 1	27N	7W	Recomplete to pictured Cliffs and commingle
#62	(E/2) & (NE/4) 12	27N	7W	Recomplete to Fruitland Coal/Pictured Cliffs & commingle
#94A	NW 30	28N	7W	Recomplete to Chacra and commingle
#133	S/2 35	28N	7W	Recomplete to Mesaverde and commingle
#180	E/2 19	27N	7W	Recomplete to Fruitland Coal and commingle
#237	E/2 19	27N	7W	Recomplete to Mesaverde and commingle
#239E	(W/2) 17	28N	7W	Recomplete to Mesaverde and commingle
#252E	W/2	28N	7W	Recomplete to Mesaverde and commingle

The following re-completions which appeared on the 2001 POD have been cancelled and are hereby removed from the POD:

#30	SW 18	28N	7W	Recomplete to Pictured Cliffs and commingle
#101	SW 30	28N	7W	Recomplete to Chacra and commingle
#106X	W/2 10	27N	7W	Recomplete to Fruitland Coal and commingle
#128	E/2 12	27N	7W	Recomplete to Mesaverde and commingle
#132	W/2 15	27N	7W	Recomplete to Mesaverde and commingle
#134E	W/2 21	28N	7W	Recomplete to Mesaverde and commingle
#199E	W/2 18	28N	7W	Recomplete to FC/PC/CH and trimingle
#236	E/2 6	27N	7W	Recomplete to Mesaverde and commingle

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, Conoco Inc., as Unit Operator, hereby submits the following program for the 2002 Plan of Development.

2002 New Drills

#99F	E/2 29	27N	7W	Mesaverde/Dakota
#101F	W/2 30	27N	7W	Mesaverde/Dakota
#124G	W/2 11	27N	7W	Mesaverde/Dakota
#125G	W/2 12	27N	7W	Mesaverde/Dakota
#126F	W/2 1	27N	7W	Mesaverde/Dakota
#128F	E/2 12	27N	7W	Mesaverde/Dakota
#128G	E/2 12	27N	7W	Mesaverde/Dakota
#129F	E/2 2	27N	7W	Dakota
#129M	E/2	27N	7W	Mesaverde/Dakota
#130F	E/2	27N	7W	Dakota
#132F	W/2 15	27N	7W	Mesaverde/Dakota
#132G	W/2 15	27N	7W	Mesaverde/Dakota
#135F	W/2 27	28N	7W	Dakota
#136F	W/2 14	28N	7W	Mesaverde/Dakota
#136M	E/2 14	28N	7W	Mesaverde/Dakota

#145F	W/2 10	27N	7W	Mesaverde/Dakota
#145G	W/2 10	27N	7W	Mesaverde/Dakota
#147F	E/2 9	27N	7W	Mesaverde/Dakota
#147G	E/2 9	27N	7W	Mesaverde/Dakota
#152F	W/2 21	27N	7W	Dakota
#153F	E/2 20	27N	7W	Mesaverde/Dakota
#155F	W/2 22	27N	7W	Dakota
#155G	W/2 22	27N	7W	Mesaverde/Dakota
#156F	E/2 10	27N	7W	Mesaverde/Dakota
#158F	E/2 23	28N	7W	Dakota
#164F	E/2 13	28N	7W	Mesaverde/Dakota
#164M	E/2 13	28N	7W	Mesaverde/Dakota
#165F	E/2 16	27N	7W	Mesaverde/Dakota
#181G	W/2 3	27N	7W	Mesaverde/Dakota
#182F	E/2 3	27N	7W	Mesaverde/Dakota
#187M	E/2 24	28N	7W	Mesaverde/Dakota
#194G	E/2 21	28N	7W	Mesaverde/Dakota
#195F	E/2 16	28N	7W	Mesaverde/Dakota
#199G	W/2 18	28N	7W	Mesaverde/Dakota
#214F	E/2 4	27N	7W	Mesaverde/Dakota
#214G	E/2 4	27N	7W	Mesaverde/Dakota
#218M	S/2 12	28N	7W	Mesaverde/Dakota
#219F	W/2 20	28N	7W	Dakota
#222F	W/2 25	28N	7W	Mesaverde/Dakota
#223G	E/2 26	28N	7W	Mesaverde/Dakota
#227G	E/236	28N	7W	Mesaverde/Dakota
#228F	W/2 8	27N	7W	Mesaverde/Dakota
#230F	E/2 29	28N	7W	Dakota
#231F	W/2 16	28N	7W	Mesaverde/Dakota
#232F	E/2 20	28N	7W	Dakota
#233F	W/2 14	28N	7W	Mesaverde/Dakota
#233G	E/2 14	28N	7W	Mesaverde/Dakota
#241F	S/2 8	28N	7W	Dakota
#241M	S/2 8	28N	7W	Mesaverde/Dakota
#242F	W/2 18	28N	7W	Dakota
#244M	W/2 7	27N	7W	Mesaverde/Dakota
#246M	S/2 7	28N	7W	Mesaverde/Dakota
#247E	S/2 11	28N	7W	Dakota
#258G	W/2 23	28N	7W	Mesaverde/Dakota
#259F	W/2 24	28N	7W	Mesaverde/Dakota
#260F	E/2 5	27N	7W	Mesaverde/Dakota
#261F	W/2 5	27N	7W	Mesaverde/Dakota
#261G	W/2 5	27N	7W	Mesaverde/Dakota
#295	SE 34	28N	7W	Pictured Cliffs

2002 Recompletions

#21A	S/2 9	28N	7W	Picture Cliffs/Fruitland Coal
#23	NE 15	28N	7W	Pictured Cliffs
#25	SW 23	28N	7W	Pictured Cliffs
#29A	S/2 7	28N	7W	Fruitland Coal
#48A	W/2 21	28N	7W	Fruitland Coal/Pictured Cliffs commingle
#52A	SE 27	28N	7W	Pictured Cliffs
#55A	S/2 12	28N	7W	Pictured Cliffs/Fruitland Coal
#93	SW 9	27N	7W	Chacra
#99F	SE 29	27N	7W	Chacra
#101F	SW 30	27N	7W	Chacra
#135	W/2 27	28N	7W	Mesaverde
#164E	E/2 13	28N	7W	Chacra
#232	E/2 20	28N	7W	Mesaverde
#244	W/27	27N	7W	Mesaverde/Chacra

The Unit currently consists of the following Participating Areas:

Formation	Expansion	Effective Date
Fruitland	4th	2-2-95
Pictured Cliffs	32nd	6-1-81
Chacra	9th	3-1-84
Mesaverde	40th	8-1-97
Dakota	27th	7-1-75

The working interest owners are being contacted regarding the Plan of Development. Conoco Inc. and the working interest owners believe that all current obligations have been satisfied.

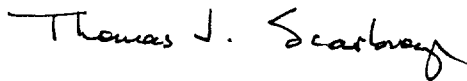
Conoco Inc., as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

In accordance with Section 10 of the Unit Agreement, please advise of your approval by executing in the space provided below and return one copy to the undersigned.

Should you have any questions regarding this proposal, please contact Thomas Scarbrough at 281-293-5568.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Sincerely,



Thomas J. Scarbrough

Enc.

Bureau of Land Management

Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division

4/16/2002

Date

The foregoing approvals are for the 2002 Plan of Development for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

San Juan 28-7 Unit Working Interest Owners

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

Four Star Oil and Gas Company
Attn: NOJV Manager
P.O. Box 36366
Houston, Texas 77236

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75080-2038

The Wiser Oil Company
8115 Preston Road, #400
Dallas, TX 75225-6311

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Mary F. Turner Trust _ 6743
Texas Commerce Trust Co., NA
P.O. Box 200890
Houston, TX 77216-0890

Kathleen McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Michael S. McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Dawn J. Turnbull
6553 Lafayette Way
Dallas, TX 75230-1979

Elizabeth J. Turner-Calloway
4801 Saint Johns Drive
Dallas, TX 75205-3143

J. Glenn Turner, Jr.
3838 Oak Lawn
Suite 1600
Dallas, TX 75219-5441

John L. Turner
Turner Investments
PMB 285
317 Sidney Baker South #400
Kerrville, TX 78028

Cindy M. Hartner
2222 Flat Creek
Richardson, TX 75080-2332

Denise Turnbull Williams
6553 Lafayette Way
Dallas, TX 75230-1979

Derrick Turnbull
6553 Lafayette Way
Dallas, TX 75230-1979

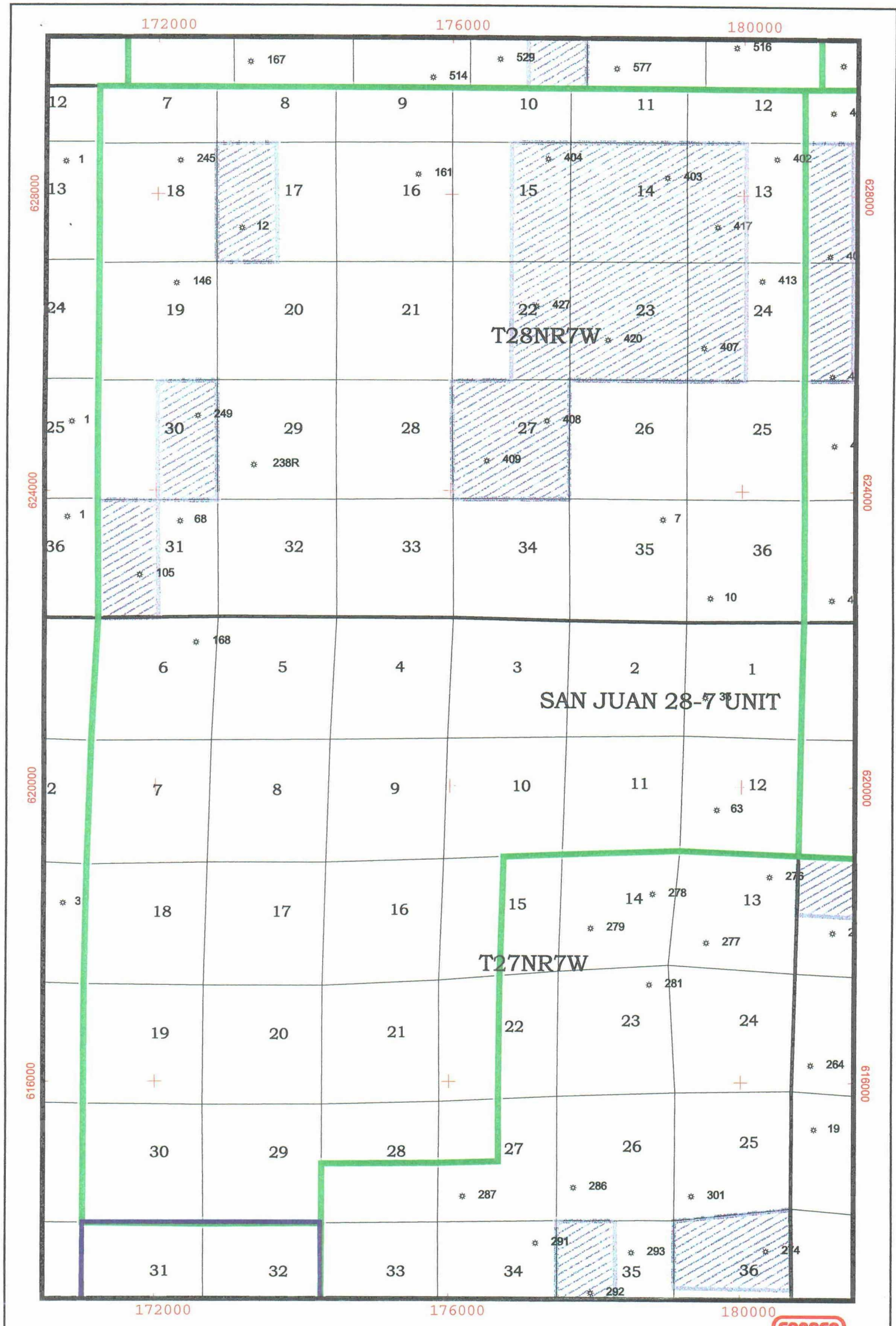
Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash Ave.
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
6704 Ashbrook Dr.
Fort Worth, TX 76132-1140

Conoco Inc.
Attn: Tom Scarbrough
600 Dairy Ashford
Houston, TX 77079



*

Fruitland Wells

SJ Federal Units

Fruitland Coal PA



CONOCO

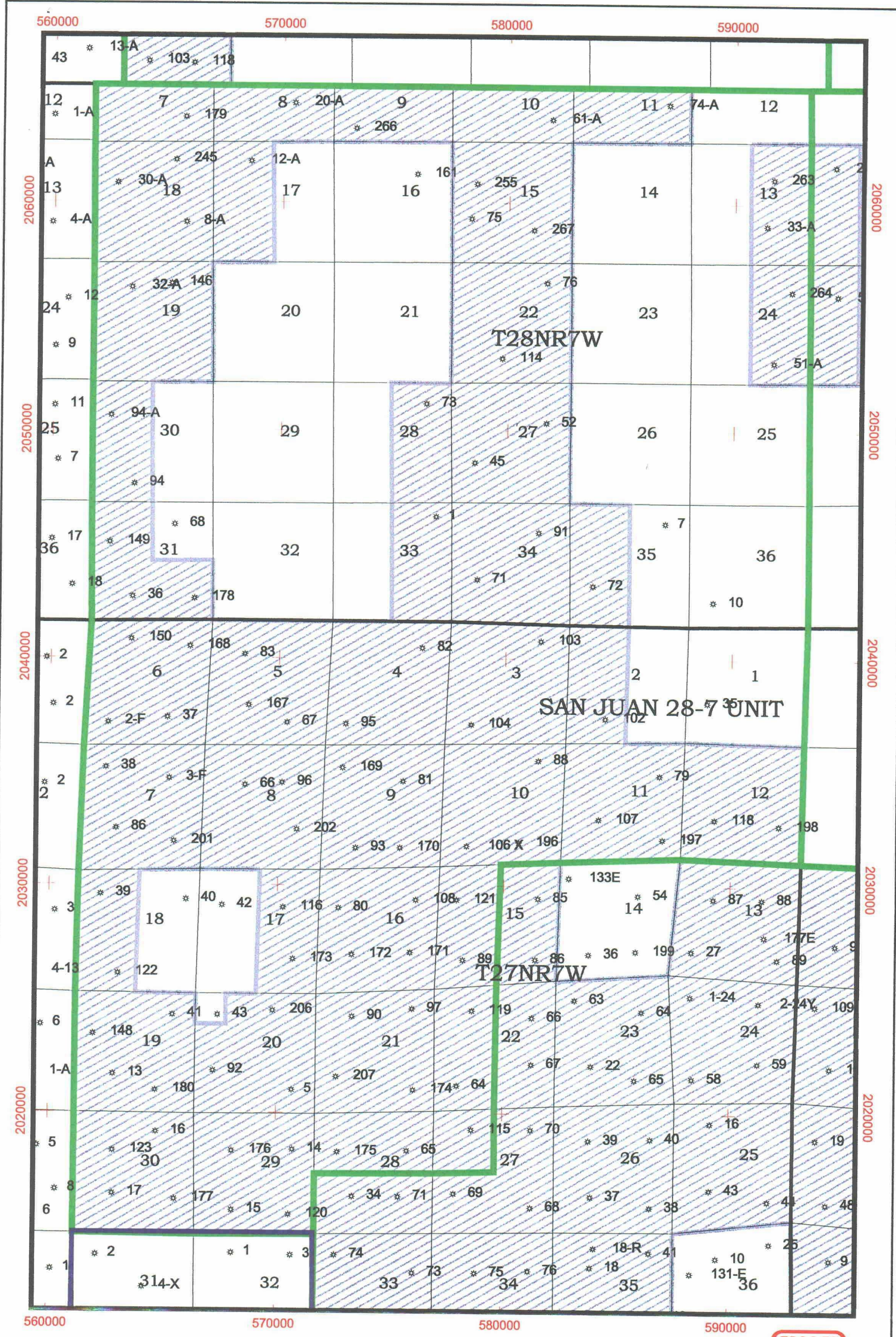
28-7 Federal Unit
San Juan Basin, N. M.

Author: Angela Whitfield

Date: 10/11/00

Compiled by:

Map 1 of 1

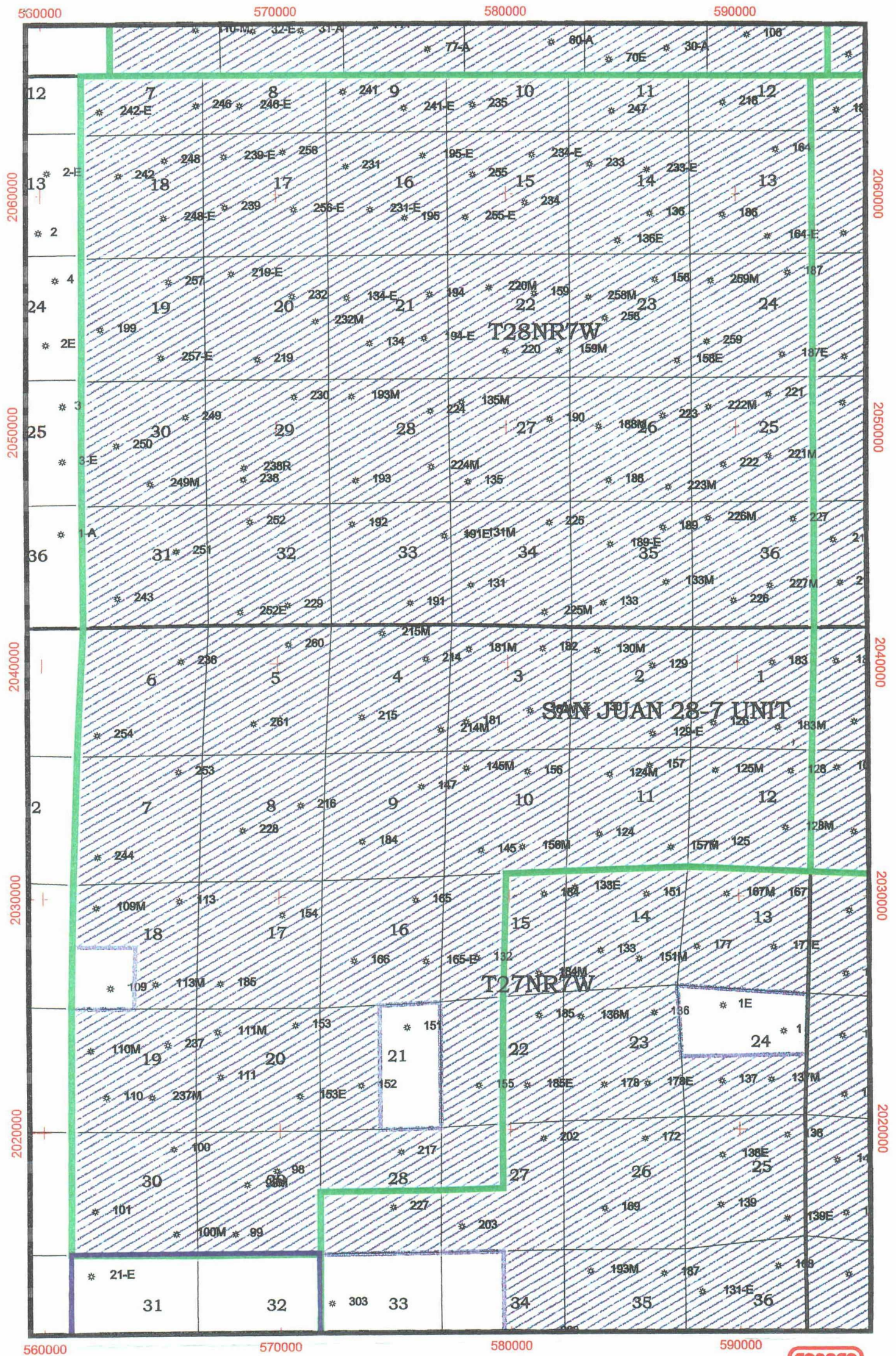


* Pictured Cliffs Wells
SJ Federal Units
Pictured Cliffs PA



28-7 Federal Unit
San Juan Basin, N. M.

Author: Angela Whitfield	Date: 10/11/00
Compiled by:	Map 1 of 1
MD File:	



* Dakota Wells

SJ Federal Units

Dakota PA



28-7 Federal Unit

San Juan Basin, N. M.

Author: Angela Whitfield	Date: 10/11/00
Compiled by:	Map 1 of 1
MDP File:	



Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079
(281) 293-5057

February 18, 2002

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
1235 LaPlata Highway
Farmington, New Mexico 87401

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

✓ State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504

Re: San Juan 28-7 Unit 14-08-001-459
Commerciality Determination
Mesaverde Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement, approved January 29, 1953, Conoco Inc., as Unit Operator, has determined that the wells on the attached list are capable of producing unitized substances in paying quantities from the Mesaverde formation. Also attached is an economic summary and production data for each well. Conoco Inc. respectfully requests agency confirmation of the enclosed paying well determinations.

Upon confirmation from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and the New Mexico Oil Conservation Division, the formal Participating Area Schedule will be prepared and submitted.

Copies of this letter are being forwarded to the working interest owners on the attached sheet. Should you have technical questions in this regard, please contact Christine Valvatne at 281.293.5767. Please forward any Land related questions to the undersigned at 281.293.5568.

Respectfully submitted,

Tom Scarbrough, CPL

Enclosures

San Juan 28-7 Unit 14-08-001-459
Commerciality Determination
Mesaverde Formation

Well Name	Dedication	Lease No.	Completion Date	Operator's Determination
SJ 28-7 #100	E/2 Sec. 30-27N-7W	NM-03560	7-22-97	Commercial upon Re-determination
SJ 28-7 #113	E/2 Sec. 18-27N-7W	SF-078840	4-22-98	Non-Commercial
SJ 28-7 #153	E/2 Sec. 20-27N-7W	SF-078640	5-8-98	Commercial upon Re-determination
SJ 28-7 #166	W/2 Sec. 16-27N-7W	E-2825-6	8-19-98	Commercial
SJ 28-7 #113M	E/2 Sec. 18-27N-7W	SF-078840	12-4-98	Commercial
SJ 28-7 #153E	E/2 Sec. 20-27N-7W	SF-078640	12-21-98	Commercial
SJ 28-7 #100M	E/2 Sec. 30-27N-7W	NM-03560	1-6-99	Commercial
SJ 28-7 #185	W/2 Sec. 17-27N-7W	NM-03521	1-20-99	Non-Commercial
SJ 28-7 #251	E/2 Sec. 31-28N-7W	SF-078500-A	2-12-99	Commercial
SJ 28-7 #155E	W/2 Sec. 22-27N-7W	SF-078640	4-12-01	Non-Commercial
SJ 28-7 #254M	W/2 Sec. 6-27N-7W	SF-078835	6-21-01	Commercial

**San Juan 28-7 Unit
Working Interest Owners
Mesaverde Formation**

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75060-2038

The Wiser Oil Company
8115 Preston Road, #400
Dallas, TX 75225-6311

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
6704 Ashbrook Dr.
Fort Worth, TX 76132-1140

Conoco Inc.
Attn: Tom Scarbrough
600 Dairy Ashford
Houston, TX 77079

San Juan 28-7 Unit Wells Currently Not in Participating Area

API Number	Lease Name	Well #	Pool	SEC	TWN	RGE	UL	Completion Date	First Prod Month	COC WI	COC NRI	EUR MMSCF	PI @ 9% M\$/M\$	NPV @ 9% M\$
30-039-21664	SAN JUAN 28 7 UNIT	100	BLANCO MESAVERDE	30	27N	07W	A	22-Jul-97	Aug-97	1.000000	0.63625	594	1.02	9
30-039-21662	SAN JUAN 28 7 UNIT	113	BLANCO MESAVERDE	18	27N	07W	A	22-Apr-98	Apr-98	1.000000	0.67500	240	0.86	-230
30-039-20405	SAN JUAN 28 7 UNIT	153	BLANCO MESAVERDE	20	27N	07W	A	8-May-98	May-98	1.000000	0.82500	726	1.27	135
30-039-20523	SAN JUAN 28 7 UNIT	166	BLANCO MESAVERDE	16	27N	07W	K	19-Aug-98	Aug-98	0.300000	0.24850	587	1.03	16
30-039-25886	SAN JUAN 28 7 UNIT	113M	BLANCO MESAVERDE	18	27N	07W	O	4-Dec-98	Dec-98	1.000000	0.67500	824	1.46	230
30-039-25883	SAN JUAN 28 7 UNIT	153E	BLANCO MESAVERDE	20	27N	07W	I	21-Dec-98	Dec-98	1.000000	0.82500	790	1.55	273
30-039-25881	SAN JUAN 28 7 UNIT	100M	BLANCO MESAVERDE	30	27N	07W	P	6-Jan-99	Jan-99	1.000000	0.63625	1007	1.98	488
30-039-20718	SAN JUAN 28 7 UNIT	185	BLANCO MESAVERDE	17	27N	07W	M	20-Jan-99	Feb-99	1.000000	0.63625	338	0.69	-156
30-039-21652	SAN JUAN 28 7 UNIT	251	BLANCO MESAVERDE	31	28N	07W	G	12-Feb-99	Feb-99	1.000000	0.84500	713	1.41	204
30-039-26460	SAN JUAN 28 7 UNIT	155E	BLANCO MESAVERDE	22	27N	07W	C	12-Apr-01	May-01	BR 100%		488	0.84	-79
30-039-26666	SAN JUAN 28 7 UNIT	254M	BLANCO MESAVERDE	6	27N	07W	C	21-Jun-01	Jun-01	BR 100%		653	1.38	188

Assumptions:

Well cost 500,000 \$
 Opex 5000 \$/year
 Working interest 100 %
 Net Revenue interest 87.5 %
 Economic limit 15 MCF/D or 40 years total
 Gas price 3.00 \$/MMBTU flat gas price
 Economic results are quoted after production tax, before federal tax.

CS Summary Report
PAE - East - SJ 28-7 #100 MV (cv)
Nominal

Net Present Values

	Disc Before Tax	Before Tax	Before Tax	After Tax
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	1,139	500	639	402
8.0	541	500	41	11
9.0	509	500	9	-11
10.0	481	500	-19	-30
12.0	436	500	-64	-61
18.0	346	500	-154	-125
Arr:	1,139	500	639	402

Case Description

SJ 28-7 #100 MV PA Expansion
 30-27N-7W Wl: 100% NRI: 87.5%
 MV: 594 MMCF EUR, Prod Start 08-97

180 MCF/D IP
 45% decl. 1 yr
 15% decl. 4 yrs
 2.5% final decl.; 40 yrs total prod

3.0 \$/MMBTU fixed gas price
 Well cost: \$500,000
 Op cost: \$5,000/yr

Economic Indicators (Generic)

	BTax	ATax
ROR	%	9.3
Payout Period	Std. (mo's)	108.8
	Proj. (mo's)	108.8
Undisc PI	M\$/M\$	2.28
9.0 Pcnt. PI	M\$/M\$	1.02
12.0 Pcnt. PI	M\$/M\$	0.87
NPV/Vol@9.0	M\$/MMSCF	0.02
NPV/Vol@12.0	M\$/MMSCF	-0.11
Economic Limit Date	2037/07	
Last Scheduled Prod Date	2037/07	

Products Recovery (US)

	Gross	WI	Roy	Net
Oil	MSTB	0	0	0
Gas-Raw	MMSCF	594	594	520
Gas-Sales	MMSCF	594	594	520
Ethane	MSTB	0	0	0
Propane	MSTB	0	0	0
Butane	MSTB	0	0	0
Cond.	MSTB	0	0	0
Sulphur	MLt	0	0	0
Other	MSTB	0	0	0

Company WI (US)

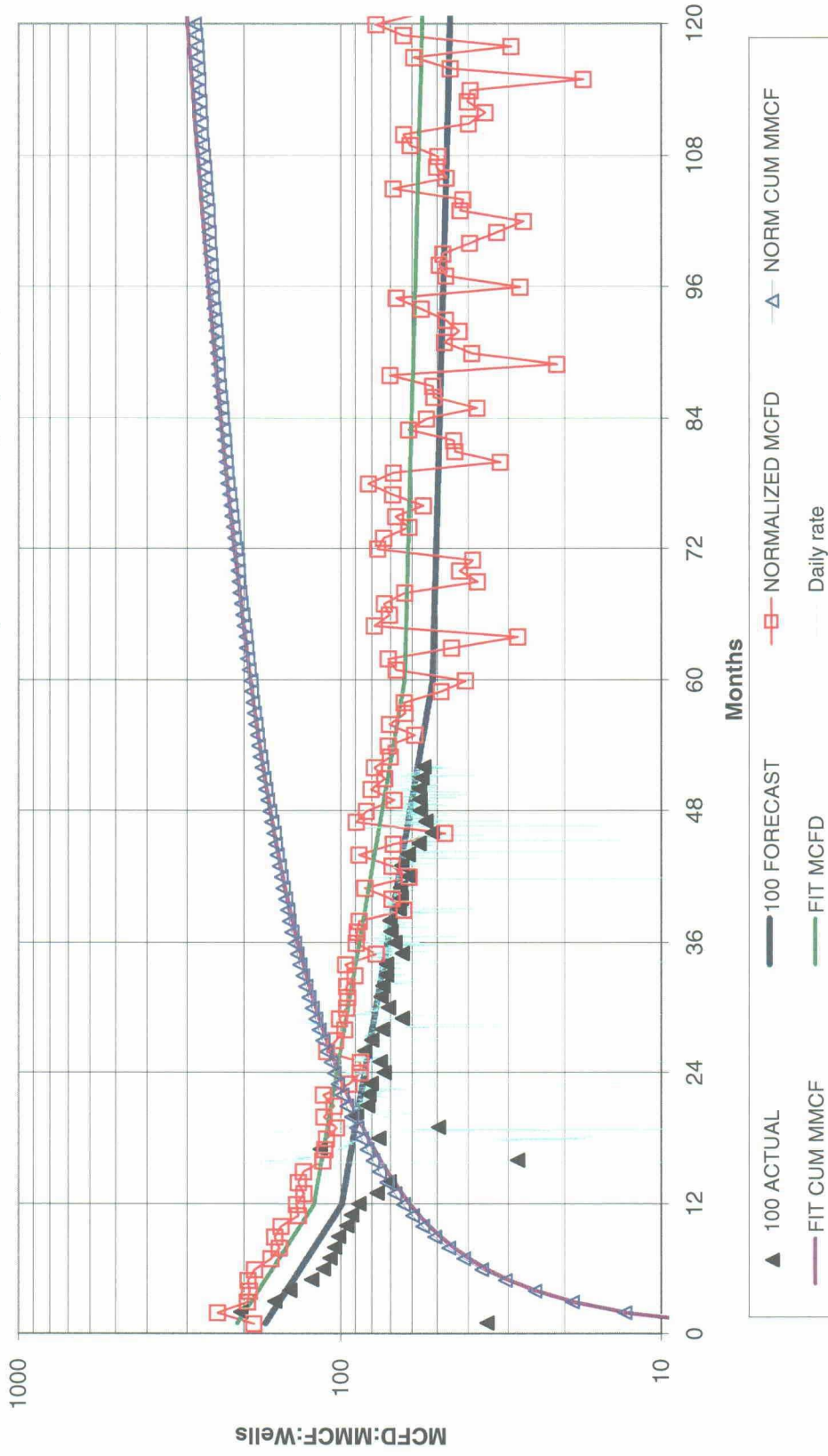
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

**RESERVES AND ECONOMICS
 PRODUCTION & REVENUE SUMMARY**

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	ATAX Cash Flow Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
1997(12)	0.00	24.25	0.00	21.22	0.00	3.00	0.4	63.65	5.73	2.08	55.84	500.00	-444.16	-444.91	-351.49	-353.58
1998(12)	0.00	39.81	0.00	34.83	0.00	3.00	1.0	104.49	9.40	5.00	90.09	0.00	90.09	83.85	74.61	69.39
1999(12)	0.00	31.19	0.00	27.29	0.00	3.00	1.0	81.87	7.37	5.00	69.50	0.00	69.50	59.23	59.05	50.30
2000(12)	0.00	26.51	0.00	23.20	0.00	3.00	1.0	69.59	6.26	5.00	58.33	0.00	58.33	45.60	50.16	39.20
2001(12)	0.00	22.53	0.00	19.72	0.00	3.00	1.0	59.15	5.32	5.00	48.83	0.00	48.83	35.02	42.86	30.73
2002(12)	0.00	19.37	0.00	16.95	0.00	3.00	1.0	50.85	4.58	5.05	41.23	0.00	41.23	27.12	34.07	22.41
2003(12)	0.00	18.44	0.00	16.14	0.00	3.00	1.0	48.41	4.36	5.15	38.91	0.00	38.91	23.46	27.81	16.77
2004(12)	0.00	17.98	0.00	15.73	0.00	3.00	1.0	47.20	4.25	5.25	37.70	0.00	37.70	20.86	25.41	14.06
2005(12)	0.00	17.53	0.00	15.34	0.00	3.00	1.0	46.02	4.14	5.35	36.53	0.00	36.53	18.54	23.01	11.68
2006(12)	0.00	17.09	0.00	14.96	0.00	3.00	1.0	44.87	4.04	5.46	35.37	0.00	35.37	16.47	22.28	10.38
2007(12)	0.00	16.67	0.00	14.58	0.00	3.00	1.0	43.75	3.94	5.57	34.24	0.00	34.24	14.63	21.57	9.22
2008(12)	0.00	16.25	0.00	14.22	0.00	3.00	1.0	42.66	3.84	5.68	33.14	0.00	33.14	12.99	20.88	8.18
2009(12)	0.00	15.84	0.00	13.86	0.00	3.00	1.0	41.59	3.74	5.80	32.05	0.00	32.05	11.53	20.19	7.26
2010(12)	0.00	15.45	0.00	13.52	0.00	3.00	1.0	40.55	3.65	5.91	30.99	0.00	30.99	10.22	19.52	6.44
2011(12)	0.00	15.06	0.00	13.18	0.00	3.00	1.0	39.54	3.56	6.03	29.95	0.00	29.95	9.06	18.87	5.71
2012(12)	0.00	14.69	0.00	12.85	0.00	3.00	1.0	38.55	3.47	6.15	28.93	0.00	28.93	8.03	18.22	5.06
2013(12)	0.00	14.32	0.00	12.53	0.00	3.00	1.0	37.58	3.38	6.27	27.93	0.00	27.93	7.11	17.59	4.48
2014(12)	0.00	13.96	0.00	12.21	0.00	3.00	1.0	36.64	3.30	6.40	26.95	0.00	26.95	6.30	16.98	3.97
2015(12)	0.00	13.61	0.00	11.91	0.00	3.00	1.0	35.73	3.22	6.53	25.99	0.00	25.99	5.57	16.37	3.51
2016(12)	0.00	13.27	0.00	11.61	0.00	3.00	1.0	34.84	3.14	6.66	25.04	0.00	25.04	4.93	15.78	3.10
2017(12)	0.00	12.94	0.00	11.32	0.00	3.00	1.0	33.97	3.06	6.79	24.12	0.00	24.12	4.35	15.19	2.74
2018(12)	0.00	12.62	0.00	11.04	0.00	3.00	1.0	33.12	2.98	6.93	23.21	0.00	23.21	3.84	14.62	2.42
2019(12)	0.00	12.30	0.00	10.76	0.00	3.00	1.0	32.29	2.91	7.07	22.32	0.00	22.32	3.39	14.06	2.14
2020(12)	0.00	11.99	0.00	10.49	0.00	3.00	1.0	31.48	2.83	7.21	21.44	0.00	21.44	2.99	13.51	1.88
2021(12)	0.00	11.69	0.00	10.23	0.00	3.00	1.0	30.69	2.76	7.35	20.58	0.00	20.58	2.63	12.97	1.66
2022(12)	0.00	11.40	0.00	9.98	0.00	3.00	1.0	29.93	2.69	7.50	19.74	0.00	19.74	2.32	12.43	1.46
2023(12)	0.00	11.12	0.00	9.73	0.00	3.00	1.0	29.18	2.63	7.65	18.90	0.00	18.90	2.03	11.91	1.28
2024(12)	0.00	10.84	0.00	9.48	0.00	3.00	1.0	28.45	2.56	7.80	18.09	0.00	18.09	1.79	11.40	1.13
2025(12)	0.00	10.57	0.00	9.25	0.00	3.00	1.0	27.74	2.50	7.96	17.28	0.00	17.28	1.57	10.89	0.99
2026(12)	0.00	10.30	0.00	9.01	0.00	3.00	1.0	27.04	2.43	8.12	16.49	0.00	16.49	1.37	10.39	0.88
2027(12)	0.00	10.04	0.00	8.79	0.00	3.00	1.0	26.37	2.37	8.28	15.72	0.00	15.72	1.20	9.90	0.75
2028(12)	0.00	9.79	0.00	8.57	0.00	3.00	1.0	25.71	2.31	8.44	14.95	0.00	14.95	1.05	9.42	0.66
2029(12)	0.00	9.55	0.00	8.36	0.00	3.00	1.0	25.07	2.26	8.61	14.20	0.00	14.20	0.91	8.94	0.57
2030(12)	0.00	9.31	0.00	8.15	0.00	3.00	1.0	24.44	2.20	8.79	13.45	0.00	13.45	0.79	8.48	0.50
2031(12)	0.00	9.08	0.00	7.94	0.00	3.00	1.0	23.83	2.14	8.96	12.72	0.00	12.72	0.69	8.02	0.43
2032(12)	0.00	8.85	0.00	7.74	0.00	3.00	1.0	23.23	2.09	9.14	12.00	0.00	12.00	0.59	7.56	0.37
2033(12)	0.00	8.63	0.00	7.55	0.00	3.00	1.0	22.65	2.04	9.32	11.29	0.00	11.29	0.51	7.11	0.32
2034(12)	0.00	8.41	0.00	7.36	0.00	3.00	1.0	22.09	1.99	9.51	10.59	0.00	10.59	0.44	6.67	0.28
2035(12)	0.00	8.20	0.00	7.18	0.00	3.00	1.0	21.53	1.94	9.70	9.90	0.00	9.90	0.38	6.23	0.24
2036(12)	0.00	8.00	0.00	7.00	0.00	3.00	1.0	20.99	1.89	9.89	9.21	0.00	9.21	0.32	5.80	0.20
2037(12)	0.00	4.57	0.00	4.00	0.00	3.00	0.6	12.00	1.08	5.79	5.13	0.00	5.13	0.17	3.23	0.11
Total	0.00	594.03	0.00	519.78	0.00	0.00	0.0	1,559.34	140.34	280.14	1,138.86	500.00	638.86	8.95	402.48	-10.73

SJ 28-7 #100 MESAVERDE ACTUAL & FORECAST PRODUCTION VERSUS NORMALISED PRODUCTION FROM WELLS IN 27-7, SECTIONS 17, 18, 19, 20, 29 AND 30



NORMALIZED AVG:

885 MMCF EUR
479 MMCF IN 20 YRS
726 MMCF IN 40 YRS
15 MCDF E.L.
0.0086 bbl/mcf oil yield

220 MCDF IP
45.0% DECLINE, 1ST 12 MONTHS
15.0% DECLINE, NEXT 48 MONTHS
2.5% FINAL DECLINE

28-7 #100 FORECAST

685 MMCF EUR
594 MMCF IN 40 YRS
15 MCDF E.L.
0.0086 bbl/mcf oil yield

FIRST PROD.: Aug-97

180 MCDF IP
45.0% DECLINE, 1ST 12 MONTHS
15.0% DECLINE, NEXT 48 MONTHS
2.5% FINAL DECLINE

27-7 wells 78, 98, 98M, 99, 100, 100M, 101, 109, 109M, 110, 110M, 111, 111M, 113, 113M, 153, 153E, 185, 237M Based on normplot 192707MV.xls

US Summary Report
PAE - East - SJ 28-7 #113 MV (cv)
Nominal

Net Present Values

	Disc Before Tax	Before Tax	After Tax	After Tax
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	430	500	-70	-44
8.0	281	500	-219	-158
9.0	270	500	-230	-164
10.0	261	500	-239	-172
12.0	244	500	-256	-186
18.0	208	500	-292	-217
Arr:	430	500	-70	-44

Case Description

SJ 28-7 #113 MV PA Expansion
 18-27N-7W WL: 100% NRI: 87.5%
 MV: 240 MCMCF EUR, Prod Start 04-1998

 140 MCF/D IP
 45% decl. 1 yr
 25% decl. 4 yrs
 2.5% final decl.; 15 MCF/D EL

 3.0 \$/MMBTU fixed gas price
 Well cost: \$500,000
 Op cost: \$5,000/yr

Economic Indicators (Generic)

	BTax	ATax
ROR	0.0	0.0
Payout Period	0.0	0.0
	Proj (mo's)	0.0
Undisc PI	M\$/M\$	0.86
9.0 Pcnt. PI	M\$/M\$	0.54
12.0 Pcnt. PI	M\$/M\$	0.49
NPV/Vol@9.0	M\$/MCMCF	-0.96
NPV/Vol@12.0	M\$/MCMCF	-1.07
Economic Limit Date		2022/05
Last Scheduled Prod Date		2022/05

Products Recovery (US)

	Gross	WI	Roy	Net
Oil	0	0	0	0
Gas-Raw	240	240	30	210
Gas-Sales	240	240	30	210
Ethane	0	0	0	0
Propane	0	0	0	0
Butane	0	0	0	0
Cond.	0	0	0	0
Sulphur	0	0	0	0
Other	0	0	0	0

Company WI (US)

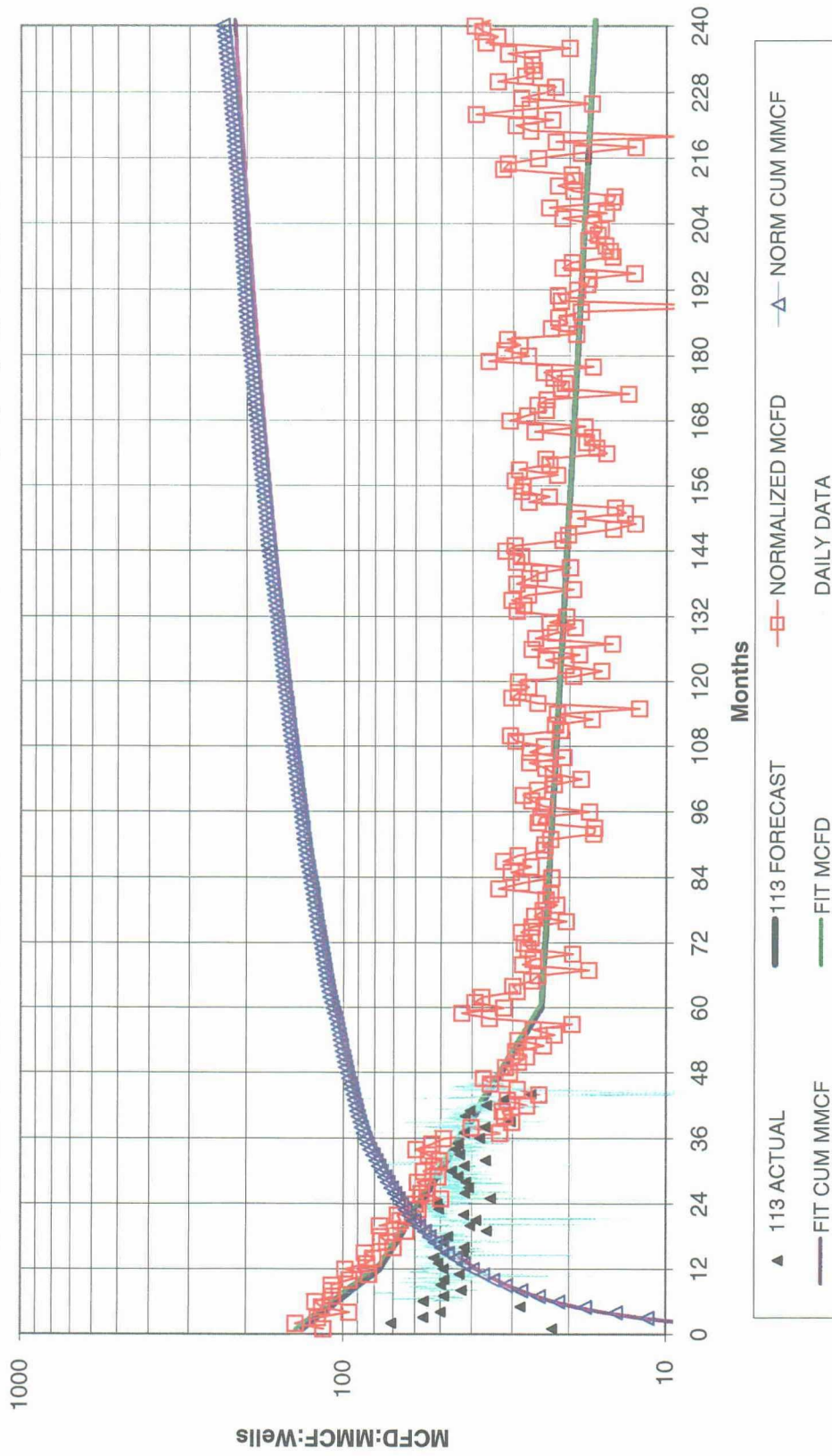
	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

**RESERVES AND ECONOMICS
 PRODUCTION & REVENUE SUMMARY**

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Disc @ 9%	ATAX Cash Flow	ATAX Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
1998(12)	0.00	30.91	0.00	27.04	0.00	3.00	0.8	81.13	7.30	3.74	70.09	500.00	-429.91	-431.71	-342.52	-346.84
1999(12)	0.00	28.56	0.00	23.24	0.00	3.00	1.0	69.71	6.27	5.00	58.44	0.00	58.44	52.81	54.67	49.36
2000(12)	0.00	19.70	0.00	17.24	0.00	3.00	1.0	51.71	4.65	5.00	42.05	0.00	42.05	34.86	41.76	34.58
2001(12)	0.00	14.77	0.00	12.93	0.00	3.00	1.0	38.78	3.49	5.00	30.29	0.00	30.29	23.03	32.50	24.69
2002(12)	0.00	11.08	0.00	9.69	0.00	3.00	1.0	29.08	2.62	5.05	21.42	0.00	21.42	14.95	25.59	17.83
2003(12)	0.00	8.92	0.00	7.80	0.00	3.00	1.0	23.41	2.11	5.15	16.16	0.00	16.16	10.32	18.28	11.67
2004(12)	0.00	8.62	0.00	7.54	0.00	3.00	1.0	22.63	2.04	5.25	15.35	0.00	15.35	8.99	12.97	7.60
2005(12)	0.00	8.41	0.00	7.36	0.00	3.00	1.0	22.07	1.99	5.35	14.73	0.00	14.73	7.92	10.93	5.88
2006(12)	0.00	8.20	0.00	7.17	0.00	3.00	1.0	21.51	1.94	5.46	14.12	0.00	14.12	6.96	8.89	4.39
2007(12)	0.00	7.99	0.00	6.99	0.00	3.00	1.0	20.98	1.89	5.57	13.52	0.00	13.52	6.12	8.52	3.85
2008(12)	0.00	7.79	0.00	6.82	0.00	3.00	1.0	20.45	1.84	5.68	12.93	0.00	12.93	5.37	8.15	3.38
2009(12)	0.00	7.60	0.00	6.65	0.00	3.00	1.0	19.94	1.79	5.80	12.35	0.00	12.35	4.70	7.78	2.96
2010(12)	0.00	7.41	0.00	6.48	0.00	3.00	1.0	19.44	1.75	5.91	11.78	0.00	11.78	4.12	7.42	2.59
2011(12)	0.00	7.22	0.00	6.32	0.00	3.00	1.0	18.96	1.71	6.03	11.22	0.00	11.22	3.60	7.07	2.27
2012(12)	0.00	7.04	0.00	6.16	0.00	3.00	1.0	18.48	1.66	6.15	10.67	0.00	10.67	3.14	6.72	1.98
2013(12)	0.00	6.86	0.00	6.01	0.00	3.00	1.0	18.02	1.62	6.27	10.12	0.00	10.12	2.73	6.38	1.72
2014(12)	0.00	6.69	0.00	5.86	0.00	3.00	1.0	17.57	1.58	6.40	9.59	0.00	9.59	2.37	6.04	1.50
2015(12)	0.00	6.53	0.00	5.71	0.00	3.00	1.0	17.13	1.54	6.53	9.06	0.00	9.06	2.06	5.71	1.30
2016(12)	0.00	6.36	0.00	5.57	0.00	3.00	1.0	16.70	1.50	6.66	8.54	0.00	8.54	1.78	5.38	1.12
2017(12)	0.00	6.20	0.00	5.43	0.00	3.00	1.0	16.29	1.47	6.79	8.03	0.00	8.03	1.54	5.06	0.97
2018(12)	0.00	6.05	0.00	5.29	0.00	3.00	1.0	15.88	1.43	6.93	7.52	0.00	7.52	1.32	4.74	0.83
2019(12)	0.00	5.90	0.00	5.16	0.00	3.00	1.0	15.48	1.39	7.07	7.02	0.00	7.02	1.13	4.42	0.71
2020(12)	0.00	5.75	0.00	5.03	0.00	3.00	1.0	15.09	1.36	7.21	6.53	0.00	6.53	0.96	4.11	0.61
2021(12)	0.00	5.61	0.00	4.91	0.00	3.00	1.0	14.72	1.32	7.35	6.04	0.00	6.04	0.82	3.81	0.52
2022(12)	0.00	2.24	0.00	1.96	0.00	3.00	0.4	5.89	0.53	2.98	2.38	0.00	2.38	0.30	1.50	0.19
Total	0.00	240.40	0.00	210.35	0.00	0.00	0.0	631.05	56.79	144.32	429.94	500.00	-70.06	-229.81	-44.14	-164.34

SJ 28-7 #113 MESAVERDE ACTUAL & FORECAST PRODUCTION VERSUS NORMALIZED PRODUCTION FROM WELLS IN 27-7 SECTIONS 9, 16, 17, 18, 19 AND 20



NORMALIZED AVG: 240 MMCF EUR 217 MMCF IN 20 YRS 312 MMCF IN 40 YRS 15 MCFD E.L. 0.0113 bbl/mcf oil yield	140 MCFD IP 45.0% DECLINE, 1ST 12 MONTHS 25.0% DECLINE, NEXT 48 MONTHS 2.5% FINAL DECLINE	28-7 #113 FORECAST 240 MMCF EUR 312 MMCF IN 40 YRS 15 MCFD E.L. 0.0113 bbl/mcf oil yield
27-7 wells 78, 93, 111, 111M, 113, 113M, 153, 166, 185.	FIRST PROD.: Apr-98 140 MCFD IP 45.0% DECLINE, 1ST 12 MONTHS 25.0% DECLINE, NEXT 48 MONTHS 2.5% FINAL DECLINE	Based on normplot 172707MV.xls

US Summary Report

PAE - East - SJ 28-7 #153 MV (cv)

Nominal

Net Present Values

	Disc Before Tax	Before Tax	After Tax	Notes
Rate	Oper Inc.	Cap Inv.	Cash Flow	Cash Flow
(%)	M\$	M\$	M\$	M\$
0.0	1,439	500	939	592
8.0	676	500	176	94
9.0	636	500	136	67
10.0	601	500	101	43
12.0	543	500	43	4
18.0	431	500	-69	-76
Arr:	1,439	500	939	592

Case Description

SJ 28-7 #153 MV PA Expansion
 20-27N-7W WI: 100% NRI: 87.5%
 MV: 726 MMCF EUR, Prod Start 05-1998

220 MCF/D IP
 45% decl. 1 yr
 15% decl. 4 yrs
 2.5% final decl.; 40 yrs total prod

3.0 \$/MMBTU fixed gas price
 Well cost: \$500,000
 Op cost: \$5,000/yr

Economic Indicators (Generic)

	BTax	ATax
ROR	% 13.9	12.2
Payout Period	Stnd. (mo's) 77.1	78.0
	Proj. (mo's) 77.1	78.0
Undisc PI	M\$/M\$ 2.88	2.18
9.0 Pcnt. PI	M\$/M\$ 1.27	1.13
12.0 Pcnt. PI	M\$/M\$ 1.09	1.01
NPV/Vol@9.0	M\$/MMSCF 0.19	0.09
NPV/Vol@12.0	M\$/MMSCF 0.06	0.00
Economic Limit Date	2037/05	
Last Scheduled Prod Date	2038/05	

Products Recovery (US)

	Gross	WI	Roy	Net
Oil	MSTB 0	0	0	0
Gas-Raw	MMSCF 726	717	90	628
Gas-Sales	MMSCF 717	717	90	628
Ethane	MSTB 0	0	0	0
Propane	MSTB 0	0	0	0
Butane	MSTB 0	0	0	0
Cond.	MSTB 0	0	0	0
Sulphur	MLt 0	0	0	0
Other	MSTB 0	0	0	0

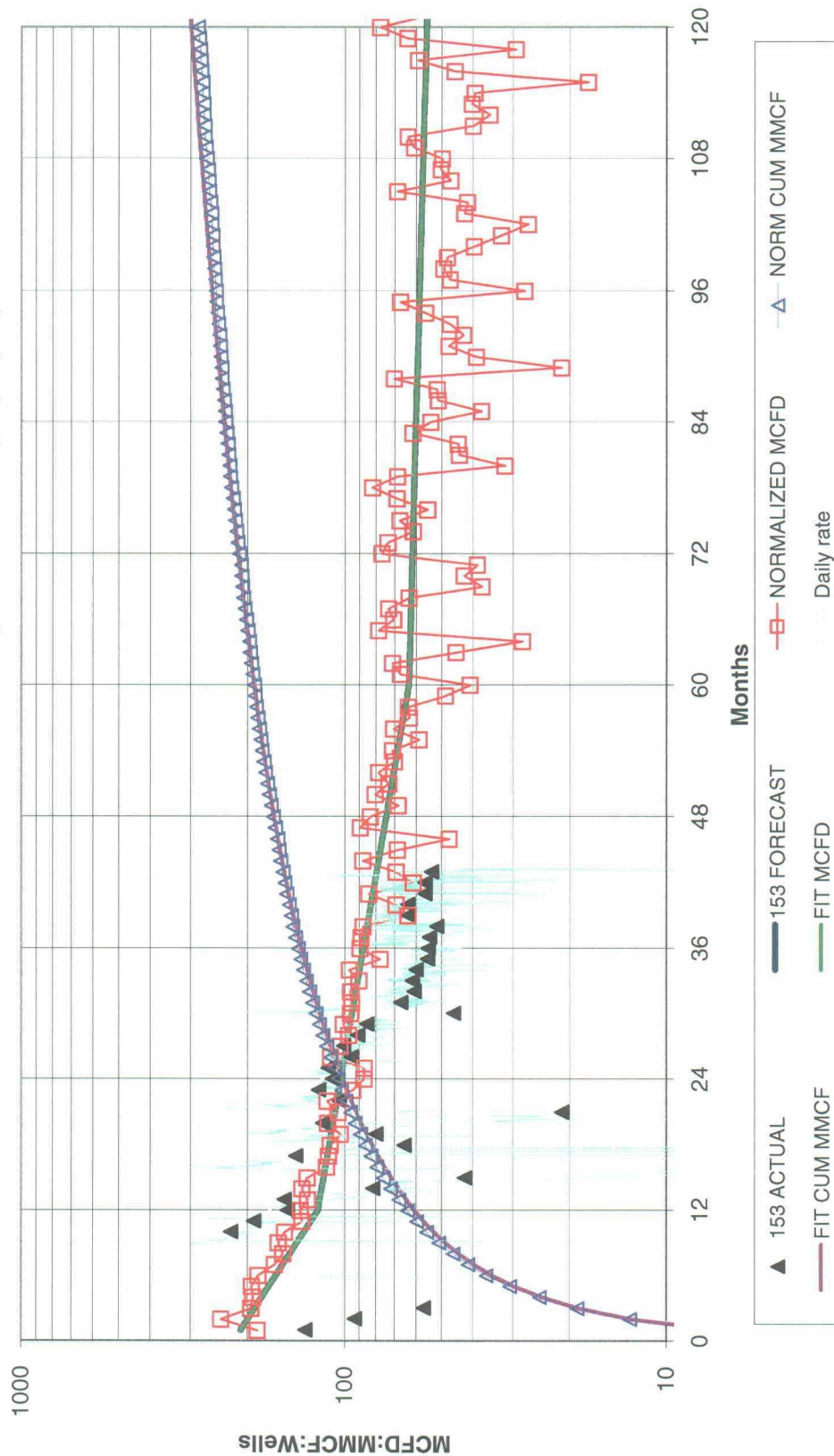
Company WI (US)

	Initial %	Final %
Working	100.0	100.0
Oil NRI	87.5	87.5
Gas NRI	87.5	87.5
Byprod. NRI	87.5	87.5
Capital	100.0	100.0

Cash Flow Summary

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Disc @ 9%	ATAX Cash Flow	ATAX Disc @ 9%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
1998(12)	0.00	44.18	0.00	38.66	0.00	3.00	0.7	115.98	10.44	3.33	102.21	500.00	-397.79	-400.12	-322.28	-326.55
1999(12)	0.00	44.18	0.00	38.66	0.00	3.00	0.9	115.97	10.44	4.58	100.95	0.00	100.95	91.85	81.45	74.07
2000(12)	0.00	36.61	0.00	32.03	0.00	3.00	1.0	96.10	8.65	5.00	82.45	0.00	82.45	68.76	67.21	58.03
2001(12)	0.00	31.12	0.00	27.23	0.00	3.00	1.0	81.68	7.35	5.00	69.33	0.00	69.33	53.05	57.09	43.67
2002(12)	0.00	26.45	0.00	23.14	0.00	3.00	1.0	69.43	6.25	5.05	58.14	0.00	58.14	40.81	48.72	34.19
2003(12)	0.00	23.16	0.00	20.26	0.00	3.00	1.0	60.78	5.47	5.15	50.17	0.00	50.17	32.28	39.70	25.55
2004(12)	0.00	22.40	0.00	19.60	0.00	3.00	1.0	58.80	5.29	5.25	48.26	0.00	48.26	28.48	33.70	19.89
2005(12)	0.00	21.84	0.00	19.11	0.00	3.00	1.0	57.33	5.16	5.35	46.82	0.00	46.82	25.35	31.14	16.86
2006(12)	0.00	21.29	0.00	18.63	0.00	3.00	1.0	55.90	5.03	5.46	45.40	0.00	45.40	22.56	28.60	14.21
2007(12)	0.00	20.76	0.00	18.17	0.00	3.00	1.0	54.50	4.90	5.57	44.02	0.00	44.02	20.06	27.73	12.64
2008(12)	0.00	20.24	0.00	17.71	0.00	3.00	1.0	53.14	4.78	5.68	42.67	0.00	42.67	17.84	26.88	11.24
2009(12)	0.00	19.74	0.00	17.27	0.00	3.00	1.0	51.81	4.66	5.80	41.35	0.00	41.35	15.86	26.05	9.99
2010(12)	0.00	19.24	0.00	16.84	0.00	3.00	1.0	50.51	4.55	5.91	40.05	0.00	40.05	14.10	25.23	8.88
2011(12)	0.00	18.76	0.00	16.42	0.00	3.00	1.0	49.25	4.43	6.03	38.79	0.00	38.79	12.52	24.44	7.89
2012(12)	0.00	18.29	0.00	16.01	0.00	3.00	1.0	48.02	4.32	6.15	37.55	0.00	37.55	11.12	23.65	7.01
2013(12)	0.00	17.84	0.00	15.61	0.00	3.00	1.0	46.82	4.21	6.27	36.33	0.00	36.33	9.87	22.89	6.22
2014(12)	0.00	17.39	0.00	15.22	0.00	3.00	1.0	45.65	4.11	6.40	35.14	0.00	35.14	8.76	22.14	5.52
2015(12)	0.00	16.98	0.00	14.84	0.00	3.00	1.0	44.51	4.01	6.53	33.97	0.00	33.97	7.77	21.40	4.90
2016(12)	0.00	16.53	0.00	14.46	0.00	3.00	1.0	43.39	3.91	6.66	32.83	0.00	32.83	6.89	20.68	4.34
2017(12)	0.00	16.12	0.00	14.10	0.00	3.00	1.0	42.31	3.81	6.79	31.71	0.00	31.71	6.11	19.98	3.85
2018(12)	0.00	15.71	0.00	13.75	0.00	3.00	1.0	41.25	3.71	6.93	30.61	0.00	30.61	5.41	19.29	3.41
2019(12)	0.00	15.32	0.00	13.41	0.00	3.00	1.0	40.22	3.62	7.07	29.53	0.00	29.53	4.79	18.61	3.02
2020(12)	0.00	14.94	0.00	13.07	0.00	3.00	1.0	39.21	3.53	7.21	28.48	0.00	28.48	4.23	17.94	2.67
2021(12)	0.00	14.57	0.00	12.74	0.00	3.00	1.0	38.23	3.44	7.35	27.44	0.00	27.44	3.74	17.29	2.36
2022(12)	0.00	14.20	0.00	12.43	0.00	3.00	1.0	37.28	3.36	7.50	26.43	0.00	26.43	3.31	16.65	2.08
2023(12)	0.00	13.85	0.00	12.12	0.00	3.00	1.0	36.35	3.27	7.65	25.43	0.00	25.43	2.92	16.02	1.84
2024(12)	0.00	13.50	0.00	11.81	0.00	3.00	1.0	35.44	3.19	7.80	24.45	0.00	24.45	2.57	15.40	1.62
2025(12)	0.00	13.16	0.00	11.52	0.00	3.00	1.0	34.55	3.11	7.96	23.49	0.00	23.49	2.27	14.80	1.43
2026(12)	0.00	12.83	0.00	11.23	0.00	3.00	1.0	33.69	3.03	8.12	22.54	0.00	22.54	2.00	14.20	1.26
2027(12)	0.00	12.51	0.00	10.95	0.00	3.00	1.0	32.85	2.96	8.28	21.61	0.00	21.61	1.76	13.62	1.11
2028(12)	0.00	12.20	0.00	10.67	0.00	3.00	1.0	32.02	2.88	8.44	20.70	0.00	20.70	1.54	13.04	0.97
2029(12)	0.00	11.89	0.00	10.41	0.00	3.00	1.0	31.22	2.81	8.61	19.80	0.00	19.80	1.36	12.47	0.85
2030(12)	0.00	11.60	0.00	10.15	0.00	3.00	1.0	30.44	2.74	8.79	18.92	0.00	18.92	1.19	11.92	0.75
2031(12)	0.00	11.31	0.00	9.89	0.00	3.00	1.0	29.68	2.67	8.96	18.05	0.00	18.05	1.04	11.37	0.66
2032(12)	0.00	11.02	0.00	9.65	0.00	3.00	1.0	28.94	2.60	9.14	17.20	0.00	17.20	0.91	10.83	0.57
2033(12)	0.00	10.75	0.00	9.41	0.00	3.00	1.0	28.22	2.54	9.32	16.36	0.00	16.36	0.79	10.30	0.50
2034(12)	0.00	10.48	0.00	9.17	0.00	3.00	1.0	27.51	2.48	9.51	15.53	0.00	15.53	0.69	9.78	0.44
2035(12)	0.00	10.22	0.00	8.94	0.00	3.00	1.0	26.82	2.41	9.70	14.71	0.00	14.71	0.60	9.27	0.38
2036(12)	0.00	9.96	0.00	8.72	0.00	3.00	1.0	26.15	2.35	9.89	13.91	0.00	13.91	0.52	8.76	0.33
2037(12)	0.00	4.08	0.00	3.57	0.00	3.00	0.4	10.70	0.96	4.15	5.59	0.00	5.59	0.20	3.52	0.12
Total	0.00	717.21	0.00	627.56	0.00	0.00	0.0	1,882.67	169.44	274.32	1,438.91	500.00	938.91	135.76	591.51	66.75

SJ 28-7 #153 MESAVERDE ACTUAL & FORECAST PRODUCTION VERSUS NORMALISED PRODUCTION FROM WELLS IN 27-7, SECTIONS 17, 18, 19, 20, 29 AND 30



NORMALIZED AVG: 885 MMCF EUR 479 MMCF IN 20 YRS 726 MMCF IN 40 YRS 15 MCFD E.L. 0.0086 bbl/mcf oil yield	220 MCFD IP 45.0% DECLINE, 1ST 12 MONTHS 15.0% DECLINE, NEXT 48 MONTHS 2.5% FINAL DECLINE	28-7 #153 FORECAST 885 MMCF EUR 726 MMCF IN 40 YRS 15 MCFD E.L. 0.0086 bbl/mcf oil yield	FIRST PROD.: May-98 220 MCFD IP 45.0% DECLINE, 1ST 12 MONTHS 15.0% DECLINE, NEXT 48 MONTHS 2.5% FINAL DECLINE
---	--	---	--

27-7 wells 78, 98, 98M, 99, 100, 100M, 101, 109, 109M, 110, 110M, 111, 111M, 113, 113M, 153, 153E, 185, 237M Based on normplot 192707MV.xls

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245

Fax (505) 827-5766



**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES

Phone (505) 827-5724

Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744

Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772

Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

December 5, 2001

Conoco Inc.
600 N. Dairy Ashford
Dubai 3092
Houston, Texas 77079

Attn: Mr. Thomas J. Scarbrough

Re: 2001 Plan of Development
Third Amendment
San Juan 28-7 Unit
Rio Arriba County, New Mexico

Dear Mr. Scarbrough:

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

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

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

Very truly yours,

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

A handwritten signature in cursive script, appearing to read "Jami Bailey", is written over the printed name and title of the Director.

BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
xc: Reader File

OCD

BLM



#445

Thomas J. Scarbrough
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079
(281) 293-5057

November 7, 2001

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

**RE: San Juan 28-7 Unit; N. 14-08-001-459
Rio Arriba County, New Mexico
Third Amendment - 2001 Plan of Development**

Gentlemen:

By letters dated February 3, 2001, July 11, 2001 and September 10, 2001 Conoco Inc., as Unit Operator for the referenced Unit, filed the original, first and second amendments to the Plan of Development (POD) for the calendar year 2001. Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, Conoco now desires to amend the 2001 Plan of Development as follows:

Amend by addition, the following new drills:

#291	(SE/4) Sec. 16-28N-7W	Pictured Cliffs single
#296	(SE/4) Sec. 18-27N-7W	Pictured Cliffs single

Your approval of this amendment would be appreciated by executing a copy of this letter.

Should you have any questions regarding this proposal, please contact Thomas J. Scarbrough at 281-293-5568.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Sincerely,

A handwritten signature in cursive script that reads "Thomas J. Scarbrough".

Thomas J. Scarbrough

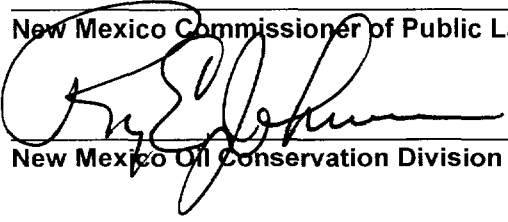
San Juan 28-7 Unit
2001 Plan of Development
Third Amendment

Bureau of Land Management

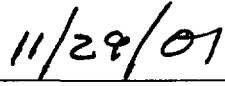
Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division



Date

The foregoing approvals are for the Third Amendment to the 2001 Plan of Development for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

Encl.

Lease#7115069 Dakota Working Interest Partners

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75080-2038
Attn: Land Dept.

Helen Louise Simmons
2429 Wabash Avenue
Fort Worth, TX 76109-1018

June S. Lively
3529 Bellaire Drive, N.
Forth Worth, TX 76109-2110

Burlington Resources Oil & Gas
P. O. Box 4289
Farmington, TX 87499-4289
Attn: Land Dept.

Mary Jean Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Carolee S. Smith
6704 Ashbrook Drive
Fort Worth, TX 76132-1140

Dugan Production
P. O. Box 420
Farmington, NM 87499-0420
Attn: Land Dept.

D. J. Simmons Co. Ltd Partnership
P. O. Box 1469
Farmington, NM 87499

Wiser Oil Company
P. O. Box 972000
Dallas, TX 75397-2000
Attn: Land Dept.

Kathleen M McLane Trust
P. O. Box 214430
Dallas, TX 75221-4430

Michael S. McLane Trust
P. O. Box 214430
Dallas, TX 75221-4430

Cindy M. Hamilton
2222 Flat Creek Drive
Richardson, TX 75080-2332

Dawn J. Turnbull Trust
6553 Lafayette Way
Dallas, TX 75230-1979

Derrick J. Turnbull
c/o Sylvia Turnbull, A-I-F
6553 Lafayette Way
Dallas, TX 75230-1979

Denise Turnbull J. Williams
6553 Lafayette Way
Dallas, TX 75230-1979

J. Glenn Turner
3838 Oak Lawn Avenue
Suite 1600
Dallas, TX 75219-14517

John L. Turner
317 S. Sidney Baker
Suite 400, PMB 285
Kerrville, TX 78028

Four Star Oil & Gas
Attn: Land Dept.
P. O. Box 2100
Denver, CO 80201-2100

Elizabeth T. Calloway
P. O. Box 191767
Dallas, TX 75219-8506

Mary Frances Turner, Jr.
Attn: Chase Bank of Texas
P. O. Box 660197
Dallas, TX 75266-0197

Mesa Royalty Trust
Attn: Joint Interest
P. O. Box 1267
Ponca City, OK 74602-1267

Shirley K. Bernstein Trust
Attn: Joint Interest
P. O. Box 1267
Ponca City, OK 74602-1267

Atwell & Company
c/o Chase Manhattan Bank NA
P. O. Box 456
New York, NY 10005

Kathyleen Lipkins
Attn: Joint Interest
P. O. Box 1267
Ponca City, OK 74602-1267



Jennifer A. Barber
Staff Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079
(281) 293-5057

OL CONSERVATION DIV

SEP 14 AM 9:55

September 10, 2001

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

**RE: San Juan 28-7 Unit; N. 14-08-001-459
Rio Arriba County, New Mexico
Second Amendment - 2001 Plan of Development**

Gentlemen:

By letters dated February 3, 2001, and July 11, 2001 Conoco Inc., as Unit Operator for the referenced Unit, filed the original and first amendment to the Plan of Development (POD) for the calendar year 2001. Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, Conoco now desires to amend the 2001 Plan of Development as follows:

Amend by addition, the following new drills:

#181G	(W/2) Sec. 3-27N-7W	Mesaverde/Dakota commingle
#244M	(W/2) Sec. 7-27N-7W	Mesaverde/Dakota commingle
#253M	(E/2) Sec. 7-27N-7W	Dakota Single
#297	(W/2) Sec. 17-27N-7W	Fruitland Coal/Pictured Cliffs commingle

Amend by addition the following well to 2001 Recompletions:

#21	(W/2) Sec. 9-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs, trimingle with Mesaverde
-----	---------------------	--

Your approval of this amendment would be appreciated by executing a copy of this letter.

Should you have any questions regarding this proposal, please contact Jennifer A. Barber at 281-293-5057.

San Juan 28-7 Unit
2001 Plan of Development
Second Amendment

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Sincerely,



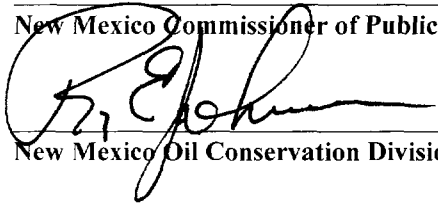
Jennifer A. Barber

Bureau of Land Management

Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division

Date

9/14/01

The foregoing approvals are for the Second Amendment to the 2001 Plan of Development for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

**San Juan 28-7 Partners
Working Interest Owners
Dakota Formation**

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

Four Star Oil and Gas Co.
Attn: Gary E. Cox
P.O. Box 2100
Denver, CO 80201

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75080-2038

The Wiser Oil Company
8115 Preston Road, #400
Dallas, TX 75225-6311

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Mary F. Turner Trust _ 6743
Texas Commerce Trust Co., NA
P.O. Box 200890
Houston, TX 77216-0890

Kathleen McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Michael S. McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Dawn J. Turnbull
6553 Lafayette Way
Dallas, TX 75230-1979

Elizabeth J. Turner-Calloway
4801 Saint Johns Drive
Dallas, TX 75205-3143

J. Glenn Turner, Jr.
3838 Oak Lawn
Suite 1600
Dallas, TX 75219-5441

John L. Turner
Turner Investments
PMB 285
317 Sidney Baker South #400
Kerrville, TX 78028

Cindy M. Hamilton
2222 Flat Creek
Richardson, TX 75080-2332

Denise Turnbull Williams
6553 Lafayette Way
Dallas, TX 75230-1979

Derrick Turnbull
6553 Lafayette Way
Dallas, TX 75230-1979

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash Ave.
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
6704 Ashbrook Dr.
Fort Worth, TX 76132-1140

Conoco Inc.
Attn: Jennifer Barber
600 Dairy Ashford
Houston, TX 77079



Jennifer A. Barber
Project Landman
Lobo/San Juan Business Unit
Exploration Production, North America

OL CONSERVATION DIV
Conoco Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079
JUL 20 4 12:45
(281) 293-5057

July 11, 2001

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

**RE: San Juan 28-7 Unit; N. 14-08-001-459
Rio Arriba County, New Mexico
First Amendment - 2001 Plan of Development**

Gentlemen:

By letter dated February 3, 2001, Conoco Inc., as Unit Operator for the referenced Unit, filed the original Plan of Development (POD) for the calendar year 2001. Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, Conoco now desires to amend the 2001 Plan of Development as follows:

Amend by addition, the following new drills:

#293 (W/2) Sec. 33-28N-7W Pictured Cliffs/Fruitland Coal commingle

Amend by addition the following well to 2001 Recompletions:

#199E (W/2) Sec. 18-28N-7W Recomplete to Fruitland Coal/Pictured Cliffs/Chacra and trimingle

Your approval of this amendment would be appreciated by executing a copy of this letter.

Should you have any questions regarding this proposal, please contact Jennifer A. Barber at 281-293-5057.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Sincerely,

for Jennifer A. Barber

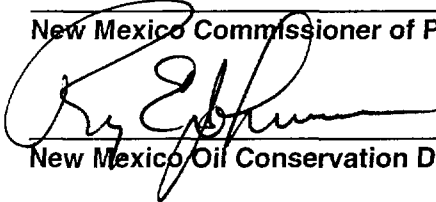
San Juan 28-7 Unit
2001 Plan of Development
First Amendment

Bureau of Land Management

Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division

Date

8/13/01

The foregoing approvals are for the First Amendment to the 2001 Plan of Development for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.



Jennifer A. Barber
Senior Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079
(281) 293-5057

June 27, 2000

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

01 CONSERVATION DIV
00 JUL - 3 AM 11:25

RE: San Juan 28-7 Unit; N. 14-08-001-459
Rio Arriba County, New Mexico
Second Amendment - 2000 Plan of Development

Gentlemen:

By letters dated January 3, 2000, and April 3, 2000, Conoco Inc., as Unit Operator for the referenced Unit, filed the original and First Amendments of the Plan of Development (POD) for the calendar year 2000. Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, Conoco now desires to file a second amendment to the 2000 Plan of Development and include the following new drills and recompletions:

New Drills

132M	(NW/4) Sec. 15-28N-7W	Mesaverde/Dakota commingle	
155E	(NW/4) Sec. 22-27N-7W	Dakota single	
159E	(SE/4) Sec. 22-28N-7W	Mesaverde/Dakota commingle	
181E	(SW/4) Sec. 3-27N-7W	Mesaverde/Dakota commingle	
181F	(NW/4) Sec. 3-27N-7W	Mesaverde/Dakota commingle	
199M	(NW/4) Sec. 19-28N-7W	Mesaverde/Dakota commingle	
229M	(NE/4) Sec. 32-28N-7W	Mesaverde/Dakota commingle	(previously 229E)
236M	(SE/4) Sec. 6-27N-7W	Mesaverde/Dakota commingle	
238F	(SW/4) Sec. 29-28N-7W	Mesaverde/Dakota commingle	
243M	(NW/4) Sec. 31-28N-7W	Mesaverde/Dakota commingle	
249F	(NE/4) Sec. 30-28N-7W	Mesaverde/Dakota commingle	
250M	(NW/4) Sec. 30-28N-7W	Mesaverde/Dakota commingle	
260M	(SE/4) Sec. 5-27N-7W	Mesaverde/Dakota commingle	
261M	(NW/4) Sec. 5-27N-7W	Mesaverde/Dakota commingle	
281	(NW/4) Sec. 12-27N-7W	Pictured Cliffs single	
282	(NW/4) Sec. 28-27N-7W	Pictured Cliffs single	
283	(SE/4) Sec. 28-27N-7W	Pictured Cliffs single	

Recompletions

12	(SW/4) Sec. 17-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and trimingle
20	(SW/4) Sec. 8-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and trimingle
22	(NE/4) Sec. 17-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and trimingle
22A	(SE/4) Sec. 17-28N-7W	Recomplete to Pictured Cliffs and commingle
28	(NE/4) Sec. 26-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and trimingle
29	(W/2) Sec. 7-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and trimingle
30	(SW/4) Sec. 18-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and trimingle
32	(SW/4) Sec. 18-28N-7W	Recomplete to Fruitland Coal and commingle
35A	(NW/4) Sec. 1-27N-7W	Recomplete to Pictured Cliffs and commingle
42NP	(NW/4) Sec. 17-27N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and trimingle
59	(NE/4) Sec. 29-28N-7W	Recomplete to Pictured Cliffs and commingle
62	(NW/4) Sec. 17-27N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and trimingle
147	(NE/4) Sec. 9-27N-7W	Recomplete to Mesaverde and commingle
156	(NE/4) Sec. 10-27N-7W	Recomplete to Mesaverde and commingle
165	(NE/4) Sec. 16-27N-7W	Recomplete to Mesaverde and commingle
215M	(NW/4) Sec. 17-27N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and commingle

Your approval of this amendment would be appreciated by executing a copy of this letter.

Should you have any questions regarding this proposal, please contact Jennifer A. Barber at 281-293-5057.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Sincerely,



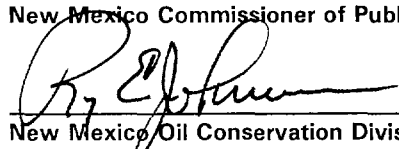
Jennifer A. Barber

Bureau of Land Management

Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division

7/5/00

Date

The foregoing approvals are for the Second Amendment to the 2000 Plan of Development for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

**San Juan 28-7 Partners
Working Interest Owners
Dakota Formation**

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

Four Star Oil and Gas Co.
Attn: Gary E. Cox
P.O. Box 2100
Denver, CO 80201

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75080-2038

The Wiser Oil Company
8115 Preston Road, #400
Dallas, TX 75225-6311

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Mary F. Turner Trust _ 6743
Texas Commerce Trust Co., NA
P.O. Box 200890
Houston, TX 77216-0890

Kathleen McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Michael S. McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Thelma Ford Simmons Estate
D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Dawn J. Turnbull
6553 Lafayette Way
Dallas, TX 75230-1979

Elizabeth J. Turner-Calloway
4801 Saint Johns Drive
Dallas, TX 75205-3143

J. Glenn Turner, Jr.
3131 Turtle Creek Blvd.
Suite 1201
Dallas, TX 75219-5441

John Lee Turner
HC 73 Box 122
Park Hill, OK 74451-9708

Cindy M. Hamilton
2222 Flat Creek
Richardson, TX 75080-2332

Denise Turnbull Williams
6553 Lafayette Way
Dallas, TX 75230-1979

Derrick Turnbull
6553 Lafayette Way
Dallas, TX 75230-1979

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash Ave.
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
5717 Jacqueline Road
Fort Worth, TX 76112-3952

Conoco Inc.
Attn: Jennifer Barber
600 Dairy Ashford
Houston, TX 77079



Case # 445
File

Jennifer A. Barber
Project Landman
Lobo/San Juan Business Unit
Exploration Production, North America

Conoco Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079
Tel: (281) 293-5057

April 3, 2000

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

✓ Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

**RE: San Juan 28-7 Unit; N. 14-08-001-459
Rio Arriba County, New Mexico
First Amendment - 2000 Plan of Development**

Gentlemen:

By letter dated January 3, 2000, Conoco Inc., as Unit Operator for the referenced Unit, filed the original Plan of Development (POD) for the calendar year 2000. Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, Conoco now desires to amend the 2000 Plan of Development to include the following recompletions:

#58A (NW/4) Sec. 29-28N-7W	Recomplete to Pictured Cliffs and commingle
#84 (NE/4) Sec. 5-27N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and commingle
#228 (SW/4) Sec. 8-27N-7W	Recomplete to Pictured Cliffs and commingle

Your approval of this amendment would be appreciated by executing a copy of this letter.

Should you have any questions regarding this proposal, please contact Jennifer A. Barber at 281-293-5057.

San Juan 28-7 Unit
2000 Plan of Development
First Amendment

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Sincerely,



Jennifer A. Barber

Enc.

Bureau of Land Management

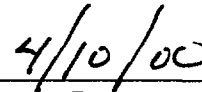
Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division



Date

The foregoing approvals are for the First Amendment to the 2000 Plan of Development for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

Four Star Oil and Gas Co.
Attn: Gary E. Cox
P.O. Box 2100
Denver, CO 80201

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75080-2038

The Wiser Oil Company
8115 Preston Road, #400
Dallas, TX 75225-6311

Dugan Production Corp.
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Farmington, NM 87499

Mary F. Turner Trust _ 6743
Texas Commerce Trust Co., NA
P.O. Box 951412
Dallas, TX 75395-1412

Kathleen McLane Trust
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Dallas, TX 75221-4430

Michael S. McLane Trust
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Thelma Ford Simmons Estate
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J. Glenn Turner, Jr.
3131 Turtle Creek Blvd.
Suite 1201
Dallas, TX 75219-5441

John Lee Turner
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Park Hill, OK 74451-9708

Cindy M. Hamilton
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Denise Turnbull Williams
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June Simmons Lively
3529 Bellaire Drive North
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Carolee Simmons Smith
5717 Jacqueline Road
Fort Worth, TX 76112-3952

Conoco Inc.
Attn: Jennifer Barber
600 Dairy Ashford
Houston, TX 770



Jennifer A. Barber
Project Landman
Lobo/San Juan Business Unit
Exploration Production, North America

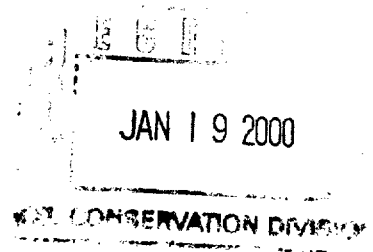
Conoco Inc.
600 N. Dairy Ashford, Dubai 3092
Houston, Texas 77079
(281) 293-5057

January 12, 2000

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505



RE: San Juan 28-7 Unit; N. 14-08-001-459
Rio Arriba County, New Mexico
2000 Plan Of Development

Gentlemen:

By letter dated February 16, 1999, Conoco Inc., as Unit Operator for the referenced Unit, filed the Plan of Development (POD) for the calendar year 1999. The following is a recap of Conoco's drilling and recompletion activity within this unit during 1999:

Completed 1999 New Drills

#225E	(SE/4) Sec. 34-28N-7W	Drill & Equip Mesaverde/Dakota and commingle
#219M	(SW/4) Sec. 20-28N-7W	Drill & Equip Mesaverde/Dakota and commingle

Note - #225E and #219M are currently testing the Dakota formation. The Mesaverde zone will be completed and downhole commingled with the Dakota upon completion of the current production tests. Both wells are part of the six well Dakota infill drilling pilot program.

The following new drills which appeared on the 1999 POD will be carried over to 2000:

(Note: Conoco suspended drilling in early 1999 but resumed drilling with its six well Dakota pilot drilling program in late October, 1999. A 1-2 rig program is expected throughout 2000.)

#99M	(SE/4) Sec. 29-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#101M	(NW/4) Sec. 30-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#126M	(NW/4) Sec. 1-27N-7W	Mesaverde/Dakota commingle
#135E	(NW/4) Sec. 27-28N-7W	Mesaverde/Dakota commingle (drilling on 1/1/2000)
#154E	(SE/4) Sec. 17-27N-7W	Dakota
#186M	(NW/4) Sec. 13-28N-7W	Mesaverde/Dakota commingle
#190M	(SE/4) Sec. 27-28N-7W	Mesaverde/Dakota commingle

San Juan 28-7 Unit
2000 Plan of Development

#30	(SW/4) Sec. 18-28N-7W	Recomplete to Pictured Cliffs and commingle
#34	(NE/4) Sec. 1-27N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and commingle
#47	(NE/4) Sec. 20-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and commingle
#48	(SW/4) Sec. 21-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and commingle
#49	(NE/4) Sec. 21-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and commingle
#53	(SW/4) Sec. 28-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and commingle
#55	(SW/4) Sec. 12-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and commingle
#58	(SW/4) Sec. 29-28N-7W	Recomplete to Pictured Cliffs and commingle
#77	(SW/4) Sec. 32-28N-7W	Recomplete to Mesaverde (payadd) and commingle
#85	(NE/4) Sec. 6-27N-7W	Recomplete to Mesaverde (payadd) and commingle
#102	(SW/4) Sec. 2-27N-7W	Recomplete to Mesaverde (payadd) and commingle
#124	(SW/4) Sec. 11-27N-7W	Recomplete to Mesaverde and commingle
#128	(NE/4) Sec. 12-27N-7W	Recomplete to Mesaverde and commingle
#129	(NE/4) Sec. 2-27N-7W	Recomplete to Mesaverde and commingle
#147	(NE/4) Sec. 9-27N-7W	Recomplete to Mesaverde and commingle
#155	(SW/4) Sec. 22-27N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and commingle
#180	(SE/4) Sec. 19-27N-7W	Recomplete to Fruitland Coal and commingle
#184	(SW/4) Sec. 9-27N-7W	Recomplete to Mesaverde and commingle
#210	(NW/4) Sec. 21-27N-7W	Recomplete to Pictured Cliffs and commingle
#215	(SW/4) Sec. 4-27N-7W	Recomplete to Mesaverde and commingle
#217	(NE/4) Sec. 28-27N-7W	Recomplete to Chacra and commingle
#231E	(SW/4) Sec. 16-28N-7W	Recomplete to Mesaverde and commingle
#232	(NE/4) Sec. 20-28N-7W	Recomplete to Mesaverde and commingle
#241	(SW/4) Sec. 9-28N-7W	Recomplete to Mesaverde and commingle
#249	(NE/4) Sec. 30-28N-7W	Recomplete to Chacra and commingle
#252E	(SW/4) Sec. 32-28N-7W	Recomplete to Mesaverde and commingle
#260	(NE/4) Sec. 5-27N-7W	Recomplete to Mesaverde and commingle

The Unit currently consists of the following Participating Areas:

Formation	Expansion	Effective Date
Fruitland	4th	2-2-95
Pictured Cliffs	32nd	6-1-81
Chacra	9th	3-1-84
Mesaverde	40th	8-1-97
Dakota	27th	7-1-75

The working interest owners are being contacted regarding the Plan of Development. Conoco Inc. and the working interest owners believe that all current obligations have been satisfied.

Conoco Inc., as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

In accordance with Section 10 of the Unit Agreement, please advise of your approval by executing in the space provided below and return one copy to the undersigned.

Should you have any questions regarding this proposal, please contact Jennifer A. Barber at 281-293-5057.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Sincerely,



Jennifer A. Barber

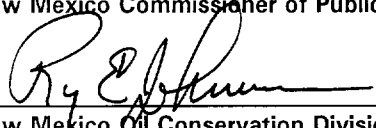
San Juan 28-7 Unit
2000 Plan of Development

Bureau of Land Management

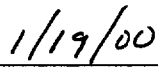
Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division



Date

The foregoing approvals are for the 2000 Plan of Development for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners
Dakota Formation

Burlington Resources Oil & Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

Four Star Oil and Gas Co.
Attn: Gary E. Cox
P.O. Box 2100
Denver, CO 80201

W. G. Peavy Oil Company
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Park Hill, OK 74451-9708

Cindy M. Hamilton
2222 Flat Creek
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Denise Turnbull Williams
6553 Lafayette Way
Dallas, TX 75230-1979

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6553 Lafayette Way
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Mary Jeanne Simmons Banks
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June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
5717 Jacqueline Road
Fort Worth, TX 76112-3952

Conoco Inc.
Attn: William Franklin
600 Dairy Ashford
Houston, TX 77079

San Juan 28-7 Unit
2000 Plan of Development

#192M	(SW/4) Sec. 33-28N-7W	Mesaverde/Dakota commingle
#218E	(SE/4) Sec. 12-28N-7W	Dakota Dualed with Pictured Cliffs/Fruitland commingle
#226E	(NW/4) Sec. 36-28N-7W	Mesaverde/Dakota commingle
#229E	(NE/4) Sec. 32-28N-7W	Dakota Dualed w/Pictured Cliffs/Fruitland/Mesaverde commingle
#230M	(SE/4) Sec. 29-28N-7W	Mesaverde/Dakota commingle
#234M	(SE/4) Sec. 15-28N-7W	Mesaverde/Dakota commingle
#238M	(NW/4) Sec. 29-28N-7W	Mesaverde/Dakota commingle
#270	(SW/4) Sec. 8-28N-7W	Pictured Cliffs/Fruitland Coal commingle (was SW/4 16-28N-7W)
#271	(NW/4) Sec. 2-27N-7W	Pictured Cliffs/Fruitland Coal commingle (was NE/4 20-28N-7W)
#272	(NW/4) Sec. 35-28N-7W	Pictured Cliffs/Fruitland Coal commingle (was NE/4 21-28N-7W)
#273	(SE/4) Sec. 4-27N-7W	Pictured Cliffs/Fruitland Coal commingle (was SW/4 21-28N-7W)
#274	(SW/4) Sec. 28-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#275	(NE/4) Sec. 29-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#276	(NW/4) Sec. 33-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#277	(SE/4) Sec. 33-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#278	(SE/4) Sec. 35-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#279	(NW/4) Sec. 3-27N-7W	Pictured Cliffs/Fruitland Coal commingle (was NE/4 1-27N-7W)
#280	(SW/4) Sec. 16-28N-7W	Mesaverde/Dakota commingle

Completed 1999 Recompletions

#7	(NE/4) Sec.35-28N-7W	Recomplete to Fruitland Coal and commingle
#10	(SW/4) Sec. 36-28N-7W	Recomplete to Picture Cliffs
#35	(SW/4) Sec. 1-27N-7W	Recomplete to Fruitland Coal/Picture Cliffs and commingle
#68NP	(NE/4) Sec. 31-28N-7W	Recomplete to Fruitland Coal/Picture Cliffs and commingle
#130	(SW/4) Sec. 2-27N-7W	Recomplete to Mesaverde and commingle
#134	(SW/4) Sec. 21-28N-7W	Recomplete to Mesaverde and commingle
#146	(NE/4) Sec. 19-28N-7W	Recomplete to Fruitland Coal and commingle
#157	(NE/4) Sec. 11-27N-7W	Recomplete to Mesaverde and commingle
#158E	(SE/4) Sec. 23-28N-7W	Recomplete to Mesaverde and commingle
#181	(SW/4) Sec. 3-27N-7W	Recomplete to Mesaverde and commingle
#183	(NE/4) Sec. 1-27N-7W	Recomplete to Mesaverde and commingle
#185	(SW/4) Sec. 17-27N-7W	Recomplete to Mesaverde and commingle
#243	(SW/4) Sec. 31-28N-7W	Recomplete to Mesaverde and commingle
#246	(SE/4) Sec. 7-28N-7W	Recomplete to Mesaverde and commingle
#250	(SW/4) Sec. 30-28N-7W	Recomplete to Mesaverde and commingle
#251	(NE/4) Sec. 31-28N-7W	Recomplete to Mesaverde and commingle

The following 1999 POD recompletion was not done and is removed from the POD:

#104	(SW/4) Sec. 3-27N-7W	Recomplete to Fruitland Coal and commingle
------	----------------------	--

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, Conoco Inc., as Unit Operator, hereby submits the following program for the 2000 Plan of Development:

2000 New Drills

#235M	(SE/4) Sec. 10-28N-7W	Mesaverde/Dakota commingle
#247M	(SE/4) Sec. 11-28N-7W	Mesaverde/Dakota commingle

2000 Recompletions:

#6	(SW/4) Sec. 16-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and commingle
#19	(NE/4) Sec. 25-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and commingle



#445

Steven C. Klein
Senior Landman
Midland Division
Exploration Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500
(915) 686-5475

February 16, 1999

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: San Juan 28-7 Unit; N. 14-08-001-459
Rio Arriba County, New Mexico
1999 Plan Of Development

Gentlemen:

By letter dated February 13, 1998, Conoco Inc., as Unit Operator for the referenced Unit, filed the Plan of Development (POD) for the calendar year 1998. The following is a recap of Conoco's drilling and recompletion activity within this unit During 1998:

The 1998 POD carried forward well #252 from 1997, this well was a recompletion into the Mesaverde and commingle, this project was done during 1998.

Completed 1998 New Drills

#98M	(was SE/4, moved to NW/4)	
	Sec. 29-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#100M	(SE/4) Sec. 30-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#109M	(NW/4) Sec. 18-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#110M	(NW/4) Sec. 19-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#111M	(NW/4) Sec. 20-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#113E	(SE/4) Sec. 18-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#145M	(NW/4) Sec. 10-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#153E	(SE/4) Sec. 20-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#156M	(SE/4) Sec. 10-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#199E	(SW/4) Sec. 18-28N-7W	Drill & Equip Mesaverde/Dakota and commingle
#214M	(SE/4) Sec. 4-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#215M	(NW/4) Sec. 4-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#237M	(SE/4) Sec. 19-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#249M	(SE/4) Sec. 30-28N-7W	Drill & Equip Mesaverde/Dakota and commingle

The following new drills which appeared on the 1998 POD will be carried over to 1999:

#99M	(was NW/4, moved to SE/4) Sec. 29-27N-7W	Drill & Equip Mesaverde/Dakota and commingle
#101M	(NW/4) Sec. 30-27N-7W	Drill & Equip Mesaverde/Dakota and commingle

The following 1998 POD wells were not drilled and are removed from the POD:

#218E	(SE/4) Sec. 12-28N-7W	Drill & Equip Dakota
#229E	(NE/4) Sec. 32-28N-7W	Drill & Equip Dakota
#235E	(SE/4) Sec. 10-28N-7W	Drill & Equip Dakota
#238E	(NW/4) Sec. 29-28N-7W	Drill & Equip Dakota
#247E	(SE/4) Sec. 11-28N-7W	Drill & Equip Dakota
#250E	(NW/4) Sec. 30-28N-7W	Drill & Equip Dakota

Completed 1998 Recompletions

#7	(NE/4) Sec. 35-28N-7W	Recomplete to Pictured Cliffs
#113	(NE/4) Sec. 18-27N-7W	Recomplete to Mesaverde and commingle
#153	(NE/4) Sec. 20-27N-7W	Recomplete to Mesaverde and commingle
#161	(NE/4) Sec. 16-28N-7W	Recomplete to Fruitland Coal and commingle
#165E	(SE/4) Sec. 16-27N-7W	Recomplete to Mesaverde and commingle
#166	(SW/4) Sec. 16-27N-7W	Recomplete to Mesaverde and commingle
#168	(NE/4) Sec. 6-27N-7W	Recomplete to Fruitland Coal and commingle
#216	(NE/4) Sec. 8-27N-7W	Recomplete to Mesaverde and commingle
#238R	(SW/4) Sec. 28-28N-7W	Recomplete to Fruitland Coal
#245	(NE/4) Sec. 18-28N-7W	Recomplete to Fruitland Coal and commingle
#252	(NW/4) Sec. 32-28N-7W	Recomplete to Mesaverde and commingle
#261	(SW/4) Sec. 5-27N-7W	Recomplete to Mesaverde and commingle

The following recompletions which appeared on the 1998 POD will be carried over to 1999:

#10	(SW/4) Sec. 36-28N-7W	Recomplete to Pictured Cliffs
#146	(NE/4) Sec. 19-28N-7W	Recomplete to Fruitland Coal and commingle
#185	(SW/4) Sec. 17-27N-7W	Recomplete to Mesaverde and commingle
#243	(SW/4) Sec. 31-28N-7W	Recomplete to Mesaverde and commingle
#250	(SW/4) Sec. 30-28N-7W	Recomplete to Mesaverde and commingle

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, Conoco Inc., as Unit Operator, hereby submits the following program for the 1999 Plan of Development:

1999 Recompletions:

#7	(NE/4) Sec. 35-28N-7W	Recomplete to Fruitland Coal and commingle
#35	(SW/4) Sec. 1-27N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and commingle
#68NP	(NE/4) Sec. 31-28N-7W	Recomplete to Fruitland Coal/Pictured Cliffs and commingle
#104	(SW/4) Sec. 3-27N-7W	Recomplete to Fruitland Coal and commingle
#130	(SW/4) Sec. 2-27N-7W	Recomplete to Mesaverde and commingle
#134	(SW/4) Sec. 21-28N-7W	Recomplete to Mesaverde and commingle
#157	(NE/4) Sec. 11-27N-7W	Recomplete to Mesaverde and commingle
#158E	(SE/4) Sec. 23-28N-7W	Recomplete to Mesaverde and commingle
#181	(SW/4) Sec. 3-27N-7W	Recomplete to Mesaverde and commingle (#181 is a replacement well for well No. 104)
#183	(NE/4) Sec. 1-27N-7W	Recomplete to Mesaverde and commingle
#246	(SE/4) Sec. 7-28N-7W	Recomplete to Mesaverde and commingle
#251	(NE/4) Sec. 31-28N-7W	Recomplete to Mesaverde and commingle

1999 New Drills

#154E	(SE/4) Sec. 17-27N-7W	Dakota
#218E	(SE/4) Sec. 12-28N-7W	Dakota Dualled with Pictured Cliffs/Fruitland commingle
#229E	(NE/4) Sec. 32-28N-7W	Dakota Dualled with Pictured Cliffs/Fruitland commingle
#270	(SW/4) Sec. 16-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#271	(NE/4) Sec. 20-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#272	(NE/4) Sec. 21-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#273	(SW/4) Sec. 21-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#274	(SW/4) Sec. 28-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#275	(NE/4) Sec. 29-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#276	(NW/4) Sec. 33-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#277	(SE/4) Sec. 33-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#278	(SE/4) Sec. 35-28N-7W	Pictured Cliffs/Fruitland Coal commingle
#279	(NE/4) Sec. 1-27N-7W	Pictured Cliffs/Fruitland Coal commingle
#234M	(SE/4) Sec. 15-28N-7W	Mesaverde/Dakota commingle
#280	(SW/4) Sec. 16-28N-7W	Mesaverde/Dakota commingle
#219M	(SW/4) Sec. 20-28N-7W	Mesaverde/Dakota commingle
#135E	(NW/4) Sec. 27-28N-7W	Mesaverde/Dakota commingle
#225E	(SE/4) Sec. 34-28N-7W	Mesaverde/Dakota commingle
#226E	(NW/4) Sec. 36-28N-7W	Mesaverde/Dakota commingle
#190M	(SE/4) Sec. 27-28N-7W	Mesaverde/Dakota commingle
#230M	(SE/4) Sec. 29-28N-7W	Mesaverde/Dakota commingle
#238M	(NW/4) Sec. 29-28N-7W	Mesaverde/Dakota commingle
#192M	(SW/4) Sec. 33-28N-7W	Mesaverde/Dakota commingle
#186M	(NW/4) Sec. 13-28N-7W	Mesaverde/Dakota commingle
#126M	(NW/4) Sec. 1-27N-7W	Mesaverde/Dakota commingle

The Unit currently consists of the following Participating Areas:

Formation	Expansion	Effective Date
Fruitland	4th	2-2-95
Pictured Cliffs	32nd	6-1-81
Chacra	9th	3-1-84
Mesaverde	40th	8-1-97
Dakota	27th	7-1-75

The working interest owners are being contacted regarding the Plan of Development. Conoco Inc. and the working interest owners believe that all current obligations have been satisfied.

Conoco Inc., as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

In accordance with Section 10 of the Unit Agreement, please advise of your approval by executing in the space provided below and return one copy to the undersigned.

San Juan 28-7 Unit
1999 Plan of Development
February 16, 1999

Should you have any questions regarding this proposal, please contact Steven C. Klein at (915) 686-5475.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Sincerely,



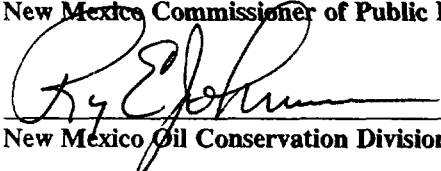
Steven C. Klein

Bureau of Land Management

Date

New Mexico Commissioner of Public Lands

Date


New Mexico Oil Conservation Division

2/26/99
Date

The foregoing approvals are for the 1999 Plan of Development for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

November 13, 1998

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Attn: Ms. Linda F. Leazar

Re: San Juan 28-7 Unit
Mesaverde Participating Area
Fortieth Revision - Effective August 1, 1997
Rio Arriba County, New Mexico

Dear Ms. Leazar:

The Bureau of Land Management by their letter of October 26, 1998, has notified this office that the Fortieth Revision to the Mesaverde Participating Area for the San Juan 28-7 Unit has been approved.

Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management's decision and has this date also approved your application for the above-mentioned participating area expansion.

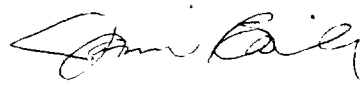
The Fortieth revision adds a total of 1,283.95 acres to the Mesaverde Participating Area effective August 1, 1997, and is based upon the completion of the wells Nos. 99, 101, 110 and 111. The following lands are included in the Fortieth revision: W/2 of Section 29-27N-07W, 320.00 acres; W/2 of Section 30-27N-07W, 321.44 acres; W/2 of Section 19-27N-07W, 321.51 acres; and W/2 of Section 20-27N-07W, 320 acres.

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

Very truly yours,

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

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

Enclosure

pc: Reader File

OCD--David Catanach, Ben Stone

BLM

TRD

Royalty--Linda Vieira



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
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State of New Mexico
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
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(505)-827-5765

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(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

November 9, 1998

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500

Attention: Ms. Linda F. Leazar

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
Mesaverde Participating Area
Thirty-Ninth Revision - Effective June 1, 1997

Dear Ms. Leazar:

The Bureau of Land Management by their letter of October 20, 1998, has notified this office that the Thirty Ninth Revision to the Mesaverde Participating Area for the San Juan 28-7 Unit has been approved.

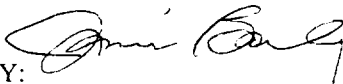
Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management's decision and has this date also approved your application for the above-mentioned participating area expansion.

The Thirty-Ninth revision is based upon the completion of well number 239, adds 40.00 acres to the Mesaverde Participating Area effective June 1, 1997 and is described as the NW/4SW/4 of Section 17, Township 28 North, Range 7 West.

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

Very truly yours,

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

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
RP/JB/pm

pc: Reader File,
BLM-Farmington Attn: Mr. Duane Spencer
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson
RMD-Attn: Ms. Linda Vieira

"WE WORK FOR EDUCATION"



Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

September 25, 1998

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Duane Spencer
1235 La Plata Highway
Farmington, NM 87401

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

OCT - 8 1998

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. LeMay
2040 South Pacheco
Santa Fe, NM 87505

RE: San Juan 28-7 Unit
Commercial Determination
Mesa Verde Formation
Rio Arriba County, NM

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement approved November 18, 1952, Conoco, Inc ("Conoco"), as Operator, has determined that the wells on the attached list are capable of producing unitized substances in paying quantities from the Mesa Verde formation. Conoco is seeking confirmation of the paying well determinations enclosed. An Economic Summary Report for each well is also enclosed.

Upon receipt of response from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and the New Mexico Oil Conservation Division, the formal Participating Area Schedule will be prepared and submitted.

Copies of this letter are being sent to the working interest owners on the attached sheet. If you have any questions or need any additional information, please contact the undersigned at (915) 686-5582.

Sincerely,

Linda F. Leazar, CPL
Senior Landman
San Juan Area

Encls.

SAN JUAN 28-7 UNIT
PROJECTED MESA VERDE WORKING INTEREST OWNERS

W G Peavy Oil Co

Thelma Ford Simmons Estate

Helen Louise Simmons

June S Lively

Mary Jeanne Simmons Banks

Carolee Simmons Smith

Burlington Resources Oil & Gas Co

Union Oil Co of California

Wiser Oil Co

Mesa Royalty Trust

Shirley K Bernstein Trust

Atwell & Co

Kathleen B Lipkins

Dugan Production Co

CONOCO, INC, OPERATOR
San Juan 28-7 Unit
Mesa Verde Wells
Submitted for Commerciality Determination Concurrence

<u>Conoco's RSC#</u>	<u>Well Name & Number</u>	<u>Completion Date</u>	<u>Commerciality Determination</u>
7115072	San Juan 28-7 #113 Spacing Unit: E/2 Sec. 18-T27N-R7W	4/24/98	Non-Commercial
7115072	San Juan 28-7 #153 Spacing Unit: E/2 Sec. 20-T27N-R7W	5/9/98	Non-Commercial

Summary Report

Case: SJ East -- 28-7 #153 (BLM Commercial Determ)

(Nominal values)

Net Present Values

Disc Rate (%)	Before Tax Oper Inc. M\$	Before Tax Cap. Inv. M\$	Before Tax Cash Flow M\$	After Tax Cash Flow M\$	Case Description
0.0	13	400	-387	-244	New Drill: \$400M Investment (70% IDC); \$2400/yr op cost; Mo 1: 164 IP; Mo 2: 66 mcf; Mo 3: 27 mcf; Mo 4: 7 MCFD, EUR: 8 mmcf; 100% WI; 87.5% NI
8.0	13	400	-387	-252	Global: Default
9.0	13	400	-387	-252	Model: Default
10.0	13	400	-387	-253	
12.0	13	400	-387	-255	Currency: U.S. Dollars
18.0	13	400	-387	-259	Discount Date: 1998/11
Arr:	13	400	-387	-244	Evaluation Date: 1998/11

Economic Indicators

		B.Tax	A.Tax	Products Recovery				Company Interest			
				Gross	WI	Roy	Net	Working	Initial %	Final %	
ROR	%	0.0	0.0	Oil	MSTB	0	0	0	0	100.0	100.0
Payout Period	Std. (mo's)	0.0	0.0	Gas-Raw	MMSCF	8	8	1	7	87.5	87.5
	Proj. (mo's)	0.0	0.0	Gas-Sales	MMSCF	8	8	1	7	87.5	87.5
Undisc. PI		0.03	0.39	Ethane	MSTB	0	0	0	0	87.5	87.5
9.0 Pcnt. PI		0.03	0.37	Propane	MSTB	0	0	0	0	100.0	100.0
12.0 Pcnt. PI		0.03	0.36	Butane	MSTB	0	0	0	0	100.0	100.0
NPV/Vol @ 9.0 \$/MMSCF		-47.71	-31.08	Cond.	MSTB	0	0	0	0	100.0	100.0
NPV/Vol @ 12.0 \$/MMSCF		-47.71	-31.37	Sulphur	MLt	0	0	0	0		
Economic Limit Date		2000/10		Other	MSTB	0	0	0	0		

Summary Report

RESERVES AND ECONOMICS															
PRODUCTION & REVENUE SUMMARY															
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opccosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 5%	ATAX Cash Flow
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
1998(12)	0.09	7.03	0.00	6.15	0.00	2.23	0.2	13.73	1.24	0.81	11.68	400.00	-388.32	-383.34	-310.67
1999(12)	0.01	1.09	0.00	0.96	0.00	0.35	0.2	2.00	0.18	0.80	1.02	0.00	1.02	1.01	17.67
2000(12)	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49.00
Total	0.10	8.12	0.00	7.10				15.73	1.42	1.61	12.70	400.00	-387.30	-387.34	-244.00

Summary Report

Case: SJ East -- 28-7 #113 (BLM Commercial Determ)

(Nominal values)

Net Present Values

Disc Rate (%)	Before Tax Oper Inc. M\$	Before Tax Cap. Inv. M\$	Before Tax Cash Flow M\$	After Tax Cash Flow M\$	Case Description
0.0	60	400	-340	-214	New Drill: \$400M Investment (70% IDC); \$2400/yr op cost; Yr 1:
8.0	54	400	-346	-229	60 IP with 50% decline; Mos 13-44: 13% decline; EUR: 40
9.0	53	400	-347	-230	mmcf: 100% WI; 87.5% NI
10.0	52	400	-348	-232	
12.0	51	400	-349	-234	Currency: U.S. Dollars
18.0	48	400	-352	-242	Discount Date: 1998/11
Arr:	60	400	-340	-214	Evaluation Date: 1998/11

Economic Indicators

		Products Recovery				Company Interest					
		B.Tax	A.Tax	Gross	WI	Roy	Net	Initial %	Final %		
ROR	%	0.0	0.0	Oil	MSTB	0	0	0	0	Working	100.0
Payout Period	Std. (mo's)	0.0	0.0	Gas-Raw	MMSCF	41	41	5	36	Oil NRI	87.5
	Proj. (mo's)	0.0	0.0	Gas-Sales	MMSCF	41	41	5	36	Gas NRI	87.5
Undisc. PI		0.15	0.46	Ethane	MSTB	0	0	0	0	Byprd NRI	87.5
9.0 Pcnt. PI		0.13	0.42	Propane	MSTB	0	0	0	0	Other	100.0
12.0 Pcnt. PI		0.13	0.41	Butane	MSTB	0	0	0	0	Capital	100.0
NPV/Vol @ 9.0	\$/MMSCF	-8.48	-5.62	Cond.	MSTB	1	1	1	0	Royalty	100.0
NPV/Vol @ 12.0	\$/MMSCF	-8.53	-5.73	Sulphur	MLt	0	0	0	0		
Economic Limit Date		2002/06		Other	MSTB	0	0	0	0		

Summary Report

RESERVES AND ECONOMICS															
PRODUCTION & REVENUE SUMMARY															
Date	Gross Oil Volume	Gross Gas Volume	ivRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
1998(12)	0.04	3.46	0.00	3.02	0.00	2.23	0.2	6.75	0.61	0.81	5.33	400.00	-394.67	-394.69	-314.67
1999(12)	0.18	14.20	0.00	12.43	0.00	2.09	1.0	26.04	2.34	3.23	20.46	0.00	20.46	19.47	29.92
2000(12)	0.13	10.31	0.00	9.03	0.00	2.16	1.0	19.46	1.75	2.50	15.21	0.00	15.21	13.24	23.50
2001(12)	0.11	8.95	0.00	7.83	0.00	2.22	1.0	17.38	1.56	2.56	13.25	0.00	13.25	10.58	20.05
2002(12)	0.05	4.00	0.00	3.50	0.00	2.28	0.5	7.98	0.72	1.29	5.97	0.00	5.97	4.47	27.14
Total	0.52	40.92	0.00	35.81				77.61	6.98	10.39	60.23	400.00	-339.77	-346.92	-214.05



Mid-Continent Region
Exploration/Production

September 24, 1998

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Duane Spencer
1235 La Plata Highway
Farmington, NM 87401

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. LeMay
2040 South Pacheco
Santa Fe, NM 87505

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

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

OCT - 8 1998

RE: San Juan 28-7 Unit
Corrected Participating Area
Expansion
Mesa Verde Participating Area
Effective August 1, 1997
Rio Arriba County, NM

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement approved November 18, 1952, Conoco, Inc ("Conoco"), as Operator, has determined that the wells on the attached list are capable of producing unitized substances in paying quantities from the Mesa Verde formation and thereby should be admitted to the Mesa Verde Participating Area. Pursuant to a BLM letter, attached is a summary of the well that has been deemed commercial, along with its respective tract description and completion date.

The Expansion Schedule for the Fortieth Participating Area is enclosed. The schedule describes the participating area and shows the percentage of unitized substances allocated to the tracts according to the ownership within the tracts.

There was an error on the original fortieth expansion. The east half of Section 30-T27S-R7W was included instead of the west half. This has been corrected on the included paperwork.

We would appreciate consideration of this expansion as soon as possible. Copies of this letter are being sent to the working interest owners on the attached sheet. If you have any questions or need any additional information, please contact the undersigned at (915) 686-5582.

Sincerely,

Linda F. Leazar, CPL
Senior Landman
San Juan Area

Encls.

**SAN JUAN 28-7 UNIT
PROJECTED MESA VERDE WORKING INTEREST OWNERS**

W G Peavy Oil Co

Thelma Ford Simmons Estate

Helen Louise Simmons

June S Lively

Mary Jeanne Simmons Banks

Carolee Simmons Smith

Burlington Resources Oil & Gas Co

Union Oil Co of California

Wiser Oil Co

Mesa Royalty Trust

Shirley K Bernstein Trust

Atwell & Co

Kathleen B Lipkins

Dugan Production Co

San Juan 28-7 Unit
Rio Arriba County, New Mexico
Mesa Verde Participating Area

Fortieth Expansion

Well Number: 99

Tract Number: 2

Total Tract Acres: 960.00

New Tract Acres: 320.00

Description: W/2 Sec. 29-T27N-R7W

Completion Date: July 8, 1997

Well Number: 101

Tract Number: 2

Total Tract Acres: 960.00

New Tract Acres: 321.44

Description: Lots 1,2,3,4, E/2W/2 (W/2) Sec. 30-T27N-R7W

Completion Date: July 18, 1997

Well Number: 110

Tract Number: 18

Total Tract Acres: 961.51

New Tract Acres: 321.51

Description: E/2W/2, Lots 1, 2, 3, 4 Sec. 19-T27N-R7W

Completion Date: July 8, 1997

Well Number: 111

Tract Number: 1

Total Tract Acres: 320.00

New Tract Acres: 320.00

Description: W/2 Sec. 20-T27N-R7W

Completion Date: July 31, 1997

Schedule XLI - Corrected

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation			
			Ownership	Percentage				
NM 03521	T-27-N, R-7-W Section 20: W½	320.00	Royalty:		Tract 1	12.500000 %	12.500000 %	1.213455 %
			Working Interest:			64.125000 %	64.125000 %	
			Conoco Inc.			23.375000 %	23.375000 %	
			ORRI:			100.000000 %	100.000000 %	
NM 03560	T-27-N, R-7-W Section 29: All Section 30: Lots 1, 2, 3, 4, E/2W/2	961.44	Royalty:		Tract 2	12.500000 %	12.500000 %	3.645827 %
			Working Interest:			64.125000 %	64.125000 %	
			Conoco Inc.			23.375000 %	23.375000 %	
			ORRI:			100.000000 %	100.000000 %	
SF 078417	T-28-N, R-7-W Section 7: S½ SE¼, SE¼ SW¼ Section 8: S½ SW¼ Section 16: SW¼, SE¼ Section 17: All Section 18: E½ Section 20: NE¼ Section 21: NW¼, N½ SW¼, NE¼, N½ SE¼, SE¼ SE¼	2,160.00	Royalty:		Tract 3	12.500000 %	12.500000 %	8.190822 %
			Working Interest:			84.500000 %	84.500000 %	
			Conoco Inc.			3.000000 %	3.000000 %	
			ORRI:			100.000000 %	100.000000 %	
SF 078417-A	T-28-N, R-7-W Section 18: E½ NW¼ Section 22: SW¼, S½ NW¼	320.00	Royalty:		Tract 4	12.500000 %	12.500000 %	1.213455 %
			Working Interest:			83.500000 %	83.500000 %	
			Burlington Resources Oil & Gas Company			4.000000 %	4.000000 %	
			ORRI:			100.000000 %	100.000000 %	

Schedule XLI - Corrected

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation	
			Ownership	Percentage			
SF 078496	<u>T 27-N, R-7-W</u>		1,689.94			6.408332 %	
	Section 3: Lots 1, 2, 3, 4,	Royalty:	12.500000 %	12.500000 %			
	S½ NE¼, S½ NW¼	Working Interest:	84.500000 %	84.500000 %			
	Section 5: Lots 1, 2, S½ NE¼	Conoco Inc.	3.000000 %	3.000000 %			
		ORRI:	100.000000 %	100.000000 %			
	<u>T-28-N, R-7-W</u>		Total	100.000000 %	100.000000 %		
	Section 27: SE¼, E½ NE¼						
	Section 34: Lots 3, 4, N½ SW¼, NW¼						
	Section 35: Lots 1, 2, 3, 4, N½ SE¼, NE¼, N½ SW¼, NW¼						
SF 078496-A	<u>T-27-N, R-7-W</u>		801.83			3.040577 %	
	Section 4: Lots 1, 2, 3, 4,	Royalty:	12.500000 %	12.500000 %			
	S½ NE¼, S½ NW¼	Working Interest:	83.500000 %	83.500000 %			
		Burlington Resources Oil & Gas Company	4.000000 %	4.000000 %			
		ORRI:	100.000000 %	100.000000 %			
	<u>T-28-N, R-7-W</u>		Total	100.000000 %	100.000000 %		
	Section 26: SW¼						
	Section 34: Lots 1, 2, N½ SE¼, NE¼						
	SF 078497	<u>T-28-N, R-7-W</u>		1,639.56			
Section 7: Lots 1, 2, 3, 4, 5		Royalty:	12.500000 %	12.500000 %			
Section 8: Lots 1, 2, 3, 4,		Working Interest:	84.500000 %	84.500000 %			
S½ SE¼		Conoco Inc.	3.000000 %	3.000000 %			
		ORRI:	100.000000 %	100.000000 %			
		Total	100.000000 %	100.000000 %			
<u>T-28-N, R-7-W</u>							
Section 16: NW¼, NE¼							
Section 19: Lot 1, E½ W½, E½							
Section 20: N½ SE¼							
Section 29: W½							

Schedule XLI - Corrected

Conoco Inc.

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership	Drilling Block		Present Actual Participation
				Percentage	Percentage Committed	
SF 078497-A	<u>T-28-N, R-7-W</u> Section 9: Lots 1, 2, 3, 4, S½ S½ Section 18: Lots 1, 2, 3, 4, E½ SW¼ Section 20: W½	844.40	Royalty: Working Interest: Burlington Resources Oil & Gas Company ORRI:	12.500000 % 83.500000 % 4.000000 %	12.500000 % 83.500000 % 4.000000 %	3.202005 %
				<u>Total</u>	100.000000 %	
SF 078498	<u>T-28-N, R-7-W</u> Section 27: W½ NE¼, W½ Section 28: W½ Section 29: E½ Section 32: Lots 1, 2, N½ SE¼, NE¼ Section 33: Lots 1, 2, 3, 4, N½ SW¼, NW¼, N½ SE¼, NE¼	1,988.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000 % 84.500000 % 3.000000 %	12.500000 % 84.500000 % 3.000000 %	7.538590 %
				<u>Total</u>	100.000000 %	
SF 078498-A	<u>T-28-N, R-7-W</u> Section 28: SE¼, NE¼ NE¼ Section 32: Lots 3, 4, N½ SW¼, NW¼	515.36	Royalty: Working Interest: Burlington Resources Oil & Gas Company ORRI:	12.500000 % 83.500000 % 4.000000 %	12.500000 % 83.500000 % 4.000000 %	1.954269 %
				<u>Total</u>	100.000000 %	
SF 078500-A	<u>T-28-N, R-7-W</u> Section 19: Lots 2, 3, 4 Section 30: N½ NE¼, SW¼ NE¼, S½ SE¼ Section 31: Lots 1, 2, 3, 4, 5, E½ NW¼, NE¼ SW¼	610.36	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000 % 84.500000 % 3.000000 %	12.500000 % 84.500000 % 3.000000 %	2.314514 %
				<u>Total</u>	100.000000 %	

Schedule XLI - Corrected

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078500	T-28-N, R-7-W Section 30. Lots 1, 2, 3, E 1/2 NW 1/4	189.30	Royalty:		0.717835 %
			Working Interest:		
			Burlington Resources Oil & Gas Company		
			ORRI:		
			Total		
SF 078565	T-27-N, R-7-W Section 5: SE 1/4	160.00	Royalty:		0.606728 %
			Working Interest:		
			Conoco Inc.		
			ORRI:		
			Total		
SF 078565 A	T-27-N, R-7-W Section 5: Lots 3, 4, S 1/2 NW 1/4, SW 1/4	320.52	Royalty:		1.215427 %
			Working Interest:		
			Burlington Resources Oil & Gas Company		
			ORRI:		
			Total		
SF 078569	T-27-N, R-7-W Section 8: NE 1/4	160.00	Royalty:		0.606728 %
			Working Interest:		
			Burlington Resources Oil & Gas Company		
			ORRI:		
			Total		

Schedule XLI - Corrected

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078570	<u>T-27-N, R-7-W</u> Section 4: SE¼, SW¼ Section 8: SE¼ Section 9: NW¼	640.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000 % 80.500000 % 7.000000 % 100.000000 %	12.500000 % 80.500000 % 7.000000 % 100.000000 %	2.426910 %
SF 078640	<u>T-27-N, R-7-W</u> Section 9: SW¼ Section 15: W½	480.00	Royalty: Working Interest: Burlington Resources Oil & Gas Company ORRI:	12.500000 % 82.500000 % 5.000000 % 100.000000 %	12.500000 % 82.500000 % 5.000000 % 100.000000 %	1.820183 %
SF 078835-A	<u>T-27-N, R-7-W</u> Section 6: Lots 1, 2, S½ NE¼, SE¼ Section 7: Lots 1, 2, 3, 4, E½ W½	640.86	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000 % 67.500000 % 20.000000 % 100.000000 %	12.500000 % 67.500000 % 20.000000 % 100.000000 %	2.430171 %
SF 078840	<u>T-27-N, R-7-W</u> Section 18: Lots 1, 2, 3, 4, E½ W½ Section 19: E½, E½ W½, Lots 1, 2, 3, 4	961.51	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000 % 67.500000 % 20.000000 % 100.000000 %	12.500000 % 67.500000 % 20.000000 % 100.000000 %	3.646091 %

Schedule XLI - Corrected

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
Tract 19						
SF 078972	T-27-N, R-7-W Section 3: SE ¼, SW ¼ Section 10: E ½, W ½ Section 11: E ½, W ½	1,600.00	Royalty: Working Interest: Burlington Resources Oil & Gas Company Conoco Inc. ORRI:	12.500000 % 49.500000 % 33.000000 % 5.000000 %	12.500000 % 49.500000 % 33.000000 % 5.000000 %	6.067275 %
Total				100.000000 %	100.000000 %	
Tract 20						
SF 078972-A	T-27-N, R-7-W Section 9: E ½	320.00	Royalty: Working Interest: Burlington Resources Oil & Gas Company Conoco Inc. Dugan Production Corp. W. G. Peavy Oil Company ORRI:	12.500000 % 66.666670 % 3.333333 % 3.333333 % 6.666664 % 7.500000 %	12.500000 % 66.666670 % 3.333333 % 3.333333 % 6.666664 % 7.500000 %	1.213455 %
Total				100.000000 %	100.000000 %	
Tract 21						
SF 079289	T-28-N, R-7-W Section 10: Lots 1, 2, 3, 4, S ½ S ½ Section 12: Lots 1, 2, 3, 4, S ½ S ½ Section 14: E ½ Section 15: E ½ Section 22: N ½ NW ¼	1,304.48	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000 % 69.500000 % 18.000000 % 100.000000 %	12.500000 % 69.500000 % 18.000000 % 100.000000 %	4.946650 %
Total				100.000000 %	100.000000 %	

Schedule XLI - Corrected

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
Tract 22					
SF 079289-A	<u>T-28-N, R-7-W</u> Section 11: Lots 1, 2, 3, 4, S½ S½ Section 14: W½ Section 15: W½ Section 22: E½	1,252.80	Royalty: Working Interest: Burlington Resources Oil & Gas Company D. J. Simmons Co. Ltd. Partnership Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI:	12.500000 % 52.500000 % 26.250000 % 2.187500 % 2.187500 % 2.187500 % 2.187500 % 0.000000 %	4.750677 % 52.500000 % 26.250000 % 2.187500 % 2.187500 % 2.187500 % 2.187500 % 0.000000 %
Total				100.000000 %	
					4.853820 %
Tract 23					
SF 079290	<u>T-28-N, R-7-W</u> Section 13: E½ Section 23: W½ Section 24: W½ Section 26: NW¼, NE¼	1,280.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000 % 69.500000 % 18.000000 % 100.000000 %	12.500000 % 69.500000 % 18.000000 % 100.000000 %
Total				100.000000 %	
					3.640365 %
Tract 24					
SF 079290-A	<u>T-28-N, R-7-W</u> Section 13: W½ Section 23: E½ Section 24: E½	960.00	Royalty: Working Interest: Burlington Resources Oil & Gas Company D. J. Simmons Co. Ltd. Partnership Helen Louise Simmons June Simmons Lively Mary Jane Simmons Banks Carolee Simmons Smith ORRI:	12.500000 % 51.900000 % 25.950000 % 2.162500 % 2.162500 % 2.162500 % 2.162500 % 1.000000 %	12.500000 % 51.900000 % 25.950000 % 2.162500 % 2.162500 % 2.162500 % 2.162500 % 1.000000 %
Total				100.000000 %	

Schedule XLI - Corrected

Fortieñ Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079290-B					
	<u>T-28-N, R-7-W</u>	320.00	Royalty:	12.500000 %	<u>1.213455 %</u>
	Section 25: NW¼, NE¼		Working Interest:	28.000000 %	
			Conoco Inc.	42.000000 %	
			Burlington Resources Oil & Gas Company	17.500000 %	
			ORRI:	100.000000 %	
			<u>Total</u>		
				100.000000 %	
SF 079294					
	<u>T-28-N, R-7-W</u>	320.00	Royalty:	12.500000 %	<u>1.213455 %</u>
	Section 25: SW¼, SE¼		Working Interest:	34.200000 %	
			Conoco Inc.	51.300000 %	
			Burlington Resources Oil & Gas Company	2.000000 %	
			ORRI:	100.000000 %	
			<u>Total</u>		
				100.000000 %	
SF 079294					
	<u>T-28-N, R-7-W</u>	816.88	Royalty:	12.500000 %	<u>3.097647 %</u>
	Section 26: SE¼		Working Interest:	27.200000 %	
	Section 36: Lots 1, 2, 3, 4,		Conoco Inc.	40.800000 %	
	N½ SW¼, NW¼,		Burlington Resources Oil & Gas Company	19.500000 %	
	N½ SE¼, NE¼		ORRI:	100.000000 %	
			<u>Total</u>		
				100.000000 %	
SF 079298-B					
	<u>T-27-N, R-7-W</u>	640.00	Royalty:	12.500000 %	<u>2.426910 %</u>
	Section 12: F½, W½		Working Interest:	82.000000 %	
			Conoco Inc.	5.500000 %	
			ORRI:	100.000000 %	
			<u>Total</u>		
				100.000000 %	

Schedule XLI - Corrected

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079321-A	T-27-N, R-7-W Section 1: Lots 1, 2, 3, 4, S½ NE¼, SE¼, S½ NW¼, SW¼	639.20	Royalty:		2.423877 %
			Working Interest:		
			Conoco Inc.		
			ORRI:		
			Total		
NM E-290-39	T-27-N, R-7-W Section 2: Lots 3, 4, SW¼, SW¼ SE¼	278.96	Royalty:		1.057829 %
			Working Interest:		
			Burlington Resources Oil & Gas Company		
			ORRI:		
			Total		
NM E-290-3	T-27-N, R-7-W Section 2: Lot 2, SW¼ NE¼, NW¼ SE¼	119.54	Royalty:		0.453301 %
			Working Interest:		
			The Wiser Oil Company		
			ORRI:		
			Total		
NM E-290-39	T-27-N, R-7-W Section 2: Lot 1	39.58	Royalty:		0.150089 %
			Working Interest:		
			Burlington Resources Oil & Gas Company		
			ORRI:		
			Total		

Schedule XLI - Corrected

Conoco Inc.

Fortiein Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation	
			Ownership	Percentage		
Tract 30-A						
NM E-290-39	T-27-N, R-7-W Section 2: SE 1/4 NE 1/4, NE 1/4 SE 1/4	80.00	Royalty:	12.500000 %	12.500000 %	0.303364 %
			Working Interest:			
			Union Oil Company of California	72.916660 %	72.916660 %	
			Burlington Resources Oil & Gas Company	14.583340 %	14.583340 %	
			ORRI:	0.000000 %	0.000000 %	
Total				100.000000 %	100.000000 %	
Tract 31						
NM E-290-33	T-27-N, R-7-W Section 2: S 1/2 NW 1/4, SE 1/4 SE 1/4	120.00	Royalty:	12.500000 %	12.500000 %	0.455046 %
			Working Interest:			
			Burlington Resources Oil & Gas Compa ny	75.000000 %	75.000000 %	
			ORRI:	12.500000 %	12.500000 %	
			Total			
Tract 35						
NM E-2825-6	T-27-N, R-7-W Section 16: E 1/2	320.00	Royalty:	12.500000 %	12.500000 %	1.213455 %
			Working Interest:			
			Burlington Resources Oil & Gas Company	49.500000 %	49.500000 %	
			Conoco Inc.	33.000000 %	33.000000 %	
			ORRI:	5.000000 %	5.000000 %	
Total				100.000000 %	100.000000 %	
Tract 36						
Fee	T-28-N, R-7-W Section 28: S 1/2 NE 1/4, NW 1/4 NE 1/4 Section 30: Lot 4, E 1/2 SW 1/4	236.46	Royalty:	12.500000 %	12.500000 %	0.896667 %
			Working Interest:			
			Burlington Resources Oil & Gas Company	87.500000 %	87.500000 %	
			ORRI:	0.000000 %	0.000000 %	
			Total			

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Ownership		Present Actual Participation
			Drilling Block	Percentage	
Tract 36-A					
Fee	T-28-N, R-7-W	320.00	Royalty:	12.500000 %	1.213455 %
	Section 20: S½ SE¼		Working Interest:	12.500000 %	
	Section 21: S½ SW¼, SW¼ SE¼		Conoco Inc.	87.500000 %	
	Section 30: N½ SE¼, SE¼ NE¼		ORRI:	0.000000 %	
			Total	100.000000 %	

Schedule XLI - Corrected

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

Township 27 North, Range 7 West, N.M.P.M.

Sections 1, 2, 3, 4, 5, 9, 10, 11, 12, 19, 29: All

Sections 6, 8, 16: E½

Sections 7, 15, 18, 20, 30: W½

Township 28 North, Range 7 West, N.M.P.M.

Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21,

22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36: All

Section 31: W½

Total number of acres in participating area:

26,370.98

Percent of basic royalty interest committed:

100.00 %

Percent of working interest committed:

100.00 %

Percent of overriding royalty interest committed:

100.00 %



#445

COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

September 9, 1998

Conoco, Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500

Attention: Ms. Linda F. Leazar

Re: San Juan 28-7 Unit
Commercial Determinations
Mesaverde Formation

Dear Ms. Leazar:

We are in receipt of your letter of July 10, 1998 and a copy of the Bureau of Land Management's letter of August 18, 1998, regarding the commercial determinations for the San Juan 28-7 Unit Well Nos. 99, 100, 101, 110, 111 and 239.

We concur with the Bureau of Land Management that the San Juan 28-7 Unit Well Nos. 99, 101, 110, 111 and 239 are commercial wells in the Mesaverde Formation and should be included in the Mesaverde participating area. We also concur that the San Juan 28-7 Unit Well No. 100 is a non-commercial Mesaverde well and is to produced on a lease basis.

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

Very truly yours,

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

BY: *For Anthony H. Neal*
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
RP/JB/pm

pc: Reader File,
BLM-Farmington Attn: Mr. Duane Spencer
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson

"WE WORK FOR EDUCATION"



Mid-Continent Region
Exploration/Production

August 28, 1998

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Duane Spencer
1235 La Plata Highway
Farmington, NM 87401

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. LeMay
2040 South Pacheco
Santa Fe, NM 87505

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

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

RE: San Juan 28-7 Unit
Participating Area Expansion
Mesa Verde Participating Area
Effective June 1, 1997
Rio Arriba County, NM

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement approved November 18, 1952, Conoco, Inc ("Conoco"), as Operator, has determined that the wells on the attached list are capable of producing unitized substances in paying quantities from the Mesa Verde formation and thereby should be admitted to the Mesa Verde Participating Area. Pursuant to a BLM letter, attached is a summary of the well that has been deemed commercial, along with its respective tract description and completion date.

The Expansion Schedule for the Fortieth Participating Area is enclosed. The schedule describes the participating area and shows the percentage of unitized substances allocated to the tracts according to the ownership within the tracts.

We would appreciate consideration of this expansion as soon as possible. Copies of this letter are being sent to the working interest owners on the attached sheet. If you have any questions or need any additional information, please contact the undersigned at (915) 686-5582.

Sincerely,

Linda F. Leazar, CPL
Senior Landman
San Juan Area

Encls.

SAN JUAN 28-7 UNIT
PROJECTED MESA VERDE WORKING INTEREST OWNERS

W G Peavy Oil Co

Thelma Ford Simmons Estate

Helen Louise Simmons

June S Lively

Mary Jeanne Simmons Banks

Carolee Simmons Smith

Burlington Resources Oil & Gas Co

Union Oil Co of California

Wiser Oil Co

Mesa Royalty Trust

Shirley K Bernstein Trust

Atwell & Co

Kathleen B Lipkins

Dugan Production Co

San Juan 28-7 Unit
Rio Arriba County, New Mexico
Mesa Verde Participating Area

Fortieth Expansion

Well Number: 99

Tract Number: 2

Total Tract Acres: 960.00

New Tract Acres: 320.00

Description: W/2 Sec. 29-T27N-R7W

Completion Date: July 8, 1997

Well Number: 100

Tract Number: 2

Total Tract Acres: 960.00

New Tract Acres: 320.00

Description: E/2 Sec. 30-T27N-R7W

Completion Date: July 22, 1997

Well Number: 110

Tract Number: 18

Total Tract Acres: 961.51

New Tract Acres: 321.51

Description: E/2W/2, Lots 1, 2, 3, 4 Sec. 19-T27N-R7W

Completion Date: July 8, 1997

Well Number: 111

Tract Number: 1

Total Tract Acres: 320.00

New Tract Acres: 320.00

Description: W/2 Sec. 20-T27N-R7W

Completion Date: July 31, 1997

Schedule XLI

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
NM 03521	T-27-N, R-7W Section 20: W½	320.00	Royalty:		1.213521 %
			Working Interest:		
			Conoco Inc.		
			ORRI:		
Tract 1					
			12.500000 %	12.500000 %	
			64.125000 %	64.125000 %	
			23.375000 %	23.375000 %	
			100.000000 %	100.000000 %	
NM 03560	T-27-N, R-7W Section 29: All Section 30: E½	960.00	Royalty:		3.640564 %
			Working Interest:		
			Conoco Inc.		
			ORRI:		
Tract 2					
			12.500000 %	12.500000 %	
			64.125000 %	64.125000 %	
			23.375000 %	23.375000 %	
			100.000000 %	100.000000 %	
SF 078417	T-28-N, R-7-W Section 7: S½ SE¼, SE¼ SW¼ Section 8: S½ SW¼ Section 16: SW¼, SE¼ Section 17: All Section 18: E½ Section 20: NE¼ Section 21: NW¼, N½ SW¼, NE¼, N½ SE¼, SE¼ SE¼	2,160.00	Royalty:		8.191269 %
			Working Interest:		
			Conoco Inc.		
			ORRI:		
Tract 3					
			12.500000 %	12.500000 %	
			84.500000 %	84.500000 %	
			3.000000 %	3.000000 %	
			100.000000 %	100.000000 %	
SF 078417-A	T-28-N, R-7-W Section 18: E½ NW¼ Section 22: SW¼, S½ NW¼	320.00	Royalty:		1.213521 %
			Working Interest:		
			Burlington Resources Oil & Gas Company		
			ORRI:		
Tract 4					
			12.500000 %	12.500000 %	
			83.500000 %	83.500000 %	
			4.000000 %	4.000000 %	
			100.000000 %	100.000000 %	

Schedule XLI

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation		
			Ownership	Percentage			
SF 078496	<u>T-27-N, R-7-W</u>	1,689.94	Royalty:		<u>Tract 5</u>		
	Section 3: Lots 1, 2, 3, 4,		Working Interest:				
	S½ NE¼, S½ NW¼		Conoco Inc.				
	Section 5: Lots 1, 2, S½ NE¼		ORRI:				
	<u>T-28-N, R-7-W</u>						
	Section 27: SE¼, E½ NE¼						
	Section 34: Lots 3, 4, N½ SW¼, NW¼						
	Section 35: Lots 1, 2, 3, 4, N½ SE¼, NE¼, N½ SW¼, NW¼						
	<u>Total</u>						
SF 078496-A	<u>T-27-N, R-7-W</u>	801.83	Royalty:		<u>Tract 6</u>		
	Section 4: Lots 1, 2, 3, 4,		Working Interest:				
	S½ NE¼, S½ NW¼		Burlington Resources Oil & Gas Company				
	<u>T-28-N, R-7-W</u>		ORRI:				
	Section 26: SW¼						
	Section 34: Lots 1, 2, N½ SE¼, NE¼						
	<u>Total</u>						
	SF 078497	<u>T-28-N, R-7-W</u>	1,639.56	Royalty:			<u>Tract 7</u>
		Section 7: Lots 1, 2, 3, 4, 5		Working Interest:			
Section 8: Lots 1, 2, 3, 4,			Conoco Inc.				
S½ SE¼			ORRI:				
Section 16: NW¼, NE¼							
Section 19: Lot 1, E½ W½, E½							
Section 20: N½ SE¼							
Section 29: W½							
<u>Total</u>							

Schedule XLI

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078497-A	<u>T-28-N, R-7-W</u>	844.40	Royalty:	12.500000 %	12.500000 %	3.202180 %
	Section 9: Lots 1, 2, 3, 4, S½ S½		Working Interest:			
	Section 18: Lots 1, 2, 3, 4, E½ SW¼		Burlington Resources Oil & Gas Company	83.500000 %	83.500000 %	
	Section 20: W½		ORRI:	4.000000 %	4.000000 %	
			Total	100.000000 %	100.000000 %	
<u>Tract 9</u>						
SF 078498	<u>T-28-N, R-7-W</u>	1,988.00	Royalty:	12.500000 %	12.500000 %	7.539001 %
	Section 27: W½ NE¼, W½		Working Interest:			
	Section 28: W½		Conoco Inc.	84.500000 %	84.500000 %	
	Section 29: E½		ORRI:	3.000000 %	3.000000 %	
	Section 32: Lots 1, 2, N½ SE¼, NE¼		Total	100.000000 %	100.000000 %	
	Section 33: Lots 1, 2, 3, 4, N½ SW¼, NW¼, N½ SE¼, NE¼					
<u>Tract 9-A</u>						
SF 078498-A	<u>T-28-N, R-7-W</u>	515.36	Royalty:	12.500000 %	12.500000 %	1.954376 %
	Section 28: SE¼, NE¼ NE¼		Working Interest:			
	Section 32: Lots 3, 4, N½ SW¼, NW¼		Burlington Resources Oil & Gas Company	83.500000 %	83.500000 %	
			ORRI:	4.000000 %	4.000000 %	
			Total	100.000000 %	100.000000 %	
<u>Tract 10</u>						
SF 078500-A	<u>T-28-N, R-7-W</u>	610.36	Royalty:	12.500000 %	12.500000 %	2.314640 %
	Section 19: Lots 2, 3, 4		Working Interest:			
	Section 30: N½ NE¼, SW¼		Conoco Inc.	84.500000 %	84.500000 %	
	NE¼, S½ SE¼		ORRI:	3.000000 %	3.000000 %	
	Section 31: Lots 1, 2, 3, 4, 5, E½ NW¼, NE¼ SW¼		Total	100.000000 %	100.000000 %	

Schedule XLI

Portieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership			
SF 078500	<u>T-28-N, R-7-W</u> Section 30: Lots 1, 2, 3, E½ NW¼	189.30	<u>Tract 10-A</u>			0.717874 %
			Royalty:	12.500000 %	12.500000 %	
			Working Interest:			
			Burlington Resources Oil & Gas Company	83.500000 %	83.500000 %	
			ORRI:	4.000000 %	4.000000 %	
<u>Total</u>				100.000000 %		
SF 078565	<u>T-27-N, R-7-W</u> Section 5: SE¼	160.00	<u>Tract 11</u>			0.606761 %
			Royalty:	12.500000 %	12.500000 %	
			Working Interest:			
			Conoco Inc.	69.500000 %	69.500000 %	
			ORRI:	18.000000 %	18.000000 %	
<u>Total</u>				100.000000 %		
SF 078565-A	<u>T-27-N, R-7-W</u> Section 5: Lots 3, 4, S½ NW¼, SW¼	320.52	<u>Tract 12</u>			1.215493 %
			Royalty:	12.500000 %	12.500000 %	
			Working Interest:			
			Burlington Resources Oil & Gas Company	86.500000 %	86.500000 %	
			ORRI:	1.000000 %	1.000000 %	
<u>Total</u>				100.000000 %		
SF 078569	<u>T-27-N, R-7-W</u> Section 8: NE¼	160.00	<u>Tract 13</u>			0.606761 %
			Royalty:	12.500000 %	12.500000 %	
			Working Interest:			
			Burlington Resources Oil & Gas Company	82.500000 %	82.500000 %	
			ORRI:	5.000000 %	5.000000 %	
<u>Total</u>				100.000000 %		

Schedule XLI

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078570	T-27-N, R-7-W Section 4: SE 1/4, SW 1/4 Section 8: SE 1/4 Section 9: NW 1/4	640.00	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000 % 80.500000 % 7.000000 % 100.000000 %	12.500000 % 80.500000 % 7.000000 % 100.000000 %	2.427043 %
Tract 14						
SF 078640	T-27-N, R-7-W Section 9: SW 1/4 Section 15: W 1/2	480.00	Royalty: Working Interest: Burlington Resources Oil & Gas Company ORRI:	12.500000 % 82.500000 % 5.000000 % 100.000000 %	12.500000 % 82.500000 % 5.000000 % 100.000000 %	1.820282 %
Tract 15						
SF 078835-A	T-27-N, R-7-W Section 6: Lots 1, 2, S 1/2 NE 1/4, SE 1/4 Section 7: Lots 1, 2, 3, 4, E 1/2 W 1/2	640.86	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000 % 67.500000 % 20.000000 % 100.000000 %	12.500000 % 67.500000 % 20.000000 % 100.000000 %	2.430304 %
Tract 17						
SF 078840	T-27-N, R-7-W Section 18: Lots 1, 2, 3, 4, E 1/2 W 1/2 Section 19: E 1/2, E 1/2 W 1/2, Lots 1, 2, 3, 4	961.51	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000 % 67.500000 % 20.000000 % 100.000000 %	12.500000 % 67.500000 % 20.000000 % 100.000000 %	3.646290 %
Tract 18						

Schedule XLI

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 078972	<u>T-27-N, R-7-W</u> Section 3: SE ¼, SW ¼ Section 10: E ½, W ½ Section 11: E ½, W ½	1,500.00	Royalty: Working Interest: Burlington Resources Oil & Gas Company Conoco Inc. ORRI:	12.500000 % 49.500000 % 33.000000 % 5.000000 %	12.500000 % 49.500000 % 33.000000 % 5.000000 %	6.067608 %
<u>Tract 19</u>						
<i>Total</i>				100.000000 %	100.000000 %	
SF 078972-A	<u>T-27-N, R-7-W</u> Section 9: E ½	320.00	Royalty: Working Interest: Burlington Resources Oil & Gas Company Conoco Inc. Dugan Production Corp. W. G. Peavy Oil Company ORRI:	12.500000 % 66.666670 % 3.333333 % 3.333333 % 6.666664 % 7.500000 %	12.500000 % 66.666670 % 3.333333 % 3.333333 % 6.666664 % 7.500000 %	1.213521 %
<u>Tract 20</u>						
<i>Total</i>				100.000000 %	100.000000 %	
SF 079289	<u>T-28-N, R-7-W</u> Section 10: Lots 1, 2, 3, 4, S ½ S ½ Section 12: Lots 1, 2, 3, 4, S ½ S ½ Section 14: E ½ Section 15: E ½ Section 22: N ½ NW ¼	1,304.48	Royalty: Working Interest: Conoco Inc. ORRI:	12.500000 % 69.500000 % 18.000000 %	12.500000 % 69.500000 % 18.000000 %	4.946920 %
<u>Tract 21</u>						
<i>Total</i>				100.000000 %	100.000000 %	

Schedule XLI

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation	
			Ownership	Percentage		
SF 079289-A	<u>T-28-N, R-7-W</u> Section 11: Lots 1, 2, 3, 4, S½ S½ Section 14: W½ Section 15: W½ Section 22: E½	1,252.80	Royalty:			
			Working Interest:			
			Burlington Resources Oil & Gas Company	52.500000 %	52.500000 %	<u>Tract 22</u> 12.500000 % <

Schedule XLI

Fortieith Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 079290-B	<u>T-28-N, R-7-W</u> Section 25: NW¼, NE¼	320.00	Royalty:		<u>1.213521 %</u>
			Working Interest:		
			Conoco Inc.	28.000000 %	
			Burlington Resources Oil & Gas Company	42.000000 %	
			ORRI:	17.500000 %	
<u>Tract 24-A</u>					
<u>Total</u>				<u>100.000000 %</u>	
SF 079294	<u>T-28-N, R-7-W</u> Section 25: SW¼, SE¼	320.00	Royalty:		<u>1.213521 %</u>
			Working Interest:		
			Conoco Inc.	34.200000 %	
			Burlington Resources Oil & Gas Company	51.300000 %	
			ORRI:	2.000000 %	
<u>Tract 25</u>					
<u>Total</u>				<u>100.000000 %</u>	
SF 079294	<u>T-28-N, R-7-W</u> Section 26: SE¼ Section 36: Lots 1, 2, 3, 4, N½ SW¼, NW¼ N½ SE¼, NE¼	816.88	Royalty:		<u>3.097818 %</u>
			Working Interest:		
			Conoco Inc.	27.200000 %	
			Burlington Resources Oil & Gas Company	40.800000 %	
			ORRI:	19.500000 %	
<u>Tract 25-A</u>					
<u>Total</u>				<u>100.000000 %</u>	
SF 079298-B	<u>T-27-N, R-7-W</u> Section 12: E½, W½	640.00	Royalty:		<u>2.427043 %</u>
			Working Interest:		
			Conoco Inc.	82.000000 %	
			ORRI:	5.500000 %	
			<u>Tract 26</u>		
<u>Total</u>				<u>100.000000 %</u>	

Schedule XLI

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership		Percentage	
SF 079321-A	T-27-N, R-7-W Section 1: Lots 1, 2, 3, 4, S½ NE¼, SE¼ S½ NW¼, SW¼	639.20	Royalty: Working Interest: Conoco Inc. ORRI:			
			Tract 27			2.424009 %
			12.500000 %	12.500000 %		
			82.000000 %	82.000000 %		
			5.500000 %	5.500000 %		
Total			100.000000 %	100.000000 %		
NM E-290-39	T-27-N, R-7-W Section 2: Lots 3, 4, SW¼ SW¼ SE¼	278.96	Royalty: Working Interest: Burlington Resources Oil & Gas Company ORRI:			
			Tract 28			1.057888 %
			12.500000 %	12.500000 %		
			82.500000 %	82.500000 %		
			5.000000 %	5.000000 %		
Total			100.000000 %	100.000000 %		
NM E-290-3	T-27-N, R-7-W Section 2: Lot 2, SW¼ NE¼ NW¼ SE¼	119.54	Royalty: Working Interest: The Wiser Oil Company ORRI:			
			Tract 29			0.453326 %
			12.500000 %	12.500000 %		
			87.500000 %	87.500000 %		
			0.000000 %	0.000000 %		
Total			100.000000 %	100.000000 %		
NM E-290-39	T-27-N, R-7-W Section 2: Lot 1	39.58	Royalty: Working Interest: Burlington Resources Oil & Gas Company ORRI:			
			Tract 30			0.150098 %
			12.500000 %	12.500000 %		
			87.500000 %	87.500000 %		
			0.000000 %	0.000000 %		
Total			100.000000 %	100.000000 %		

Schedule XLI

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
Tract 30-A						
NM E-290-39	<u>T-27-N, R-7-W</u>	80.00	Royalty:	12.500000 %	12.500000 %	0.303380 %
	Section 2: SE¼, NE¼, NE¼, SE¼	Working Interest:				
		Union Oil Company of California	72.916660 %	72.916660 %		
		Burlington Resources Oil & Gas Company	14.583340 %	14.583340 %		
		ORRI:	0.000000 %	0.000000 %		
Total			100.000000 %	100.000000 %		
Tract 31						
NM E-290-33	<u>T-27-N, R-7-W</u>	120.00	Royalty:	12.500000 %	12.500000 %	0.455071 %
	Section 2: S½ NW¼, SE¼, SE¼	Working Interest:				
		Burlington Resources Oil & Gas Company	75.000000 %	75.000000 %		
		ORRI:	12.500000 %	12.500000 %		
		Total			100.000000 %	
Tract 35						
NM E-2825-6	<u>T-27-N, R-7-W</u>	320.00	Royalty:	12.500000 %	12.500000 %	1.213521 %
	Section 16: E½	Working Interest:				
		Burlington Resources Oil & Gas Company	49.500000 %	49.500000 %		
		Conoco Inc.	33.000000 %	33.000000 %		
		Total			100.000000 %	
Tract 36						
Fee	<u>T-28-N, R-7-W</u>	236.46	Royalty:	12.500000 %	12.500000 %	0.896716 %
	Section 28: S½ NE¼, NW¼, NE¼	Working Interest:				
		Burlington Resources Oil & Gas Company	87.500000 %	87.500000 %		
		ORRI:	0.000000 %	0.000000 %		
		Total			100.000000 %	
Section 30: Lot 4, E½ SW¼						

Schedule XLI

Fortieth Expanded Participating Area for the Mesaverde Formation
San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation			
			Ownership	Percentage					
<u>Tract 36-A</u>									
Fee	<u>T-28-N, R-7-W</u>	320.00	Royalty:	12.500000	%	12.500000	%	1.213521	%
	Section 20: S½ SE¼		Working Interest:						
	Section 21: S½ SW¼,		Conoco Inc.	87.500000	%	87.500000	%		
	SW¼ SE¼		ORRI:	0.000000	%	0.000000	%		
	Section 30: N½ SE¼,								
	SE¼ NE¼		Total	100.000000	%	100.000000	%		

Schedule XLI

Fortieth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective August 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

Township 27 North, Range 7 West, N.M.P.M.
Sections 1, 2, 3, 4, 5, 9, 10, 11, 12, 19, 29: All
Sections 6, 8, 16, 30: E½
Sections 7, 15, 18, 20: W½

Township 28 North, Range 7 West, N.M.P.M.
Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21,
22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36: All
Section 31: W½

Total number of acres in participating area:	26,369.54
Percent of basic royalty interest committed:	100.00 %
Percent of working interest committed:	100.00 %
Percent of overriding royalty interest committed:	100.00 %



Mid-Continent Region
Exploration/Production

August 12, 1998

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Duane Spencer
1235 La Plata Highway
Farmington, NM 87401

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

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. LeMay
2040 South Pacheco
Santa Fe, NM 87505

RE: San Juan 28-7 Unit
Participating Area Expansion
Mesa Verde Participating Area
Effective June 1, 1997
Rio Arriba County, NM

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement approved November 18, 1952, Conoco, Inc. ("Conoco"), as Operator, has determined that the wells on the attached list are capable of producing unitized substances in paying quantities from the Mesa Verde formation and thereby should be admitted to the Mesa Verde Participating Area. Pursuant to a BLM letter, attached is a summary of the well that has been deemed commercial, along with its respective tract description and completion date.

The Expansion Schedule for the Thirty-Ninth Participating Area is enclosed. The schedule describes the participating area and shows the percentage of unitized substances allocated to the tracts according to the ownership within the tracts.

This expansion is incorporating only 40 acres, instead of the usual 320, due to the fact there was a San Juan 28-7 #12 well at one time which was deemed non-commercial, and 40 acres was excepted from the proration unit when it was incorporated into the Mesa Verde P/A. This well was subsequently recompleted as a Basin Fruitland Coal well in 1991.

We would appreciate consideration of this expansion as soon as possible. Copies of this letter are being sent to the working interest owners on the attached sheet. If you have any questions or need any additional information, please contact the undersigned at (915) 686-5582.

Sincerely,

Linda F. Leazar, CPL
Senior Landman
San Juan Area

Encls.

**SAN JUAN 28-7 UNIT
PROJECTED MESA VERDE WORKING INTEREST OWNERS**

W G Peavy Oil Co

Thelma Ford Simmons Estate

Helen Louise Simmons

June S Lively

Mary Jeanne Simmons Banks

Carolee Simmons Smith

Burlington Resources Oil & Gas Co

Union Oil Co of California

Wiser Oil Co

Mesa Royalty Trust

Shirley K Bernstein Trust

Atwell & Co

Kathleen B Lipkins

Dugan Production Co

San Juan 28-7 Unit
Rio Arriba County, New Mexico
Mesa Verde Participating Area

Thirty-Ninth Expansion

Well Number: 239

Tract Number: 3

Total Tract Acres: 2160.00

New Tract Acres: 40.00

Description: NW/4SW/4

Completion Date: May 20, 1997

Schedule XL

Thirty-Ninth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective June 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NM 03560	<u>T-27-N, R-7-W</u> Section 29: E½	320.00	Royalty: Working Interest: Conoco Inc. ORRI:	<u>Tract 2</u> 12.500000 % 64.125000 % 23.375000 % <u>100.000000 %</u>	12.500000 % 64.125000 % 23.375000 % <u>100.000000 %</u>	<u>1.275490 %</u>
SF 078417	<u>T-28-N, R-7-W</u> Section 7: S½ SE¼, SE¼ SW¼ Section 8: S½ SW¼ Section 16: SW¼, SE¼ Section 17: All Section 18: E½ Section 20: NE¼ Section 21: NW¼, N½ SW¼, NE¼, N½ SE¼, SE¼ SE¼	2,160.00	Royalty: Working Interest: Conoco Inc. ORRI:	<u>Tract 3</u> 12.500000 % 84.500000 % 3.000000 % <u>100.000000 %</u>	12.500000 % 84.500000 % 3.000000 % <u>100.000000 %</u>	<u>8.609560 %</u>
SF 078417-A	<u>T-28-N, R-7-W</u> Section 18: E½ NW¼ Section 22: SW¼, S½ NW¼	320.00	Royalty: Working Interest: Burlington Resources Oil & Gas Company ORRI:	<u>Tract 4</u> 12.500000 % 83.500000 % 4.000000 % <u>100.000000 %</u>	12.500000 % 83.500000 % 4.000000 % <u>100.000000 %</u>	<u>1.275490 %</u>

Schedule XL

Thirty-Ninth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective June 1, 1997

Unit Area Expansion Schedule - San Juan Basin
Conoco Inc

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078496					
	<u>T-27-N, R-7-W</u>	1,689.94	Royalty:		<u>Tract 5</u>
	Section 3: Lots 1, 2, 3, 4,		Working Interest:	12.500000 %	12.500000 %
	S 1/2 NE 1/4, S 1/2 NW 1/4		Conoco Inc.	84.500000 %	84.500000 %
	Section 5: Lots 1, 2, S 1/2 NE 1/4		ORRI:	3.000000 %	3.000000 %
				100.000000 %	100.000000 %
	<u>T-28-N, R-7-W</u>				
	Section 27: SE 1/4, E 1/2 NE 1/4				
	Section 34: Lots 3, 4, N 1/2 SW 1/4, NW 1/4				
	Section 35: Lots 1, 2, 3, 4, N 1/2 SE 1/4, NE 1/4, N 1/2 SW 1/4, NW 1/4				
					6.735944 %
SF 078496-A					
	<u>T-27-N, R-7-W</u>	801.83	Royalty:		<u>Tract 6</u>
	Section 4: Lots 1, 2, 3, 4,		Working Interest:	12.500000 %	12.500000 %
	S 1/2 NE 1/4, S 1/2 NW 1/4		Burlington Resources Oil & Gas Company	83.500000 %	83.500000 %
			ORRI:	4.000000 %	4.000000 %
				100.000000 %	100.000000 %
	<u>T-28-N, R-7-W</u>				
	Section 26: SW 1/4				
	Section 34: Lots 1, 2, N 1/2 SE 1/4, NE 1/4				
					3.196020 %
SF 078497					
	<u>T-28-N, R-7-W</u>	1,639.56	Royalty:		<u>Tract 7</u>
	Section 7: Lots 1, 2, 3, 4, 5		Working Interest:	12.500000 %	12.500000 %
	Section 8: Lots 1, 2, 3, 4,		Conoco Inc.	84.500000 %	84.500000 %
	S 1/2 SE 1/4		ORRI:	3.000000 %	3.000000 %
				100.000000 %	100.000000 %
	Section 16: NW 1/4, NE 1/4				
	Section 19: Lot 1, E 1/2 W 1/4, E 1/2				
	Section 20: N 1/2 SE 1/4				
	Section 29: W 1/2				
					6.535134 %

Schedule XL

Thirty-Ninth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective June 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078497-A	<u>T-28-N, R-7-W</u>	844.40	Royalty:		<u>Tract 8</u>
	Section 9: Lots 1, 2, 3, 4, S½ S½	Working Interest:			
	Section 18: Lots 1, 2, 3, 4, E½ SW¼	Burlington Resources Oil & Gas Company	83.500000 %	83.500000 %	
	Section 20: W½	ORRI:	4.000000 %	4.000000 %	
		<u>Total</u>	100.000000 %	100.000000 %	
SF 078498	<u>T-28-N, R-7-W</u>	1,988.00	Royalty:		<u>Tract 9</u>
	Section 27: W½ NE¼, W½	Working Interest:			
	Section 28: W½	Conoco Inc.	84.500000 %	84.500000 %	
	Section 29: E½	ORRI:	3.000000 %	3.000000 %	
	Section 32: Lots 1, 2, N½ SE¼, NE¼	<u>Total</u>	100.000000 %	100.000000 %	
	Section 33: Lots 1, 2, 3, 4, N½ SW¼, NW¼, N½ SE¼, NE¼				
SF 078498-A	<u>T-28-N, R-7-W</u>	515.36	Royalty:		<u>Tract 9-A</u>
	Section 28: SE¼, NE¼, NE¼	Working Interest:			
	Section 32: Lots 3, 4, N½ SW¼, NW¼	Burlington Resources Oil & Gas Company	83.500000 %	83.500000 %	
		ORRI:	4.000000 %	4.000000 %	
		<u>Total</u>	100.000000 %	100.000000 %	
SF 078500-A	<u>T-28-N, R-7-W</u>	610.36	Royalty:		<u>Tract 10</u>
	Section 19: Lots 2, 3, 4	Working Interest:			
	Section 30: N½ NE¼, SW¼	Conoco Inc.	84.500000 %	84.500000 %	
	Section 31: Lots 1, 2, 3, 4, 5, E½ NW¼, NE¼ SW¼	ORRI:	3.000000 %	3.000000 %	
		<u>Total</u>	100.000000 %	100.000000 %	

Schedule XL

Thirty-Ninth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective June 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078500	<u>T-28-N, R-7-W</u>	189.30	Royalty:	12.500000 %	<u>0.754532 %</u>
	Section 30: Lots 1, 2, 3,		Working Interest:	12.500000 %	
	E½ NW¼		Burlington Resources Oil & Gas Company	83.500000 %	
	ORRI:		4.000000 %	4.000000 %	
	<u>Total</u>		<u>100.000000 %</u>	<u>100.000000 %</u>	
SF 078565	<u>T-27-N, R-7-W</u>	160.00	Royalty:	12.500000 %	<u>0.637745 %</u>
	Section 5: SE¼		Working Interest:	12.500000 %	
	ORRI:		Conoco Inc.	69.500000 %	
	ORRI:		18.000000 %	18.000000 %	
	<u>Total</u>		<u>100.000000 %</u>	<u>100.000000 %</u>	
SF 078565-A	<u>T-27-N, R-7-W</u>	320.52	Royalty:	12.500000 %	<u>1.277563 %</u>
	Section 5: Lots 3, 4,		Working Interest:	12.500000 %	
	S½ NW¼, SW¼		Burlington Resources Oil & Gas Company	86.500000 %	
	ORRI:		1.000000 %	1.000000 %	
	<u>Total</u>		<u>100.000000 %</u>	<u>100.000000 %</u>	
SF 078569	<u>T-27-N, R-7-W</u>	160.00	Royalty:	12.500000 %	<u>0.637745 %</u>
	Section 8: NE¼		Working Interest:	12.500000 %	
	ORRI:		Burlington Resources Oil & Gas Company	82.500000 %	
	ORRI:		5.000000 %	5.000000 %	
	<u>Total</u>		<u>100.000000 %</u>	<u>100.000000 %</u>	

Schedule XL

Thirty-Ninth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective June 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078570	I-27-N, R-7-W		Tract 14		2.550981 %
	Section 4: SE¼, SW¼	Royalty:	12.500000 %	12.500000 %	
	Section 8: SE¼	Working Interest: Conoco Inc.	80.500000 %	80.500000 %	
	Section 9: NW¼	ORRI:	7.000000 %	7.000000 %	
		Total	100.000000 %	100.000000 %	
SF 078640	I-27-N, R-7-W		Tract 15		1.913236 %
	Section 9: SW¼	Royalty:	12.500000 %	12.500000 %	
	Section 15: W¼	Working Interest: Burlington Resources Oil & Gas Company	82.500000 %	82.500000 %	
		ORRI:	5.000000 %	5.000000 %	
		Total	100.000000 %	100.000000 %	
SF 078835-A	I-27-N, R-7-W		Tract 17		2.554409 %
	Section 6: Lots 1, 2, S¼ NE¼, SE¼	Royalty: Working Interest: Conoco Inc.	12.500000 %	12.500000 %	
	Section 7: Lots 1, 2, 3, 4, E¼ W¼	ORRI:	67.500000 %	67.500000 %	
			20.000000 %	20.000000 %	
		Total	100.000000 %	100.000000 %	
SF 078840	I-27-N, R-7-W		Tract 18		2.552416 %
	Section 18: Lots 1, 2, 3, 4, E¼ W¼	Royalty: Working Interest: Conoco Inc.	12.500000 %	12.500000 %	
	Section 19: E¼	ORRI:	67.500000 %	67.500000 %	
			20.000000 %	20.000000 %	
		Total	100.000000 %	100.000000 %	

Schedule XL

Thirty-Ninth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective June 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation
			Ownership	Percentage	
SF 078972	<u>T-27-N, R-7-W</u> Section 3: SE ¼, SW ¼ Section 10: E ½, W ½ Section 11: E ½, W ½	1,600.00	Royalty: Working Interest: Burlington Resources Oil & Gas Company Conoco Inc. ORRI:	<u>Tract 19</u> 12.500000 % 49.500000 % 33.000000 % 5.000000 % <u>Total</u> 100.000000 %	6.377452 %
SF 078972-A	<u>T-27-N, R-7-W</u> Section 9: E ½	320.00	Royalty: Working Interest: Burlington Resources Oil & Gas Company Conoco Inc. Dugan Production Corp. W. G. Peavy Oil Company ORRI:	<u>Tract 20</u> 12.500000 % 66.666670 % 3.333333 % 3.333333 % 6.666664 % 7.500000 % <u>Total</u> 100.000000 %	1.275490 %
SF 079289	<u>T-28-N, R-7-W</u> Section 10: Lots 1, 2, 3, 4, S ½ S ½ Section 12: Lots 1, 2, 3, 4, S ½ S ½ Section 14: E ½ Section 15: E ½ Section 22: N ½ NW ¼	1,304.48	Royalty: Working Interest: Conoco Inc. ORRI:	<u>Tract 21</u> 12.500000 % 69.500000 % 18.000000 % <u>Total</u> 100.000000 %	5.199537 %

Schedule XL

Thirty-Ninth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective June 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Present Actual Participation	
			Ownership	Percentage		
SF 079289-A	<u>T-28-N, R-7-W</u>	1,252.80	Royalty:			
	Section 11: Lots 1, 2, 3, 4, S½ S½		Working Interest:			
	Section 14: W½		Burlington Resources Oil & Gas Company			
	Section 15: W½		D. J. Simmons Co. Ltd. Partnership			
	Section 22: E½		Helen Louise Simmons			
			June Simmons Lively			
			Mary Jane Simmons Banks			
			Carolee Simmons Smith			
			ORRI:			
			Total			
SF 079290	<u>T-28-N, R-7-W</u>	1,280.00	Royalty:			
	Section 13: E½		Working Interest:			
	Section 23: W½		Conoco Inc.			
	Section 24: W½		ORRI:			
	Section 26: NW¼, NE¼		Total			
	SF 079290-A	<u>T-28-N, R-7-W</u>	960.00	Royalty:		
		Section 13: W½		Working Interest:		
		Section 23: E½		Burlington Resources Oil & Gas Company		
		Section 24: E½		D. J. Simmons Co. Ltd. Partnership		
				Helen Louise Simmons		
			June Simmons Lively			
			Mary Jane Simmons Banks			
			Carolee Simmons Smith			
			ORRI:			
			Total			

Schedule XL

Thirty-Ninth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective June 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079290-B	<u>T-28-N, R-7-W</u>	320.00	Royalty:	12.500000 %	12.500000 %	<u>1.275490 %</u>
	Section 25: NW¼, NE¼		Working Interest:			
			Conoco Inc.	28.000000 %	28.000000 %	
			Burlington Resources Oil & Gas Company	42.000000 %	42.000000 %	
			ORRI:	17.500000 %	17.500000 %	
		<u>Tract 24-A</u>				
			Total	<u>100.000000 %</u>	<u>100.000000 %</u>	
SF 079294	<u>T-28-N, R-7-W</u>	320.00	Royalty:	12.500000 %	12.500000 %	<u>1.275490 %</u>
	Section 25: SW¼, SE¼		Working Interest:			
			Conoco Inc.	34.200000 %	34.200000 %	
			Burlington Resources Oil & Gas Company	51.300000 %	51.300000 %	
			ORRI:	2.000000 %	2.000000 %	
		<u>Tract 25</u>				
			Total	<u>100.000000 %</u>	<u>100.000000 %</u>	
SF 079294	<u>T-28-N, R-7-W</u>	816.88	Royalty:	12.500000 %	12.500000 %	<u>3.256008 %</u>
	Section 26: SE¼		Working Interest:			
	Section 36: Lots 1, 2, 3, 4,		Conoco Inc.	27.200000 %	27.200000 %	
	N½ SW¼, NW¼		Burlington Resources Oil & Gas Company	40.800000 %	40.800000 %	
	N½ SE¼, NE¼		ORRI:	19.500000 %	19.500000 %	
		<u>Tract 25-A</u>				
			Total	<u>100.000000 %</u>	<u>100.000000 %</u>	
SF 079298-B	<u>T-27-N, R-7-W</u>	640.00	Royalty:	12.500000 %	12.500000 %	<u>2.550981 %</u>
	Section 12: E½, W½		Working Interest:			
			Conoco Inc.	82.000000 %	82.000000 %	
			ORRI:	5.500000 %	5.500000 %	
			<u>Tract 26</u>			
			Total	<u>100.000000 %</u>	<u>100.000000 %</u>	

Schedule XL

Thirty-Ninth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective June 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
SF 079321-A						
	<u>T-27-N, R-7-W</u>	639.20	Royalty:			<u>Tract 27</u>
	Section 1: Lots 1, 2, 3, 4,		Working Interest:	12.500000 %	12.500000 %	
	S½ NE¼, SE¼		Conoco Inc.	82.000000 %	82.000000 %	
	S½ NW¼, SW¼		ORRI:	5.500000 %	5.500000 %	
	Total			100.000000 %	100.000000 %	2.547792 %
NM E-290-39						
	<u>T-27-N, R-7-W</u>	278.96	Royalty:			<u>Tract 28</u>
	Section 2: Lots 3, 4, SW¼		Working Interest:	12.500000 %	12.500000 %	
	SW¼ SE¼		Burlington Resources Oil & Gas Company	82.500000 %	82.500000 %	
			ORRI:	5.000000 %	5.000000 %	
	Total			100.000000 %	100.000000 %	1.111909 %
NM E-290-3						
	<u>T-27-N, R-7-W</u>	119.54	Royalty:			<u>Tract 29</u>
	Section 2: Lot 2, SW¼ NE¼		Working Interest:	12.500000 %	12.500000 %	
	NW¼ SE¼		The Wiser Oil Company	87.500000 %	87.500000 %	
			ORRI:	0.000000 %	0.000000 %	
	Total			100.000000 %	100.000000 %	0.476475 %
NM E-290-39						
	<u>T-27-N, R-7-W</u>	39.58	Royalty:			<u>Tract 30</u>
	Section 2: Lot 1		Working Interest:	12.500000 %	12.500000 %	
			Burlington Resources Oil & Gas Company	87.500000 %	87.500000 %	
			ORRI:	0.000000 %	0.000000 %	
	Total			100.000000 %	100.000000 %	0.157762 %

Schedule XL

Thirty-Ninth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective June 1, 1997

Unit Area Expansion Schedule - San Juan Basin

Conoco Inc.

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		
NM E-290-39	<u>T-27-N, R-7-W</u>	80.00	Royalty:	12.500000 %	12.500000 %	0.318873 %
	Working Interest:					
	Union Oil Company of California		72.916660 %	72.916660 %		
	Burlington Resources Oil & Gas Company		14.583340 %	14.583340 %		
	ORRI:		0.000000 %	0.000000 %		
<u>Tract 30-A</u>			<u>Total</u>	<u>100.000000 %</u>	<u>100.000000 %</u>	
NM E-290-33	<u>T-27-N, R-7-W</u>	120.00	Royalty:	12.500000 %	12.500000 %	0.478309 %
	Working Interest:					
	Burlington Resources Oil & Gas Compa ny		75.000000 %	75.000000 %		
	ORRI:		12.500000 %	12.500000 %		
	<u>Total</u>		<u>100.000000 %</u>	<u>100.000000 %</u>		
<u>Tract 31</u>						
NM E-2825-6	<u>T-27-N, R-7-W</u>	320.00	Royalty:	12.500000 %	12.500000 %	1.275490 %
	Working Interest:					
	Burlington Resources Oil & Gas Company		49.500000 %	49.500000 %		
	Comoco Inc.		33.000000 %	33.000000 %		
	ORRI:		5.000000 %	5.000000 %		
<u>Tract 35</u>			<u>Total</u>	<u>100.000000 %</u>	<u>100.000000 %</u>	
Fee	<u>T-28-N, R-7-W</u>	236.46	Royalty:	12.500000 %	12.500000 %	0.942508 %
	Working Interest:					
	Burlington Resources Oil & Gas Company		87.500000 %	87.500000 %		
	ORRI:		0.000000 %	0.000000 %		
	<u>Total</u>		<u>100.000000 %</u>	<u>100.000000 %</u>		
<u>Tract 36</u>						

Schedule XL

Thirty-Ninth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective June 1, 1997

Conoco Inc.

Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation			
			Ownership	Percentage					
Tract 36-A									
Fee	T-28-N, R-7-W	320.00	Royalty:	12.500000	%	12.500000	%	1,275,490	%
	Section 20: S½ SE¼		Working Interest:						
	Section 21: S½ SW¼, SW¼ SE¼		Conoco Inc.	87.500000	%	87.500000	%		
	Section 30: N½ SE¼, SE¼ NE¼		ORRI:	0.000000	%	0.000000	%		
			Total	100.000000	%	100.000000	%		

Schedule XL

Twenty-Ninth Expanded Participating Area for the Mesaverde Formation San Juan 28-7 Unit Area, Effective June 1, 1997

Conoco Inc.
Unit Area Expansion Schedule - San Juan Basin

Serial Number	Description	Number of Acres	Drilling Block		Percentage Committed	Present Actual Participation
			Ownership	Percentage		

Recapitulation

Description of Lands in Participating Area:

Township 27 North, Range 7 West, N.M.P.M.
Sections 1, 2, 3, 4, 5, 9, 10, 11, 12: All
Sections 6, 8, 16, 19, 29: E½
Sections 7, 15, 18: W½

Township 28 North, Range 7 West, N.M.P.M.
Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21,
22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36: All
Section 31: W½

Total number of acres in participating area:

25,088.39

Percent of basic royalty interest committed:

100.00 %

Percent of working interest committed:

100.00 %

Percent of overriding royalty interest committed:

100.00 %



Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

July 10, 1998

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Duane Spencer
1235 La Plata Highway
Farmington, NM 87401

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

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. LeMay
2040 South Pacheco
Santa Fe, NM 87505

RE: San Juan 28-7 Unit
Commercial Determination
Mesa Verde Formation
Rio Arriba County, NM

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement approved November 18, 1952, Conoco, Inc ("Conoco"), as Operator, has determined that the wells on the attached list are capable of producing unitized substances in paying quantities from the Mesa Verde formation. Conoco is seeking confirmation of the paying well determinations enclosed. An Economic Summary Report for each well is also enclosed.

Upon receipt of response from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and the New Mexico Oil Conservation Division, the formal Participating Area Schedule will be prepared and submitted.

Copies of this letter are being sent to the working interest owners on the attached sheet. If you have any questions or need any additional information, please contact the undersigned at (915) 686-5562.

Sincerely,

Linda F. Leazar, CPL
Senior Landman
San Juan Area

Encls.

SAN JUAN 28-7 UNIT
PROJECTED MESA VERDE WORKING INTEREST OWNERS

W G Peavy Oil Co

Thelma Ford Simmons Estate

Helen Louise Simmons

June S Lively

Mary Jeanne Simmons Banks

Carolee Simmons Smith

Burlington Resources Oil & Gas Co

Union Oil Co of California

Wiser Oil Co

Mesa Royalty Trust

Shirley K Bernstein Trust

Atwell & Co

Kathleen B Lipkins

CONOCO, INC, OPERATOR
San Juan 28-7 Unit
Mesa Verde Wells
Submitted for Commerciality Determination Concurrence

<u>Conoco's RSC#</u>	<u>Well Name & Number</u>	<u>Completion Date</u>	<u>Commerciality Determination</u>
7113762	San Juan 28-7 # 99	July 8, 1997	Commercial
7113763	San Juan 28-7 #100	July 22, 1997	Commercial
7113764	San Juan 28-7 #101	July 18, 1997	Commercial
7113765	San Juan 28-7 #110	July 8, 1997	Commercial
7113766	San Juan 28-7 #111	July 31, 1997	Commercial
7113767	San Juan 28-7 #239	May 20, 1997	Commercial

Summary Report

Case: SJ - 28-7 Unit99(MV recompletion)
(Nominal values)

Net Present Values

Disc Rate (%)	Before Tax Oper Inc. M\$	Before Tax Cap. Inv. M\$	Before Tax Cash Flow M\$	After Tax Cash Flow M\$	Case Description	
0.0	1,350	370	980	617	Global: NOESC Model: Default Currency: U.S. Dollars Discount Date: 1998/01 Evaluation Date: 1998/01	SJ - 28-7 MV recompletions
8.0	676	370	306	178		
9.0	638	370	268	152		
10.0	605	370	235	130		
12.0	549	370	179	92		
18.0	439	370	69	16		
Arr:	1,350	370	980	617		

Economic Indicators

		Products Recovery				Company Interest					
		B.Tax	A.Tax	Gross	VM	Roy	Net	Initial %	Final %		
ROR	%	24.3	19.7	Oil	MSTB	0	0	Working	100.0	100.0	
Payout Period	Std. (mo's)	45.7	50.8	Gas-Raw	MMSCF	847	847	Oil NRI	87.5	87.5	
	Proj. (mo's)	45.7	50.8	Gas-Sales	MMSCF	847	847	Gas NRI	87.5	87.5	
Undisc. PI		3.65	2.67	Ethane	MSTB	0	0	Byprd NRI	87.5	87.5	
9.0 Pent. PI		1.72	1.41	Propane	MSTB	0	0	Other	100.0	100.0	
12.0 Pent. PI		1.48	1.25	Butane	MSTB	0	0	Capital	100.0	100.0	
NPV/Vol @ 9.0	\$/MMSCF	0.32	0.18	Cond.	MSTB	8	8	Royalty	0.0	0.0	
NPV/Vol @ 12.0	\$/MMSCF	0.21	0.11	Sulphur	MLT	0	0				
Economic Limit Date		2034/05		Other	MSTB	0	0				

Summary Report

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
1998(12)	0.80	87.94	0.70	76.95	17.95	1.97	1.0	163.83	14.65	2.40	146.79	370.00	-223.21	-228.15	-193.66	
1999(12)	0.50	54.45	0.43	47.64	17.95	1.97	1.0	101.43	9.07	2.40	89.96	0.00	89.96	79.45	69.89	
2000(12)	0.43	47.27	0.38	41.36	17.95	1.97	1.0	88.06	7.87	2.40	77.79	0.00	77.79	63.02	60.30	
2001(12)	0.37	41.12	0.33	35.98	17.95	1.97	1.0	76.61	6.85	2.40	67.37	0.00	67.37	50.07	52.37	
2002(12)	0.33	35.78	0.28	31.31	17.95	1.97	1.0	66.65	5.96	2.40	58.30	0.00	58.30	39.75	45.68	
2003(12)	0.29	32.19	0.26	28.16	17.95	1.97	1.0	59.96	5.36	2.40	52.20	0.00	52.20	32.63	38.88	
2004(12)	0.28	30.86	0.25	27.00	17.95	1.97	1.0	57.48	5.14	2.40	49.95	0.00	49.95	28.65	33.91	
2005(12)	0.27	29.62	0.24	25.92	17.95	1.97	1.0	55.19	4.93	2.40	47.85	0.00	47.85	25.18	31.37	
2006(12)	0.26	28.44	0.23	24.88	17.95	1.97	1.0	52.98	4.74	2.40	45.84	0.00	45.84	22.13	28.88	
2007(12)	0.25	27.30	0.22	23.89	17.95	1.97	1.0	50.86	4.55	2.40	43.91	0.00	43.91	19.45	27.66	
2008(12)	0.24	26.21	0.21	22.93	17.95	1.97	1.0	48.82	4.36	2.40	42.06	0.00	42.06	17.09	26.50	
2009(12)	0.23	25.16	0.20	22.01	17.95	1.97	1.0	46.87	4.19	2.40	40.28	0.00	40.28	15.02	25.38	
2010(12)	0.22	24.15	0.19	21.13	17.95	1.97	1.0	45.00	4.02	2.40	38.57	0.00	38.57	13.19	24.30	
2011(12)	0.21	23.19	0.18	20.29	17.95	1.97	1.0	43.20	3.86	2.40	36.93	0.00	36.93	11.59	23.27	
2012(12)	0.20	22.26	0.18	19.48	17.95	1.97	1.0	41.47	3.71	2.40	35.36	0.00	35.36	10.18	22.28	
2013(12)	0.19	21.37	0.17	18.70	17.95	1.97	1.0	39.81	3.56	2.40	33.85	0.00	33.85	8.94	21.33	
2014(12)	0.19	20.51	0.16	17.95	17.95	1.97	1.0	38.22	3.42	2.40	32.40	0.00	32.40	7.85	20.41	
2015(12)	0.18	19.69	0.16	17.23	17.95	1.97	1.0	36.69	3.28	2.40	31.01	0.00	31.01	6.89	19.54	
2016(12)	0.17	18.91	0.15	16.54	17.95	1.97	1.0	35.22	3.15	2.40	29.67	0.00	29.67	6.05	18.69	
2017(12)	0.17	18.15	0.14	15.88	17.95	1.97	1.0	33.81	3.02	2.40	28.39	0.00	28.39	5.31	17.89	
2018(12)	0.16	17.42	0.14	15.25	17.95	1.97	1.0	32.46	2.90	2.40	27.16	0.00	27.16	4.66	17.11	
2019(12)	0.15	16.73	0.13	14.64	17.95	1.97	1.0	31.16	2.79	2.40	25.98	0.00	25.98	4.09	16.36	
2020(12)	0.15	16.06	0.13	14.05	17.95	1.97	1.0	29.92	2.67	2.40	24.84	0.00	24.84	3.59	15.65	
2021(12)	0.14	15.42	0.12	13.49	17.95	1.97	1.0	28.72	2.57	2.40	23.75	0.00	23.75	3.15	14.96	
2022(12)	0.13	14.80	0.12	12.95	17.95	1.97	1.0	27.57	2.46	2.40	22.70	0.00	22.70	2.76	14.30	
2023(12)	0.13	14.21	0.11	12.43	17.95	1.97	1.0	26.47	2.37	2.40	21.70	0.00	21.70	2.42	13.67	
2024(12)	0.12	13.64	0.11	11.93	17.95	1.97	1.0	25.41	2.27	2.40	20.74	0.00	20.74	2.12	13.06	
2025(12)	0.12	13.09	0.10	11.46	17.95	1.97	1.0	24.39	2.18	2.40	19.81	0.00	19.81	1.86	12.48	
2026(12)	0.11	12.57	0.10	11.00	17.95	1.97	1.0	23.42	2.09	2.40	18.92	0.00	18.92	1.63	11.92	
2027(12)	0.11	12.07	0.10	10.56	17.95	1.97	1.0	22.48	2.01	2.40	18.07	0.00	18.07	1.43	11.38	
2028(12)	0.11	11.58	0.09	10.14	17.95	1.97	1.0	21.58	1.93	2.40	17.25	0.00	17.25	1.25	10.87	
2029(12)	0.10	11.12	0.09	9.73	17.95	1.97	1.0	20.72	1.85	2.40	16.47	0.00	16.47	1.10	10.37	
2030(12)	0.10	10.68	0.09	9.34	17.95	1.97	1.0	19.89	1.78	2.40	15.71	0.00	15.71	0.96	9.90	
2031(12)	0.09	10.25	0.08	8.97	17.95	1.97	1.0	19.09	1.71	2.40	14.99	0.00	14.99	0.84	9.44	
2032(12)	0.09	9.84	0.08	8.61	17.95	1.97	1.0	18.33	1.64	2.40	14.29	0.00	14.29	0.73	9.00	
2033(12)	0.09	9.45	0.08	8.26	17.95	1.97	1.0	17.60	1.57	2.40	13.62	0.00	13.62	0.64	8.58	
2034(12)	0.03	3.82	0.03	3.35	17.95	1.97	0.4	7.12	0.64	0.99	5.49	0.00	5.49	0.24	3.46	
Total	7.71	847.29	6.75	741.38				1,578.49	141.12	87.39	1,349.98	370.00	979.98	267.76	617.39	

Summary Report

Case: SJ - 28-7 Unit100 (MV recompletion)

(Nominal values)

Net Present Values

Disc Rate (%)	Before Tax Oper Inc. M\$	Before Tax Cap. Inv. M\$	Before Tax Cash Flow M\$	After Tax Cash Flow M\$	Case Description	
0.0	749	370	379	239	SJ - 28-7 MV recompletions	
8.0	423	370	53	18	Global:	NOESC
9.0	401	370	31	3	Model:	Default
10.0	382	370	12	-10		
12.0	349	370	-21	-33	Currency:	U.S. Dollars
18.0	282	370	-88	-83	Discount Date:	1998/01
Arr:	749	370	379	239	Evaluation Date:	1998/01

Economic Indicators

		Products Recovery				Company Interest					
		B.Tax	A.Tax	Gross	WT	Roy	Net	Initial %	Final %		
ROR	%	10.7	9.2	Oil	MSTB	0	0	0	0	Working	100.0
Payout Period	Std. (mo's)	91.9	92.1	Gas-Raw	MMSCF	478	478	60	418	Oil NRI	87.5
	Proj. (mo's)	91.9	92.1	Gas-Sales	MMSCF	478	478	60	418	Gas NRI	87.5
Undisc. PI		2.02	1.64	Ethane	MSTB	0	0	0	0	Byprd NRI	87.5
9.0 Pcnt. PI		1.08	1.01	Propane	MSTB	0	0	0	0	Other	100.0
12.0 Pcnt. PI		0.94	0.91	Butane	MSTB	0	0	0	0	Capital	100.0
NPV/Vol @ 9.0	\$/MMSCF	0.07	0.01	Cond.	MSTB	4	4	1	4	Royalty	0.0
NPV/Vol @ 12.0	\$/MMSCF	-0.04	-0.07	Sulphur	MLt	0	0	0	0		0.0
Economic Limit Date		2023/12		Other	MSTB	0	0	0	0		

Summary Report

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY															
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opccosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 8%	ATAX Cash Flow
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
1998(12)	0.52	57.66	0.46	50.45	17.95	1.97	1.0	107.42	9.60	2.40	95.42	370.00	-274.58	-277.78	-226.02
1999(12)	0.32	35.70	0.28	31.24	17.95	1.97	1.0	66.51	5.95	2.40	58.16	0.00	58.16	51.37	49.85
2000(12)	0.28	30.99	0.25	27.12	17.95	1.97	1.0	57.74	5.16	2.40	50.18	0.00	50.18	40.65	42.91
2001(12)	0.25	26.96	0.21	23.59	17.95	1.97	1.0	50.23	4.49	2.40	43.34	0.00	43.34	32.22	37.23
2002(12)	0.21	23.46	0.19	20.53	17.95	1.97	1.0	43.70	3.91	2.40	37.40	0.00	37.40	25.50	32.51
2003(12)	0.19	21.10	0.17	18.47	17.95	1.97	1.0	39.32	3.51	2.40	33.40	0.00	33.40	20.88	27.03
2004(12)	0.18	20.23	0.16	17.70	17.95	1.97	1.0	37.89	3.37	2.40	31.92	0.00	31.92	18.31	22.55
2005(12)	0.18	19.42	0.15	16.99	17.95	1.97	1.0	36.18	3.23	2.40	30.55	0.00	30.55	16.07	20.47
2006(12)	0.17	18.65	0.15	16.32	17.95	1.97	1.0	34.74	3.11	2.40	29.23	0.00	29.23	14.11	18.42
2007(12)	0.16	17.90	0.14	15.66	17.95	1.97	1.0	33.35	2.98	2.40	27.97	0.00	27.97	12.39	17.62
2008(12)	0.16	17.18	0.14	15.04	17.95	1.97	1.0	32.01	2.86	2.40	26.75	0.00	26.75	10.87	16.85
2009(12)	0.15	16.50	0.13	14.43	17.95	1.97	1.0	30.73	2.75	2.40	25.59	0.00	25.59	9.54	16.12
2010(12)	0.14	15.84	0.13	13.86	17.95	1.97	1.0	29.50	2.64	2.40	24.47	0.00	24.47	8.37	15.41
2011(12)	0.14	15.20	0.12	13.30	17.95	1.97	1.0	28.32	2.53	2.40	23.39	0.00	23.39	7.34	14.74
2012(12)	0.13	14.60	0.12	12.77	17.95	1.97	1.0	27.19	2.43	2.40	22.36	0.00	22.36	6.44	14.09
2013(12)	0.13	14.01	0.11	12.26	17.95	1.97	1.0	26.10	2.33	2.40	21.37	0.00	21.37	5.64	13.46
2014(12)	0.12	13.45	0.11	11.77	17.95	1.97	1.0	25.06	2.24	2.40	20.42	0.00	20.42	4.95	12.86
2015(12)	0.12	12.91	0.10	11.30	17.95	1.97	1.0	24.06	2.15	2.40	19.51	0.00	19.51	4.34	12.29
2016(12)	0.11	12.40	0.10	10.85	17.95	1.97	1.0	23.09	2.06	2.40	18.63	0.00	18.63	3.80	11.74
2017(12)	0.11	11.90	0.09	10.41	17.95	1.97	1.0	22.17	1.98	2.40	17.79	0.00	17.79	3.33	11.21
2018(12)	0.10	11.42	0.09	10.00	17.95	1.97	1.0	21.28	1.90	2.40	16.98	0.00	16.98	2.91	10.70
2019(12)	0.10	10.97	0.09	9.60	17.95	1.97	1.0	20.43	1.83	2.40	16.21	0.00	16.21	2.55	10.21
2020(12)	0.10	10.53	0.08	9.21	17.95	1.97	1.0	19.61	1.75	2.40	15.46	0.00	15.46	2.23	9.74
2021(12)	0.09	10.11	0.08	8.84	17.95	1.97	1.0	18.83	1.68	2.40	14.75	0.00	14.75	1.95	9.29
2022(12)	0.09	9.70	0.08	8.49	17.95	1.97	1.0	18.08	1.62	2.40	14.06	0.00	14.06	1.71	8.86
2023(12)	0.08	9.32	0.07	8.15	17.95	1.97	1.0	17.35	1.55	2.40	13.40	0.00	13.40	1.50	8.44
Total	4.35	478.12	3.81	418.35				890.73	79.63	62.40	748.69	370.00	378.69	31.18	238.58

Summary Report

Case: SJ - 28-7 Unit101 (MV recompletion)
(Nominal values)

Net Present Values					Case Description	
Disc Rate (%)	Before Tax Oper Inc M\$	Before Tax Cap. Inv. M\$	Before Tax Cash Flow M\$	After Tax Cash Flow M\$	SJ - 28-7 MV recompletions	
0.0	1,303	370	933	588	Global: NOESC Model: Default Currency: U.S. Dollars Discount Date: 1998/01 Evaluation Date: 1998/01	
8.0	656	370	286	166		
9.0	619	370	249	141		
10.0	587	370	217	119		
12.0	534	370	164	83		
18.0	426	370	56	8		
Arr:	1,303	370	933	588		

Economic Indicators		Products Recovery				Company Interest			
		B.Tax	A.Tax			Gross	Net	Initial %	Final %
ROR	%	23.1	18.9	Oil	MSTB	0	0	Working	100.0
Payout Period	Std. (mo's)	47.7	52.6	Gas-Raw	MMSCF	818	716	Oil NRI	87.5
	Proj. (mo's)	47.7	52.6	Gas-Sales	MMSCF	818	716	Gas NRI	87.5
Undisc. PI		3.52	2.59	Ethane	MSTB	0	0	Byprd NRI	87.5
9.0 Pcnt. PI		1.67	1.38	Propane	MSTB	0	0	Other	100.0
12.0 Pcnt. PI		1.44	1.22	Butane	MSTB	0	0	Capital	100.0
NPV/Vol @ 9.0 \$/MMSCF		0.30	0.17	Cond.	MSTB	7	7	Royalty	0.0
NPV/Vol @ 12.0 \$/MMSCF		0.20	0.10	Sulphur	MLt	0	0		
Economic Limit Date		2033/09		Other	MSTB	0	0		

Summary Report																
RESERVES AND ECONOMICS																
PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
1998(12)	0.78	85.57	0.68	74.88	17.95	1.97	1.0	159.42	14.25	2.40	142.77	370.00	-227.23	-232.03	-196.20	
1999(12)	0.48	52.98	0.42	46.36	17.95	1.97	1.0	98.70	8.82	2.40	87.47	0.00	87.47	77.25	68.32	
2000(12)	0.42	46.00	0.37	40.25	17.95	1.97	1.0	85.69	7.66	2.40	75.63	0.00	75.63	61.27	58.94	
2001(12)	0.36	40.02	0.32	35.01	17.95	1.97	1.0	74.55	6.66	2.40	65.48	0.00	65.48	48.67	51.18	
2002(12)	0.32	34.81	0.28	30.46	17.95	1.97	1.0	64.86	5.80	2.40	56.66	0.00	56.66	38.64	44.64	
2003(12)	0.28	31.32	0.25	27.40	17.95	1.97	1.0	58.35	5.22	2.40	50.73	0.00	50.73	31.71	37.95	
2004(12)	0.27	30.02	0.24	26.27	17.95	1.97	1.0	55.94	5.00	2.40	48.53	0.00	48.53	27.84	33.02	
2005(12)	0.26	28.82	0.23	25.22	17.95	1.97	1.0	53.70	4.80	2.40	46.50	0.00	46.50	24.47	30.52	
2006(12)	0.25	27.67	0.22	24.21	17.95	1.97	1.0	51.55	4.61	2.40	44.54	0.00	44.54	21.50	28.06	
2007(12)	0.24	26.56	0.21	23.24	17.95	1.97	1.0	49.49	4.42	2.40	42.66	0.00	42.66	18.89	26.88	
2008(12)	0.23	25.50	0.20	22.31	17.95	1.97	1.0	47.51	4.25	2.40	40.86	0.00	40.86	16.60	25.74	
2009(12)	0.22	24.48	0.19	21.42	17.95	1.97	1.0	45.61	4.08	2.40	39.13	0.00	39.13	14.59	24.65	
2010(12)	0.21	23.50	0.19	20.56	17.95	1.97	1.0	43.78	3.91	2.40	37.47	0.00	37.47	12.81	23.61	
2011(12)	0.21	22.56	0.18	19.74	17.95	1.97	1.0	42.03	3.76	2.40	35.87	0.00	35.87	11.26	22.60	
2012(12)	0.20	21.66	0.17	18.95	17.95	1.97	1.0	40.35	3.61	2.40	34.34	0.00	34.34	9.89	21.64	
2013(12)	0.19	20.79	0.17	18.19	17.95	1.97	1.0	38.74	3.46	2.40	32.87	0.00	32.87	8.68	20.71	
2014(12)	0.18	19.96	0.16	17.47	17.95	1.97	1.0	37.19	3.32	2.40	31.46	0.00	31.46	7.62	19.82	
2015(12)	0.17	19.16	0.15	16.77	17.95	1.97	1.0	35.70	3.19	2.40	30.11	0.00	30.11	6.69	18.97	
2016(12)	0.17	18.40	0.15	16.10	17.95	1.97	1.0	34.27	3.06	2.40	28.81	0.00	28.81	5.87	18.15	
2017(12)	0.16	17.66	0.14	15.45	17.95	1.97	1.0	32.90	2.94	2.40	27.56	0.00	27.56	5.16	17.36	
2018(12)	0.15	16.95	0.13	14.83	17.95	1.97	1.0	31.59	2.82	2.40	26.36	0.00	26.36	4.52	16.61	
2019(12)	0.15	16.28	0.13	14.24	17.95	1.97	1.0	30.32	2.71	2.40	25.21	0.00	25.21	3.97	15.88	
2020(12)	0.14	15.62	0.12	13.67	17.95	1.97	1.0	29.11	2.60	2.40	24.11	0.00	24.11	3.48	15.19	
2021(12)	0.14	15.00	0.12	13.12	17.95	1.97	1.0	27.94	2.50	2.40	23.05	0.00	23.05	3.05	14.52	
2022(12)	0.13	14.40	0.11	12.60	17.95	1.97	1.0	26.83	2.40	2.40	22.03	0.00	22.03	2.68	13.88	
2023(12)	0.13	13.82	0.11	12.10	17.95	1.97	1.0	25.75	2.30	2.40	21.05	0.00	21.05	2.35	13.26	
2024(12)	0.12	13.27	0.11	11.61	17.95	1.97	1.0	24.72	2.21	2.40	20.11	0.00	20.11	2.06	12.67	
2025(12)	0.12	12.74	0.10	11.15	17.95	1.97	1.0	23.73	2.12	2.40	19.21	0.00	19.21	1.80	12.10	
2026(12)	0.11	12.23	0.10	10.70	17.95	1.97	1.0	22.79	2.04	2.40	18.35	0.00	18.35	1.58	11.56	
2027(12)	0.11	11.74	0.09	10.27	17.95	1.97	1.0	21.87	1.96	2.40	17.52	0.00	17.52	1.38	11.04	
2028(12)	0.10	11.27	0.09	9.86	17.95	1.97	1.0	21.00	1.88	2.40	16.72	0.00	16.72	1.21	10.53	
2029(12)	0.10	10.82	0.09	9.47	17.95	1.97	1.0	20.16	1.80	2.40	15.96	0.00	15.96	1.06	10.05	
2030(12)	0.09	10.39	0.08	9.09	17.95	1.97	1.0	19.35	1.73	2.40	15.22	0.00	15.22	0.93	9.59	
2031(12)	0.09	9.97	0.08	8.73	17.95	1.97	1.0	18.58	1.66	2.40	14.52	0.00	14.52	0.81	9.15	
2032(12)	0.09	9.57	0.08	8.38	17.95	1.97	1.0	17.84	1.59	2.40	13.84	0.00	13.84	0.71	8.72	
2033(12)	0.06	6.93	0.06	6.06	17.95	1.97	0.8	12.91	1.15	1.80	9.96	0.00	9.96	0.47	6.27	
Total	7.45	818.47	6.52	716.16				1,524.80	136.32	85.80	1,302.69	370.00	932.69	249.47	587.59	

Summary Report

Case: SJ - 28-7 Unit110 (MV recompletion)

(Nominal values)

Net Present Values

Disc Rate (%)	Before Tax Oper Inc. M\$	Before Tax Cap. Inv. M\$	Before Tax Cash Flow M\$	After Tax Cash Flow M\$	Case Description	
					SJ - 28-7 MV recompletions	
0.0	1,407	370	1,037	653	Global:	NOESC
8.0	700	370	330	193	Model:	Default
9.0	660	370	290	167	Currency:	U.S. Dollars
10.0	626	370	256	143	Discount Date:	1998/01
12.0	568	370	198	104	Evaluation Date:	1998/01
18.0	454	370	84	25		
Arr:	1,407	370	1,037	653		

Economic Indicators

		Products Recovery				Company Interest					
		B.Tax	A.Tax		Gross	VM	Roy	Net		Initial %	Final %
ROR	%	25.8	20.8	Oil	MSTB	0	0	0	Working	100.0	100.0
Payout Period	Strd. (mo's)	43.5	48.7	Gas-Raw	MMSCF	882	882	110	772 Oil NRI	87.5	87.5
	Proj. (mo's)	43.5	48.7	Gas-Sales	MMSCF	882	882	110	772 Gas NRI	87.5	87.5
Undisc. PI		3.80	2.77	Ethane	MSTB	0	0	0	0 Byprd NRI	87.5	87.5
9.0 Pcnt. PI		1.78	1.45	Propane	MSTB	0	0	0	0 Other	100.0	100.0
12.0 Pcnt. PI		1.54	1.28	Butane	MSTB	0	0	0	0 Capital	100.0	100.0
NPV/Vol @ 9.0	\$/MMSCF	0.33	0.19	Cond.	MSTB	8	8	1	7 Royalty	0.0	0.0
NPV/Vol @ 12.0	\$/MMSCF	0.22	0.12	Sulphur	MLt	0	0	0	0		
Economic Limit Date		2035/02		Other	MSTB	0	0	0	0		

Summary Report

RESERVES AND ECONOMIC'S PRODUCTION & REVENUE SUMMARY															
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
1998(12)	0.83	90.84	0.72	79.48	17.95	1.97	1.0	169.23	15.13	2.40	151.70	370.00	-218.30	-223.40	-190.57
1999(12)	0.51	56.24	0.45	49.21	17.95	1.97	1.0	104.77	9.37	2.40	93.01	0.00	93.01	82.14	71.80
2000(12)	0.44	48.83	0.39	42.72	17.95	1.97	1.0	90.96	8.13	2.40	80.43	0.00	80.43	65.16	61.97
2001(12)	0.39	42.48	0.34	37.17	17.95	1.97	1.0	79.14	7.08	2.40	69.66	0.00	69.66	51.78	53.81
2002(12)	0.34	36.96	0.29	32.34	17.95	1.97	1.0	68.85	6.16	2.40	60.29	0.00	60.29	41.12	46.93
2003(12)	0.30	33.25	0.26	29.09	17.95	1.97	1.0	61.94	5.54	2.40	54.00	0.00	54.00	33.76	40.01
2004(12)	0.29	31.87	0.25	27.89	17.95	1.97	1.0	59.38	5.31	2.40	51.67	0.00	51.67	25.63	35.00
2005(12)	0.28	30.60	0.24	26.77	17.95	1.97	1.0	57.00	5.10	2.40	49.51	0.00	49.51	26.05	32.41
2006(12)	0.27	29.37	0.23	25.70	17.95	1.97	1.0	54.72	4.89	2.40	47.43	0.00	47.43	22.90	29.88
2007(12)	0.26	28.20	0.22	24.67	17.95	1.97	1.0	52.53	4.70	2.40	45.44	0.00	45.44	20.12	28.63
2008(12)	0.25	27.07	0.22	23.69	17.95	1.97	1.0	50.43	4.51	2.40	43.52	0.00	43.52	17.68	27.42
2009(12)	0.24	25.99	0.21	22.74	17.95	1.97	1.0	48.41	4.33	2.40	41.69	0.00	41.69	15.54	26.26
2010(12)	0.23	24.95	0.20	21.83	17.95	1.97	1.0	46.48	4.16	2.40	39.92	0.00	39.92	13.65	25.15
2011(12)	0.22	23.95	0.19	20.96	17.95	1.97	1.0	44.62	3.99	2.40	38.23	0.00	38.23	11.99	24.08
2012(12)	0.21	22.99	0.18	20.12	17.95	1.97	1.0	42.83	3.83	2.40	36.61	0.00	36.61	10.54	23.06
2013(12)	0.20	22.07	0.18	19.31	17.95	1.97	1.0	41.12	3.68	2.40	35.04	0.00	35.04	9.25	22.08
2014(12)	0.19	21.19	0.17	18.54	17.95	1.97	1.0	39.48	3.53	2.40	33.55	0.00	33.55	8.13	21.13
2015(12)	0.19	20.34	0.16	17.80	17.95	1.97	1.0	37.90	3.39	2.40	32.11	0.00	32.11	7.14	20.23
2016(12)	0.18	19.53	0.16	17.09	17.95	1.97	1.0	36.38	3.25	2.40	30.73	0.00	30.73	6.27	19.36
2017(12)	0.17	18.75	0.15	16.40	17.95	1.97	1.0	34.93	3.12	2.40	29.40	0.00	29.40	5.50	18.52
2018(12)	0.16	18.00	0.14	15.75	17.95	1.97	1.0	33.53	3.00	2.40	28.13	0.00	28.13	4.83	17.72
2019(12)	0.16	17.28	0.14	15.12	17.95	1.97	1.0	32.19	2.88	2.40	26.91	0.00	26.91	4.24	16.95
2020(12)	0.15	16.59	0.13	14.51	17.95	1.97	1.0	30.90	2.76	2.40	25.74	0.00	25.74	3.72	16.21
2021(12)	0.14	15.92	0.13	13.93	17.95	1.97	1.0	29.66	2.65	2.40	24.61	0.00	24.61	3.26	15.51
2022(12)	0.14	15.29	0.12	13.38	17.95	1.97	1.0	28.48	2.55	2.40	23.53	0.00	23.53	2.86	14.83
2023(12)	0.13	14.67	0.12	12.84	17.95	1.97	1.0	27.34	2.44	2.40	22.49	0.00	22.49	2.51	14.17
2024(12)	0.13	14.09	0.11	12.33	17.95	1.97	1.0	26.25	2.35	2.40	21.50	0.00	21.50	2.20	13.54
2025(12)	0.12	13.52	0.11	11.83	17.95	1.97	1.0	25.20	2.25	2.40	20.54	0.00	20.54	1.93	12.94
2026(12)	0.12	12.98	0.10	11.36	17.95	1.97	1.0	24.19	2.16	2.40	19.63	0.00	19.63	1.69	12.36
2027(12)	0.11	12.46	0.10	10.91	17.95	1.97	1.0	23.22	2.08	2.40	18.74	0.00	18.74	1.48	11.81
2028(12)	0.11	11.97	0.10	10.47	17.95	1.97	1.0	22.29	1.99	2.40	17.90	0.00	17.90	1.30	11.28
2029(12)	0.10	11.49	0.09	10.05	17.95	1.97	1.0	21.40	1.91	2.40	17.09	0.00	17.09	1.14	10.76
2030(12)	0.10	11.03	0.09	9.65	17.95	1.97	1.0	20.54	1.84	2.40	16.31	0.00	16.31	1.00	10.27
2031(12)	0.10	10.59	0.08	9.26	17.95	1.97	1.0	19.72	1.76	2.40	15.56	0.00	15.56	0.87	9.80
2032(12)	0.09	10.16	0.08	8.89	17.95	1.97	1.0	18.93	1.69	2.40	14.84	0.00	14.84	0.76	9.35
2033(12)	0.09	9.76	0.08	8.54	17.95	1.97	1.0	18.18	1.62	2.40	14.15	0.00	14.15	0.67	8.91
2034(12)	0.09	9.37	0.07	8.20	17.95	1.97	1.0	17.45	1.56	2.40	13.49	0.00	13.49	0.58	8.50
2035(12)	0.01	1.52	0.01	1.33	17.95	1.97	0.2	2.84	0.25	0.39	2.20	0.00	2.20	0.09	1.38
Total	8.03	882.14	7.02	771.87				1,643.40	146.92	89.19	1,407.29	370.00	1,037.29	290.06	653.49

Summary Report

Case: SJ - 28-7 Unit111(MV recompletion)

(Nominal values)

Net Present Values

Case Description					
Disc	Before Tax	Before Tax	Before Tax	After Tax	SJ - 28-7 MV recompletions
Rate	Oper Inc.	Cap. Inv.	Cash Flow	Cash Flow	
(%)	M\$	M\$	M\$	M\$	
0.0	635	370	265	167	
8.0	373	370	3	-13	
9.0	355	370	-15	-26	Global: NOESC
10.0	338	370	-32	-38	Model: Default
12.0	310	370	-60	-58	Currency: U.S. Dollars
18.0	252	370	-118	-102	Discount Date: 1998/01
Arr:	635	370	265	167	Evaluation Date: 1998/01

Economic Indicators

Products Recovery

Company Interest

Economic Indicators				Products Assorted		Company, Initial				Company, Final		
		B.Tax	A.Tax			Gross	WI	Roy	Net		Initial %	Final %
ROR	%	8.1	7.1	Oil	MSTB	0	0	0	0	Working	100.0	100.0
Payout Period	Std. (mo's)	109.8	109.8	Gas-Raw	MMSCF	408	408	51	357	Oil NRI	87.5	87.5
	Proj. (mo's)	109.8	109.8	Gas-Sales	MMSCF	408	408	51	357	Gas NRI	87.5	87.5
Undisc. PI		1.72	1.45	Ethane	MSTB	0	0	0	0	Byprd NRI	87.5	87.5
9.0 Pcnt. PI		0.96	0.93	Propane	MSTB	0	0	0	0	Other	100.0	100.0
12.0 Pcnt. PI		0.84	0.84	Butane	MSTB	0	0	0	0	Capital	100.0	100.0
NPV/Vol @ 9.0	\$/MMSCF	-0.04	-0.06	Cond.	MSTB	4	4	0	3	Royalty	0.0	0.0
NPV/Vol @ 12.0	\$/MMSCF	-0.15	-0.14	Sulphur	MLt	0	0	0	0			
Economic Limit Date		2021/05		Other	MSTB	0	0	0	0			

Summary Report

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
1998(12)	0.47	51.87	0.41	45.39	17.95	1.97	1.0	96.63	8.64	2.40	85.59	370.00	-284.41	-287.28	-232.21
1999(12)	0.29	32.11	0.26	28.10	17.95	1.97	1.0	59.83	5.35	2.40	52.08	0.00	52.08	45.99	46.02
2000(12)	0.25	27.88	0.22	24.40	17.95	1.97	1.0	51.94	4.64	2.40	44.90	0.00	44.90	36.38	39.58
2001(12)	0.22	24.26	0.19	21.22	17.95	1.97	1.0	45.19	4.04	2.40	38.75	0.00	38.75	28.80	34.34
2002(12)	0.19	21.10	0.17	18.46	17.95	1.97	1.0	39.31	3.51	2.40	33.40	0.00	33.40	22.78	29.99
2003(12)	0.17	18.98	0.15	16.61	17.95	1.97	1.0	35.37	3.16	2.40	29.80	0.00	29.80	18.63	24.77
2004(12)	0.17	18.20	0.14	15.92	17.95	1.97	1.0	33.91	3.03	2.40	28.47	0.00	28.47	16.33	20.38
2005(12)	0.16	17.47	0.14	15.29	17.95	1.97	1.0	32.55	2.91	2.40	27.24	0.00	27.24	14.33	18.38
2006(12)	0.15	16.77	0.13	14.68	17.95	1.97	1.0	31.25	2.79	2.40	26.05	0.00	26.05	12.58	16.41
2007(12)	0.15	16.10	0.13	14.09	17.95	1.97	1.0	30.00	2.68	2.40	24.92	0.00	24.92	11.03	15.70
2008(12)	0.14	15.46	0.12	13.53	17.95	1.97	1.0	28.80	2.57	2.40	23.82	0.00	23.82	9.68	15.01
2009(12)	0.14	14.84	0.12	12.98	17.95	1.97	1.0	27.65	2.47	2.40	22.77	0.00	22.77	8.49	14.35
2010(12)	0.13	14.25	0.11	12.47	17.95	1.97	1.0	26.54	2.37	2.40	21.77	0.00	21.77	7.44	13.71
2011(12)	0.12	13.68	0.11	11.97	17.95	1.97	1.0	25.48	2.28	2.40	20.80	0.00	20.80	6.53	13.10
2012(12)	0.12	13.13	0.10	11.49	17.95	1.97	1.0	24.46	2.19	2.40	19.87	0.00	19.87	5.72	12.52
2013(12)	0.11	12.60	0.10	11.03	17.95	1.97	1.0	23.48	2.10	2.40	18.98	0.00	18.98	5.01	11.96
2014(12)	0.11	12.10	0.10	10.59	17.95	1.97	1.0	22.54	2.02	2.40	18.13	0.00	18.13	4.39	11.42
2015(12)	0.11	11.62	0.09	10.16	17.95	1.97	1.0	21.64	1.93	2.40	17.31	0.00	17.31	3.85	10.90
2016(12)	0.10	11.15	0.09	9.76	17.95	1.97	1.0	20.77	1.86	2.40	16.52	0.00	16.52	3.37	10.41
2017(12)	0.10	10.71	0.09	9.37	17.95	1.97	1.0	19.94	1.78	2.40	15.76	0.00	15.76	2.95	9.93
2018(12)	0.09	10.28	0.08	8.99	17.95	1.97	1.0	19.15	1.71	2.40	15.03	0.00	15.03	2.58	9.47
2019(12)	0.09	9.87	0.08	8.63	17.95	1.97	1.0	18.38	1.64	2.40	14.34	0.00	14.34	2.26	9.03
2020(12)	0.09	9.47	0.08	8.29	17.95	1.97	1.0	17.64	1.58	2.40	13.67	0.00	13.67	1.97	8.61
2021(12)	0.03	3.83	0.03	3.35	17.95	1.97	0.4	7.14	0.64	0.99	5.51	0.00	5.51	0.75	3.47
Total	3.71	407.72	3.25	356.76				759.58	67.91	56.19	635.48	370.00	265.48	-15.44	167.25

Summary Report

Case: SJ - 28-7 Unit 239 (MV recompletion)

(Nominal values)

Net Present Values

Disc Rate	Before Tax Oper Inc.	Before Tax Cap. Inv.	Before Tax Cash Flow	After Tax Cash Flow	Case Description	
(%)	M\$	M\$	M\$	M\$	SJ - 28-7 MV recompletions	
0.0	2,861	370	2,491	1,569	Global: NOESC Model: Default	Currency: U.S. Dollars Discount Date: 1998/01 Evaluation Date: 1998/01
8.0	1,471	370	1,101	679		
9.0	1,387	370	1,017	624		
10.0	1,313	370	943	576		
12.0	1,189	370	819	496		
18.0	940	370	570	332		
Arr:	2,861	370	2,491	1,569		

Economic Indicators

Economic Indicators		Products Recovery					Company Interest					
		B.Tax	A.Tax			Gross	WT	Roy	Net		Initial %	Final %
ROR	%	89.3	60.7	Oil	MSTB	0	0	0	0	Working	100.0	100.0
Payout Period	Std. (mo's)	17.2	21.4	Gas-Raw	MMSCF	1905	1905	238	1667	Oil NRI	87.5	87.5
	Proj. (mo's)	17.2	21.4	Gas-Sales	MMSCF	1905	1905	238	1667	Gas NRI	87.5	87.5
Undisc. PI		7.73	5.24	Ethane	MSTB	0	0	0	0	Byprd NRI	87.5	87.5
9.0 Pcnt. PI		3.75	2.69	Propane	MSTB	0	0	0	0	Other	100.0	100.0
12.0 Pcnt. PI		3.21	2.34	Butane	MSTB	0	0	0	0	Capital	100.0	100.0
NPV/Vol @ 9.0	\$/MMSCF	0.53	0.33	Cond.	MSTB	17	17	2	15	Royalty	0.0	0.0
NPV/Vol @ 12.0	\$/MMSCF	0.43	0.26	Sulphur	MLt	0	0	0	0			
Economic Limit Date		2028/10		Other	MSTB	0	0	0	0			

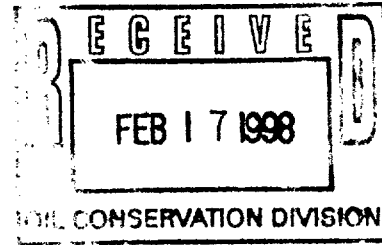
Summary Report

RESERVES AND ECONOMICS																
PRODUCTION & REVENUE SUMMARY																
Date	Gross Oil Volume	Gross Gas Volume	NRI Oil	NRI Gas	Oil Price	Gas Price	No. of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Operation Cash Flow	Total Capital	BTAX Cash Flow	BTAX Cash Flow Disc @ 9%	ATAX Cash Flow	
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/MMBTU		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
1998(12)	1.68	184.30	1.47	161.27	17.95	1.77	1.1	311.78	27.86	2.60	281.32	370.00	-88.68	-98.19	-108.90	
1999(12)	1.18	130.16	1.04	113.89	17.95	1.77	1.0	220.18	19.67	2.40	198.11	0.00	198.11	174.91	138.02	
2000(12)	1.03	113.55	0.90	99.35	17.95	1.77	1.0	192.08	17.16	2.40	172.52	0.00	172.52	139.76	119.98	
2001(12)	0.90	98.52	0.78	86.20	17.95	1.77	1.0	166.66	14.89	2.40	149.37	0.00	149.37	111.00	104.03	
2002(12)	0.78	85.78	0.68	75.05	17.95	1.77	1.0	145.11	12.96	2.40	129.74	0.00	129.74	88.45	90.69	
2003(12)	0.72	79.38	0.63	69.46	17.95	1.77	1.0	134.29	12.00	2.40	119.89	0.00	119.89	74.93	81.52	
2004(12)	0.70	76.42	0.61	66.86	17.95	1.77	1.0	129.27	11.55	2.40	115.32	0.00	115.32	66.13	75.10	
2005(12)	0.67	73.16	0.58	64.01	17.95	1.77	1.0	123.76	11.06	2.40	110.30	0.00	110.30	58.03	70.71	
2006(12)	0.64	70.23	0.56	61.45	17.95	1.77	1.0	118.81	10.61	2.40	105.79	0.00	105.79	51.06	66.65	
2007(12)	0.61	67.42	0.54	58.99	17.95	1.77	1.0	114.06	10.19	2.40	101.47	0.00	101.47	44.93	63.92	
2008(12)	0.59	64.90	0.52	56.79	17.95	1.77	1.0	109.79	9.81	2.40	97.59	0.00	97.59	39.64	61.48	
2009(12)	0.57	62.14	0.49	54.37	17.95	1.77	1.0	105.11	9.39	2.40	93.32	0.00	93.32	34.78	58.79	
2010(12)	0.54	59.65	0.47	52.19	17.95	1.77	1.0	100.91	9.02	2.40	89.49	0.00	89.49	30.60	56.38	
2011(12)	0.52	57.26	0.46	50.11	17.95	1.77	1.0	96.87	8.65	2.40	85.82	0.00	85.82	26.92	54.07	
2012(12)	0.50	55.13	0.44	48.23	17.95	1.77	1.0	93.25	8.33	2.40	82.52	0.00	82.52	23.75	51.99	
2013(12)	0.48	52.78	0.42	46.18	17.95	1.77	1.0	89.28	7.98	2.40	78.90	0.00	78.90	20.83	49.71	
2014(12)	0.46	50.66	0.40	44.33	17.95	1.77	1.0	85.71	7.66	2.40	75.65	0.00	75.65	18.32	47.66	
2015(12)	0.44	48.64	0.39	42.56	17.95	1.77	1.0	82.28	7.35	2.40	72.53	0.00	72.53	16.12	45.69	
2016(12)	0.43	46.82	0.37	40.97	17.95	1.77	1.0	79.20	7.08	2.40	69.73	0.00	69.73	14.22	43.93	
2017(12)	0.41	44.82	0.36	39.22	17.95	1.77	1.0	75.83	6.77	2.40	66.65	0.00	66.65	12.47	41.99	
2018(12)	0.39	43.03	0.34	37.65	17.95	1.77	1.0	72.80	6.50	2.40	63.89	0.00	63.89	10.96	40.25	
2019(12)	0.38	41.31	0.33	36.15	17.95	1.77	1.0	69.88	6.24	2.40	61.24	0.00	61.24	9.64	38.58	
2020(12)	0.36	39.77	0.32	34.80	17.95	1.77	1.0	67.27	6.01	2.40	58.86	0.00	58.86	8.50	37.08	
2021(12)	0.35	38.07	0.30	33.31	17.95	1.77	1.0	64.40	5.75	2.40	56.25	0.00	56.25	7.45	35.44	
2022(12)	0.33	36.55	0.29	31.98	17.95	1.77	1.0	61.83	5.52	2.40	53.90	0.00	53.90	6.55	33.96	
2023(12)	0.32	35.09	0.28	30.70	17.95	1.77	1.0	59.36	5.30	2.40	51.65	0.00	51.65	5.76	32.54	
2024(12)	0.31	33.78	0.27	29.55	17.95	1.77	1.0	57.14	5.10	2.40	49.63	0.00	49.63	5.08	31.27	
2025(12)	0.29	32.34	0.26	28.29	17.95	1.77	1.0	54.70	4.89	2.40	47.41	0.00	47.41	4.45	29.87	
2026(12)	0.28	31.04	0.25	27.16	17.95	1.77	1.0	52.51	4.69	2.40	45.42	0.00	45.42	3.91	28.62	
2027(12)	0.27	29.80	0.24	26.08	17.95	1.77	1.0	50.41	4.50	2.40	43.51	0.00	43.51	3.44	27.41	
2028(12)	0.21	22.93	0.18	20.06	17.95	1.77	0.8	38.78	3.46	1.91	33.41	0.00	33.41	2.44	21.05	
Total	17.34	1,905.41	15.17	1,667.23				3,223.34	287.98	74.11	2,861.25	370.00	2,491.25	1,016.35	1,569.49	



February 13, 1998

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401



Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

**RE: San Juan 28-7 Unit; N. 14-08-001-459
Rio Arriba County, New Mexico
1998 Plan Of Development**

Gentlemen:

By letter dated January 24, 1997, Conoco Inc., as Unit Operator for the referenced Unit, filed the Plan of Development (POD) for the calendar year 1997. The 1997 POD carried forward wells which were placed on the 1996 POD, and on its Amendment, dated December 6, 1996.

During 1997 Conoco completed the following new drills and recompletions:

New Drills

#124M	Mesaverde/Dakota commingle
#157M	Mesaverde/Dakota commingle
#182M	Mesaverde/Dakota commingle
#183M	Mesaverde/Dakota commingle
#222M	Mesaverde/Dakota commingle
#224M	Mesaverde/Dakota commingle
#226M	Mesaverde/Dakota commingle
#227M	Mesaverde/Dakota commingle
#230M (name change to #59A)	Mesaverde single
#232M	Mesaverde/Dakota commingle

Recompletions

#99	Mesaverde recomplete/commingle with Dakota
#100	Mesaverde recomplete

#101	Mesaverde recomplete
#110	Mesaverde recomplete/commingle with Dakota
#111	Mesaverde recomplete/commingle with Dakota
#125	Mesaverde recomplete/commingle with Dakota
#126	Mesaverde recomplete/commingle with Dakota
#188	Mesaverde recomplete/commingle with Dakota
#189	Mesaverde recomplete/commingle with Dakota
#191E	Mesaverde recomplete/commingle with Dakota
#219	Mesaverde recomplete/commingle with Dakota
#221	Mesaverde recomplete/commingle with Dakota
#222	Mesaverde recomplete/commingle with Dakota
#223	Mesaverde recomplete/commingle with Dakota
#226	Mesaverde recomplete/commingle with Dakota
#227	Mesaverde recomplete/commingle with Dakota
#229	Mesaverde recomplete/commingle with Dakota
#234	Mesaverde recomplete/commingle with Dakota
#239	Mesaverde recomplete/commingle with Dakota
#242E	Mesaverde recomplete/commingle with Dakota
#255	Mesaverde recomplete/commingle with Dakota
#255E	Mesaverde recomplete/commingle with Dakota
#256	Mesaverde recomplete/commingle with Dakota

Well nos. 231E and 238 were not done and are removed from the POD. Well no. 252 is being carried forward to 1998.

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, Conoco Inc., as Unit Operator, hereby submits the following program for the 1998 Plan of Development:

New Drills

#98M	(SE/4) Sec. 29-27N-7W	Drill & Equip MV/DK and commingle
#99M	(NW/4) Sec. 29-27N-7W	Drill & Equip MV/DK and commingle
#100M	(SE/4) Sec. 30-27N-7W	Drill & Equip MV/DK and commingle
#101M	(NW/4) Sec. 30-27N-7W	Drill & Equip MV/DK and commingle
#109M	(NW/4) Sec. 18-27N-7W	Drill & Equip MV/DK and commingle
#110M	(NW/4) Sec. 19-27N-7W	Drill & Equip MV/DK and commingle
#111M	(NW/4) Sec. 20-27N-7W	Drill & Equip MV/DK and commingle
#113E	(SE/4) Sec. 18-27N-7W	Drill & Equip MV/DK and commingle
#145M	(NW/4) Sec. 10-27N-7W	Drill & Equip MV/DK and commingle
#153E	(SE/4) Sec. 20-27N-7W	Drill & Equip MV/DK and commingle
#156M	(SE/4) Sec. 10-27N-7W	Drill & Equip MV/DK and commingle
#199E	(SW/4) Sec. 18-28N-7W	Drill & Equip MV/DK and commingle
#214M	(SE/4) Sec. 4-27N-7W	Drill & Equip MV/DK and commingle
#215M	(NW/4) Sec. 4-27N-7W	Drill & Equip MV/DK and commingle
#218E	(SE/4) Sec. 12-28N-7W	Drill & Equip Dakota

#229E	(NE/4) Sec. 32-28N-7W	Drill & Equip Dakota
#235E	(SE/4) Sec. 10-28N-7W	Drill & Equip Dakota
#237M	(SE/4) Sec. 19-27N-7W	Drill & Equip MV/DK and commingle
#238E	(NW/4) Sec. 29-28N-7W	Drill & Equip Dakota
#247E	(SE/4) Sec. 11-28N-7W	Drill & Equip Dakota
#249M	(SE/4) Sec. 30-28N-7W	Drill & Equip MV/DK and commingle
#250E	(NW/4) Sec. 30-28N-7W	Drill & Equip Dakota

Recompletions

#7	(NE/4) Sec. 35-28N-7W	Recomplete to Pictured Cliffs
#10	(SW/4) Sec. 36-28N-7W	Recomplete to Pictured Cliffs
#113	(NE/4) Sec. 18-27N-7W	Recomplete to MV and commingle
#146	(NE/4) Sec. 19-28N-7W	Recomplete to Fruitland Coal and commingle
#153	(NE/4) Sec. 20-27N-7W	Recomplete to MV and commingle
#161	(NE/4) Sec. 16-28N-7W	Recomplete to Fruitland Coal and commingle
#165E	(SE/4) Sec. 16-27N-7W	Recomplete to MV and commingle
#166	(SW/4) Sec. 16-27N-7W	Recomplete to MV and commingle
#168	(NE/4) Sec. 6-27N-7W	Recomplete to Fruitland Coal and commingle
#185	(SW/4) Sec. 17-27N-7W	Recomplete to MV and commingle
#216	(NE/4) Sec. 8-27N-7W	Recomplete to MV and commingle
#238R	(SW/4) Sec. 28-28N-7W	Recomplete to Fruitland Coal
#243	(SW/4) Sec. 31-28N-7W	Recomplete to MV and commingle
#245	(NE/4) Sec. 18-28N-7W	Recomplete to Fruitland Coal and commingle
#250	(SW/4) Sec. 30-28N-7W	Recomplete to MV and commingle
#252	(NW/4) Sec. 32-28N-7W	Recomplete to MV and commingle
#261	(SW/4) Sec. 5-27N-7W	Recomplete to MV and commingle

The Unit currently consists of the following Participating Areas:

Formation	Expansion	Effective Date
Fruitland	4th	2-2-95
Pictured Cliffs	32nd	6-1-81
Chacra	9th	3-1-84
Mesaverde	38th	8-1-80
Dakota	27th	7-1-75

Maps of each Participating Area are attached.

The working interest owners are being contacted regarding the Plan of Development. Conoco Inc. and the working interest owners believe that all current obligations have been satisfied.

Conoco Inc., as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

In accordance with Section 10 of the Unit Agreement, please advise of your approval by executing in the space provided below and return one copy to the undersigned.

Should you have any questions regarding this proposal, please contact Jennifer A. Barber at (915) 686-5582.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Sincerely,
CONOCO INC.

Jennifer A. Barber

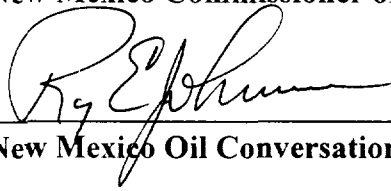
Attachments

Bureau of Land Management

Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conversation Division

2/18/98
Date

The foregoing approvals are for the 1998 Plan of Development for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

Amoco Production Company
P.O. Box 800
Denver, CO 80201

Burlington Resources Oil &
Gas Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

Texaco Exploration &
Production, Inc.
Attn: Gary E. Cox
P.O. Box 2100
Denver, CO 80201

Koch Exploration
Attn: R. J. Miller
P.O. Box 2256
Wichita, KS 67201-2256

W. G. Peavy Oil Company
221 Woodcrest Drive
Richardson, TX 75060-2038

The Wiser Oil Company
8115 Preston Road, #400
Dallas, TX 75225-6311

Union Oil of California
Attn: Mr. Gary Dupriest
1004 North Big Spring
Suite 300
Midland, Texas 79701

Dugan Production Corp.
709 E. Murray Dr.
Farmington, NM 87499

Mary F. Turner Trust _ 6743
Texas Commerce Trust Co.,
NA
P.O. Box 951412
Dallas, TX 75395-1412

Kathleen McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Michael S. McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Thelma Ford Simmons Estate
_ D. J. Simmons Company
P.O. Box 1469
Farmington, NM 87499-1469

Dawn J. Turnbull
5847 Lakehurst Avenue
Dallas, TX 75230-5031

Elizabeth J. Turner-Calloway
4801 Saint Johns Drive
Dallas, TX 75205-3143

J. Glenn Turner, Jr.
3131 Turtle Creek Blvd.
Suite 1201
Dallas, TX 75219-5441

John Lee Turner
P.O. Box 33610
Kerrville, TX 78029-3610

Cindy M. Hamilton
2222 Flat Creek
Richardson, TX 75080-2332

Denise Turnbull Williams
5847 Lakehurst Avenue
Dallas, TX 75230-5031

Derrick Turnbull
5847 Lakehurst Avenue
Dallas, TX 75230-5031

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Helen Louise Simmons
2429 Wabash
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
5717 Jacqueline Road
Fort Worth, TX 76112-3952

Conoco Inc.
Attn: Jennifer Barber
10 Desta Drive, Suite 453
Midland, TX 79705-4500



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

June 1, 1998

Conoco Inc.
10 Desta Drive
Suite 100 West
Midland, Texas 79705

Attn: Ms. Jennifer A. Barber

Re: 1998 Plan of Development
San Juan 28-7 Unit
Rio Arriba County, New Mexico

Dear Ms. Barber:

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

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

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

Very truly yours,

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

BY: *For Anthony H. Nail*
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
pc: Reader File

OCD

BLM

"WE WORK FOR EDUCATION"

445



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5795

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

**State of New Mexico
Commissioner of Public Lands**

Ray Powell, M.S., D.V.M.
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(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

March 4, 1997

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Attn: Mr. Steven C. Klein

Re: 1997 Plan of Development
San Juan 28-7 Unit
Rio Arriba County, New Mexico

Dear Mr. Klein:

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

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

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

Very truly yours,

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

BY:

A handwritten signature in cursive script, appearing to read "Jami Bailey".

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
cc: Reader File

OCD

BLM



Steven C. Klein
Senior Landman
Midland Division
Exploration Production
North America

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500
BUS. (915) 686-5475
FAX (915) 686-5596

January 24, 1997

Bureau of Land Management (3)
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

RECEIVED
FEB 26 1997

Commissioner of Public Lands (2)
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division (2)
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: **San Juan 28-7 Unit; No. 14-08-001-459**
Rio Arriba County, New Mexico
1997 Plan of Development

Gentlemen:

By letters dated January 26, 1996, and December 6, 1996 (1st Amendment), Conoco Inc., as Unit Operator, less and except the Fruitland, for the referenced Unit, filed the Plan of Development (POD) for the calendar year 1996. The POD called for the drilling of three (3) Mesaverde/Dakota dual wells (Nos. 258M, 159M, and 188M, and four (4) Mesaverde recompletions and commingles with existing Dakota production (Nos. 242E, 255, 234, and 255E). The First Admendment to the Plan of Development, dated 12-6-96, called for the drilling of ten (10) additional Mesaverde/Dakota dual wells (Nos. 124M, 157M, 182M, 183M, 222M, 224M, 226M, 227M, 230M, and 232M) and twenty two (22) Mesaverde recompletions with 20 of them to be commingled with existing Dakota Production (Nos. 99, 100, 101 [recompletion only, no commingle], 110, 111, 125, 126, 188, 189, 191E, 219, 221, 222, 223, 226, 227, 229, 231E, 238 [recompletion only, no commingle], 239, 252, and 256).

During 1996 Conoco completed the drilling of well Nos. 125M, 130M, 131M, 159M, 188M, 223M, 225M, 258M, 259M and recompleted well Nos. 191, 192, 194E (name change to 194M), 195, 231, 233 (name change to 233M), 257, 242E, 234, 255, and 255E. **All other wells are being carried forward to 1997.**

The Unit currently consists of the following Participating Areas:

FORMATION	EXPANSION	EFFECTIVE DATE
Pictured Cliffs	32nd	6-1-81
Chacra	9th	3-1-84
Mesaverde	38th	8-1-80
Dakota	27th	7-1-75

Bureau of Land Management
Commissioner of Public Lands
Oil Conservation Division
February 24, 1997
Page 2

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, Conoco Inc., as Unit Operator as to all formations less and except the Fruitland, hereby submits the following program for the 1997 Plan of Development:

No additional wells are planned for 1997.

The working interest owners are being contacted regarding the Plan of Development. Conoco Inc. and the working interest owners believe that all current obligations have been satisfied.

Conoco Inc., as Unit Operator to all formations less and except the Fruitland, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

In accordance with Section 10 of the Unit Agreement, please advise of your approval by executing in the space provided below and return one copy to the undersigned.

Should you have any questions regarding this proposal, please contact Steven C. Klein at (915) 686-5475.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,

CONOCO INC.

A handwritten signature in cursive script, appearing to read "Steven C. Klein".

Steven C. Klein

Attachment

Bureau of Land Management
Commissioner of Public Lands
Oil Conservation Division
February 24, 1997
Page 3

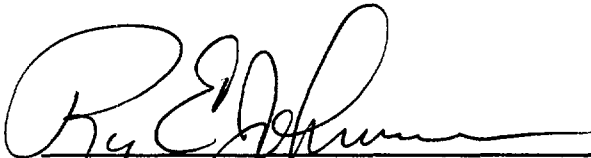
1997 PLAN OF DEVELOPMENT

Bureau of Land Management

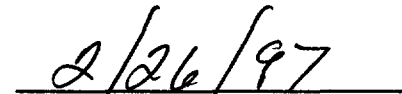
Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division



Date

The foregoing approvals are for the 1997 Plan of Development for the San Juan 28-7 Unit,
#14-08-001-459, Rio Arriba County, New Mexico.

WORKING INTEREST OWNERS

San Juan 28-7 Unit

January 24, 1997

Amoco Production Company
P.O. Box 800
Denver, CO 80201

Burlington Resources Oil and Gas
Company
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

Texaco Exploration & Production, Inc.
Attn: Gary E. Cox
P.O. Box 2100
Denver, CO 80201

Koch Exploration
Attn: R. J. Miller
P.O. Box 2256
Wichita, KS 67201-2256

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221 Woodcrest Drive
Richardson, TX 75060-2038

The Wiser Oil Company
8115 Preston Road, #400
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Union Oil of California
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1004 North Big Spring
Suite 300
Midland, Texas 79701

Dugan Production Corp.
709 E. Murray Dr.
Farmington, NM 87499

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Texas Commerce Trust Co., NA
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Dallas, TX 75395-1412

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Dallas, TX 75221-4430

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% D. J. Simmons Company
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Dallas, TX 75205-3143

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Kerrville, TX 78029-3610

Cindy M. Hamilton
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Richardson, TX 75080-2332

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Derrick Turnbull
5847 Lakehurst Avenue
Dallas, TX 75230-5031

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
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Helen Louise Simmons
2429 Wabash
Fort Worth, TX 76109-1018

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Carolee Simmons Smith
5717 Jacqueline Road
Fort Worth, TX 76112-3952

Conoco Inc.
Attn: Steve Klein
10 Desta Drive, Suite 100W
Midland, TX 79705-4500



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5715

PLANNING
(505)-827-5752

December 12, 1996

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500

Attn: Mr. Steven C. Klein

Re: 1996 Plan of Development
San Juan 28-7 Unit
First Amendment
Rio Arriba County, New Mexico

Dear Mr. Klein:

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

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

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

Very truly yours,

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

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

cc: Reader File

OCD

BLM



Steven C. Klein
Senior Landman
Midland Division
Exploration Production
North America

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500
BUS. (915) 686-5475
FAX (915) 686-5596

December 6, 1996

Bureau of Land Management (3)
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

Commissioner of Public Lands (2)
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division (2)
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

**Re: First Amendment to
1996 Plan of Development
San Juan 28-7 Unit; No. 14-08-001-459
Rio Arriba County, New Mexico**

Gentlemen:

By letters dated January 26, 1996 Conoco Inc., as Unit Operator, filed the original Plan of Development for calendar year 1996. It has subsequently been determined that the following wells should be included in the 1996 Plan of Development:

Well Name	Drilling Block	Formation
28-7 Unit No. 99	29-27N-7W (W/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 100	30-27N-7W (E/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 101	30-27N-7W (W/2)	Recomplete to MV
28-7 Unit No. 110	19-27N-7W (W/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 111	20-27N-7W (W/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 125	12-27N-7W (W/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 126	1-27N-7W (W/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 188	26-28N-7W (W/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 189	35-28N-7W (E/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 191E	33-28N-7W (E/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 219	20-28N-7W (W/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 221	25-28N-7W (E/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 222	25-28N-7W (W/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 223	26-28N-7W (E/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 226	36-28N-7W (W/2)	Recomplete to MV & Commingle with existing DK

Bureau of Land Management
Commissioner of Public Lands
Oil Conservation Division
December 6, 1996
Page 2

28-7 Unit No. 227	36-28N-7W (E/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 229	32-28N-7W (E/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 231E	16-28N-7W (W/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 238	29-28N-7W (W/2)	Recomplete to MV
28-7 Unit No. 239	17-28N-7W (W/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 252	32-28N-7W (W/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 256	17-28N-7W (E/2)	Recomplete to MV & Commingle with existing DK
28-7 Unit No. 124M	11-27N-7W (W/2)	Drill & Equip DK/MV and Commingle
28-7 Unit No. 157M	11-27N-7W (E/2)	Drill & Equip DK/MV and Commingle
28-7 Unit No. 182M	3-27N-7W (E/2)	Drill & Equip DK/MV and Commingle
28-7 Unit No. 183M	1-27N-7W (E/2)	Drill & Equip DK/MV and Commingle
28-7 Unit No. 222M	25-28N-7W (W/2)	Drill & Equip DK/MV and Commingle
28-7 Unit No. 224M	28-28N-7W (E/2)	Drill & Equip DK/MV and Commingle
28-7 Unit No. 226M	36-28N-7W (W/2)	Drill & Equip DK/MV and Commingle
28-7 Unit No. 227M	36-28N-7W (E/2)	Drill & Equip DK/MV and Commingle
28-7 Unit No. 230M	29-28N-7W (E/2)	Drill & Equip DK/MV and Commingle
28-7 Unit No. 232M	20-28N-7W (E/2)	Drill & Equip DK/MV and Commingle

The working interest owners are being contacted regarding this Amended Plan of Development by copy of this letter.

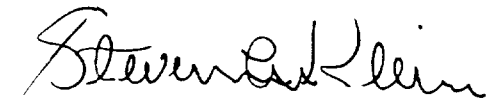
Conoco Inc., as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

In accordance with Section 10 of the Unit Agreement, please advise of your approval by executing in the space provided and return a copy of this letter to the undersigned.

Should you have any questions regarding this proposal, please contact Steven C. Klein at (915) 686-5475.

Yours very truly,

CONOCO INC.



Steven C. Klein

Attachment

Bureau of Land Management
Commissioner of Public Lands
Oil Conservation Division
December 6, 1996
Page 3

**FIRST AMENDMENT TO
1996 PLAN OF DEVELOPMENT**

Bureau of Land Management

Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division

12/16/96

Date

The foregoing approvals are for the First Amendment to the 1996 Plan of Development for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

March 6, 1996

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

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

Amoco Exploration & Production Company
Post Office Box 800
Denver, Colorado 80201

Attn: Ms. Julie T. Jenkins

Re: 1996 Plan of Development
San Juan 28-7 Unit
Rio Arriba County, New Mexico

Dear Ms. Jenkins:

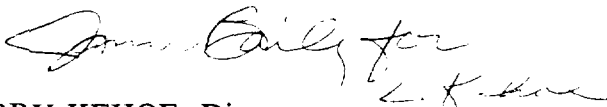
The Commissioner of Public Lands has this date approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

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

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

Very truly yours,

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

BY: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm
Enclosure

cc: Reader File

OCD

TRD

BLM

Commissioner's File



March 1, 1996

Southern

Rockies

Business

Unit

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505
Attention: William J. LeMay, Director

US Department of the Interior
Bureau of Land Management
1235 LaPlata Highway
Farmington, New Mexico 87401
Attention: Duane W. Spencer
Chief, Branch of Reservoir Management

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

Re: 1996 Plan of Development
San Juan 28-7 Unit (FR PA)
3185.5 (07327)
Rio Arriba County, New Mexico

Gentlemen:

Amoco Exploration and Production, as Operator of the Fruitland Coal Participating Area of the captioned Unit, submits for your approval the attached 1996 Plan of Development.

At this time we do not plan to drill any wells this year, but will drill any wells necessary to prevent drainage of unitized substances, if necessary.

Please signify your approval of this Plan of Development by signing in the space provided on the next page and return it to me at the address below. If you have any questions, please call me at (303) 830-4844.

Yours very truly,

Julie T. Jenkins
Senior Land Negotiator

encl.

cc: Cristina Sigdestad
San Juan 28-7 FT PA WI Owners

**San Juan 28-7 Unit
Rio Arriba County, New Mexico**

**Fruitland Coal Participating Area
1996 Plan of Development**

APPROVED: _____ Dated: _____
Bureau of Land Management
(Subject to like approval by the Commissioner of Public Lands and the Oil
Conservation District)

APPROVED: _____ Dated: _____
Commissioner of Public Lands
(Subject to like approval by the Bureau of Land Management and the Oil
Conservation District)

APPROVED:  _____ Dated: 3-5-96
Oil Conservation District
(Subject to like approval by the Bureau of Land Management and the
Commissioner of Public Lands)

The foregoing approvals are for the 1996 Plan of Development for the San Juan 28-7 Unit
Fruitland Coal Participating Area, #14-08-001-459, Rio Arriba County, New Mexico.

WORKING INTEREST OWNERS
Fruitland Coal Participating Area

Conoco, Inc.
10 Desta Drive
Suite 100W
Midland, TX 79705-4500

Attention: Mr. Steve Klein

Meridian Oil, Inc.
P. O. box 4289
Farmington, NM 87499-4289

Attention: Ms. Linda Donahue

**San Juan 28-7 Unit
Rio Arriba County, New Mexico**

1996 Plan of Development

At this time, no wells are proposed to be drilled during the 1996 calendar year.

Amoco Exploration and Production, as Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells subsequently deemed necessary or desirable by the Operator and the Working Interest Owners.

**San Juan 28-7 Unit
Rio Arriba County, New Mexico**

1996 Plan of Development

1994-1995 Operations Summary

During the 1994-1995 calendar year, Amoco Exploration and Production drilled three Fruitland Coal wells. Two are currently being used as injectors in the Nitrogen Injection Project while the third is being produced.

Figure 1, is the base map for the Fruitland Coal Participating Area.

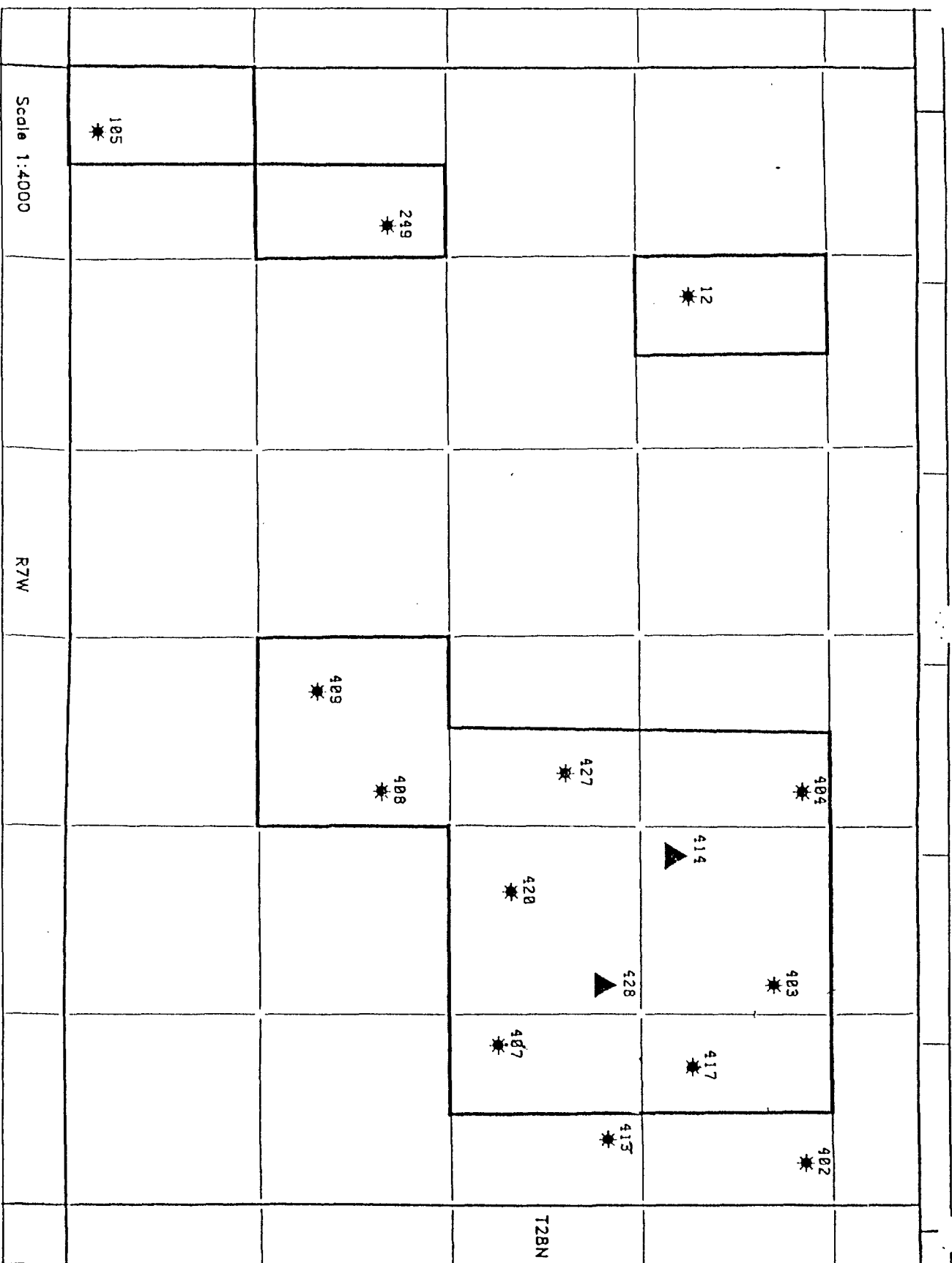
Number of Completions

Participating:	10 Active
	0 Inactive
Non-Participating:	2 Active
	0 Inactive
	0 Plugged and Abandoned

Performance Curves

A Performance Curve for the Fruitland Coal Participating Area production wells is presented by figure 2. Figure 3 is the performance curve for the injection wells and figure 4 is the performance curve of the non-participating wells. Figures 2 and 4 only include the wells within the unit boundary which Amoco Exploration and Production operates.

FIGURE 1



AMOCO PRODUCTION COMPANY
SAN JUAN 28-7 UNIT NEW MEXICO
NITROGEN INJECTION PROJECT

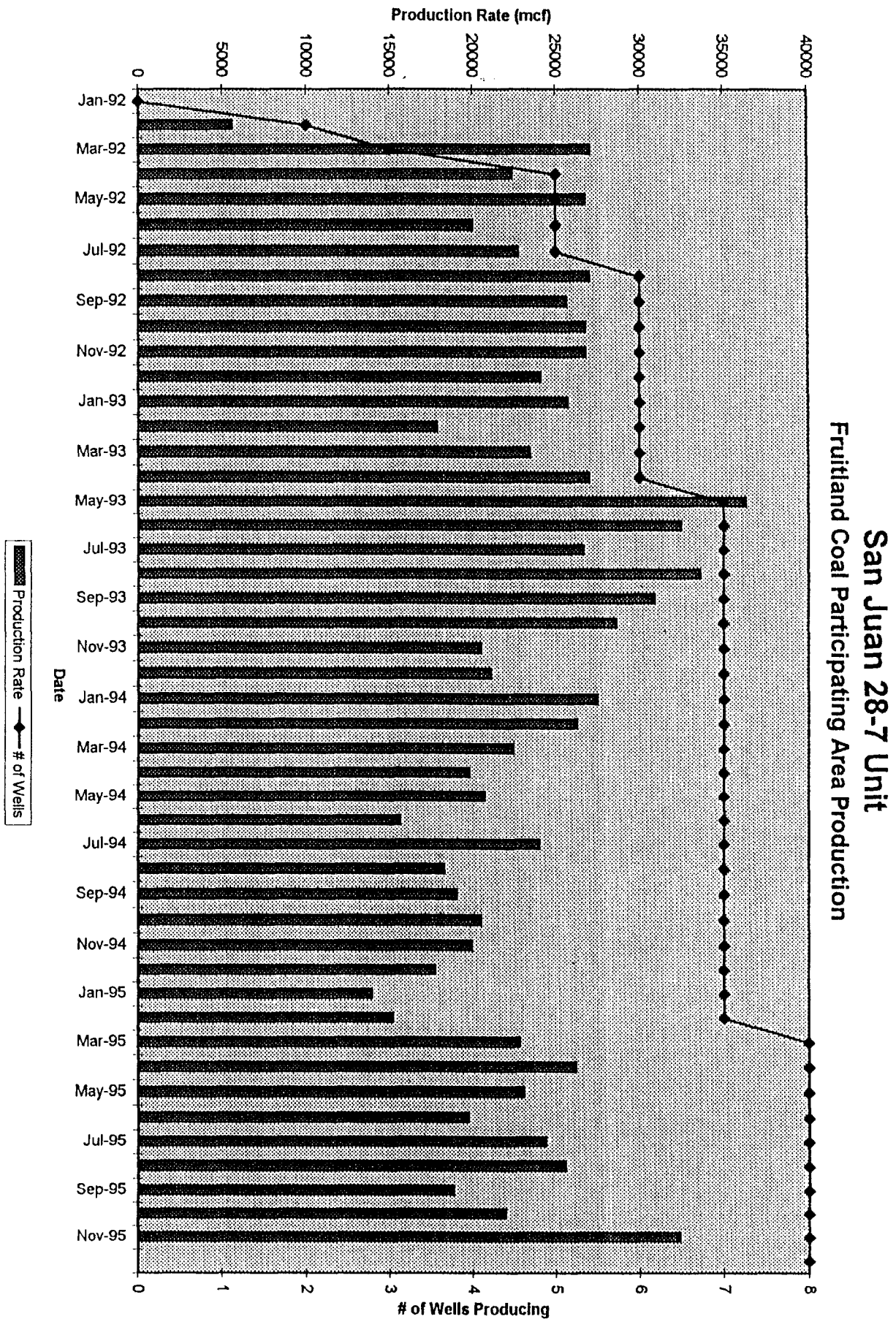


Figure 2

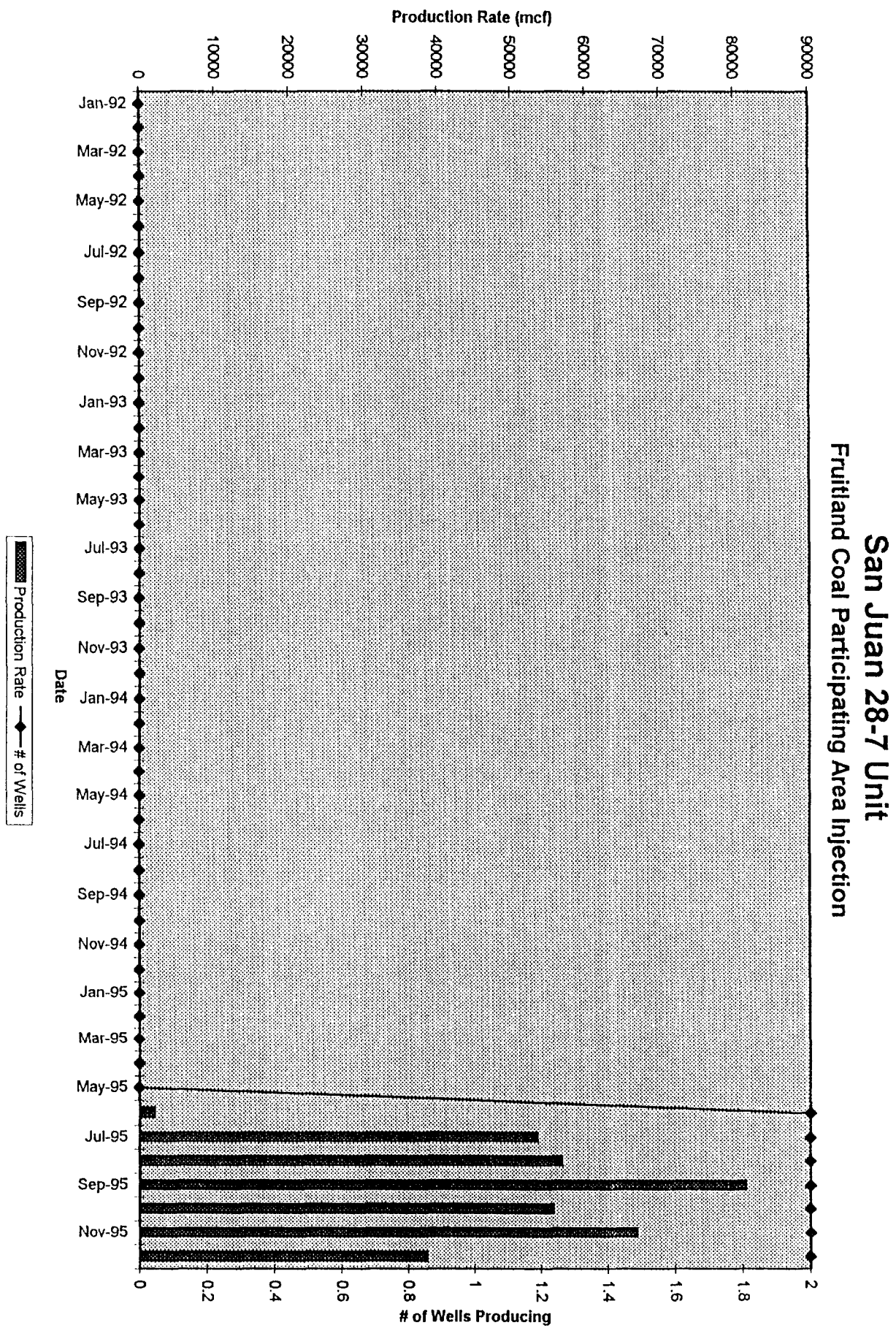


Figure 3

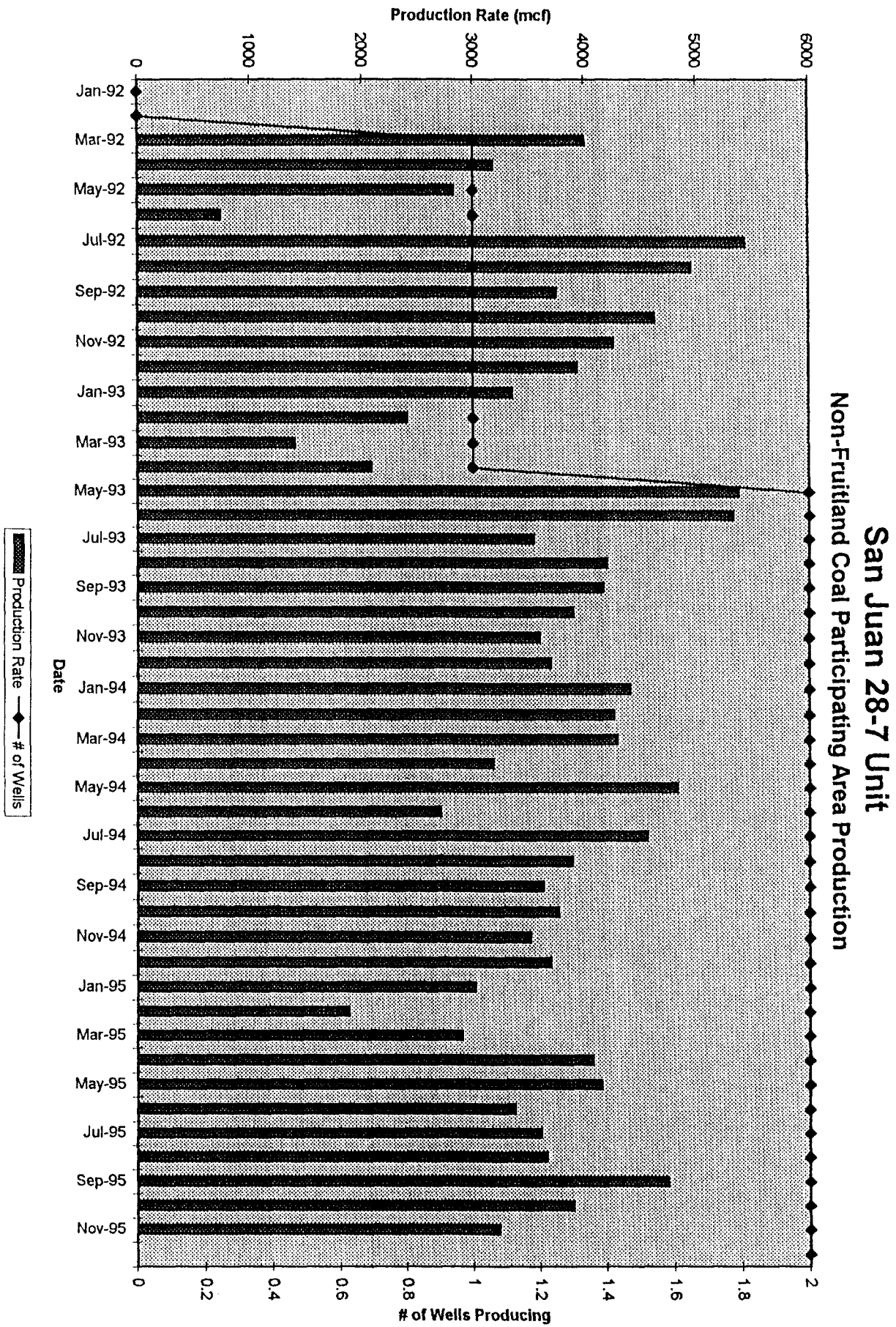


Figure 4



State of New Mexico
Commissioner of Public Lands

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

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

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

RECEIVED
JAN 31 1996
SANTA FE

January 30, 1996

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Attn: Mr. Steven C. Klein

Re: 1996 Plan of Development
San Juan 28-7 Unit
Rio Arriba County, New Mexico

Dear Mr. Klein:

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

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

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

Very truly yours,

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

BY: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File

OCD

TRD

BLM



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

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

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

January 26, 1996

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Attn: Mr. Steven C. Klein

Re: 1995 Revised Plan of Development
San Juan 28-7 Unit
Rio Arriba County, New Mexico

IAN 29 1996

Dear Mr. Klein:

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

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

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

Very truly yours,

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

BY: 

LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm
Enclosure

cc: Reader File

OCD ✓

TRD

BLM



Steven C. Klein
Senior Landman
Midland Division
Exploration Production
North America

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500
BUS. (915) 686-5475
FAX (915) 686-5596

January 26, 1996

Bureau of Land Management (3)
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

**CERTIFIED MAIL RETURN
RECEIPT NO. P 322 578 914**

JAN 29 1996

Commissioner of Public Lands (2)
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

**CERTIFIED MAIL RETURN
RECEIPT NO. P 322 578 915**

Oil Conservation Division (2)
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

**CERTIFIED MAIL RETURN
RECEIPT NO. P 322 578 916**

**Re: San Juan 28-7 Unit; No. 14-08-001-459
Rio Arriba County, New Mexico
1996 Plan of Development**

Gentlemen:

By letters dated March 27, 1995, and November 20, 1995 (Revision), and January 10, 1996 (Revision), Conoco Inc., as Unit Operator, less and except the Fruitland, for the referenced Unit, filed the Plan of Development (POD) for the calendar year 1995. The Plan of Development called for the drilling of thirteen (13) Mesaverde/Dakota dual wells (No. 259M, No. 230M, No. 225M, No. 222M, No. 183M, No. 182M, No. 156M, No. 132M, No. 131M, No. 130M, No. 125M, No. 124M and No. 223M) and seven (7) Mesaverde recompletions and commingles with existing Dakota production (No. 257E, No. 233, No. 231, No. 195, No. 194E, No. 192 and No. 191) which were all carried over until 1996.

The Unit currently consists of the following Participating Areas:

FORMATION	EXPANSION	EFFECTIVE DATE
Pictured Cliffs	32nd	6-1-81
Chacra	9th	3-1-84
Mesaverde	38th	8-1-80
Dakota	27th	7-1-75

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, Conoco Inc., as Unit Operator as to all formations less and except the Fruitland, hereby submits the following program for the 1996 Plan of Development:

Bureau of Land Management
Commissioner of Public Lands
Oil Conservation Division
January 26, 1996
Page 2

WELL NUMBER	LOCATION	FORMATION
SJ 28-7 No. 242E	W½-7-T28N-R7W	Recomplete to MV & Commingle with existing DK
SJ 28-7 No. 255	W½-15-T28N-R7W	Recomplete to MV & Commingle with existing DK
SJ 28-7 No. 234	E½-15-T28N-R7W	Recomplete to MV & Commingle with existing DK
SJ 28-7 No. 255E	W½-15-T28N-R7W	Recomplete to MV & Commingle with existing DK
SJ 28-7 No. 258M	W½-23-T28N-R7W	D&E DK/MV Commingle
SJ 28-7 No. 159M	E½-22-T28N-R7W	D&E DK/MV Commingle
SJ 28-7 No. 188M	W½-26-T28N-R7W	D&E DK/MV Commingle

Each of the above well proposals fall within the current Mesaverde or Dakota Participating Areas.

The working interest owners are being contacted regarding the Plan of Development. Conoco Inc. and the working interest owners believe that all current obligations have been satisfied.

Conoco Inc., as Unit Operator to all formations less and except the Fruitland, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

In accordance with Section 10 of the Unit Agreement, please advise of your approval by executing in the space provided below and return one copy to the undersigned.

Should you have any questions regarding this proposal, please contact Steven C. Klein at (915) 686-5475.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,

CONOCO INC.



Steven C. Klein

Attachment

Bureau of Land Management
Commissioner of Public Lands
Oil Conservation Division
January 26, 1996
Page 3

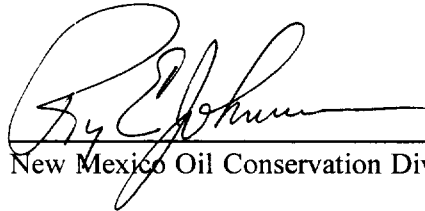
1996 PLAN OF DEVELOPMENT

Bureau of Land Management

Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division

2-1-96

Date

The foregoing approvals are for the 1996 Plan of Development for the San Juan-28-7 Unit, No. 14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
WORKING INTEREST OWNERS

Mary Jeanne Simmons Banks
2104 Winter Sunday Way
Arlington, TX 76012-4941

Cindy Brady
2222 Flat Creek
Richardson, TX 75080-2332

El Paso Production Co.
% Meridian Oil Inc.
Attn: Land
P.O. Box 4289
Farmington, NM 87499-4289

Koch Exploration
Attn: R. J. Miller
P.O. Box 2256
Wichita, KS 67201-2256

June Simmons Lively
3529 Bellaire Drive North
Fort Worth, TX 76109-2110

Kathleen McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

Michael S. McLane Trust
P.O. Box 214430
Dallas, TX 75221-4430

W. G. Peavy Oil Company
P.O. Box 5667
Richardson, TX 75083

D. J. Simmons Co. Ltd. Partnership
P.O. Box 1469
Farmington, NM 87499-1469

Helen Louise Simmons
2429 Wabash
Fort Worth, TX 76109-1018

Carolee Simmons Smith
5717 Jacqueline Road
Fort Worth, TX 76112-3952

Texaco Exploration & Production, Inc.
Attn: Gary E. Cox
P.O. Box 2100
Denver, CO 80201

Dawn J. Turnbull
5847 Lakehurst Avenue
Dallas, TX 75230-5031

Derrick Turnbull
5847 Lakehurst Avenue
Dallas, TX 75230-5031

Elizabeth J. Turner-Calloway
4801 Saint Johns Drive
Dallas, TX 75205-3143

J. Glenn Turner, Jr.
3131 Turtle Creek Blvd., Suite 1201
Dallas, TX 75219-5441

John Lee Turner
Turner Investments
P.O. Box 33610
Kerrville, TX 78029-3610

Mary F. Turner Trust N^o 6743
Texas Commerce Trust Co., NA
P.O. Box 660197
Dallas, TX 75226-0197

Univ. of Texas Law School Foundation
Attn: M. Atlas
727 East 26th Street
Austin, TX 78705-3224

UNOCAL, Central U.S. Business Unit
Attn: Carbett J. Duhon, Jr.
P.O. Box 4551
Houston, TX 77210-4551

Denise Turnbull Williams
5847 Lakehurst Avenue
Dallas, TX 75230-5031

The Wiser Oil Company
8115 Preston Road, Suite 400
Dallas, TX 75225-6311



Steven C. Klein
Senior Landman
Midland Division
Exploration Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705-4500
(915) 686-5475

January 10, 1996

Commissioner of Public Lands (2)
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division (2)
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

**Re: San Juan 28-7 Unit; No. 14-08-001-459
1995 Revised Plan of Development
Rio Arriba County, New Mexico**

Gentlemen:

Conoco Inc.'s 1995 Plan of Development for the San Juan 28-7 Unit was submitted for approval by letter dated March 27, 1995 and approved the Commissioner of Public Lands on April 11, 1995, by the Oil Conservation Division on March 30, 1995, and by the BLM on April 3, 1995. In the list of wells proposed for drilling in this unit during 1995, on page 2 of this plan, the San Juan 28-7 No. 223M well was inadvertently omitted. This omission was not discovered until the first group of APD's for well Nos. 125M, 131M, 223M, and 225M were submitted to the BLM for approval.

Attached is a revised copy of the 1995 Plan of Development. You will note that the only change is the addition of well No. 223M at the bottom of the D&E list on page 2.

We have previously secured BLM approval on November 24, 1995 in order to proceed with obtaining authorization for the release of the APD for this well. A copy of the BLM approval is attached for your review. In accordance with the Unit Agreement, please advise of your approval by executing in the space provided below and return one copy to the undersigned.

Should you have any questions in regard to this proposal, please contact Steven Klein at (915) 686-5411.

Sincerely,

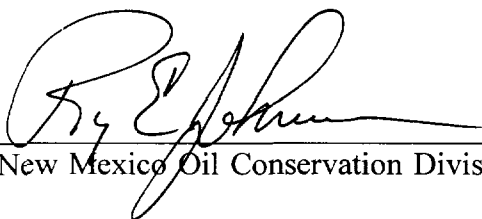
Steven C. Klein
enclosure

Comissioner of Public Lands
Oil Conservation Division
January 10, 1996
Page 2

1995 REVISED PLAN OF DEVELOPMENT

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division

1-16-96

Date

Midland Division
Exploration Production



Conoco Inc.
10 Desta Drive, Suite 100 MAIL ROOM
Midland, TX 79705-4500
(915) 686-5400

RECEIVED
55 NOV 22 AM 10:44

070 FARMINGTON, NM

November 20, 1995

Duane W. Spencer
Chief, Br. Reservoir Management
Bureau of Land Management
Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

Re: San Juan 28-7 Unit; No. 14-08-001-459
Rio Arriba County, New Mexico
Revised 1995 Plan of Development

Dear Mr. Spencer:

Conoco's 1995 Plan of Development for the San Juan 28-7 Unit was submitted to the BLM and approved under your signature on April 3, 1995. In the list of wells proposed for drilling in this unit during 1995, on page 2 of this plan, the SJ 28-7 No. 223M well was inadvertently omitted.

This omission was not discovered until the first group of APD's for well Nos. 125M, 131M, 223M, and 225M were recently submitted to your office for approval. Mr. Errol Becher is holding the APD package for well No. 223M pending the correction of this oversight.

Attached is a revised copy of this plan of development. You will note that the only change is the addition of well No. 223M at the bottom of the D&E list on page 2. I have initialed this correction and trust you will do the same. If this is satisfactory for authorizing the release of the APD for this well, will you please convey that to Mr. Becher. Thank you for your assistance in this resolving this matter.

Very truly yours,


Jerry W. Hoover
Sr. Conservation Coordinator

APPROVED

11/24/95
Date


Duane W. Spencer
Chief, Br. Reservoir Management
BLM, Farmington District

GENERAL DELIVERY
NOV 21 1995
2
EPS
ALL SURV.
FIVE



Midland Division
Exploration Production

Conoco Inc.
10 Desta Drive, Suite 100
Midland, TX 79705-4500
(915) 686-5400

RECEIVED
MAIL ROOM

55 NOV 22 AM 10:44

070 FARMINGTON, NM

November 20, 1995

Duane W. Spencer
Chief, Br. Reservoir Management
Bureau of Land Management
Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

Re: San Juan 28-7 Unit; No. 14-08-001-459
Rio Arriba County, New Mexico
Revised 1995 Plan of Development

Dear Mr. Spencer:

Conoco's 1995 Plan of Development for the San Juan 28-7 Unit was submitted to the BLM and approved under your signature on April 3, 1995. In the list of wells proposed for drilling in this unit during 1995, on page 2 of this plan, the SJ 28-7 No. 223M well was inadvertently omitted.

This omission was not discovered until the first group of APD's for well Nos. 125M, 131M, 223M, and 225M were recently submitted to your office for approval. Mr. Errol Becher is holding the APD package for well No. 223M pending the correction of this oversight.

Attached is a revised copy of this plan of development. You will note that the only change is the addition of well No. 223M at the bottom of the D&E list on page 2. I have initialed this correction and trust you will do the same. If this is satisfactory for authorizing the release of the APD for this well, will you please convey that to Mr. Becher. Thank you for your assistance in this resolving this matter.

Very truly yours,

Jerry W. Hoover
Sr. Conservation Coordinator

APPROVED

11/24/95
Date

Duane W. Spender
Chief, Br. Reservoir Management
BLM, Farmington District

Jim

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

4-15

June 6, 1973

El Paso Natural Gas Company
Box 1492
El Paso, Texas

Attention: Mr. James R. Permenter

Re: 1973 Drilling Program
San Juan 28-7 Unit,
Rio Arriba County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program for the calendar year 1973 providing for the drilling of 29 wells for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey
Box 1857
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

El Paso Natural Gas Company

El Paso, Texas 79978

May 31, 1973

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
1973 DRILLING PROGRAM

Gentlemen:

By letter of March 29, 1972, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program on the captioned Unit for the calendar year 1972, providing for the drilling of four (4) Dakota Wells and one (1) Pictured Cliffs well. Each of these wells was timely drilled with the exception of Dakota Well #163. Pictured Cliffs Well #161 was drilled outside the existing Pictured Cliffs Participating Area and is incapable of producing in paying quantities. Dakota Wells #164 and #165 occasioned the Thirteenth Expansion of the Dakota Participating Area effective August 1, 1972, and Dakota Well #166 caused the Fourteenth Expansion of the existing Dakota Participating Area effective September 1, 1972.

As of this date the total number of wells in the San Juan 28-7 Unit on acreage committed to the Unit is as follows:

Pictured Cliffs	34
Mesaverde	50
Dual Pictured Cliffs-Mesaverde	26
Dual Mesaverde-Dakota	2
Dakota	22
Chacra	1
Non-Commercial Pictured Cliffs	4
Non-Commercial Mesaverde	2
Non-Commercial Dakota	1

Regional Oil & Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission
San Juan Unit 28-7

Page Two

Plugged and Abandoned

2

144

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a Drilling Program for the calendar year 1973, providing for the drilling of the following wells:

<u>WELL</u>	<u>SPACING UNIT OR DRILLING BLOCK</u>	<u>FORMATION</u>
131	W/2 Sec. 34, T-28-N, R-7-W	Dakota
135	W/2 Sec. 27, T-28-N, R-7-W	Dakota
167	W/2 Sec. 5, T-27-N, R-7-W	Pictured Cliffs-Chacra (Dual)
168	E/2 Sec. 6, T-27-N, R-7-W	Pictured Cliffs-Chacra (Dual)
169	W/2 Sec. 9, T-27-N, R-7-W	Pictured Cliffs-Chacra (Dual)
170	E/2 Sec. 9, T-27-N, R-7-W	Pictured Cliffs-Chacra (Dual)
171	E/2 Sec. 16, T-27-N, R-7-W	Pictured Cliffs-Chacra (Dual)
172	W/2 Sec. 16, T-27-N, R-7-W	Pictured Cliffs-Chacra (Dual)
173	E/2 Sec. 17, T-27-N, R-7-W	Pictured Cliffs-Chacra (Dual)
174	E/2 Sec. 21, T-27-N, R-7-W	Pictured Cliffs-Chacra (Dual)
175	N/2 Sec. 28, T-27-N, R-7-W	Pictured Cliffs-Chacra (Dual)
176	W/2 Sec. 29, T-27-N, R-7-W	Pictured Cliffs-Chacra (Dual)
177	E/2 Sec. 30, T-27-N, R-7-W	Pictured Cliffs-Chacra (Dual)
178	E/2 Sec. 31, T-28-N, R-7-W	Pictured Cliffs-Chacra (Dual)
179	S/2 Sec. 7, T-28-N, R-7-W	Pictured Cliffs
180	E/2 Sec. 19, T-27-N, R-7-W	Pictured Cliffs
181	W/2 Sec. 3, T-27-N, R-7-W	Dakota
182	E/2 Sec. 3, T-27-N, R-7-W	Dakota
183	E/2 Sec. 1, T-27-N, R-7-W	Dakota
184	W/2 Sec. 9, T-27-N, R-7-W	Dakota
185	W/2 Sec. 17, T-27-N, R-7-W	Dakota
186	W/2 Sec. 13, T-28-N, R-7-W	Dakota
187	E/2 Sec. 24, T-28-N, R-7-W	Dakota
188	W/2 Sec. 26, T-28-N, R-7-W	Dakota
189	N/2 Sec. 35, T-28-N, R-7-W	Dakota
190	E/2 Sec. 27, T-28-N, R-7-W	Dakota
191	E/2 Sec. 33, T-28-N, R-7-W	Dakota
193	SW/4 Sec. 28, T-28-N, R-7-W	Dakota
194	NE/4 Sec. 21, T-28-N, R-7-W	Dakota

Dakota Wells #131, 135, 181, 184, 185, 187-191, 193, 194 will be drilled outside the boundaries of the Dakota Participating Area to extend the limits of the Dakota Participating Area. Dakota Wells #182, 183, 186

Regional Oil & Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission

Page Three

will be drilled on acreage that is within the existing Dakota Participating Area. All of the dual Pictured Cliffs-Chacra Wells are outside the boundaries of the Chacra Participating Area and within the boundaries of the Pictured Cliffs Participating Area except Wells #173 and 178 which lie outside the Pictured Cliffs Participating Area. Pictured Cliffs Well #179 will be drilled outside the Pictured Cliffs Participating Area and Pictured Cliffs Well #180 will be drilled within the Participating Area.

All of the working interest owners have been contacted and this Drilling Program reflects the desire of a majority of the owners. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, will drill any offset wells that may be required to prevent drainage of unitized substances, and any other wells subsequently deemed necessary or which are requested by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,



D. N. Canfield
Manager
Land Department
Energy Resource Development

DNC:AA:mm

APPROVED: _____ DATE: _____
Regional Oil & Gas Supervisor
United States Geological Survey
Subject to like approval by the
Commissioner of Public Lands and
Oil Conservation Commission

APPROVED: _____ DATE: _____
Commissioner of Public Lands
Subject to like approval by the
Regional Oil & Gas Supervisor and
Oil Conservation Commission

APPROVED: A. L. Carter, Jr. DATE: June 6, 1973
Oil Conservation Commission
Subject to like approval by the
Regional Oil & Gas Supervisor and the
Commissioner of Public Lands

The foregoing approvals are for the 1973 Drilling Program for the
San Juan 28-7 Unit #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
WORKING INTEREST OWNERS

Burton-Hawks, Inc.

Continental Oil Company

Koch Industries, Inc.

Dixie M. McLane Trust

Pubce Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mrs. Thelma Ford Simmons, Independent

Executrix of the Estate of D. J. Simmons,
Deceased

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California

The Wiser Oil Company

El Paso Natural Gas Company

El Paso, Texas 79978

445

January 16, 1973

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459,
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
THIRTEENTH AND FOURTEENTH EXPANDED
PARTICIPATING AREAS OF THE DAKOTA
FORMATION, Effective August 1,
1972 and September 1, 1972

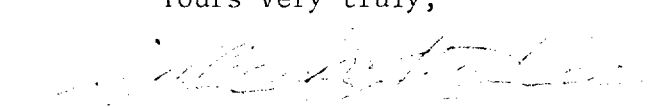
Gentlemen:

This is to advise that the captioned Expansions for the San Juan 28-7 Unit were approved by the Regulatory Agencies on the following dates:

United States Geological Survey	-	January 12, 1973
Commissioner of Public Lands	-	December 18, 1972
Oil Conservation Commission	-	December 20, 1972

Copies of this letter are being sent to the working interest owners of the San Juan 28-7 Unit.

Yours very truly,


William R. Starling
Land Department
Energy Resource Development

WRS:lj
SJ 28-7 4.3

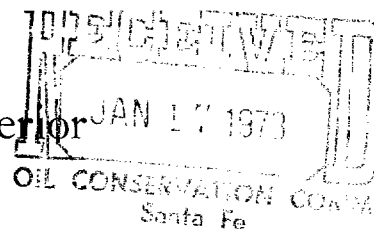
cc: Mrs. Pepita O. Jeffus, Executive Director
New Mexico Oil & Gas Accounting Commission



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201



January 12, 1973

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. James R. Permenter

Gentlemen:

Your application of November 29, 1972, requesting approval of the thirteenth and fourteenth revisions of the Dakota participating areas for the San Juan 28-7 unit agreement, Rio Arriba County, New Mexico, No. 14-08-001-459, was approved on January 12, 1973, by the Acting Area Oil and Gas Supervisor, U. S. Geological Survey, effective as of August 1, 1972, and September 1, 1972, respectively.

The thirteenth revision adds 960 acres described as all of sec. 13, T. 28 N., R. 7 W., N.M.P.M., and the E $\frac{1}{2}$ sec. 16, T. 27 N., R. 7 W., N.M.P.M., which enlarges the Dakota participating area to 8,008.93 acres. The fourteenth revision adds 320 acres described as the W $\frac{1}{2}$ sec. 16, T. 27 N., R. 7 W., N.M.P.M., which enlarges the Dakota participating area to 8,328.93 acres. Such revisions are based on the completion data of the following unit wells.

Well No.	Location 28 N., 7 W.	Completion Date	Dakota Interval	CAOF MCFD
154	NE $\frac{1}{4}$ sec. 13	8-23-72	7,816 to 8,031	4,233
	27 N., 7 W.			
155	NE $\frac{1}{4}$ sec. 16	8-10-72	7,668 to 7,916	4,648
156	SW $\frac{1}{4}$ sec. 16	9-29-72	7,354 to 7,560	4,104

Copies of the approved application are being distributed to the appropriate Federal offices and two approved copies are returned herewith. In accordance with instructions in your letter of January 4, 1973, all approved copies of your application contain the corrected Schedule XV and Recapitulation Sheet. You are requested to furnish all interested parties with appropriate evidence of this approval.

Sincerely yours,

cc:

Washington (w/cy appln.)

Durango (w/cy appln.)

BLM, Santa Fe (w/ltr. only)

NMOCC, Santa Fe (w/ltr. only) ✓

Com. of Pub. Lands, Santa Fe (ltr. only)

File (w/cy appln.)

JFisher:lh

(ORIG. SENT MAIL)

CARL C. TRAYWICK

Acting Area Oil and Gas Supervisor

445
State of New Mexico



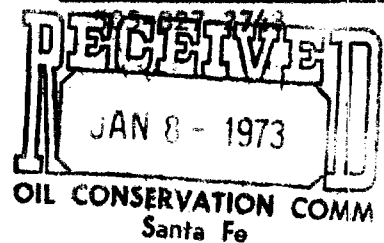
ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

January 5, 1973

TELEPHONE



P. O. Box 1148
SANTA FE, NEW MEXICO

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

Re: San Juan 28-7 Unit
FOURTEENTH EXPANDED PARTICIPATING
AREA, DAKOTA FORMATION
Rio Arriba County, New Mexico

ATTENTION: Mr. James R. Permenter

Gentlemen:

This will acknowledge receipt of your letter dated December 26, 1972, whereby you submitted a corrected Recapitulation sheet to include Section 16: W/2, T-27-N, R-7-W, for the Fourteenth Expanded Participating Area, Dakota Formation of the San Juan 28-7 unit.

This corrected Recapitulation sheet has been properly filed with the San Juan 28-7 unit.

Enclosed is one copy surplus to our need.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/
encl.
cc:

OCC-Santa Fe, New Mexico
USGS-Roswell, New Mexico

El Paso Natural Gas Company

El Paso, Texas 79978

December 26, 1972

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

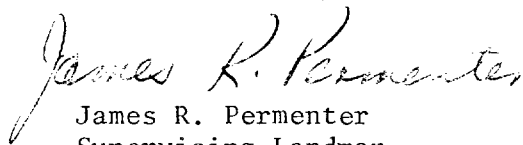
Gentlemen:

Please refer to my letter of November 29, 1972 pertaining to the Fourteenth Expanded Participating Area of the Dakota Formation of the San Juan 28-7 Unit.

Forwarded is a corrected Recapitulation sheet to include Section 16: W/2, T-27-N, R-7-W, which was previously omitted.

By copies of this letter we are forwarding the San Juan 28-7 Unit working interest owners a corrected Recapitulation sheet.

Yours very truly,



James R. Permenter
Supervising Landman
Land Department
Energy Resource Development

JRP:WRS:1j

SCHEDULE XV

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTU PARTICIPATING
			OWNERSHIP	PERCENTAGE		

RECAPITULATION

Description of Land in Participating Area:
Township 27 North, Range 7 West, N.M.P.M.

Section 1: A11
Section 2: A11
Section 3: E/2
Section 9: E/2
Section 10: A11
Section 11: A11
Section 12: A11
Section 15: W/2
Section 16: W/2
Section 17: E/2
Section 20: E/2
Section 21: W/2
Section 22: W/2
Section 29: N/2

Township 28 North, Range 7 West, N.M.P.M.

Section 14: S/2
Section 22: E/2
Section 23: N/2
Section 35: S/2

Total number of Proven Acres:

8328.93

Total number of Committed Acres in Participating Area:

8328.93

Percent of Basic Royalty Interest Committed:

100%

Percent of Working Interest Committed:

100%

Percent of O.R.R.I. Committed:

100%

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

December 20, 1972

445

El Paso Natural Gas Company
Box 1492
El Paso, Texas 79999

Attention: Mr. James R. Permenter

Re: Thirteenth and Fourteenth
Expanded Dakota Participating
Area, San Juan 28-7 Unit, Rio
Arriba County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Thirteenth and Fourteenth Expanded Participating Areas for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Five approved copies of the application are being forwarded to the United States Geological Survey, Roswell, New Mexico, and two copies are being returned to the Commissioner of Public Lands.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

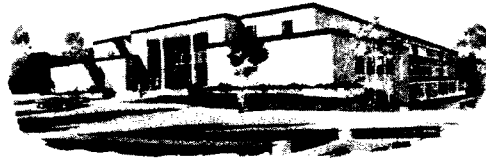
ALP/JEK/og

cc: United States Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

State of New Mexico

TELEPHONE

505-827-2748



Commissioner of Public Lands

December 18, 1972

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
THIRTEENTH AND FOURTEENTH EXPANDED
PARTICIPATING AREAS OF THE DAKOTA
FORMATION, Effective August 1, 1972
and September 1, 1972

ATTENTION: Mr. James R. Permenter

Gentlemen:

The Commissioner of Public Lands has this date approved the Thirteenth and Fourteenth Expanded Participating Areas for the Dakota Formation, for the San Juan 28-7 Unit, Rio Arriba County, New Mexico. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are handing eight (8) copies of the application to the Oil Conservation Commission requesting them to forward five (5) copies to the United States Geological Survey at Roswell, New Mexico for their consideration. Two copies to be returned to the Commissioner of Public Lands and one copy must be retained by the Oil Conservation Commission. After this application has been approved and signed by the United States Geological Survey, two (2) copies should be returned to El Paso Natural Gas Company.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

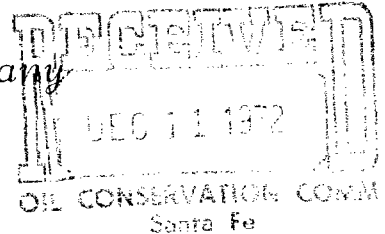
AJA/RDG/s

cc: OCC-Santa Fe, New Mexico (cpy of ltr and 7 cyps of application)
USGS-Roswell, New Mexico (Cpy of ltr only)

El Paso Natural Gas Company

El Paso, Texas 79999

December 8, 1972



Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459,
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
THIRTEENTH AND FOURTEENTH EXPANDED
PARTICIPATING AREAS OF THE DAKOTA
FORMATION, Effective August 1, 1972
and September 1, 1972

Gentlemen:

We are enclosing for your approval eight (8) copies of an Application for Approval of the Thirteenth and Fourteenth Expanded Participating Areas of the Dakota Formation for the referenced unit.

If this Application meets with your approval, please execute all copies and forward them to the Oil Conservation Commission for its approval and execution. After this Application has been signed by the Commissioner of Public Lands and the Oil Conservation Commission, the Commissioner of Public Lands should retain two (2) copies for his file and the Oil Conservation Commission should retain one (1) copy for its file, and five (5) copies should be forwarded to the United States Geological Survey in Roswell, New Mexico, for its approval and further handling. After this Application has been approved and signed by the United States Geological Survey, two (2) copies should be returned to El Paso.

Yours very truly,

James R. Permenter
Supervising Landman
Land Department
Energy Resource Development

JRP:WRS:1j
Enclosures
SJ 28-7 3.0

cc: Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1357
Roswell, New Mexico 88201

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Mr. Charles Higgins

C O P Y

El Paso Natural Gas Company

El Paso, Texas 79999

NOV 15 1972

November 29, 1972

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459,
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
THIRTEENTH AND FOURTEENTH EXPANDED
PARTICIPATING AREAS OF THE DAKOTA
FORMATION, Effective August 1,
1972 and September 1, 1972

Gentlemen:

Pursuant to the provisions of Section 11(b) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests approval of the Thirteenth and Fourteenth Expanded Participating Areas for the Dakota Formation, to wit:

THIRTEENTH EXPANDED PARTICIPATING AREA - Effective August 1, 1972

<u>Description of Lands</u>	<u>Acres</u>
<u>T-28-N, R-7-W, N.M.P.M.</u> Section 13: All	640.00
<u>T-27-N, R-7-W, N.M.P.M.</u> Section 16: E/2	320.00

This land is proven to be productive by the following:

November 29, 1972

The San Juan 28-7 Unit #164 well is located 840' from the North line and 1460' from the East line of Section 13, T-28-N, R-7-W, N.M.P.M. This well was spudded on June 29, 1972 and completed on August 23, 1972 at a total depth of 8065'. The Dakota formation in the intervals between 7816'-7826', 7836'-7846', 7920'-7930', 7980'-7985', 8002'-8007', 8026'-8031' was treated with a sand-water fracturing process on July 27, 1972. The Dakota formation was shut-in on July 29, 1972, and after being shut-in for twenty-four (24) days, the Dakota formation was tested on August 23, 1972, and following a three (3) hour blow-down period gauged 4150 MCF/D through a 3/4" choke and 4233 MCF/D by the calculated absolute open-flow method, with an SIPC of 2629 psia and an SIPT of 2689 psia.

The San Juan 28-7 Unit #165 well is located 1040' from the North line and 1180' from the East line of Section 16, T-27-N, R-7-W, N.M.P.M. This well was spudded on July 5, 1972 and completed on August 10, 1972 at a total depth of 7971'. The Dakota formation in the intervals between 7668'-7684', 7746'-7754', 7782'-7794', 7816'-7828', 7846'-7854', 7896'-7916' was treated with a sand-water fracturing process on July 27, 1972. The Dakota formation was shut-in on July 29, 1972, and after being shut-in for twelve (12) days, the Dakota formation was tested on August 10, 1972 and following a three (3) hour blow-down period gauged 4108 MCF/D through a 3/4" choke and 4648 MCF/D by the calculated absolute open-flow method, with an SIPC of 2417 psia and an SIPT of 1745 psia.

FOURTEENTH EXPANDED PARTICIPATING AREA - Effective September 1, 1972

<u>Description of Lands</u>	<u>Acres</u>
T-27-N, R-7-W, N.M.P.M. Section 16: W/2	320.00

This land is proven to be productive by the following:

The San Juan 28-7 Unit #166 well is located 1840' from the South line and 1500' from the West line of Section 16, T-27-N, R-7-W, N.M.P.M. This well was spudded on

November 29, 1972

July 29, 1972 and completed on September 29, 1972 at a total depth of 7650'. The Dakota formation in the intervals between 7354'-7372', 7436'-7442', 7476'-7488', 7506'-7518', 7540'-7560' was treated with a sand-water fracturing process on August 20, 1972. The Dakota formation was shut-in on August 22, 1972, and after being shut-in for thirty-eight (38) days, the Dakota formation was tested on September 29, 1972 and following a three (3) hour blow-down period gauged 3746 MCF/D through a 3/4" choke and 4104 MCF/D by the calculated absolute open-flow method, with an SIPC of 2433 psia and an SIPT of 2462 psia.

In support of this application, the following listed Exhibits are made a part hereof:

EXHIBIT "A"

Ownership map reflecting the boundaries of the Unit and the proposed Thirteenth and Fourteenth Participating Areas of the Dakota formation within the San Juan 28-7 Unit.

EXHIBIT "B"

Geological Report on the Thirteenth and Fourteenth Expanded Participating Areas of the Dakota formation within the San Juan 28-7 Unit.

EXHIBIT "C"

Figure No. 1: San Juan 28-7 Unit Subsurface Structure Contour Map

Figure No. 2: San Juan 28-7 Unit Isopachous Map

EXHIBIT "D"

Schedule of Dakota Gas Production

Attached hereto are Schedules XIV and XV showing the proposed Thirteenth and Fourteenth Expanded Participating Areas for the Dakota formation in the San Juan 28-7 Unit Area. These schedules describe the Expanded Participating Areas, show the percentage of unitized substances allocated to each unitized tract and the percentage of ownership in each tract.

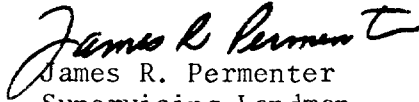
Regional Oil & Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission
Page Four

November 29, 1972

If these Thirteenth and Fourteenth Expanded Participating Areas of the Dakota formation meet with your approval, please indicate such approval in the space provided and return an approved copy thereof for our files.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,


James R. Permenter
Supervising Landman
Land Department
Energy Resource Development

JRP:WRS:lj
Enclosures
SJ 28-7 Unit, 4.3

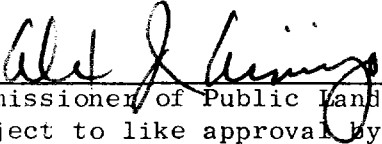
cc: Mrs. Pepita O. Jeffus
Executive Director
New Mexico Oil & Gas Accounting Commission
Post Office Box 2308
Santa Fe, New Mexico 87501

APPROVED: _____

Regional Oil and Gas Supervisor
United States Geological Survey
Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Commission

DATE: _____

APPROVED: _____


Commissioner of Public Lands
Subject to like approval by the
United States Geological Survey and
the Oil Conservation Commission

DATE: 12-18-72

APPROVED: _____


Oil Conservation Commission
Subject to like approval by the
United States Geological Survey and
the Commissioner of Public Lands

DATE: 12-10-72

SAN JUAN 28-7 UNIT
Working Interest Owners

Burton-Hawks, Inc.

Continental Oil Company

Koch Industries, Inc.

Dixie M. McLane Trust

Pubco Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mrs. Thelma Ford Simmons, Independent
Executrix of the Estate of D. J.
Simmons, Deceased

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California

The Wiser Oil Company

El Paso Natural Gas Company

El Paso, Texas 79999

November 29, 1972

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

~~Oil~~ Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
NOTICE OF COMPLETION OF NON-
COMMERCIAL WELL, Pictured Cliffs
Formation

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement Number 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that the following-described well, completed on lands committed to the San Juan 28-7 Unit, is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation:

The San Juan 28-7 Unit #161 Well is located 1460' from the North line and 1500' from the East line of Section 16, T-28-N, R-7-W, N.M.P.M. This well was spudded on August 15, 1972 and completed on September 27, 1972 at a total depth of 3002'. The Pictured Cliffs Formation in the intervals between 2900'-2916', 2930'-2946' was treated with a sand-water fracturing process on August 29, 1972. The

November 29, 1972

Pictured Cliffs Formation was shut-in on September 18, 1972 and after being shut-in for nine (9) days, the Pictured Cliffs Formation was tested on September 27, 1972 and following a three (3) hour blow-down period gauged 659 MCF/D through a 3/4" choke and 661 MCF/D by the calculated absolute open-flow method, with an SIPC of 960 psia. The spacing unit for this well is described as the E/2 of Section 16, T-28-N, R-7-W, containing 320.00 acres.

The determination that the foregoing well is non-commercial was made on September 27, 1972.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,



James R. Permenter
Supervising Landman
Land Department
Energy Resource Development

JRP:WRS:dks
Attachment
S.J. 28-7, 4.3, 4.3.1

cc: Mrs. Pepita O. Jeffus
Executive Director
New Mexico Oil & Gas Accounting
Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

SAN JUAN 28-7 Unit
Working Interest Owners

Burton-Hawks, Inc.

Continental Oil Company

Koch Industries, Inc.

Dixie M. McLane Trust

Pubco Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mrs. Thelma Ford Simmons, Independent
Executrix of the Estate of D. J.
Simmons, Deceased

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California

The Wiser Oil Company

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 1, 1972

El Paso Natural Gas Company
Box 1492
El Paso, Texas 79978

Attention: Mr. D. N. Canfield

Re: 1972 Drilling Program
San Juan 28-7 Unit
Rio Arriba County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program for the calendar year 1972 for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe
United States Geological Survey - Roswell

El Paso Natural Gas Company

El Paso, Texas 79978

August 29, 1972

44-5

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPROVAL OF THE TWELFTH REVISION
OF THE PARTICIPATING AREA FOR THE
DAKOTA FORMATION

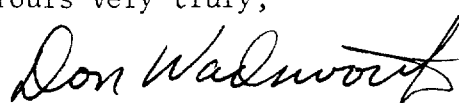
Gentlemen:

This is to advise that the captioned expansion for the San Juan 28-7 Unit was approved by the Regulatory Bodies on the following dates:

United States Geological Survey	-	August 22, 1972
Commissioner of Public Lands	-	June 15, 1972
Oil Conservation Commission	-	June 19, 1972

Copies of this letter are being sent to the working interest owners of the San Juan 28-7 Unit.

Yours very truly,



Don Wadsworth
Land Department
Energy Resource Development

DW:dks
S.J. 28-7 Unit 4.3

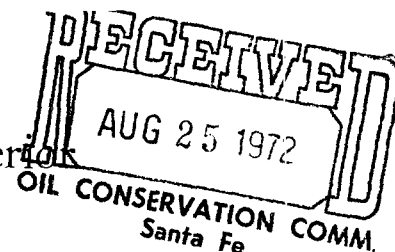
cc: Mrs. Pepita O. Joffus, Executive Director
New Mexico Oil & Gas Accounting Commission



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201



August 22, 1972

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

Attention: Mr. James R. Permenter

Gentlemen:

Your application of April 27, 1972, supplemented by the reserves-economic analysis transmitted by your letter of August 10, 1972, requesting approval of the twelfth revision of the Dakota participating area for the San Juan 28-7 unit agreement, Rio Arriba County, New Mexico, No. 14-08-001-459, was approved on August 22, 1972, by the Oil and Gas Supervisor, U. S. Geological Survey, effective as of December 1, 1971.

The twelfth revision embracing the E $\frac{1}{4}$ sec. 17 and the W $\frac{1}{4}$ sec. 21 all in T. 27 N., R. 7 W., N.M.P.M., enlarges the Dakota participating area from 6,408.93 acres to 7,048.93 acres. Such revision is based on unit well Nos. 152 in the NE $\frac{1}{4}$ sec. 17 and 154 in the SW $\frac{1}{4}$ sec. 21. Well No. 152 was completed December 2, 1971, for a calculated open flow potential of 3,377 MCFGPD from the Dakota interval 7,264 to 7,484 feet and well No. 154 was completed December 29, 1971, from the Dakota interval 7,670 to 7,886 feet for a calculated open flow potential of 1,867 MCFGPD.

Copies of the approved application are being distributed to the appropriate Federal offices and two approved copies are returned herewith. You are requested to furnish the State of New Mexico and all other interested parties with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SLE) N. O. FREDERICK

N. O. FREDERICK
Area Oil and Gas Supervisor

cc:
Washington (w/cy appln. & suppl. ltr.)
Durango (w/cy appln. & suppl. ltr.)
BLM, Santa Fe (ltr. only)
NMOCC, Santa Fe (ltr. only)✓
Com. of Pub. Lands, Santa Fe (ltr. only)

JAGillham:lh



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

July 12, 1972

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. James R. Permenter

Gentlemen:

Your application dated April 27, 1972, received by this office June 21, 1972, states that El Paso Natural Gas Company, as operator of the San Juan 28#7 unit area, has determined that unit wells No. 152 and 154 located in secs. 17 and 21, respectively, T. 27 N., R. 7 W., N.M.P.M., are capable of producing unitized substances in paying quantities from the Dakota. The information contributed by the completion of said wells is the basis upon which the lands proposed for inclusion in the Dakota participating area by the twelfth revision were selected.

The following information, for each of the above wells, is needed to supplement the information contained in your application:

1. An estimate of the recoverable reserves from the Dakota.
2. All data from which reservoir calculations were made; including gas gravity, pay thickness, porosity, water saturation, bottomhole pressures and temperatures, drainage area, abandonment pressure, and monthly gas, condensate and water production.
3. The economics involved; including well costs, gas and condensate value, monthly operating expense, and estimated life of well.

Upon receipt of the above requested information, your application will be given prompt consideration.

Sincerely yours,

(ORIG. SGD.) N. O. FREDERICK

N. O. FREDERICK
Area Oil and Gas Supervisor

cc:
Washington
Durango
Com. Pub. Lands, Santa Fe
NMOCC, Santa Fe ✓

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

44-5

June 19, 1972

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. James R. Permenter

Re: Twelfth Expanded Dakota
Participating Area, San
Juan 28-7 Unit, Rio Arriba
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Twelfth Expansion of the Participating Area for the Dakota Formation for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Six approved copies of the application are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

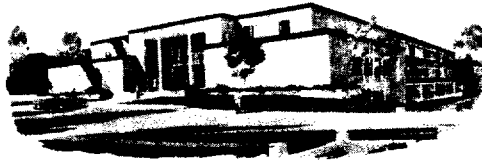
A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey
Box 1857
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

State of New Mexico



Commissioner of Public Lands

June 15, 1972

ALEX J. ARMIJO
COMMISSIONER

P. O. Box 1148
SANTA FE, NEW MEXICO

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
TWELFTH EXPANDED PARTICIPATING AREA
OF THE DAKOTA FORMATION
Effective December 1, 1971

ATTENTION: Mr. James R. Parmenter

Gentlemen:

The Commissioner of Public Lands has this date approved the twelfth expanded participating area of the Dakota Formation for the San Juan 28-7 Unit, Rio Arriba County, New Mexico. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Since you submitted nine copies instead of eight, we are handing seven copies of the application to the Oil Conservation Commission requesting them to forward six copies to the United States Geological Survey at Roswell, New Mexico for their consideration. After this application has been approved and signed by the United States Geological Survey, three copies should be returned to El Paso.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

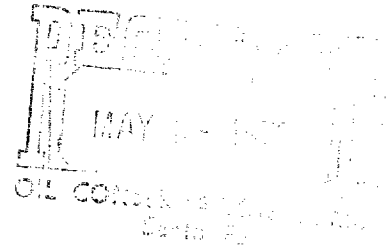
AJA/RDG/s
cc:

USGS-Roswell, New Mexico (ltr. only)
OCC- Santa Fe, New Mexico (ltr & 7 copies of application)

El Paso Natural Gas Company

El Paso, Texas 79978

April 28, 1972



Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
TWELFTH EXPANDED PARTICIPATING AREA
OF THE DAKOTA FORMATION -
Effective December 1, 1971

Gentlemen:

We are enclosing for your approval eight (8) copies of an Application for Approval of the Twelfth Expanded Participating Area of the Dakota Formation for the referenced Unit.

If this Application meets with your approval, please execute all copies and forward them to the Oil Conservation Commission for its approval and execution. After this Application has been signed by the Commissioner of Public Lands and the Oil Conservation Commission, the Commissioner of Public Lands should retain two (2) copies for his file and the Oil Conservation Commission should retain one (1) copy for its file, and five (5) copies should be forwarded to the United States Geological Survey in Roswell, New Mexico, for its approval and further handling. After this Application has been approved and signed by the United States Geological Survey, two (2) copies should be returned to El Paso.

Yours very truly,

Original Signed By:

JAMES R. PERMENTER

James R. Permenter
Supervising Landman
Land Department
Energy Resource Development

JRP:DW:dks
Enclosure

cc: Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

El Paso Natural Gas Company

El Paso, Texas 79978

April 27, 1972

APR 27 1972

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
TWELFTH EXPANDED PARTICIPATING AREA
OF THE DAKOTA FORMATION
Effective December 1, 1971

Gentlemen:

Pursuant to the provisions of Section 11(b) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests approval of the Twelfth Expanded Participating Area for the Dakota Formation, to wit:

TWELFTH EXPANDED PARTICIPATING AREA - Effective December 1, 1971

<u>Description of Lands</u>	<u>Acres</u>
<u>T-27-N, R-7-W, N.M.P.M.</u>	
Section 21: W/2	320.00
Section 17: E/2	320.00

This land is proven to be productive by the following:

The San Juan 28-7 Unit #152 Well is located 1840' from the South line and 1850' from the West line of Section 21, Township 27 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, was spudded on October 26, 1971, and was completed on December 2, 1971, at a total depth of 7544'. The Dakota Formation in the intervals between 7264'-7270', 7340'-7346', 7378'-7390', 7404'-7410', 7430'-7436', 7446-7452', 7478'-7484' was treated with a

April , 1972

sand-water fracturing process on November 13, 1971. The well was shut-in on November 15, 1971, and after being shut-in for seventeen (17) days the Dakota Formation was tested on December 2, 1971, and following a three (3) hour blow-down period, the well gauged 3109 MCF/D through a 3/4" choke and 3377 MCF/D by the calculated absolute open-flow method, with an SIPC of 2314 psia and an SIPT of 2419 psia.

The San Juan 28-7 Unit #154 Well is located 1566' from the North line and 1650' from the East line of Section 17, T-27-N, R-7-W, N.M.P.M., Rio Arriba County, New Mexico, was spudded on November 16, 1971, and was completed on December 29, 1971, at a total depth of 7941'. The Dakota Formation in the intervals between 7670'-7680', 7747'-7752', 7788'-7798', 7814'-7819', 7836'-7846', 7858'-7868', 7881'-7886' was treated with a sand-water fracturing process on December 8, 1971. The well was shut-in on December 10, 1971, and after being shut-in for nineteen (19) days the Dakota Formation was tested on December 29, 1971, and following a three (3) hour blow-down period gauged 1769 MCF/D through a 3/4" choke and 1867 MCF/D by the calculated absolute open-flow method, with an SIPC of 2495 psia and an SIPT of 2092 psia.

In support of this application, the following-listed Exhibits are made a part hereof;

Exhibit "A"

Ownership map reflecting the boundaries of the Unit and the proposed Twelfth Participating Area of the Dakota Formation within the San Juan 28-7 Unit.

Exhibit "B"

Geological Report on the Twelfth Expanded Participating Area of the Dakota Formation within the San Juan 28-7 Unit.

Exhibit "C"

Figure No. 1: San Juan 28-7 Subsurface Structure Contour Map

Figure No. 2: San Juan 28-7 Isopachous Map

Exhibit "D"

Schedule of Dakota Gas Production

Regional Oil & Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission
Page Three

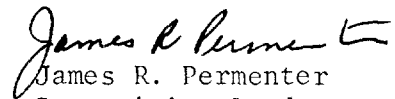
April , 1972

Attached hereto is Schedule XIII showing the proposed Twelfth Expanded Participating Area for the Dakota Formation in the San Juan 28-7 Unit Area. This schedule describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract and the percentage of ownership in each tract.

If this Twelfth Expanded Participating Area of the Dakota Formation meets with your approval, please indicate such approval in the space provided and return an approved copy thereof for our files.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,



James R. Permenter
Supervising Landman
Land Department
Energy Resource Development

JRP:DW:dks
Enclosures
San Juan 28-7 Unit, 4.3

cc: Mrs. Pepita O. Jeffus
Executive Director
New Mexico Oil & Gas
Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

APPROVED: _____

Regional Oil and Gas Supervisor
United States Geological Survey
Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Commission

DATE: _____

APPROVED: _____

Commissioner of Public Lands
Subject to like approval by the
United States Geological Survey and
the Oil Conservation Commission

DATE: _____

APPROVED: _____

Oil Conservation Commission
Subject to like approval by the
United States Geological Survey and
the Commissioner of Public Lands

DATE: _____

The foregoing approval is for the Twelfth Expanded Participating Area
of the Dakota Formation for the San Juan 28-7 Unit, #14-08-001-459,
Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

Burton-Hawks, Inc.

Continental Oil Company

Koch Industries, Inc.

Dixie M. McLane Trust

Pubco Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mrs. Thelma Ford Simmons, Independent
Executrix of the Estate of D. J. Simmons,
Deceased

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California

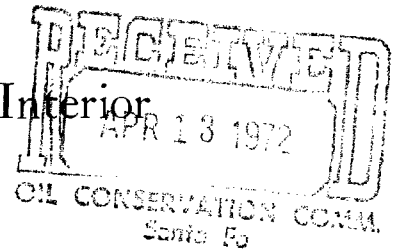
The Wiser Oil Company



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201



April 11, 1972

445

El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas 79978

Attention: Mr. D. N. Canfield

Gentlemen:

Your 1972 plan of development for the San Juan 28-7 unit area, Rio Arriba County, New Mexico, proposing the drilling of one Pictured Cliffs well and four Dakota wells has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

JORG

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:

Washington (w/cy plan)

Durango (w/cy plan)

✓ NMOCC, Santa Fe (ltr only)

Com. Pub. Lands, Santa Fe (ltr only)

JWillock:ds

RECEIVED
APR 11 1972

445

April 4, 1972

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1972 DRILLING PROGRAM

ATTENTION: Mr. D. N. Canfield

Gentlemen:

The Commissioner of Public Lands has this date approved your 1972 Drilling Program for the San Juan 28-7 Unit, which calls for the drilling of five (5) additional wells. This approval is subject to like approval by the United States Geological Survey.

Enclosed is one approved copy of the plan.

Please remit a three (\$3.00) dollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s
encls.

cc: USGS-Roswell, New Mexico (ltr. only)
OCC- Santa Fe, New Mexico (ltr. only)

El Paso Natural Gas Company

El Paso, Texas 79978

March 29, 1972

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
1972 DRILLING PROGRAM

Gentlemen:

By letter dated January 18, 1971, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program on the captioned Unit for the calendar year 1971 providing for the drilling of seven (7) Dakota Wells and one (1) Chacra Well. Each of these wells was timely drilled. Chacra Well #160 caused the Initial Chacra Participating Area. Dakota Wells #129, #156, #157 and #158 were drilled within the existing Dakota Participating Area and caused no expansion. Well #159 caused the Ninth Expansion and Well #153 caused the Tenth Expansion of the Dakota Participating Area. Well #151 is incapable of producing in paying quantities. By letter dated October 13, 1971, El Paso Natural Gas Company, as Unit Operator, filed a Supplemental 1971 Drilling Program providing for the drilling of three (3) Dakota Wells. These three (3) wells were also timely drilled. Dakota Well #155 caused the Eleventh Expansion and Wells #152 and #154 caused the Twelfth Expansion of the Dakota Participating Area.

As of this date, the total number of wells in the San Juan 28-7 Unit on acreage committed to the Unit is as follows:

March 29, 1972

Pictured Cliffs	34
Mesaverde	50
Dual, Pictured Cliffs-Mesaverde	26
Dual, Mesaverde-Dakota	2
Dakota	19
Chacra	1
Non-Commercial: Pictured Cliffs	3
Mesaverde	2
Dakota	1
Plugged and Abandoned	2
	<u>140</u>

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a Drilling Program for the calendar year 1972 providing for the drilling of the following wells:

<u>Well No.</u>	<u>Spacing Unit or Drilling Block</u>	<u>Formation</u>
161	E/2 Sec. 16, T-28-N, R-7-W	Pictured Cliffs
163	E/2 Sec. 24, T-28-N, R-7-W	Dakota
164	E/2 Sec. 13, T-28-N, R-7-W	Dakota
165	E/2 Sec. 16, T-27-N, R-7-W	Dakota
166	W/2 Sec. 16, T-27-N, R-7-W	Dakota

All wells will be drilled outside the boundaries of the Dakota Participating Area to extend the limits of the Dakota Participating Area.

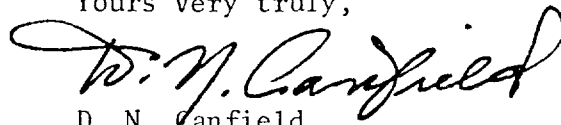
All of the working interest owners have been contacted and this Drilling Program reflects the desire of a majority of the owners. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, will drill any offset wells that may be required to prevent drainage of unitized substances, and any other wells subsequently deemed necessary or which are requested by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,



D. N. Canfield
Manager
Land Department
Energy Resource Development

APPROVED: _____
Regional Oil and Gas Supervisor
United States Geological Survey
Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Commission

DATE: _____

APPROVED: _____
Commissioner of Public Lands
Subject to like approval by the
United States Geological Survey and
the Oil Conservation Commission

DATE: _____

APPROVED:  _____
Oil Conservation Commission
Subject to like approval by the
United States Geological Survey and
the Commissioner of Public Lands

DATE: Nov 1, 1972

The foregoing approvals are for the San Juan 28-7 Unit #14-08-001-459,
Rio Arriba County, New Mexico, 1972 Drilling Program.

SAN JUAN 28-7 UNIT
Working Interest Owners

Burton-Hawks, Inc.

Continental Oil Company

Koch Industries, Inc.

Dixie M. McLane Trust

Pubco Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mrs. Thelma Ford Simmons, Independent
Executrix of the Estate of
D. J. Simmons, Deceased

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California

The Wiser Oil Company

RECEIVED

MAR 10 1972

CONSERVATION COMM.
SANTA FE

El Paso Natural Gas Company

El Paso, Texas 79978

445

March 28, 1972

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPROVAL OF THE NINTH REVISION OF
THE PARTICIPATING AREA FOR THE
DAKOTA FORMATION

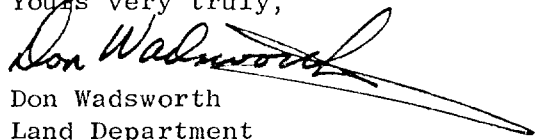
Gentlemen:

This is to advise that the captioned expansion for the San Juan 28-7 Unit was approved by the Regulatory Bodies on the following dates:

United States Geological Survey	-	February 1, 1972
Commissioner of Public Lands	-	December 28, 1971
Oil Conservation Commission	-	January 3, 1972

Copies of this letter are being sent to the working interest owners of the San Juan 28-7 Unit.

Yours very truly,


Don Wadsworth
Land Department
Energy Resource Development

DW:nja
S.J. 28-7 Unit 4.3

cc: Mrs. Pepita O. Jeffus, Executive Director
New Mexico Oil & Gas Accounting Commission

El Paso Natural Gas Company

El Paso, Texas 79978

March 22, 1972

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit, #14-08-001-459,
NOTICE OF COMPLETION OF ADDITIONAL
WELLS, Dakota Formation

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that four (4) additional wells capable of producing unitized substances in paying quantities from the Dakota Formation have been completed upon acreage committed to the Unit. The wells are as follows:

The San Juan 28-7 Unit #129 Well is located 1678' from the North line and 1670' from the East line of Section 2, T-27-N, R-7-W, N.M.P.M. This well was spudded on November 2, 1971 and completed on November 26, 1971 at a total depth of 7736'. The Dakota Formation in the intervals between 7460'-7472', 7490'-7502', 7582'-7594', 7622'-7630', 7640'-7648', 7662'-7670' was treated with a sand-water fracturing process on November 26, 1971. The Dakota Formation was shut-in on November 27, 1971, and after being shut-in for twelve days, the Dakota Formation was tested on December 9, 1971 and following a three (3) hour blow-down period gauged 4327 MCF/D through a 3/4" choke and 5314 MCF/D by the calculated absolute open-flow method, with an SIPC of 2547 psia and an SIPT of 2502 psia. The spacing unit for this well is described as the E/2 of Section 2, T-27-N, R-7-W, containing 319.12 acres.

Regional Oil & Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission
Page Two

This spacing unit was included in the San Juan 28-7 Unit Second Expanded Participating Area of the Dakota Formation, effective November 1, 1961 and the completion of this well does not warrant further expansion of the Dakota Participating Area.

The San Juan 28-7 Unit #156 Well is located 990' from the North line and 1750' from the East line of Section 10, T-27-N, R-7-W, N.M.P.M. This well was spudded on September 17, 1971 and completed on October 10, 1971 at a total depth of 7729'. The Dakota Formation in the intervals between 7436'-7446', 7458'-7470', 7562'-7572', 7614'-7620', 7630'-7642', was treated with a sand-water fracturing process on October 9, 1971. The Dakota Formation was shut-in on October 11, 1971, and after being shut-in for ten days, the Dakota Formation was tested on October 21, 1971 and following a three (3) hour blow-down period gauged 4655 MCF/D through a 3/4" choke and 5621 MCF/D by the calculated absolute open-flow method, with an SIPC of 2527 psia and an SIPT of 2564 psia. The spacing unit for this well is described as the E/2 of Section 10, T-27-N, R-7-W, containing 320.00 acres.

This spacing unit was included in the San Juan 28-7 Unit Fifth Expanded Participating Area of the Dakota Formation, effective February 1, 1963 and the completion of this well does not warrant further expansion of the Dakota Participating Area.

The San Juan 28-7 Unit #157 Well is located 820' from the North line and 1700' from the East line of Section 11, T-27-N, R-7-W, N.M.P.M. This well was spudded on October 11, 1971 and completed on November 2, 1971 at a total depth of 7685'. The Dakota Formation in the intervals between 7440'-7446', 7456'-7462', 7472'-7482', 7568'-7580', 7604'-7612', 7622'-7628', 7638'-7650' was treated with a sand-water fracturing process on November 1, 1971. The Dakota Formation was shut-in on November 2, 1971, and after being shut-in for thirty-five days, the Dakota Formation was tested on December 7, 1971 and following a three (3) hour blow-down period gauged 5139 MCF/D through a 3/4" choke and 6371 MCF/D by the calculated absolute open-flow method, with an SIPC of 2536 psia and an SIPT of 2201 psia. The spacing unit for this well is described as the E/2 of Section 11, T-27-N, R-7-W, containing 320.00 acres.

This spacing unit was included in the San Juan 28-7 Unit First Expanded Participating Area of the Dakota Formation, effective August 1, 1961 and the completion of this well does not warrant further expansion of the Dakota Participating Area.

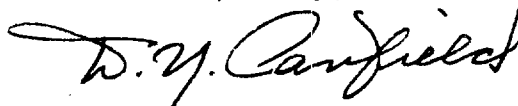
Regional Oil & Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission
Page Three

The San Juan 28-7 Unit #158 Well is located 1190' from the North line and 1450' from the East line of Section 23, T-28-N, R-7-W, N.M.P.M. This well was spudded on June 8, 1971 and completed on June 20, 1971 at a total depth of 7985'. The Dakota Formation in the intervals between 7678'-7684', 7694'-7700', 7710'-7716', 7765'-7771', 7796'-7808', 7850'-7856', 7878'-7884' was treated with a sand-water fracturing process on June 19, 1971. The Dakota Formation was shut-in on June 21, 1971, and after being shut-in for eleven days, the Dakota Formation was tested on July 2, 1971 and following a three (3) hour blow-down period gauged 2763 MCF/D through a 3/4" choke and 2842 MCF/D by the calculated absolute open-flow method, with an SIPC of 2452 psia and an SIPT of 2469 psia. The spacing unit for this well is described as the N/2 of Section 23, T-28-N, R-7-W, containing 320.00 acres.

This spacing unit was included in the San Juan 28-7 Unit Sixth Expanded Participating Area of the Dakota Formation, effective August 1, 1963 and the completion of this well does not warrant further expansion of the Dakota Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,



D. N. Canfield
Manager
Land Department
Energy Resource Development

DNC:DW:lj
Enclosure

cc: Mrs. Pepita O. Jeffus
Executive Director
New Mexico Oil & Gas Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

San Juan 28-7 Unit
Working Interest Owners

Burton-Hawks, Inc.

Continental Oil Company

Koch Industries, Inc.

Dixie M. McLane Trust

Pubco Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mrs. Thelma Ford Simmons, Independent
Executrix of the Estate of D. J. Simmons,
Deceased

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California

The Wiser Oil Company

El Paso Natural Gas Company

El Paso, Texas 79978

RECEIVED
MAR 22 1972

CONSERVATION COMMISSION
DAKOTA STATE

March 20, 1972

445

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPROVAL OF THE TENTH AND ELEVENTH
REVISIONS OF THE PARTICIPATING AREA
FOR THE DAKOTA FORMATION

Gentlemen:

This is to advise that the captioned Expansion for the San Juan 28-7 Unit was approved by the Regulatory Bodies on the following dates:

United States Geological Survey	-	March 15, 1972
Commissioner of Public Lands	-	March 8, 1972
Oil Conservation Commission	-	March 8, 1972

Copies of this letter are being sent to the working interest owners of the San Juan 28-7 Unit.

Yours very truly,



Don Wadsworth
Land Department
Energy Resource Development

DW:lj
SJ 28-7 Unit - 4.3

cc: Mrs. Pepita O. Jeffus
Executive Director
New Mexico Oil & Gas Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

RECEIVED
MAR 17 1972
CONSERVATION COMM.
SANTA FE

March 15, 1972

445

El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas 79978

Attention: Mr. James R. Permenter

Gentlemen:

Your application requesting approval of the tenth and eleventh revisions of the Dakota participating area pursuant to Section 11(b) of the San Juan 28-7 unit agreement, Rio Arriba County, New Mexico, No. 14-08-001-459, was approved on March 15, 1972, by the Regional Oil and Gas Supervisor, U. S. Geological Survey, effective as of October 1, 1971, and November 1, 1971, respectively.

The tenth revision, embracing the E $\frac{1}{2}$ sec. 20, T. 27 N., R. 7 W., N.M.P.M., enlarges the Dakota participating area from 5,768.93 acres to 6,088.93 acres, based upon the completion of unit well No. 153 in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of the same sec. 20. Such well was completed October 12, 1971, for a calculated open flow potential of 3,958 MCFGPD from the Dakota interval 7,292 feet to 7,462 feet.

The eleventh revision, embracing the W $\frac{1}{2}$ sec. 22, T. 27 N., R. 7 W., N.M.P.M., enlarges the Dakota participating area to 6,408.93 acres, based upon the completion of unit well No. 155 in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of the same sec. 22. Such well was completed November 30, 1971, for a calculated open flow potential of 2,732 MCFGPD from the Dakota interval 7,292 feet to 7,528 feet.

Copies of the approved application are being distributed to the appropriate Federal offices and two approved copies are returned herewith. You are requested to furnish the State of New Mexico and all other interested parties with appropriate evidence of this approval.

Sincerely yours,

(ONE)

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:

Washington (w/cy appln)

Durango (w/cy appln)

BLM, Santa Fe (ltr only)

NMOCC, Santa Fe (ltr only)

Com. Pub. Lands, Santa Fe (ltr only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 8, 1972

445

C
O
P
Y

El Paso Natural Gas Company
Box 1492
El Paso, Texas 79978

Attention: Mr. James R. Permenter

Re: Tenth and Eleventh Expanded
Dakota Participating Area
San Juan 28-7 Unit, Rio
Arriba County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Tenth and Eleventh Expanded Participating Area for the Dakota Formation for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Five approved copies of the application are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

A. L. PORTER, JR.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

March 8, 1972

RECEIVED
MAR- 8 1972

~~RECEIVED~~
~~RECEIVED~~

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico,
APPLICATION FOR APPROVAL OF THE
TENTH AND ELEVENTH EXPANDED PARTICI-
PATING AREAS OF THE DAKOTA FORMATION
Effective October 1, 1971 and
November 1, 1971

ATTENTION: Mr. James R. Permenter

Gentlemen:

The Commissioner of Public Lands has this date approved the Tenth and Eleventh Expanded Participating Areas for the Dakota Formation, for the San Juan 28-7 Unit, Rio Arriba County, New Mexico. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are handing six copies of the application to the Oil Conservation Commission requesting them to forward five copies to the United States Geological Survey at Roswell, New Mexico for their consideration. After this application has been approved and signed by the United States Geological Survey, two (2) copies should be returned to El Paso.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓

El Paso Natural Gas Company

El Paso, Texas 79999

RECEIVED

MAR 6 1972

CONSERVATION COMM.
SANTA FE

March 3, 1972

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

445

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico,
APPLICATION FOR APPROVAL OF THE TENTH
AND ELEVENTH EXPANDED PARTICIPATING
AREAS OF THE DAKOTA FORMATION - Effec-
tive October 1, 1971 and November 1, 1971

Gentlemen:

We are enclosing for your approval eight (8) copies of an Application for Approval of the Tenth and Eleventh Expanded Participating Areas of the Dakota Formation for the referenced Unit.

If this Application meets with your approval, please execute all copies and forward them to the Oil Conservation Commission for its approval and execution. After this Application has been signed by the Commissioner of Public Lands and the Oil Conservation Commission, the Commissioner of Public Lands should retain two (2) copies for his file and the Oil Conservation Commission should retain one (1) copy for its file, and five (5) copies should be forwarded to the United States Geological Survey in Roswell, New Mexico, for its approval and further handling. After this Application has been approved and signed by the United States Geological Survey, two (2) copies should be returned to El Paso.

Yours very truly,

Original Signed By:
JAMES R. PERMENTER
James R. Permenter
Supervising Landman
Land Department
Energy Resource Development

JRP:DI:lj
Enclosure

cc: Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Oil Conservation Commission ✓
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

C O P Y

El Paso Natural Gas Company

El Paso, Texas 79978

March 3, 1972

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

RECEIVED

MAR-8 1972

ANTHONY COMPANY

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
TENTH AND ELEVENTH EXPANDED PARTICI-
PATING AREAS OF THE DAKOTA FORMATION
Effective October 1, 1971 and
November 1, 1971

Gentlemen:

Pursuant to the provisions of Section 11(b) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests approval of the Tenth and Eleventh Expanded Participating Areas for the Dakota Formation, to wit:

TENTH EXPANDED PARTICIPATING AREA - Effective October 1, 1971

<u>Description of Lands</u>	<u>Acres</u>
<u>T-27-N, R-7-W, N.M.P.M.</u> <u>Section 20: E/2</u>	320.00

This land is proven to be productive by the following:

The San Juan 28-7 Unit #153 Well is located 800' from the North line and 990' from the East line of Section 20, Township 27 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, was spudded on August 19, 1971, and was completed on September 8, 1971, at a total depth of 7535'. The Dakota Formation in the intervals between 7292'-7300', 7362'-7370', 7406'-7418', 7432'-7440',

7450'-7462' was treated with a sand-water fracturing process on September 6, 1971. The well was shut-in on September 8, 1971, and after being shut-in for twenty-seven (27) days the Dakota Formation was tested on October 12, 1971, and following a three (3) hour blow-down period, the well gauged 3581 MCF/D through a 3/4" choke and 3958 MCF/D by the calculated absolute open-flow method, with an SIPC of 2304 psia and an SIPT of 2191 psia.

ELEVENTH EXPANDED PARTICIPATING AREA - November 1, 1971

<u>Description of Lands</u>	<u>Acres</u>
T-27-N, R-7-W, N.M.P.M. Section 22: W/2	320.00

This land is proven to be productive by the following:

The San Juan 28-7 Unit #155 Well is located 1650' from the South line and 1650' from the West line of Section 22, T-27-N, R-7-W, N.M.P.M., Rio Arriba County, New Mexico, was spudded on October 3, 1971, and was completed on October 24, 1971, at a total depth of 7575'. The Dakota Formation in the intervals between 7292'-7304', 7368'-7374', 7404'-7416', 7437'-7453', 7507'-7513', 7522'-7528' was treated with a sand-water fracturing process on October 23, 1971. The well was shut-in on October 25, 1971, and after being shut-in for thirty-six (36) days the Dakota Formation was tested on November 30, 1971, and following a three (3) hour blow-down period gauged 2584 MCF/D through a 3/4" choke and 2732 MCF/D by the calculated absolute open-flow method, with an SIPC of 2520 psia and an SIPT of 2546 psia.

In support of this application, the following-listed Exhibits are made a part hereof:

Exhibit "A"

Ownership map reflecting the boundaries of the Unit and the proposed Tenth and Eleventh Participating Areas of the Dakota Formation within the San Juan 28-7 Unit.

Exhibit "B"

Geological Report on the Tenth and Eleventh Expanded Participating Areas of the Dakota Formation within the San Juan 28-7 Unit.

Regional Oil & Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission
Page Three

Exhibit "C"

Figure No. 1: San Juan 28-7 Subsurface Structure Contour Map

Figure No. 2: San Juan 28-7 Isopachous Map

Exhibit "D"

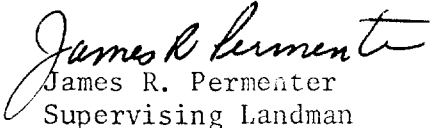
Schedule of Dakota Gas Production

Attached hereto are Schedules XI and XII showing the proposed Tenth and Eleventh Expanded Participating Areas for the Dakota Formation in the San Juan 28-7 Unit Area. These schedules describe the Expanded Participating Areas, show the percentage of unitized substances allocated to each unitized tract and the percentage of ownership in each tract.

If these Tenth and Eleventh Expanded Participating Areas of the Dakota Formation meet with your approval, please indicate such approval in the space provided and return an approved copy thereof for our files.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,


James R. Permenter
Supervising Landman
Land Department
Energy Resource Development

JRP:DI:lj
Enclosures
San Juan 28-7 Unit, 4.3

cc: Mrs. Pepita O. Jeffus
Executive Director
New Mexico Oil & Gas
Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

APPROVED: _____

Regional Oil and Gas Supervisor
United States Geological Survey
Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Commission

DATE: _____

APPROVED: _____

Commissioner of Public Lands
Subject to like approval by the
United States Geological Survey and
the Oil Conservation Commission

DATE: 3-7-72

APPROVED: _____

A. H. Porter - 2
Oil Conservation Commission
Subject to like approval by the
United States Geological Survey and
the Commissioner of Public Lands

DATE: March 8, 1972

The foregoing approvals are for the Tenth and Eleventh Expanded Participating Areas of the Dakota Formation for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

Burton-Hawks, Inc.

Continental Oil Company

Koch Industries, Inc.

Dixie M. McLane Trust

Pubco Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mrs. Thelma Ford Simmons, Independent
Executrix of the Estate of D. J. Simmons,
Deceased

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California

The Wiser Oil Company



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

RECEIVED
FEB-4 1972
OIL AND GAS
CONSERVATION COMM.
SANTA FE

February 1, 1972

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

Attention: Mr. James R. Permenter

Gentlemen:

The ninth revision of the Dakota participating area for the San Juan 28-7 unit agreement, Rio Arriba County, New Mexico, No. 14-08-001-459 was approved on February 1, 1972, by the Regional Oil and Gas Supervisor, effective as of July 1, 1971. Such revision, embracing the E½ sec. 22, T. 28 N., R. 7 W., N.M.P.M., enlarges the Dakota participating area from 5,448.93 acres to 5,768.93 acres, based upon the completion of San Juan 28-7 unit well No. 159, in the SW¼ sec. 22, T. 28 N., R. 7 W., N.M.P.M. Such well was completed on July 13, 1971, for an absolute open flow potential of 3,662 MCFGPD from the Dakota formation in the interval from 7,754 feet to 7,922 feet.

Copies of the approved application are being distributed to the appropriate Federal offices, and two approved copies are returned herewith. You are requested to furnish all interested parties with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD) N. O. FREDERICK

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/cy appln.)
Durango (w/cy appln.)
NMOCC, Santa Fe (ltr. only)✓
Com. Pub. Lands, Santa Fe (ltr. only)

El Paso Natural Gas Company

El Paso, Texas 79978

January 28, 1972

RECEIVED
JAN 31 1972
NATIONAL CLIMATE
SERVICE

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

44-2

Re: San Juan 28-7 Unit #14-08-001-459
NOTICE OF COMPLETION OF NON-
COMMERCIAL WELL, Dakota Formation

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement Number 14-08-001-459, approved November 18, 1952, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that the following-described well, completed on lands committed to the San Juan 28-7 Unit, is not capable of producing unitized substances in paying quantities from the Dakota Formation:

The San Juan 28-7 Unit #151 Well is located 1090' from the North line and 1450' from the East line of Section 21, T-27-N, R-7-W, N.M.P.M. This well was spudded on September 8, 1971, and completed on September 29, 1971, at a total depth of 7589'. The Dakota Formation in the intervals between 7322'-7330', 7396'-7404', 7436'-7448', 7466'-7478', 7490'-7502' was treated with a sand-water fracturing



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

RECEIVED
JAN 18 1972
U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

January 14, 1972

445

El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas 79999

Attention: Mr. R. F. Lemon

Gentlemen:

Your notice of December 14, 1971, states that El Paso Natural Gas Company, as operator of the San Juan 28-7 unit area, has determined that unit well No. 160 located in the SW $\frac{1}{4}$ sec. 19, T. 27 N., R. 7 S., is capable of producing unitized substances in paying quantities from the Chacra formation. The information contributed by the completion of such well is the basis upon which the initial Chacra participating area will be established.

As confirmation to our telephone conversation on January 13, the following information is needed to supplement the information contained in your notice.

1. An estimate of the recoverable reserves from the Chacra.
2. The reserve data from which reservoir calculations were made.
3. The economics involved; including well costs, monthly operating expense, and estimated life of well.

Upon receipt of the above requested information, your notice will be further reviewed as to concurrence or objection by this office.

Sincerely yours,

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington
Durango
Com. Pub. Lands, Santa Fe
NMOCC, Santa Fe

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 3, 1972

445

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. James R. Permenter

Re: Ninth Expanded
Participating Area,
Dakota Formation,
San Juan 28-7 Unit,
Rio Arriba County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Ninth Expanded Participating Area, Dakota Formation for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Five approved copies of the application are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe
United States Geological Survey - Roswell

El Paso Natural Gas Company

El Paso, Texas 79978

January 3, 1972

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JAN 6 1972
COMMUNICATIONS SECTION

445

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
1971 SUPPLEMENTAL DRILLING PROGRAM

Gentlemen:

The 1971 Supplemental Drilling Program for the San Juan 28-7 Unit was approved by the Regulatory Bodies on the following dates:

United States Geological Survey	-	October 28, 1971
Commissioner of Public Lands	-	October 21, 1971
Oil Conservation Commission	-	December 20, 1971

Copies of this letter are being sent to the working interest owners of the San Juan 28-7 Unit.

Yours very truly,



Dick Isaacks
Senior Landman
Land Department
Energy Resource Development

DI:nja
S.J. 28-7 Unit 3.0, 4.3

December 28, 1971

RECEIVED

DEC 29 1971

OIL CONSERVATION COMM.
SANTA FE

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Re: San Juan 28-7 Unit
APPLICATION FOR APPROVAL OF THE
NINTH EXPANDED PARTICIPATING AREA
OF THE DAKOTA FORMATION
Rio Arriba County, New Mexico

ATTENTION: Mr. James R. Permenter

Gentlemen:

The Commissioner of Public Lands has this date approved your application for the Ninth Expanded Participating Area, Dakota Formation for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are retaining two copies and handing six approved copies to the Oil Conservation Commission, requesting them to forward five copies to the United States Geological Survey.

Please remit an eight (\$8.00) Dollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s

cc:

USGS-Roswell, New Mexico (ltr. only)

OCC- Santa Fe, New Mexico (6cys of appln.)

pm

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

December 20, 1971

445

C
O
P
Y

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: 1971 Supplemental Drilling
Program, San Juan 28-7
Unit, Rio Arriba County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1971 Supplemental Drilling Program dated October 13, 1971, for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey, Roswell
Commissioner of Public Lands - Santa Fe

El Paso Natural Gas Company

El Paso, Texas 79978

December 17, 1971

445

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

RECEIVED
DEC 21 1971
OIL CONTROL DIVISION

Oil Conservation Commission
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Commissioner of Public Lands
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
INITIAL PARTICIPATING AREA, Chacra
Formation, effective December 8, 1971

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that the following well capable of producing unitized substances in paying quantities from the Chacra Formation has been completed upon acreage committed to this unit, and concludes that the Initial Chacra Participating Area should be established effective December 8, 1971, which is the date of first production:

The San Juan 28-7 Unit #160 well is located 1180' from the South line and 1800' from the East line of Section 19, T-27-N, R-7-W, N.M.P.M. This well was spudded on August 22, 1971, and completed on September 22, 1971, at a total depth of 4076'. The Chacra Formation in the intervals between 3914'-3926',

December 17, 1971

4049'-4056' was treated with a sand-water fracturing process on September 22, 1971. The Chacra Formation was shut-in on October 2, 1971, and after being shut-in for ten (10) days, the Chacra Formation was tested on October 12, 1971, and following a three-hour blow-down period gauged 1235 MCF/D through a 3/4" choke and 1253 MCF/D by the calculated absolute open-flow method, with an SIPC of 977 psia. The drilling block for this well is described as the E/2 of Section 19, T-27-N, R-7-W, containing 320.00 acres.

Attached is Schedule I showing the Initial Participating Area for the Chacra Formation of the San Juan 28-7 Unit Area. This describes the Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Initial Participating Area will become effective as of December 8, 1971.

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

Yours very truly,



T. W. Bittick
Director
Lands and Administration
Energy Resource Development

TWB:DI:nja
Attachments

SCHEDULE I
INITIAL PARTICIPATING AREA FOR THE CHACRA FORMATION
SAN JUAN 28-7 UNIT AREA

<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>	<u>NUMBER OF ACRES</u>	<u>DRILLING BLOCK OWNERSHIP AND PERCENTAGE</u>	<u>PERCENTAGE COMMITTED</u>	<u>PRESENT ACTUAL PARTICIPATION</u>
SF 078840	T-27-N, R-7-W Section 19: E/2	320.00	Royalty: 12.5000% Working Interest: EPNG Co. 67.000% ORRI: 20.500% Total 100.000%	12.500% 67.000% 20.500% 100.000%	100.000%
San Juan 28-7 #160 Well	Section 19: E/2	320.00		100.000%	100.000%

SCHEDULE 1

RECAPITULATION

Description of Lands in Participating Area:

Township 27 North, Range 7 West, N.M.P.M.
Section 19: E/2

Total Number of Acres in Participating Area:	320.00
Total Number of Acres Committed to Participating Area:	320.00

Percent of Basic Royalty Committed:	100.00%
Percent of Working Interest Committed:	100.00%
Percent of ORRI Committed:	100.00%

SAN JUAN 28-7 UNIT
Working Interest Owners

Burton-Hawks, Inc.

Continental Oil Company

Koch Industries, Inc.

Dixie M. McLane Trust

Pubco Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mrs. Thelma Ford Simmons, Independent
Executrix of the Estate of D. J. Simmons,
Deceased

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California

The Wiser Oil Company

El Paso Natural Gas Company

El Paso, Texas 79978

RECEIVED

DEC 14 10 29 AM '71

STATE LAND OFFICE
SANTA FE, N.M.

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

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DEC 29 1971

OIL CONSERVATION COMM.
SANTA FE

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
NINTH EXPANDED PARTICIPATING AREA
OF THE DAKOTA FORMATION - Effective
July 1, 1971

Gentlemen:

Pursuant to the provisions of Section 11(b) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests approval of the Ninth Expanded Participating Area for the Dakota Formation, to wit:

NINTH EXPANDED PARTICIPATING AREA - Effective July 1, 1971

<u>Description of Lands</u>	<u>Acres</u>
T-28-N, R-7-W, N.M.P.M. Section 22: E/2	320.00

The lands are proven to be productive by the following:

The San Juan 28-7 Unit #159 Well is located 1750' from the North line and 1460' from the East line of Section 22, Township 28 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, was spudded on June 21, 1971, and was completed on July 2, 1971, at a total depth of 7992'. The Dakota Formation in the intervals between 7754'-7760',

Regional Oil & Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission
Page Two

7770'-7776', 7862'-7874', 7890'-7896', 7916'-7922'
was treated with a sand-water fracturing process on
July 1, 1971. The well was shut-in on July 3, 1971,
and after being shut-in for ten (10) days the Dakota
Formation was tested on July 13, 1971, and following
a three (3) hour blow-down period, the well gauged
3538 MCF/D through a 3/4" choke and 3662 MCF/D by
the calculated absolute open-flow method, with an
SIPT of 2236 psia and an SIPC of 1738 psia.

In support of this application, the following-listed Exhibits are
made a part hereof:

Exhibit "A"

Ownership map reflecting the boundaries of the Unit and the
proposed Ninth Expanded Participating Area of the Dakota
Formation within the San Juan 28-7 Unit.

Exhibit "B"

Geological Report on the Ninth Expanded Participating Area
of the Dakota Formation within the San Juan 28-7 Unit.

Exhibit "C"

Figure No. 1: San Juan 28-7 Subsurface Structure Contour Map

Figure No. 2: San Juan 28-7 Isopachous Map

Exhibit "D"

Schedule of Dakota Gas Production.

Attached hereto is Schedule X showing the proposed Ninth Expanded
Participating Area for the Dakota Formation in the San Juan 28-7 Unit
Area. This Schedule describes the Expanded Participating Area, shows
the percentage of unitized substances allocated to each unitized tract
and the percentage of ownership in each tract.

If this Ninth Expanded Participating Area of the Dakota Formation meets
with your approval, please indicate such approval in the space provided
and return an approved copy thereof for our files.

Regional Oil & Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission
Page Three

Copies of this letter are being sent to the working interest owners
shown on the attached sheet.

Yours very truly,


James R. Permenter
Supervising Landman
Land Department
Energy Resource Development

JRP:DI:lj
Enclosures
San Juan 28-7 Unit, 4.3

cc: Mrs. Pepita O. Jeffus
Executive Director
New Mexico Oil & Gas
Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

APPROVED: _____

Regional Oil and Gas Supervisor
United States Geological Survey
Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Commission.

DATE: _____

APPROVED: _____

Commissioner of Public Lands
Subject to like approval by the
United States Geological Survey and
the Oil Conservation Commission.

DATE: 12-28-71

APPROVED: _____

Oil Conservation Commission
Subject to like approval by the
United States Geological Survey and
the Commissioner of Public Lands.

DATE: January 3, 1972

The foregoing approvals are for the Ninth Expanded Participating Area of the Dakota Formation for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

Continental Oil Company

El Paso Products Company

Koch Industries, Inc.

Dixie M. McLane Trust

Pubco Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mr. D. J. Simmons

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California

The Wiser Oil Company

El Paso Natural Gas Company

El Paso, Texas 79999

December 10, 1971

443
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OIL CONSERVATION COMMISSION
SANTA FE

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

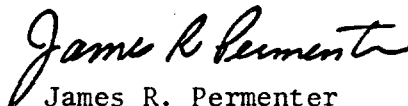
Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
NINTH EXPANDED PARTICIPATING AREA
OF THE DAKOTA FORMATION -
Effective July 1, 1971

Gentlemen:

We are enclosing for your approval eight (8) copies of an Application for Approval of the Ninth Expanded Participating Area of the Dakota Formation for the referenced Unit.

If this Application meets with your approval, please execute all copies and forward them to the Oil Conservation Commission for its approval and execution. After this Application has been signed by the Commissioner of Public Lands and the Oil Conservation Commission, the Commissioner of Public Lands should retain two (2) copies for his file and the Oil Conservation Commission should retain one (1) copy for its file, and five (5) copies should be forwarded to the United States Geological Survey in Roswell, New Mexico, for its approval and further handling. After this Application has been approved and signed by the United States Geological Survey, two (2) copies should be returned to El Paso.

Yours very truly,



James R. Permenter
Supervising Landman
Land Department
Energy Resource Development

JRP:DI:ks
Enclosure

cc: Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501



UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

RECEIVED

NOV 2 1971

OIL CONSERVATION COMM.
SANTA FE

October 28, 1971

445

El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Gentlemen:

Your 1971 supplemental plan of development for the San Juan 23-7 unit area, Rio Arriba County, New Mexico, proposing the drilling of three additional Dakota wells has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

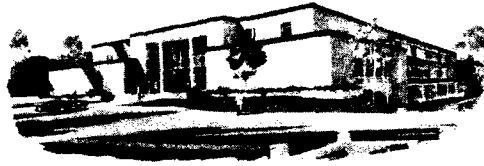
Sincerely yours,

(ORIG

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc:
Washington (w/cy of plan)
Durango (w/cy of plan)
NMOCC, Santa Fe (ltr. only)
Com. Pub. Lands, Santa Fe (ltr. only)

State of New Mexico



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

October 21, 1971

P. O. Box 1148
SANTA FE, NEW MEXICO

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Re: San Juan 28-7 Unit
1971 SUPPLEMENTAL DRILLING
PROGRAM
Rio Arriba County, New Mexico

ATTENTION: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has this date approved your Supplemental Drilling Program for the year 1971, which calls for the drilling of three (3) additional Dakota wells. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy of the plan.

Please remit a three (\$3.00) Dollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s
encls.

cc: USGS-Roswell, New Mexico
OCC-Santa Fe, New Mexico

El Paso Natural Gas Company

El Paso, Texas 79978

October 13, 1971

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-
001-459, Rio Arriba County,
New Mexico, 1971 SUPPLEMENTAL
DRILLING PROGRAM

Gentlemen:

By letter dated January 18, 1971, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program on the captioned Unit for the calendar year 1971, providing for the drilling of seven (7) Dakota and one (1) Chacra wells during 1971, and you previously approved this Program as submitted.

However, El Paso Natural Gas Company, as Unit Operator and with the concurrence of a majority of the Unit working interest owners, now desires to amend this 1971 Program to provide for the drilling of three (3) additional Dakota wells during 1971. These wells are as follows:

<u>Well No.</u>	<u>Spacing Unit or Drilling Block</u>	<u>Formation</u>
152	W/2 Sec. 21, T-27-N, R-7-W	Dakota
154	E/2 Sec. 17, T-27-N, R-7-W	Dakota
155	W/2 Sec. 22, T-27-N, R-7-W	Dakota

Regional Oil & Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission
Page Two

October 13, 1971

All of these wells are being drilled outside the existing
Dakota Participating Area.

In addition to the aforementioned wells, El Paso Natural Gas Company,
as Unit Operator, will drill any offset wells required to pre-
vent drainage of unitized substances, and any other wells deemed
necessary or desirable by the Unit Operator or the working
interest owners.

If this 1971 Supplemental Drilling Program is acceptable, please
signify your approval as required under Section 10 of the Unit
Agreement in the space provided on the attached sheet and return
an approved copy to this office.

Copies of this Supplemental Drilling Program are being sent to
the working interest owners shown on the attached sheet.

Yours very truly,

A handwritten signature in dark ink, appearing to read "T. W. Bittick", written in a cursive style.

T. W. Bittick
Director
Lands and Administration
Energy Resource Development

TWB:CTR:lj
S.J. 28-7 Unit, 3.0, 4.3

APPROVED: _____

Regional Oil and Gas Supervisor
United States Geological Survey
Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Commission

DATE: _____

APPROVED: _____

Commissioner of Public Lands
Subject to like approval by the
United States Geological Survey and
the Oil Conservation Commission

DATE: _____

APPROVED: _____

Oil Conservation Commission
Subject to like approval by the
United States Geological Survey and
the Commissioner of Public Lands

DATE: December 20, 1971

The foregoing approvals are for the 1971 Supplemental Drilling Program for the San Juan 28-7 Unit #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

Continental Oil Company

El Paso Products Company

Koch Industries, Inc.

Dixie M. McLane Trust

Pubco Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mr. D. J. Simmons

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California

The Wiser Oil Company

El Paso Natural Gas Company

El Paso, Texas 79999

February 5, 1971

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Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
1971 DRILLING PROGRAM

Gentlemen:

The 1971 Drilling Program dated January 18, 1971, for the referenced Unit was approved by the Regulatory Bodies on the dates indicated below:

United States Geological Survey	-	February 2, 1971
Commissioner of Public Lands	-	January 20, 1971
Oil Conservation Commission	-	January 22, 1971

Copies of this letter are being sent to the working interest owners of the above-described Unit.

Yours very truly,



Dick Isaacks
Senior Landman
Land Department

DI:ks
S.J. 28-7 Unit 3.0



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

February 2, 1971

71 FEB 5 AM 8 13

El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Gentlemen:

Your 1971 plan of development for the San Juan 28-7 unit area, Rio Arriba County, New Mexico, proposing the drilling of seven Dakota wells and one Chacra well, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/cy of plan)
Durango (w/cy of plan)
NMOCC, Santa Fe (ltr. only)
Com. Pub. Lands, Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 22, 1971

445

C
O
P
Y

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: 1971 Drilling Program
San Juan 28-7 Unit, Rio
Arriba County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program for the calendar year 1971 providing for the drilling of seven Dakota wells and one Chacra well in the San Juan 28-7 Unit Area, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

971 JAN 21 PM 11 12

January 20, 1971

4-11

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1971 DRILLING PROGRAM

ATTENTION: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has this date approved your 1971 Drilling Program for the San Juan 28-7 Unit, Rio Arriba County, New Mexico. This program proposes the drilling of seven Dakota wells and one Chacra well. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy of the plan.

Please remit a Three (\$3.00) Dollar filing fee.

Sincerely yours,

GORDON G. MARCUM, II, Director
Oil and Gas Department

AGM/GGM/s

encl.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓

El Paso Natural Gas Company

El Paso, Texas 79999

January 18, 1971

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
1971 DRILLING PROGRAM

Gentlemen:

By letter dated March 13, 1970, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program on the captioned Unit for the calendar year 1970 providing for the drilling of three (3) Pictured Cliffs Wells. Each of these wells was timely drilled. Since the wells were drilled within the boundaries of the Pictured Cliffs Participating Area, the completion of these wells did not cause an expansion of the Participating Area.

As of this date, the total number of wells in the San Juan 28-7 Unit on acreage committed to the Unit is as follows:

Pictured Cliffs	34
Mesaverde	50
Dual, Pictured Cliffs-Mesaverde	26
Dual, Mesaverde-Dakota	2
Dakota	10
Non-Commercial: Pictured Cliffs	3
Mesaverde	2
Plugged and Abandoned	2
	<u>129</u>

Regional Oil & Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission
Page Two

January 18, 1971

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a Drilling Program for the calendar year 1971 providing for the drilling of the following wells:

<u>Well No.</u>	<u>Spacing Unit or Drilling Block</u>	<u>Formation</u>
129	E/2 Sec. 2, T-27-N, R-7-W	Dakota
151	E/2 Sec. 21, T-27-N, R-7-W	Dakota
153	E/2 Sec. 20, T-27-N, R-7-W	Dakota
156	E/2 Sec. 10, T-27-N, R-7-W	Dakota
157	E/2 Sec. 11, T-27-N, R-7-W	Dakota
158	N/2 Sec. 23, T-28-N, R-7-W	Dakota
159	E/2 Sec. 22, T-28-N, R-7-W	Dakota
160	E/2 Sec. 19, T-27-N, R-7-W	Chacra

Wells Nos. 129, 156, 157 and 158 will be drilled within the boundaries of the Dakota Participating Area while Wells Nos. 151, 153 and 159 will be drilled outside of the Participating Area. Well No. 160 will be the first Chacra Formation well drilled in the Unit.

All of the working interest owners have been contacted and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, will drill any offset wells that may be required to prevent drainage of unitized substances, and any other wells subsequently deemed necessary or which are requested by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,



T. W. Bittick
Manager
Land Department

TWB:DI:nja
Attachments
S.J. 28-7 Unit 3.0

APPROVED: _____

Regional Oil and Gas Supervisor
United States Geological Survey
Subject to like approval by the
Commissioner of Public Lands and
the Oil Conservation Commission

DATE: _____

APPROVED: _____

Commissioner of Public Lands
Subject to like approval by the
United States Geological Survey and
the Oil Conservation Commission

DATE: _____

APPROVED: _____

Oil Conservation Commission
Subject to like approval by the
United States Geological Survey and
the Commissioner of Public Lands

DATE: January 22, 1971

This approval is for the San Juan 28-7 Unit #14-08-001-459, Rio Arriba County,
New Mexico, 1971 Drilling Program.

SAN JUAN 28-7 UNIT
Working Interest Owners

Continental Oil Company

El Paso Products Company

Koch Industries, Inc.

Dixie M. McLane Trust

Pubco Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mr. D. J. Simmons

Southern Petroleum Exploration, Inc.

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California

El Paso Natural Gas Company

El Paso, Texas 79999

September 16, 1970

70 SEP 17 PM 12 00

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

45

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit, #14-08-001-
459, NOTICE OF COMPLETION OF
ADDITIONAL WELLS, Pictured
Cliffs Formation

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that three (3) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to the Unit. The wells are as follows:

The San Juan 28-7 Unit #148 Well is located 1850' from the North line and 790' from the West line of Section 19, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 24, 1970, and completed on August 5, 1970, at a total depth of 3011'. The Pictured Cliffs Formation between 2895'-2907', 2922'-2934' was treated with sand-water fracturing process on August 5, 1970. The well was shut-in on August 9, 1970 and after being shut-in for twelve (12) days, the well was tested on August 21, 1970, and following a three (3) hour blow-down period gauged 2138 MCF/D through a 3/4" choke, and 2456 MCF/D by the calculated absolute open-flow method, with an

Regional Oil & Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission
Page Two

September 16, 1970

SIPC of 582 psia. The committed drilling block upon which this well is located is described as the W/2 of Section 13, Township 28 North, Range 7 West, N.M.P.M., and consists of 321.15 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on August 21, 1970.

This drilling block was included in the San Juan 28-7 Fourth Expanded Participating Area, effective September 1, 1954, and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The San Juan 28-7 Unit #149 Well is located 1790' from the North line and 790' from the West line of Section 31, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 29, 1970, and completed on August 14, 1970, at a total depth of 2886'. The Pictured Cliffs Formation between 2696'-2704', 2714'-2722' was treated with a sand-water fracturing process on August 14, 1970. The well was shut-in on August 23, 1970, and after being shut-in for eight (8) days, the well was tested on August 31, 1970, and following a three (3) hour blow-down period gauged 1382 MCF/D through a 3/4" choke, and 1423 MCF/D by the calculated absolute open-flow method, with an SIPC of 918 psia. The committed drilling block upon which this well is located is described as the W/2 of Section 31, Township 28 North, Range 7 West, N.M.P.M., and consists of 301.23 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on August 31, 1970.

This drilling block was included in the San Juan 28-7 Fifth Expanded Participating Area, effective June 1, 1955, and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

The San Juan 28-7 Unit #150 Well is located 825' from the North line and 1800' from the West line of Section 6, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 28, 1970, and completed on August 14, 1970, at a total depth of 2918'. The Pictured Cliffs Formation between 2730'-2740', 2750'-2760',

Regional Oil & Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission
Page Three

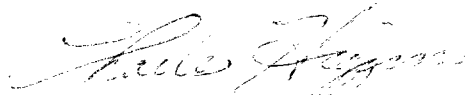
September 16, 1970

2770'-2780' was treated with a sand-water fracturing process on August 14, 1970. The well was shut-in on August 16, 1970 and after being shut-in for eight (8) days, the well was tested on August 24, 1970, and following a three (3) hour blow-down period gauged 3268 MCF/D through a 3/4" choke, and 3678 MCF/D by the calculated absolute open-flow method, with an SIPC of 946 psia. The committed drilling block upon which this well is located is described as the W/2 of Section 6, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.20 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on August 24, 1970.

This drilling block was included in the San Juan 28-7 First Expanded Participating Area, effective September 1, 1953, and the completion of this well does not warrant any further expansion of the Pictured Cliffs Participating Area.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Yours very truly,



Charles Higgins
Supervising Landman
Land Department

CH:Di:sf
Enclosure

cc: Mrs. Pepita O. Jeffus
Executive Director
New Mexico Oil & Gas Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

SAN JUAN 28-7 UNIT
Working Interest Owners

Continental Oil Company *

El Paso Products Company **

Koch Industries, Inc.

Dixie M. McLane Trust **

Pubco Petroleum Corporation (2) *

Reserve Oil & Gas Company *

Mr. W. H. Riddle

Mr. D. J. Simmons

Southern Petroleum Exploration, Inc. *

Tenneco Oil Company *

Mr. J. Glenn Turner **

Union Oil Company of California

* Owners of Dakota Participating Area

** Own Dakota Interest Not in Participating Area

El Paso Natural Gas Company

El Paso, Texas 79999

April 10, 1970

70 APR 18 35

Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: 1970 DRILLING PROGRAM
San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico

Gentlemen:

The 1970 Drilling Program for the referenced Unit was approved by the Regulatory Bodies on the dates indicated:

United States Geological Survey	March 30, 1970
Commissioner of Public Lands	March 17, 1970
Oil Conservation Commission	April 1, 1970

Copies of this letter are being sent to the working interest owners of the above described Unit.

Yours very truly,

Charles Higgins

Charles Higgins
Supervising Landman
Land Department

CH:DI:sf
San Juan 28-7
Unit, 3.0

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

445

April 1, 1970

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: 1970 Drilling Program
San Juan 28-7 Unit,
Rio Arriba County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program for the calendar year 1970 providing for the drilling of three Pictured Cliffs wells for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

MAIN OFFICE OF

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445

Drawn: 1857
Roswell, New Mexico 88201

March 30, 1970

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Gentlemen:

Your 1970 plan of development for the San Juan 28-7 unit area, Rio Arriba County, New Mexico, proposing the drilling of three Pictured Cliffs wells, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SENT BY B. J. SHOGER)

BILLY J. SHOGER
Acting Oil and Gas Supervisor

cc:
Washington (w/cy of plan)
Durango (w/cy of plan)
NMOCC, Santa Fe (ltr. only) —
Com. Pub. Lands, Santa Fe (ltr. only)

MAIL ROOM

70 MAR 19 PM 1 06

445

March 17, 1970

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1970 DRILLING PROGRAM

ATTENTION: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has this date approved your 1970 Drilling Program for the San Juan 28-7 Unit, Rio Arriba County, New Mexico. This program proposes the drilling of three Pictured Cliffs wells during the 1970 calendar year. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy of the plan.

Very truly yours,

Ted Bilberry, Director
Oil and Gas Department

TB/ML/s
encls.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico

C
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Y

El Paso Natural Gas Company

El Paso, Texas 79999

March 13, 1970

Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
1970 DRILLING PROGRAM

Gentlemen:

By letter dated February 17, 1969, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program on the captioned Unit for the calendar year 1969 providing for the drilling of no wells. On July 14, 1969, El Paso Natural Gas Company filed a Supplemental 1969 Drilling Program calling for the drilling of one (1) Dakota well. The #147 Well was timely drilled and occasioned the Eighth Expansion of the Dakota Participating Area effective October 1, 1969.

As of this date, the total number of wells in the San Juan 28-7 Unit on acreage committed to the Unit is as follows:

Pictured Cliffs	31
Mesaverde	50
Dual, Pictured Cliffs-Mesaverde	26
Dual, Mesaverde-Dakota	2

March 13, 1970

Dakota	10
Non-Commercial: Pictured Cliffs	3
Mesaverde	2
Plugged and Abandoned	2
	<u>126</u>

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a Drilling Program for the calendar year of 1970 providing for the drilling of the following wells:

<u>Well No.</u>	<u>Location</u>	<u>Formation</u>
148	NW/4 Sec. 19, T-27-N, R-7-W	Pictured Cliffs
149	NW/4 Sec. 31, T-28-N, R-7-W	Pictured Cliffs
150	NW/4 Sec. 6, T-27-N, R-7-W	Pictured Cliffs

Each of these wells will be drilled within the boundary of the existing Pictured Cliffs Participating Area.

El Paso Natural Gas Company intends to drill these wells to the base of the Pictured Cliffs Formation using rotary tools. Surface casing will be set to approximately 100' from the surface, and then a production string of casing will be set and cemented through the Pictured Cliffs Formation. Mud will be used in drilling through the Pictured Cliffs Formation, and the Pictured Cliffs Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

All of the working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, will drill any offset wells that may be required to prevent drainage of unitized substances, and any other wells subsequently deemed necessary or which are requested by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Regional Oil and Gas Supervisor
Commissioner of Public Lands
Oil Conservation Commission
Page Three

March 13, 1970

Copies of this Drilling Program are being sent to the working
interest owners as shown on the attached sheet.

Yours very truly,


T. W. Bittick
Manager
Land Department

TWB:DI:nja
Attachments
SJ 28-7 Unit, 3.0

APPROVED: _____
Regional Oil and Gas Supervisor
United States Geological Survey
Subject to like approval by the
appropriate State Officials.

DATE: _____

APPROVED: _____
Commissioner of Public Lands
Subject to like approval by the
United States Geological Survey
and the Oil Conservation Commission.

DATE: _____

APPROVED: 
Oil Conservation Commission
Subject to like approval by the
United States Geological Survey
and the Commissioner of Public
Lands.

DATE: April 1, 1970

The foregoing approvals are for the 1970 Drilling Program for the
San Juan 28-7 Unit #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

Continental Oil Company

El Paso Products Company

Koch Industries, Inc.

Dixie M. McLane Trust

Pubco Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mr. D. J. Simmons

Southern Petroleum Exploration, Inc.

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEC 24 1969

44

Drawer 1857
Roswell, New Mexico 88201

December 23, 1969

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. Charles Higgins

Gentlemen:

The eighth revision of the Dakota participating area for the San Juan 28-7 unit agreement, Rio Arriba County, New Mexico, No. 14-08-001-459 was approved on December 23, 1969, by the Regional Oil and Gas Supervisor, Geological Survey, effective as of October 1, 1969.

By such revision the Dakota participating area is enlarged from 5,128.93 acres to 5,448.93 acres, based upon the completion of San Juan 28-7 unit well No. 147, located in the SE $\frac{1}{4}$ sec. 9, T. 27 N., R. 7 W., E.M.P.M. Such well was completed on October 14, 1969, for an absolute open flow potential of 2,569 MCFGPD from the Dakota formation in the interval from 7,664 feet to 7,812 feet.

Copies of the approved application are being distributed to the appropriate Federal offices and two approved copies are returned herewith. You are requested to furnish all interested parties with appropriate evidence of this approval.

Sincerely yours,

(SIGNED)

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Washington (w/cy appln.)
Durango (w/cy appln.)
NMOCC, Santa Fe (ltr. only) ✓
Com. Pub. Lands, Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

December 18, 1969

445

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. Charles Higgins

Re: Eighth Expanded Dakota
Participating Area, San
Juan 28-7 Unit, Rio
Arriba County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Eighth Expanded Participating Area, Dakota Formation for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Five approved copies of the application are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe
Director - United States Geological Survey - Roswell

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DEC 18 1969

December 11, 1969

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El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
EIGHTH EXPANDED PARTICIPATING
AREA-DAKOTA FORMATION
Effective October 1, 1969

ATTENTION: Mr. Charles Higgins

Gentlemen:

The Commissioner of Public Lands has this date approved your application for the Eighth Expanded Participating Area, Dakota Formation for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are retaining two copies and handing six approved copies to the Oil Conservation Commission, requesting them to forward five copies to the United States Geological Survey.

Very truly yours,

Ted Bilberry, Director
Oil and Gas Department

TR/ML/s

cc: USGS-Roswell, New Mexico
OCC-Santa Fe, New Mexico ✓

El Paso Natural Gas Company

El Paso, Texas 79999

December 5, 1969

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
EIGHTH EXPANDED PARTICIPATING AREA
OF THE DAKOTA FORMATION - Effective
October 1, 1969

Gentlemen:

Pursuant to the provisions of Section 11(b) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests approval of the Eighth Expanded Participating Area for the Dakota Formation, to wit:

EIGHTH EXPANDED PARTICIPATING AREA - Effective October 1, 1969

<u>Description of Lands</u>	<u>Acres</u>
<u>T-27-N, R-7-W, N.M.P.M.</u>	
Section 9: E/2	320.00

The lands are proven to be productive by the following:

The San Juan 28-7 Unit #147 Well is located 1560' from the North line and 1060' from the East line of Section 9, Township 27 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, was spudded on August 30, 1969, and was completed on September 28, 1969, at a total depth of 7909'. The Dakota Formation in

Mr. John A. Anderson
Commissioner of Public Lands
Oil Conservation Commission
Page Two

December 5, 1969

the intervals between 7664'-7680', 7742'-7750', 7774'-7782', 7804'-7812' was treated with a sand-water fracturing process. The well was shut-in on September 29, 1969, and after being shut-in for fifteen (15) days the Dakota Formation was tested on October 14, 1969, and following a three (3) hour blow-down period, the well gauged 2405 MCF/D through a 3/4" choke and 2569 MCF/D by the calculated absolute open-flow method, with an SIPT of 1672 psia and an SIPC of 2455 psia.

In support of this application, the following-listed Exhibits are made a part hereof:

Exhibit "A"

Ownership map reflecting the boundaries of the Unit and the proposed Eighth Expanded Participating Area of the Dakota Formation within the San Juan 28-7 Unit.

Exhibit "B"

Geological Report on the Eighth Expanded Participating Area of the Dakota Formation within the San Juan 28-7 Unit.

Exhibit "C"

Figure No. 1: San Juan 28-7 Subsurface Structure Contour Map

Figure No. 2: San Juan 28-7 Isopachous Map

Exhibit "D"

Schedule of Dakota Gas Production.

Attached hereto is Schedule IX showing the proposed Eighth Expanded Participating Area for the Dakota Formation in the San Juan 28-7 Unit Area. This Schedule describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract and the percentage of ownership in each tract.

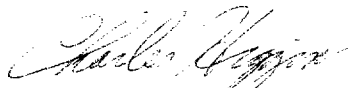
If this Eighth Expanded Participating Area of the Dakota Formation meets with your approval, please indicate such approval in the space provided and return an approved copy thereof for our files.

Mr. John A. Anderson
Commissioner of Public Lands
Oil Conservation Commission
Page Three

December 5, 1969

Copies of this letter are being sent to the working interest owners
shown on the attached sheet.

Yours very truly,



Charles Higgins
Supervising Landman
Land Department

CH:DI:nja
Enclosures
San Juan 28-7 Unit, 4.3

cc: Mrs. Pepita O. Jeffus
Executive Director
New Mexico Oil & Gas
Accounting Commission
P. O. Box 2308
Santa Fe, New Mexico 87501

DEC 8 6 54 PM '69
U.S. DEPT. OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPROVED: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

APPROVED: _____
Commissioner of Public Lands
Subject to like approval by the United States
Geological Survey and the Oil Conservation
Commission.

DATE: 12-11-69

APPROVED: _____
Oil Conservation Commission
Subject to like approval by the United States
Geological Survey and the Commissioner of
Public Lands.

DATE: Dec 11 1969

The foregoing approvals are for the Eighth Expanded Participating Area
of the Dakota Formation for the San Juan 28-7 Unit, #14-08-001-459,
Rio Arriba County, New Mexico.

RECEIVED
DEC 11 1969
U.S. GEOLOGICAL SURVEY

SAN JUAN 28-7 UNIT
Working Interest Owners

Continental Oil Company

El Paso Products Company

Koch Industries, Inc.

Dixie McLane

Pubco Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mr. D. J. Simmons

Southern Petroleum Exploration, Inc.

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California

El Paso Natural Gas Company

El Paso, Texas 79999

DEC 6 1969

December 5, 1969

445

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
EIGHTH EXPANDED PARTICIPATING AREA
OF THE DAKOTA FORMATION -
Effective October 1, 1969

Dear Sir:

We are enclosing for your approval eight (8) copies of an Application for Approval of the Eighth Expanded Participating Area of the Dakota Formation for the referenced Unit.

If this Application meets with your approval, please execute all copies and forward them to the Oil Conservation Commission for their approval and execution. After this Application has been signed by the Commissioner of Public Lands and the Oil Conservation Commission, the Commissioner of Public Lands should retain two (2) copies for his file and the Oil Conservation Commission should retain one (1) copy for their file, and five (5) copies should be forwarded to the United States Geological Survey in Roswell, New Mexico for their approval and further handling. After this Application has been approved and signed by the United States Geological Survey, two (2) copies should be returned to El Paso.

Yours very truly,

Original Signed By:
CHARLES HIGGINS
Charles Higgins
Supervising Landman
Land Department

CH:DI:nja
Enclosures

cc: Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

C O P Y

El Paso Natural Gas Company

El Paso, Texas 79999

October 24, 1969

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-1054
Rio Arriba County, New Mexico
SUPPLEMENTAL 1969 DRILLING PROGRAM

Gentlemen:

The Supplemental 1969 Drilling Program dated July 14, 1969 for the referenced Unit was approved by the Regulatory Bodies on the dates indicated below:

United States Geological Survey	-	July 29, 1969
Commissioner of Public Lands	-	July 17, 1969
Oil Conservation Commission	-	October 22, 1969

Copies of this letter are being sent to the working interest owners of the above-described Unit.

Yours very truly,

Charles Higgins
Charles Higgins
Supervising Landman
Land Department

CH:DI:nja
S. J. 28-7, 3.0

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

October 22, 1969

442

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. Charles Higgins

Re: Supplemental 1969 Drilling Program
San Juan 28-7 Unit, Rio Arriba
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Supplemental 1969 Drilling Program for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the application is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe
United States Geological Survey - Roswell

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

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1969

July 29, 1969

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Gentlemen:

Your 1969 supplemental plan of development for the San Juan 28-7 unit area, Rio Arriba County, New Mexico, proposing to drill one Dakota well, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc:
Washington (w/cy of plan)
Durango (w/cy of plan)
NMOCC, Santa Fe (ltr. only)
Com. Pub. Lands, Santa Fe (ltr. only)

MAILED 10

69 JUL 23 AM 8 34

443

July 17, 1969

**El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999**

**Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
SUPPLEMENTAL 1969 DRILLING
PROGRAM**

ATTENTION: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has this date approved your Supplemental 1969 Drilling Program for the San Juan 28-7 Unit, Rio Arriba County, New Mexico. This program proposes the drilling of a Dakota well in the E/2 of Section 9, Township 27 North, Range 7 West. Our approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the plan is enclosed herewith.

Very truly yours,

**Ted Bilberry, Director
Oil and Gas Department**

**TB/ML/s
encl.**

**cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico**

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El Paso Natural Gas Company

El Paso, Texas 79999

July 14, 1969

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-1054
Rio Arriba County, New Mexico
SUPPLEMENTAL 1969 DRILLING PROGRAM

Gentlemen:

By letter dated February 17, 1969, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program for the captioned Unit providing for the drilling of no wells during the calendar year 1969. Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Supplemental Drilling Program which provides for the drilling of a Dakota well in the E/2 of Section 9, Township 27 North, Range 7 West, N.M.P.M.

This well will be drilled outside of the existing Dakota Participating Area to extend the productive limits of the Participating Area.

El Paso Natural Gas Company intends to drill this well to the base of the Dakota Formation using rotary tools. Surface casing will be set to the depth of approximately 200' and then a production casing string will be run to the base of the Dakota Formation, which is estimated to be approximately 7300', and will be cemented in place in three stages. The casing in the Dakota Formation will then be

Mr. John A. Anderson
Commissioner of Public Lands
Oil Conservation Commission
Page Two

July 14, 1969

perforated and the Dakota Formation subjected to a hydraulic fracturing process. The entire hole will be mud drilled and mud will be used in setting the production string of casing when casing is run.

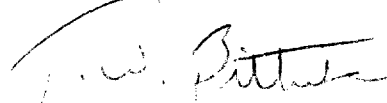
All of the working interest owners have been contacted, and the Supplemental Drilling Program reflects the desire of a majority of these working interest owners.

El Paso Natural Gas Company, as Unit Operator, will drill any offset wells that may be required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,



T. W. Bittick
Manager
Land Department

TWB:DI:nja
Enclosures
San Juan 28-7, 3.0

APPROVED: _____ DATE: _____
Regional Oil and Gas Supervisor
United States Geological Survey

APPROVED: _____ DATE: _____
Commissioner of Public Lands
State of New Mexico

APPROVED: *A. L. Carter* DATE: *Dec. 22, 1969*
Oil Conservation Commission
State of New Mexico

The foregoing approvals are for the Supplemental 1969 Drilling Program
for the San Juan 28-7 Unit, #14-08-001-1054.

SAN JUAN 28-7 UNIT
WORKING INTEREST OWNERS

Continental Oil Company

El Paso Products Company

Koch Industries, Inc.

Dixie McLane

Pubco Petroleum Corporation

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mr. D. J. Simmons

Southern Petroleum Exploration, Inc.

Tenneco Oil Company

Mr. J. Glenn Turner

Union Oil Company of California

El Paso Natural Gas Company

El Paso, Texas 79999

March 14, 1969

44-5

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

69 MAR 17 1969

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: 1969 DRILLING PROGRAM
San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico

Gentlemen:

The 1969 Drilling Program for the referenced Unit was approved by the Regulatory Bodies on the dates indicated:

United States Geological Survey	March 7, 1969
Commissioner of Public Lands	March 12, 1969
Oil Conservation Commission	March 3, 1969

Copies of this letter are being sent to the working interest owners of the above described Unit.

Yours very truly,

Charles Higgins

Charles Higgins
Supervising Landman
Land Department

CH:JS:sf
San Juan 28-7 Unit 3.0

MAIN OFFICE

'69 MAR 13 PM 1 04

445

March 12, 1969

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1969 Drilling Program

ATTENTION: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has this date approved your 1969 Drilling Program for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, this program proposes the drilling of no additional wells. Our approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the plan is enclosed.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

AJA/TE/ML/s
encl. 1.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

March 7, 1969

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Gentlemen:

Your 1969 plan of development for the San Juan 28-7 unit area, Rio Arriba County, New Mexico, proposing the drilling of no additional wells, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Washington (w/cy of plan)
Durango (w/cy of plan)
NMOCC, Santa Fe (ltr. only) ✓
Com. Pub. Lands, Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 3, 1969

445

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: 1969 Drilling Program
San Juan 28-7 - Unit
Rio Arriba County, New
Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program for the calendar year 1969 for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

C
O
P
Y

El Paso Natural Gas Company

El Paso, Texas 79999

February 17, 1969

RECEIVED
FEB 19 1969
PM 1 05

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
1969 DRILLING PROGRAM

Gentlemen:

By letter dated January 5, 1968, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program on the captioned unit for the calendar year 1968. This program provided for the drilling of the San Juan 28-7 Unit #146 Pictured Cliffs Formation Well in the NE/4 Section 19, T-28-N, R-7-W, N.M.P.M., by El Paso Natural Gas Company, as Unit Operator, on lands committed to the unit to extend the limits of the Participating Area. The #146 Well was timely drilled and occasioned the Twenty-Fifth Expansion of the Pictured Cliffs Participating Area effective August 1, 1968.

As of this date, the total number of wells in the San Juan 28-7 Unit on acreage committed to the unit is as follows:

Pictured Cliffs	31
Mesaverde	50
Dual, Pictured Cliffs-Mesaverde	26
Dual, Mesaverde-Dakota	2

Dakota	9
Non-Commercial: Pictured Cliffs	3
Mesaverde	2
Plugged and Abandoned	2
	<u>125</u>

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a Drilling Program for the calendar year of 1969 providing for the drilling of no wells.

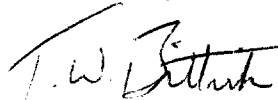
All of the working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, will drill any offset wells that may be required to prevent drainage of unitized substances, and any other wells subsequently deemed necessary or which are requested by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,



T. W. Bittick
Manager
Land Department

TWB:DI:nja
Attachments
San Juan 28-7 Unit 3.0

APPROVED: _____

DATE: _____

Oil and Gas Supervisor, United States
Geological Survey
Subject to like approval by the
appropriate State Officials.

APPROVED: _____

DATE: _____

Commissioner of Public Lands
Subject to like approval by the United
States Geological Survey and the Oil
Conservation Commission.

APPROVED: _____



DATE: March 3, 1969

Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the
Commissioner of Public Lands.

The foregoing approvals are for the 1969 Drilling Program for the
San Juan 28-7 Unit #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

Continental Oil Company

El Paso Products Company

Koch Industries, Inc.

Dixie McLane

Pubco Petroleum Corporation (2)

Reserve Oil & Gas Company

Mr. W. H. Riddle

Mr. D. J. Simmons

Southern Petroleum Exploration, Inc.

Tenneco Oil Company
Denver, Colorado (C. W. Nance)

Tenneco Oil Company
Denver, Colorado (J. P. Wasinger)

Mr. J. Glenn Turner

Union Oil Company of California

El Paso Natural Gas Company

El Paso, Texas 79999

January 15, 1969

RECEIVED
JAN 16 1969

445

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit
Exhibit "B"

Gentlemen:

Enclosed are copies of the San Juan 28-7 Unit Exhibit "B" which has been revised effective November 1, 1968. To the best of our knowledge, this Exhibit "B" reflects the correct ownership in the Unit as of November 1, 1968.

Yours very truly,

Charles Higgins

Charles Higgins
Supervising Landman
Land Department

CH:DI:sf
Enclosures

cc: All Working Interest Owners
in the San Juan 28-7 Unit

El Paso Natural Gas Company

El Paso, Texas 79999

August 8, 1968

445

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Roswell, New Mexico 88201

Oil Conservation Commission
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Commissioner of Public Lands
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

160 AUG 9 1968

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
TWENTY-FIFTH EXPANDED PARTICIPATING
AREA, Pictured Cliffs Formation,
effective August 1, 1968

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to this unit. The Pictured Cliffs Participating Area is expanded accordingly to include the following described well:

The San Juan 28-7 Unit #146 Well is located 950' from the North line and 1766' from the East line of Section 19, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 23, 1968 and completed on June 24, 1968 at a total depth of 3577'. The Pictured Cliffs Formation between 3460-3466' and 3476-3488' was treated with a sand-water fracturing process. After being shut-in for gauge on July 2, 1968 for eight (8) days, the well was tested on July 10, 1968, and following a three (3) hour blow-down period gauged 1838 MCF/D through a 3/4" choke and 1899 MCF/D by the calculated absolute open-flow method with a SIPC of 1016

Mr. John A. Anderson
Oil Conservation Commission
Commissioner of Public Lands

-2-

August 8, 1968

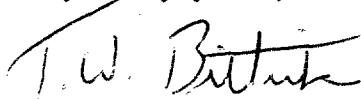
psia. The committed drilling block upon which this well is located is described as the E/2 of Section 19, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. This well was completed without tubing.

Under the terms of the San Juan 28-7 Unit Agreement, the above described drilling block for the San Juan 28-7 Unit #146 well is admitted to the Twenty-Fifth Pictured Cliffs Expanded Participating Area as of August 1, 1968.

Attached is Schedule XXVI showing the Twenty-Fifth Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Fifth Expanded Participating Area will become effective as of August 1, 1968.

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

Very truly yours,



T. W. Bittick
Manager
Land Department

TWB:DI:dl

Attachments

El Paso Natural Gas Company

El Paso, Texas 79999

March 7, 1968

445

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

MAIN OFFICE

'68 MAR 7 AM 8 35

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
SEVENTH EXPANDED PARTICIPATING AREA
OF THE DAKOTA FORMATION - Effective
November 1, 1967

Gentlemen:

This is to advise that the captioned Expansion for the San Juan 28-7 Unit was approved by the Regulatory Bodies on the following dates:

1. United States Geological Survey - February 23, 1968
2. Commissioner of Public Lands - January 23, 1968
for the State of New Mexico
3. Oil Conservation Commission - January 26, 1968
for the State of New Mexico

Copies of this letter are being sent to the working interest owners of the San Juan 28-7 Unit.

Yours very truly,

Charles Higgins

Charles Higgins
Supervising Landman
Land Department

CH:DI:vjh

San Juan 28-7 Unit, 4.3

El Paso Natural Gas Company

El Paso, Texas 79999

February 29, 1968

445

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

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

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

RECEIVED

68 MAR 4 AM 6 17

Re: 1968 DRILLING PROGRAM
San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico

Gentlemen:

The 1968 Drilling Program for the referenced Unit was approved by the Regulatory Bodies on the dates indicated:

United States Geological Survey	-	January 19, 1968
Commissioner of Public Lands	-	January 22, 1968
Oil Conservation Commission	-	January 25, 1968

Copies of this letter are being sent to the working interest owners of the above described Unit.

Yours very truly,

Charles Higgins

Charles Higgins
Supervising Landman
Land Department

CH:DI:vjh

San Juan 28-7 Unit - 3.0



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

445

Drawer 1857
Roswell, New Mexico 88201

February 29, 1968

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Gentlemen:

The seventh revision of the Dakota participating area for the San Juan 28-7 unit agreement, Rio Arriba County, New Mexico, was approved on February 23, 1968, by the Acting Director, U. S. Geological Survey, effective as of November 1, 1967.

Two approved copies of the application are enclosed. You are requested to furnish the State of New Mexico and any other interested party with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc:
Washington (ltr. only)
NMOCC, Santa Fe (ltr. only) ✓
Farmington (w/cy. of app. appln.)

MAIN OFFICE

'68 MAR 4 PM 2 40

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

445

January 26, 1968

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. Charles Higgins

Re: Seventh Expanded Participating Area,
Dakota Formation, San Juan 28-7 Unit,
Rio Arriba County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Seventh Expanded Participating Area, Dakota Formation, for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Five approved copies of the expansion are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/esr

cc: United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

C
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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

448

January 25, 1968

C
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P
Y

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: 1968 Drilling Program
San Juan 28-7 Unit, Rio
Arriba County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Drilling Program for the calendar year 1968, providing for the drilling of one Pictured Cliffs well for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/esr
Enclosure

cc: United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

State of New Mexico



Commissioner of Public Lands



January 23, 1968

P. O. BOX 1148
SANTA FE, NEW MEXICO

GUYTON B. HAYS
COMMISSIONER

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

MAILED
'68 JAN 25 PM 3 05

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
Seventh Expanded Participating
Area
Dakota Formation

ATTENTION: Mr. Charles Higgins

Gentlemen:

The Commissioner of Public Lands has this date approved your application for the Seventh Expanded Participating Area, Dakota Formation for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey.

We are retaining two copies and handing six approved copies to the Oil Conservation Commission, requesting them to forward five copies to the United States Geological Survey.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS
BY:
Eddie Lopez, Supervisor
Unit Division

GBH/TB/EL/s

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico

State of New Mexico



Commissioner of Public Lands



January 22, 1968

P. O. BOX 1148
SANTA FE, NEW MEXICO

GUYTON B. HAYS
COMMISSIONER

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1968 DRILLING PROGRAM

MAILED 11

ATTENTION: Mr. T. W. Bittick

'68 JAN 24 AM 8 39

Gentlemen:

The Commissioner of Public Lands has this date approved your 1968 Drilling Program for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, proposing the drilling of one Pictured Cliffs well.

This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the plan is enclosed.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Eddie Lopez, Supervisor
Unit Division

GBH/TB/EL/s
encl.

cc: USGS-Roswell, New Mexico
OCC-Santa Fe, New Mexico



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

January 19, 1968

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Gentlemen:

Your 1968 plan of development for the San Juan 28-7 unit area, Rio Arriba County, New Mexico, proposing the drilling of one Pictured Cliffs well, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SCD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil & Gas Supervisor

cc:
Washington (w/cy of plan)
Farmington (w/cy of plan)
NMOCC, Santa Fe (ltr. only) ✓
Com. Pub. Lands, Santa Fe (ltr. only)

MAIN OFFICE

'68 JAN 22 AM 8 15

El Paso Natural Gas Company

El Paso, Texas 79999

January 18, 1968

RECEIVED
JAN 19 4 08 PM '68
STATE LAND OFFICE
SANTA FE, N.M.

Director
United States Geological Survey
Department of the Interior
Washington 25, D. C.

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

68 JAN 25 PM

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
SEVENTH EXPANDED PARTICIPATING AREA
OF THE DAKOTA FORMATION - Effective
November 1, 1967

Gentlemen:

Pursuant to the provisions of Section 11(b) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests approval of the Seventh Expanded Participating Area for the Dakota Formation, to wit:

SEVENTH EXPANDED PARTICIPATING AREA - Effective November 1, 1967

<u>Description of Lands</u>	<u>Acres</u>
<u>T-27-N, R-7-W, N.M.P.M.</u> Section 10: W/2	320.00

The lands are proven to be productive by the following:

The San Juan 28-7 Unit #145 Well is located 900' from the South line and 1600' from the West line of Section 10, Township 27 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, was spudded on October 10, 1967, and was completed on October 31, 1967, at a total depth of 7680'. The Dakota Formation in the intervals between 7446'-7458', 7524'-7530', 7556'-7568', 7598'-7608', 7618'-7624' was treated with a sand-water fracturing process. The well was shut-in on October 31, 1967, and after

being shut-in for eight (8) days the Dakota Formation was tested on November 8, 1967, and following a three (3) hour blow-down period the well gauged 3,436 MCFGPD through a 3/4" choke and 3950 MCFGPD by the calculated absolute open-flow method, with a SIPT of 2505 psia and SIPC of 2257 psia.

In support of this application, the following listed Exhibits are made a part hereof:

Exhibit "A"

Ownership map reflecting the boundaries of the unit and the proposed Seventh Expanded Participating Area of the Dakota Formation within the San Juan 28-7 Unit.

Exhibit "B"

Geological Report on the Seventh Expanded Participating Area of the Dakota Formation within the San Juan 28-7 Unit.

Exhibit "C"

Figure No. 1: San Juan 28-7 Subsurface Structure Contour Map

Figure No. 2: San Juan 28-7 Isopachous Map

Exhibit "D"

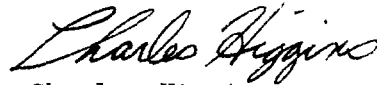
Schedule of Dakota Gas Production.

Attached hereto is Schedule VIII showing the proposed Seventh Expanded Participating Area for the Dakota Formation in the San Juan 28-7 Unit Area. This Schedule describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract and the percentage of ownership in each tract.

If this Seventh Expanded Participating Area of the Dakota Formation meets with your approval, please indicate such approval in the space provided and return an approved copy thereof for our files.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,

A handwritten signature in cursive script, reading "Charles Higgins".

Charles Higgins
Supervising Landman
Land Department

CH:CTR:psr

Enclosures

San Juan 28-7 Unit - 4.3

APPROVED: _____

Director, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

APPROVED: _____

Commissioner of Public Lands
Subject to like approval by the United States
Geological Survey and the Oil Conservation
Commission.

DATE: _____

January 23, 1968

APPROVED: _____

Oil Conservation Commission
Subject to like approval by the United States
Geological Survey and the Commissioner of
Public Lands.

DATE: _____

1-26-68

The foregoing approvals are for the Seventh Expanded Participating Area of the
Dakota Formation for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County,
New Mexico.

January 17, 1968

44-

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
SEVENTH EXPANDED PARTICIPATING AREA,
Dakota Formation

Dear Sir:

Enclosed for your approval are eight copies of the Seventh Expanded Participating Area of the Dakota Formation covering the above described Unit.

If this Expansion meets with your approval, please execute all copies and forward them to the Oil Conservation Commission for their approval and execution. After the Expansion has been signed by the Commissioner of Public Lands and the Oil Conservation Commission, the Commissioner of Public Lands should retain two file copies and the Oil Conservation Commission should retain one file copy, and five copies should be forwarded to the United States Geological Survey in Roswell, New Mexico, for approval. After this Expansion has been approved and signed by the United States Geological Survey, one copy thereof should be returned to El Paso.

Yours very truly,

Charles Higgins
Supervising Landman
Land Department

MAIL OFFICE

'60 JAN 22 AM 8 10

CH:DI:vjh
San Juan 28-7 Unit, 4.3, 5.0

cc: Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Mr. R. F. Lemon
Mr. J. P. Musick, Jr.

El Paso Natural Gas Company

El Paso, Texas 79999

January 5, 1968

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
1968 DRILLING PROGRAM

Gentlemen:

By letter dated February 13, 1967, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program on the captioned unit for the calendar year 1967. This program provided for the drilling of the San Juan 28-7 Unit #145 Dakota Formation Well in the W/2 Section 10, T-27-N, R-7-W, N.M.P.M., by El Paso Natural Gas Company, as Unit Operator, on lands committed to the unit to prevent unit drainage. The #145 Well was completed and Unit Operator has determined that the well is commercial and will occasion the Seventh Expansion of the Dakota Participating Area effective November 1, 1967. This proposed expansion is being prepared for submission to the regulatory bodies for approval.

As of this date, the total number of wells in the San Juan 28-7 Unit on acreage committed to the Unit is as follows:

Pictured Cliffs	30
Mesaverde	50
Dual, Pictured Cliffs-Mesaverde	26
Dual, Mesaverde-Dakota	2
Dakota	9
Non-Commercial: Pictured Cliffs	3
Mesaverde	2
Dakota	0
Plugged and Abandoned	2
	<u>124</u>

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a Drilling Program for the calendar year of 1968 providing for the drilling of the following described well:

<u>Name and Location</u>	<u>Formation</u>
San Juan 28-7 Unit #146 NE/4 Sec. 19, T-28-N, R-7-W, N.M.P.M.	Pictured Cliffs

This well is being drilled by El Paso Natural Gas Company, as Unit Operator, outside the present Pictured Cliffs Participating Area, to extend the limits of such Participating Area.

El Paso Natural Gas Company intends to drill this Pictured Cliffs well to the base of the Pictured Cliffs Formation using rotary tools. Surface casing will be set to approximately 100' from the surface, and then a production string of casing will be set and cemented through the Pictured Cliffs Formation. Mud will be used in drilling through the Pictured Cliffs Formation and a wire line unit will be used for completion work. The Pictured Cliffs Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

All of the working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, will drill any offset wells that may be required to prevent drainage of unitized substances, and any other wells subsequently deemed necessary or which are requested by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,



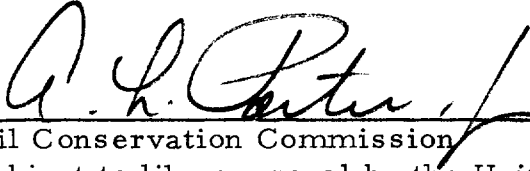
T. W. Bittick
Manager
Land Department

TWB:CTR:md
Attachments

San Juan 28-7 Unit - 3.0, 4.1, 4.3

APPROVED: _____ DATE: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

APPROVED: _____ DATE: _____
Commissioner of Public Lands
Subject to like approval by the United
States Geological Survey and the Oil
Conservation Commission.

APPROVED:  _____ DATE: 1-25-68
Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the
Commissioner of Public Lands

The foregoing approvals are for the 1968 Drilling Program for the
San Juan 28-7 Unit #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT

Working Interest Owners

Continental Oil Company
Attention: Mr. W. C. Blackburn
P. O. Box 680
Casper, Wyoming 82601

El Paso Products Company
Attention: Mr. Roland L. Hamblin
P. O. Box 3986
Odessa, Texas 79760

Estate of Alfred E. McLane
1700 Mercantile Bank Building
Dallas, Texas 75201

Pubco Petroleum Corporation (2)
Attention: Mr. Gilbert J. Sevier, Jr.
 Mr. Robert C. Youngmun
P. O. Box 869
Albuquerque, New Mexico 87103

Reserve Oil & Gas Company
1806 Fidelity Union Tower
Dallas, Texas 75201

Mr. W. H. Riddle
9309 Indian School Road, N.E.
Albuquerque, New Mexico 87112

Rock Island Oil & Refining Co., Inc.
321 West Douglas
Wichita, Kansas 67202

Southern Petroleum Exploration, Inc.
Attention: Mr. John C. Wright
P. O. Box 192
Sistersville, West Virginia 26175

Tenneco Oil Company
Attention: Mr. Weaver W. Ralls
900 Wilco Building
Midland, Texas 79701

Tenneco Oil Company
Attention: Mr. R. E. Siverson
P. O. Box 1714
Durango, Colorado 81302

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

Union Oil Company of California
1860 Lincoln Street
Denver, Colorado 80202

Mr. D. J. Simmons
3590 McCart Street
Fort Worth, Texas 76110

El Paso Natural Gas Company

El Paso, Texas 79999

May 24, 1967

RECEIVED
MAY 25 1967

Mr. John A. Anderson
Regional Oil and Gas Supervisor
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: 1967 DRILLING PROGRAMS
Rio Arriba County, New Mexico

Gentlemen:

The 1967 Drilling Programs for the following Units were approved by the regulatory bodies on the dates indicated:

- | | |
|--|----------------|
| 1. San Juan 27-5 Unit, #14-08-001-950: | |
| United States Geological Survey | May 17, 1967 |
| Commissioner of Public Lands | April 28, 1967 |
| Oil Conservation Commission | April 27, 1967 |
| 2. San Juan 28-5 Unit, #14-08-001-949: | |
| United States Geological Survey | May 18, 1967 |
| Commissioner of Public Lands | April 26, 1967 |
| Oil Conservation Commission | April 17, 1967 |
| 3. San Juan 28-7 Unit, #14-08-001-459: | |
| United States Geological Survey | April 19, 1967 |
| Commissioner of Public Lands | April 20, 1967 |
| Oil Conservation Commission | April 26, 1967 |
| 4. San Juan 29-6 Unit, #14-08-001-439: | |
| United States Geological Survey | March 30, 1967 |
| Commissioner of Public Lands | March 31, 1967 |
| Oil Conservation Commission | April 11, 1967 |

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

445

April 26, 1967

C
O
P
Y

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: 1967 Drilling Program
San Juan 28-7 Unit, Rio
Arriba County, New Mexico

Gentlemen:

This is to advise tha the New Mexico Oil Conservation Commission has this date approved the 1967 Drilling Program dated February 13, 1967, for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

State of New Mexico



Commissioner of Public Lands



April 20, 1967

GUYTON B. HAYS
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas, 79999

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1967 Drilling Program

ATTENTION: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has this date approved your 1967 Drilling Program for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

This plan of development calls for the drilling of one Dakota well.

One approved copy of the plan is enclosed herewith.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

GBH/TE/s
encls.

cc: USGS-Roswell, New Mexico
OCC-Santa Fe, New Mexico



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

April 19, 1967

El Paso Natural Gas Company
P. O. Box 1432
El Paso, Texas 79909

Attention: Mr. T. W. Birtick

Gentlemen:

Your 1967 plan of development for the San Juan 28-7 unit area, Rio Arriba County, New Mexico, proposing the drilling of one Dakota well, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

(ORIG.SGD.) J. W. SUTHERLAND

J. W. SUTHERLAND
Acting Oil and Gas Supervisor

cc:
Washington (w/cy of plan)
Farmington (w/cy of plan)
EMOCC, Santa Fe (ltr. only) ✓
Con. Pub. Lands, Santa Fe (ltr. only)

El Paso Natural Gas Company

El Paso, Texas 79999

February 13, 1967

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87501

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
1967 DRILLING PROGRAM

Gentlemen:

By letter dated July 14, 1966, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program for the captioned unit for the calendar year 1966. Said program provided for the drilling of no wells and none were drilled in the subject Unit during 1966.

As of this date, the total number of wells in the San Juan 28-7 Unit on acreage committed to the Unit is as follows:

Pictured Cliffs	30
Mesaverde	50
Dual, Pictured Cliffs-Mesaverde	26
Dual, Mesaverde-Dakota	2
Dakota	8
Non-Commercial: Pictured Cliffs	3
Mesaverde	2
Dakota	0
Plugged and Abandoned	2
	<u>123</u>

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the

approval of a Drilling Program for the calendar year of 1967 providing for the drilling of the following described well:

<u>Name and Location</u>	<u>Formation</u>
San Juan 28-7 Unit #145 W/2 Sec. 10, T-27-N, R-7-W, N.M.P.M.	Dakota

This well is being drilled at the request of the United States Geological Survey and the Commissioner of Public Lands for the State of New Mexico to prevent Unit drainage by the Rincon Unit #184 Dakota Well located in the NE/4 of Section 15, T-27-N, R-7-W, N.M.P.M., which had an initial open flow potential of 4.9 M²cf and which has produced at an average rate of 784 Mcf/d for 106 days during 1966. The San Juan 28-7 Unit #145 Well will be drilled outside the present Dakota Participating Area by El Paso Natural Gas Company as Unit Operator.

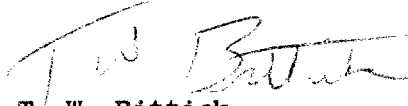
All of the working interest owners have been contacted, and this Drilling Program reflects their desires. El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current obligations will have been satisfied when the above referenced offset obligation well has been drilled.

In addition to the above well, El Paso Natural Gas Company, as Unit Operator, will drill any other offset wells that may be required to prevent drainage of unitized substances, and any other wells subsequently deemed necessary or which are requested by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Yours very truly,



T. W. Bittick
Manager
Land Department

TWB: CTR:sb

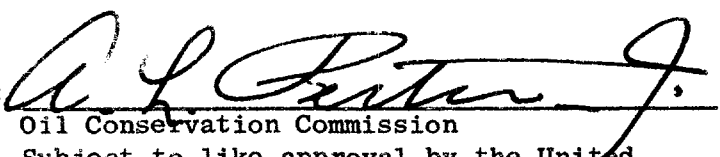
Attachments

APPROVED: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

APPROVED: _____
Commissioner of Public Lands
Subject to like approval by the United
States Geological Survey and the Oil
Conservation Commission.

DATE: _____

APPROVED: 
Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the
Commissioner of Public Lands

DATE: April 26, 1967

The foregoing approvals are for the 1967 Drilling Program for the
San Juan 28-7 Unit #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

Continental Oil Company
Attention: Mr. H. D. Haley
P. O. Box 1621
Durango, Colorado 81302

El Paso Products Company
Attention: Mr. Roland L. Hamblin
P. O. Box 3986
Odessa, Texas 79760

Estate of Alfred E. McLane
1700 Mercantile Bank Building
Dallas 1, Texas 75201

Pubco Petroleum Corporation (2)
Attention: Mr. Gilbert J. Sevier, Jr.
and Mr. Robert C. Youngmun
P. O. Box 869
Albuquerque, New Mexico

Reserve Oil & Gas Company
1700 Fidelity Union Tower
Dallas, Texas

Mr. W. H. Riddle
9309 Indian School Road, N.E.
Albuquerque, New Mexico 87112

Rock Island Oil & Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Southern Petroleum Exploration, Inc.
Attention: Mr. John C. Wright
P. O. Box 192
Sistersville, West Virginia 26175

Tenneco Oil Company
Attention: Mr. Weaver W. Ralls
4th Floor, 201 Wall Building
Midland, Texas 79701

Tenneco Oil Company
Attention: Mr. R. E. Siverson
P. O. Box 1714
Durango, Colorado 81302

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

Union Oil Company of California
1700 Broadway
Denver, Colorado

El Paso Natural Gas Company

El Paso, Texas 79999

September 28, 1966

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
1966 DRILLING PROGRAM

Gentlemen:

The 1966 Drilling Program for the San Juan 28-7 Unit #14-08-001-459 was approved by the regulatory bodies on the following dates:

1. United States Geological Survey - September 21, 1966
2. Commissioner of Public Lands - September 12, 1966
State of New Mexico
3. Oil Conservation Commission - September 23, 1966
State of New Mexico

Copies of this letter are being sent to the working interest owners of the San Juan 28-7 Unit.

Yours very truly,

EL PASO NATURAL GAS COMPANY

Charles Higgins

Charles Higgins
Assistant Supervising Landman
Land Department

CH:CTR:sb

San Juan 28-7 Unit 3.0

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

445

September 23, 1966

C
O
P
Y

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Re: 1966 Drilling Program
San Juan 28-7 Unit, Rio Arriba
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1966 Drilling Program for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Drawer 1857
Roswell, New Mexico



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

September 21, 1966

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Gentlemen:

Your 1966 plan of development for the San Juan 28-7 unit area, Rio Arriba County, New Mexico, proposing the drilling of no additional wells, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

66 SEP 22 AM 8 05

(ORIG.SGD.) J. W. SUTHERLAND

J. W. SUTHERLAND
Acting Oil and Gas Supervisor

cc:
Washington (w/cy of plan)
Farmington (w/cy of plan)
NMOCC, Santa Fe (ltr. only) ✓
Com. Pub. Lands, Santa Fe (ltr. only)

RECEIVED
SEP 13 1966

September 12, 1966

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: San Juan 28-7 Unit
Rio Arriba County,
New Mexico

ATTENTION: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has this date approved your 1966 Drilling Program for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey, and the Oil Conservation Commission.

We are returning one approved copy and retaining two for our files.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

GBH/MMR/s
encl.
cc: Oil Conservation Commission
Santa Fe, New Mexico

BY:
Ted Bilberry, Director
Oil and Gas Department

United States Geological Survey
Roswell, New Mexico

El Paso Natural Gas Company

El Paso, Texas

August 25, 1966

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico

Attention: Mrs. Marian Rhea

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1966 DRILLING PROGRAM

MAILED 11-11-66
1966 AUG 26 PM 3 25

Gentlemen:

Receipt is acknowledged of your letter dated July 25, 1966, requesting the drilling of Dakota wells in the above referenced Unit under El Paso's 1966 Drilling Program.

You requested a copy of our reply to the United States Geological Survey's letter of December 31, 1964, wherein they called El Paso's attention to drainage of the Dakota Formation of the Subject Unit by the Rincon No. 151 and 184 wells. No specific written reply was made to that letter; however, during 1965 El Paso drilled and completed the 28-7 #124 in the SW/4 Section 11, T-27-N, R-7-W, as an offset well to the Rincon #151 Well located in the NE/4 Section 14, T-27-N, R-7-W.

With regard to the drilling of a well in the W/2 Section 10, T-27-N, R-7-W, to prevent Unit drainage by the Rincon Unit #184 Well, this location is not within the Dakota Participating Area and is wholly owned by Pubco Petroleum Corporation. Pubco has previously been advised of the USGS's request, but to date has refused to drill or join in the drilling of this well on the basis that such drilling would be uneconomical under present market conditions. Therefore, in the absence of a request from Pubco that this well be drilled, we have not included it in the 1966 Drilling Program.

COPY

Commissioner of Public Lands
State of New Mexico

-2-

August 24, 1966

We have reviewed your request for the drilling of a Dakota Well in the W/2 Section 22, T 27-N, R 7-W, to prevent Unit drainage by the Rincon #185 Well. We find that the Rincon Unit Well has shown a rapid decline in productivity so that the well is now considered to be producing at a non-commercial level. The State Deliverability Tests conducted on this well show a decline from 645 Mcf/d in 1965 to 364 Mcf/d in 1966. The daily deliverability for 1966 has dropped to 248 Mcf/d. Gross income from this well up to January 1, 1966 (both gas and distillate) was only \$46,636.00 and the deliverability decline indicates there is little chance for payout on the well. In view of these facts we do not feel that the W/2 of Section 22 is being drained and cannot justify drilling a well at this location because of the performance of the Rincon Unit Well.

Based on the above, we do not believe that further drilling in this Unit is warranted at present.

Therefore, El Paso Natural Gas Company, as Unit Operator of the San Juan 28 7 Unit, respectfully requests approval of its 1966 Drilling Program providing for the drilling of no Unit wells during the calendar year of 1966.

Very truly yours,



Harry Gevertz
Supervising Landman
Land Department

HG:CTR:cah

cc: United States Geological Survey
Drawer 1857
Roswell, New Mexico

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico

Pubco Corres.
San Juan 28-7 Unit 3.0, 4.3, 5.0

MAIL ROOM

'66 JUL 25 PM 4 05

445

July 25, 1966

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: San Juan 28-7 Unit
Rio Arriba County,
New Mexico

Attention: Mr. T. W. Bittick

Gentlemen:

We have received your 1966 Drilling Program for the San Juan 28-7 Unit Area.

In reviewing this Unit we find that the United States Geological Survey in approving the 1964 Plan of Development called your attention to drainage in the Dakota Formation by the Rincon 151 well in Section 14 and 184 well in the E/2 Section 15, Township 27 North, Range 7 West. This office did not receive a copy of El Paso Natural's reply. We request that in addition to the one not drilled that well no. 185 in Section 22, Township 27 North, Range 7 West, Rincon Unit should also be offset by a well in the San Juan 28-7 Unit.

We believe El Paso as Operator should present a drilling plan for some drilling in the Dakota during 1966.

RECEIVED
OFFICE OF THE
COMMISSIONER OF PUBLIC LANDS
JUL 25 PM 4 05

El Paso Natural Gas Company
Attention: Mr. T. W. Bittick
July 25, 1966
- page 2 -

We will expect the 1967 Plan of Development
to be filed during January of 1967.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:

Ted Bilberry, Director
Oil & Gas Department

GBH/MMR/e

CC:

United States Geological Survey
Post Office Drawer 1857
Roswell, New Mexico
Attention: Mr. John A. Anderson

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

El Paso Natural Gas Company

El Paso, Texas 79999

July 14, 1966

MAILED 10
JUL 14 1966
AM 7 03

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
1966 DRILLING PROGRAM

Gentlemen:

By letter dated December 14, 1965, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1965. We advised by this letter that Unit Operator had drilled the San Juan 28-7 Unit No. 124 Dakota Well in the W/2 of Section 11, T-27-N, R-7-W. This Well was drilled within the existing Dakota Participating Area to prevent Unit drainage by the Rincon No. 183 Dakota Well in the NE/4 of Section 15, T-27-N, R-7-W, and did not bring additional lands into the Dakota Participating Area.

As of this date, the total number of wells in the San Juan 28-7 Unit is as follows:

Pictured Cliffs	30
Mesaverde	50
Dual, Pictured Cliffs-Mesaverde	26
Dual, Mesaverde-Dakota	2
Dakota	8
Non-Commercial: Pictured Cliffs	3
Mesaverde	2
Dakota	0
Plugged and Abandoned	2
	123

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a Drilling Program for the calendar year of 1966, providing for the drilling of no wells during the year.

All of the working interest owners have been contacted and this Drilling Program reflects their desires. El Paso Natural Gas Company, as the Unit Operator, and the working interest owners believe that all current unit obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the Working Interest Owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

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

Yours very truly,

EL PASO NATURAL GAS COMPANY

BY: T. W. Bittick
T. W. Bittick, Manager
Land Department

TWB:CTR:kw
Attachments

APPROVED:

Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

APPROVED:

Commissioner of Public Lands
Subject to like approval by the United
States Geological Survey and the Oil
Conservation Commission.

DATE: _____

APPROVED:



Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the
Commissioner of Public Lands.

DATE: 1/20/66

The foregoing approvals are for the 1966 Drilling Program for the
San Juan 28-7 Unit #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

Continental Oil Company
Attention: Mr. H. D. Haley
Post Office Box 1621
Durango, Colorado

El Paso Products Company
Attention: Mr. Roland L. Hamblin
Post Office Box 3986
Odessa, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Pubco Petroleum Corporation
Attention: Mr. Gilbert J. Sevier, Jr.
Attention: Mr. Robert C. Youngmun
Post Office Box 869
Albuquerque, New Mexico 87103

Reserve Oil & Gas Company
1700 Fidelity Union Tower
Dallas, Texas

Mr. W. H. Riddle
9309 Indian School Road, N.E.
Albuquerque, New Mexico 87112

Rock Island Oil & Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

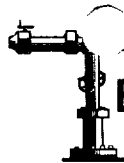
Southern Petroleum Exploration, Inc.
Attention: Mr. John C. Wright
Post Office Box 192
Sistersville, West Virginia

Tenneco, Inc.
Attention: Mr. Weaver W. Ralls
4th Floor, 201 Wall Building
Midland, Texas 79701

Tenneco, Inc.
Attention: Mr. R. E. Siverson
Post Office Box 1714
Durango, Colorado

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas, Texas

Union Oil Company of California
1700 Broadway
Denver, Colorado



EFTELLER, INC.

reservoir engineering data
MIDLAND, TEXAS

Page 2 of 2
File 2-2090-P

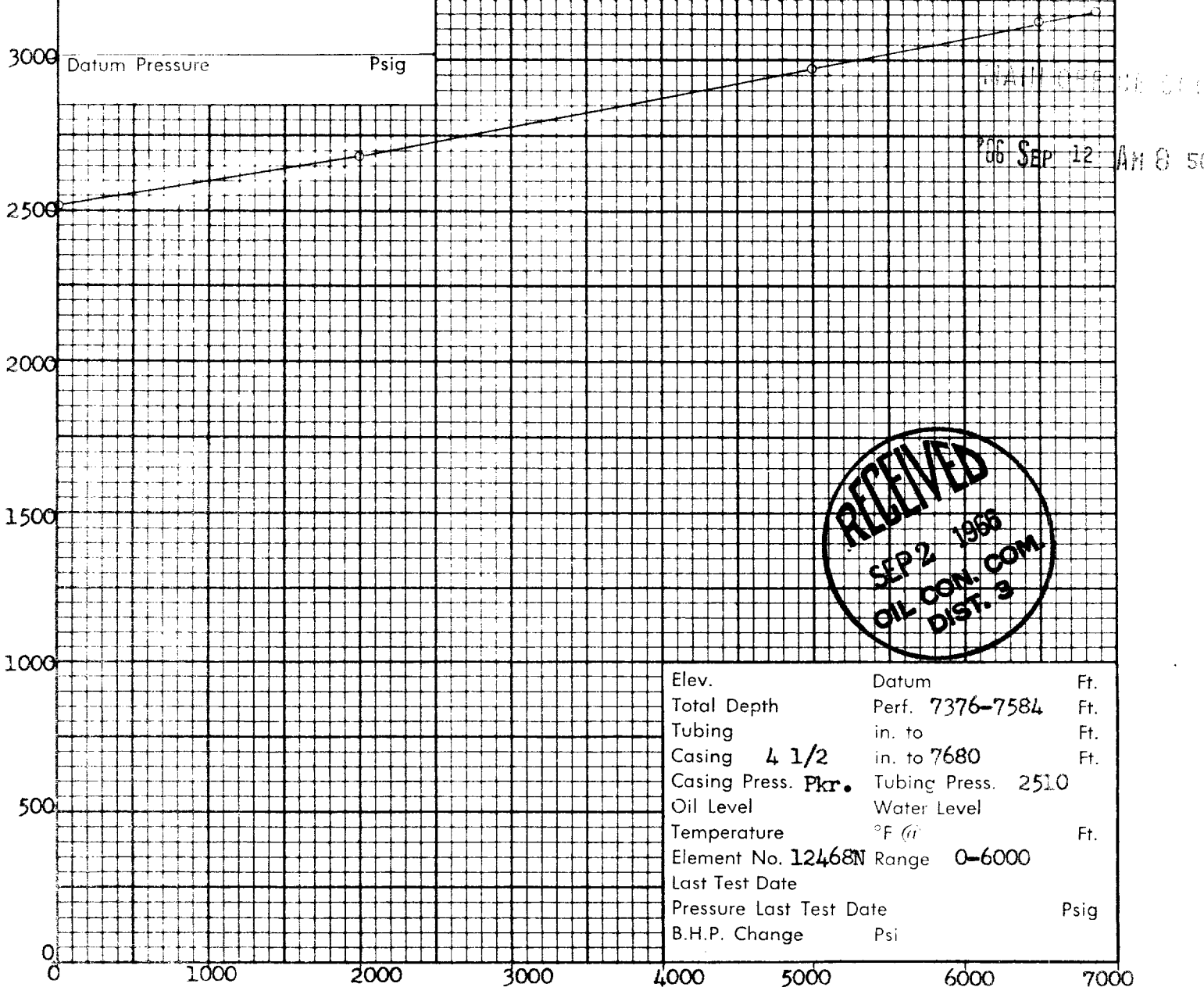
Company TENNECO OIL COMPANY Lease JICARILLA Well No. C-4
Field BASIN DAKOTA County RIO ARriba State NEW MEXICO
Formation DAKOTA Test Date AUGUST 17, 1966

Status of Well **Shut in 7 days +**

DEPTH Feet	PRESSURE Psig	GRADIENT Psi/Ft.
0	2509	
2000	2686	0.089
5000	2975	0.096
6500	3131	0.104
6750	3156	0.100
7480 *	3229	0.100

*Mid-Perf

Datum Pressure Psig





EFTTELLER, INC.

reservoir engineering data

MIDLAND, TEXAS

Page 1 of 3
File 2-2088-P

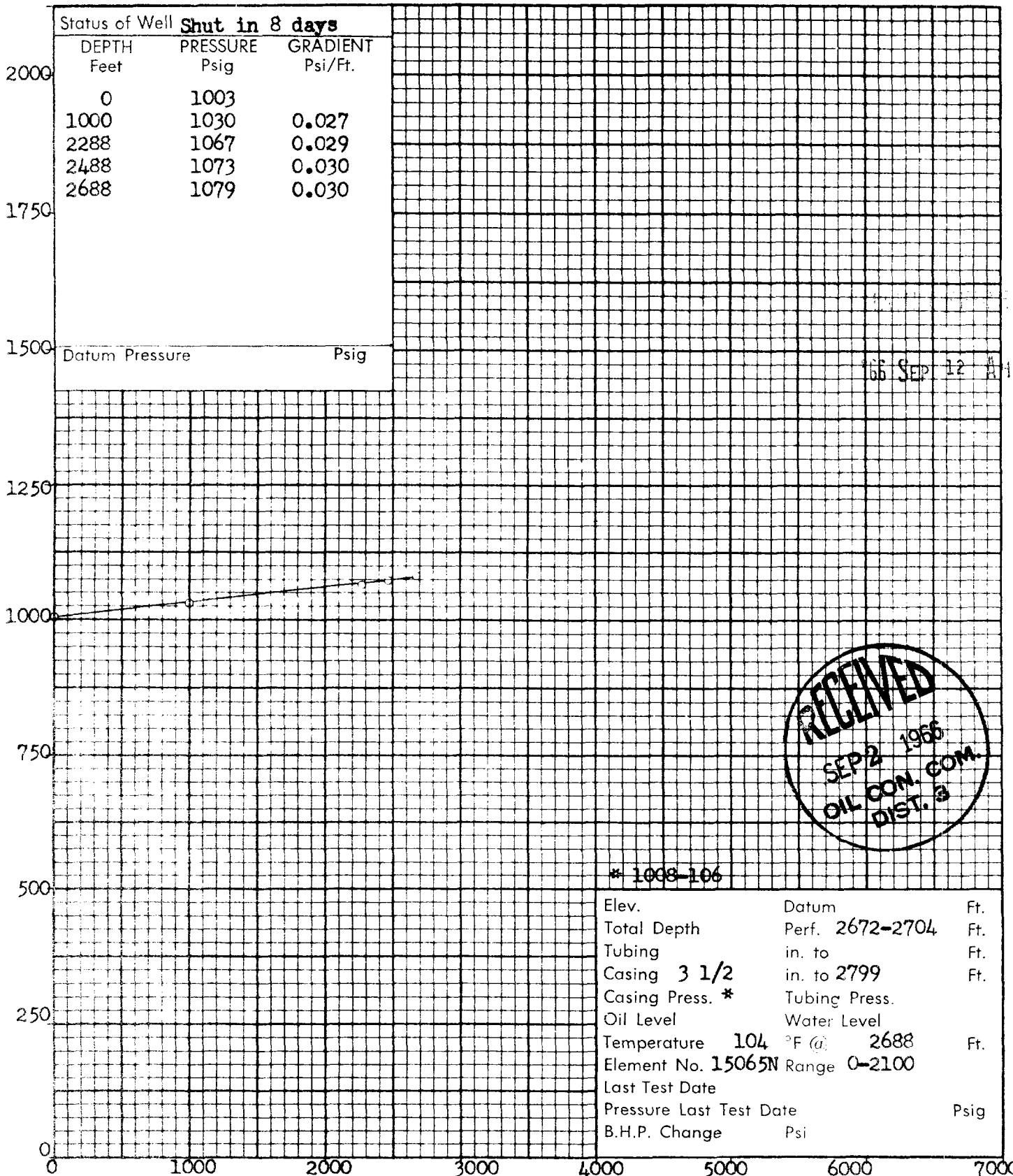
Company TENNECO OIL COMPANY Lease FLORANCE Well No. 81
Field BLANCO PICTURED CLIFFS County SAN JUAN State NEW MEXICO
Formation PICTURED CLIFFS Test Date AUGUST 14, 1966

Status of Well **Shut in 8 days**

DEPTH Feet	PRESSURE Psig	GRADIENT Psi/Ft.
0	1003	
1000	1030	0.027
2288	1067	0.029
2488	1073	0.030
2688	1079	0.030

Datum Pressure Psig

PRESSURE POUNDS PER SQUARE INCH GAUGE

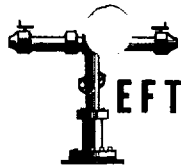


RECEIVED
SEP 2 1966
OIL CON. COM.
DIST. 3

* 1008-106

Elev.	Datum	Ft.
Total Depth	Perf. 2672-2704	Ft.
Tubing	in. to	Ft.
Casing 3 1/2	in. to 2799	Ft.
Casing Press. *	Tubing Press.	
Oil Level	Water Level	
Temperature 104 °F @ 2688		Ft.
Element No. 15065N	Range 0-2100	
Last Test Date		
Pressure Last Test Date		Psig
B.H.P. Change	Psi	

Santa Fe



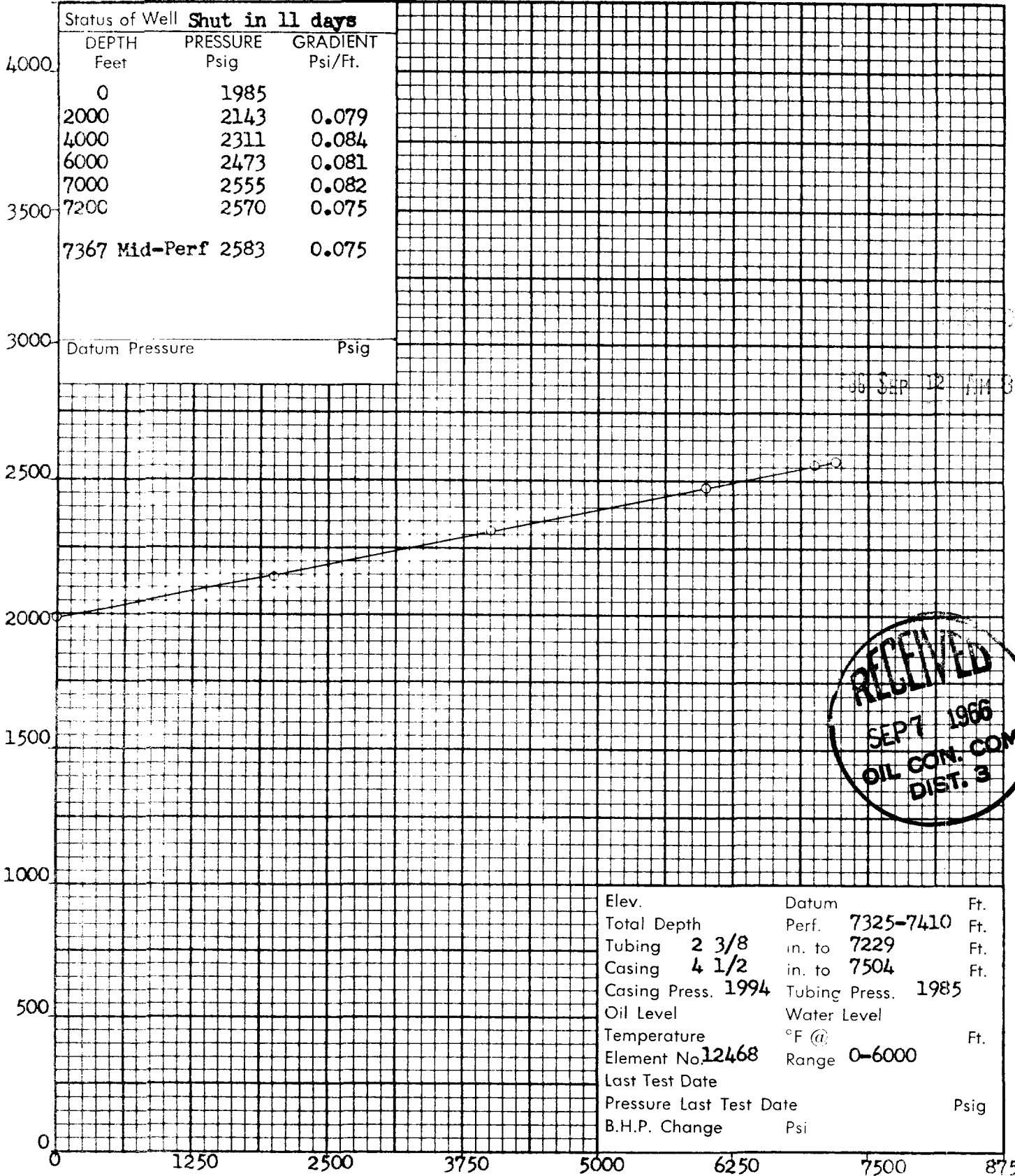
EFTELLER, INC.

reservoir engineering data
MIDLAND, TEXAS

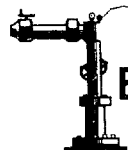
Page 1 of 1
File 2-2089-P

N-8-27-8

Company TENNECO OIL COMPANY Lease SCHWERTDFERGER A Well No. K-6
Field BASIN DAKOTA County SAN JUAN State NEW MEXICO
Formation DAKOTA Test Date AUGUST 19, 1966



San Juan



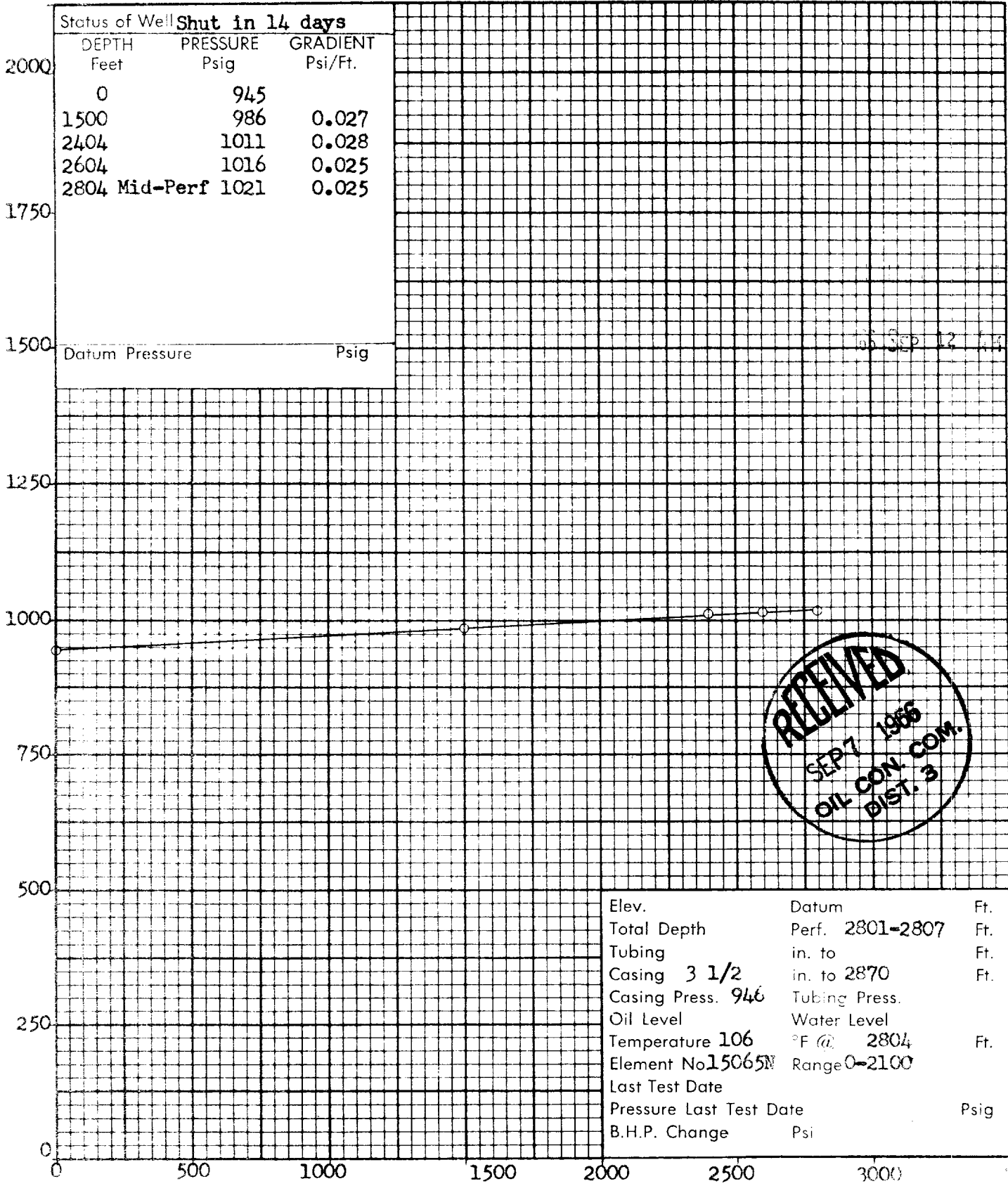
EFTELLER, INC.

reservoir engineering data
MIDLAND, TEXAS

Page 1 of 1
File 2-2091

19-30-9

Company TENNECO OIL COMPANY Lease FLORANCE Well No. 90
Field BLANCO PICTURED CLIFFS County SAN JUAN State NEW MEXICO
Formation PICTURED CLIFFS Test Date AUGUST 21, 1966

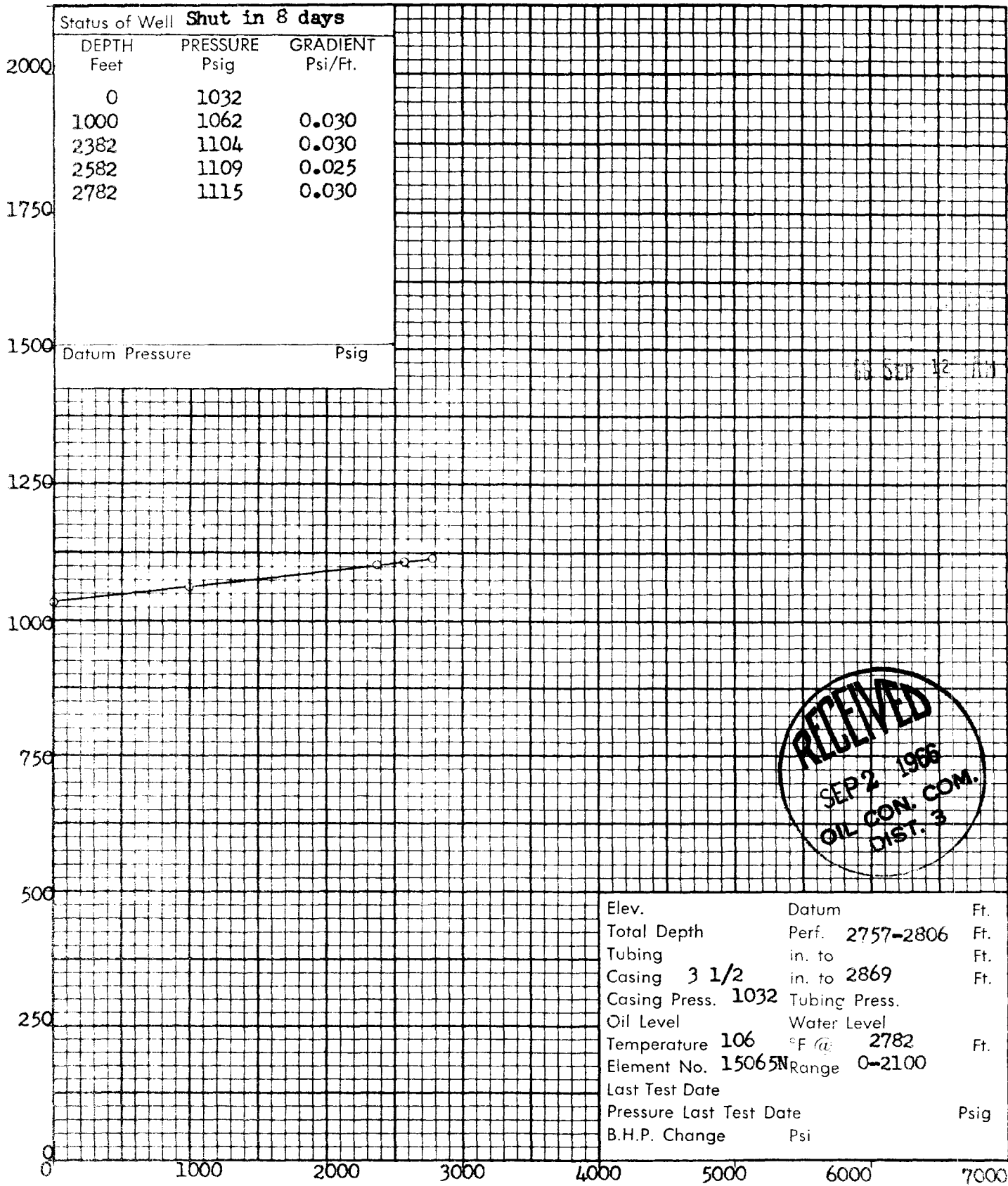


RECEIVED
SEP 7 1966
OIL CON. COM.
DIST. 3

Elev.	Datum	Ft.
Total Depth	Perf. 2801-2807	Ft.
Tubing	in. to	Ft.
Casing 3 1/2	in. to 2870	Ft.
Casing Press. 946	Tubing Press.	
Oil Level	Water Level	
Temperature 106	PF @ 2804	Ft.
Element No 15065N	Range 0-2100	
Last Test Date		
Pressure Last Test Date		Psig
B.H.P. Change	Psi	

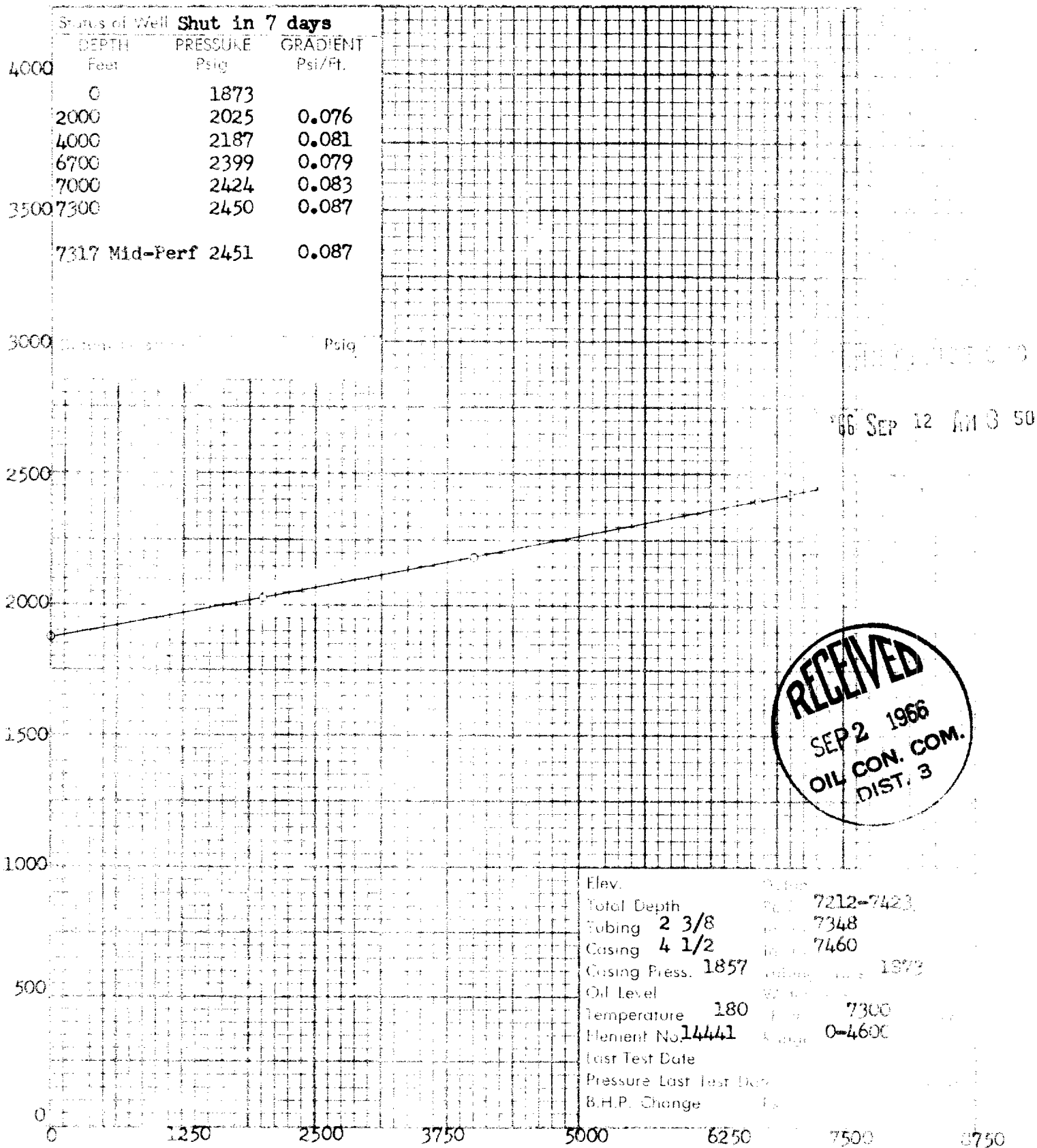
PRESSURE POUNDS PER SQUARE INCH GAUGE

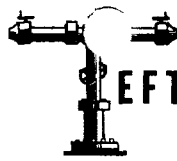
Company TENNECO OIL COMPANY Lease FLORANCE Well No. 91
 Field BLANCO PICTURED CLIFFS County SAN JUAN State NEW MEXICO
 Formation PICTURED CLIFFS Test Date AUGUST 14, 1966



PRESSURE POUNDS PER SQUARE INCH GAUGE

Company **TENNECO OIL COMPANY** Lease **FLORANCE** Well No. **68**
 Field **BASIN DAKOTA** County **SAN JUAN** State **NEW MEXICO**
 Formation **DAKOTA** Test Date **AUGUST 5, 1966**



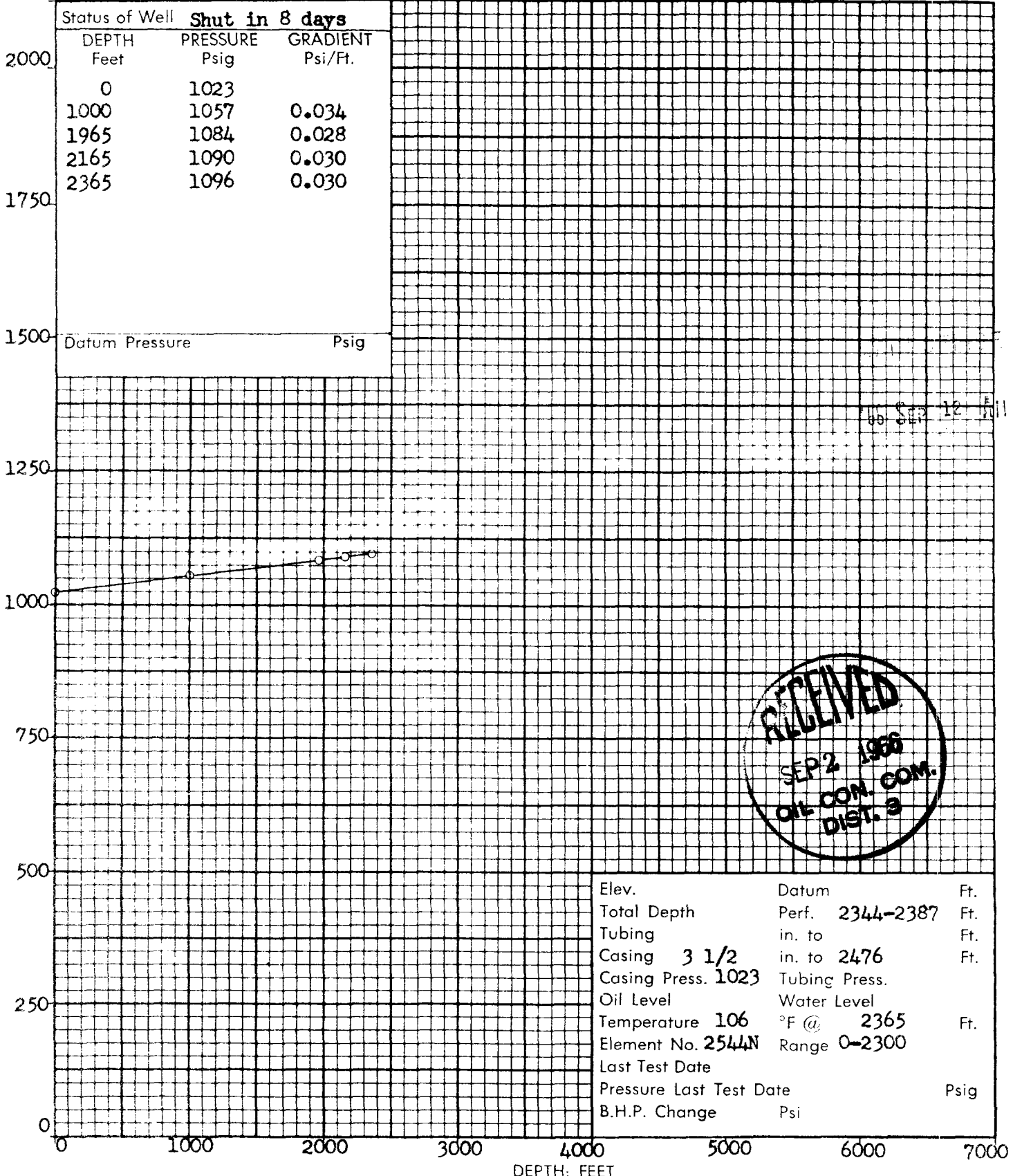


EFTELLER, INC.

reservoir engineering data
MIDLAND, TEXAS

Page 3 of 3
File 2-2084-P

Company TENNECO OIL COMPANY Lease STATE COM. Well No. M 13
Field BLANCO PICTURED CLIFFS County SAN JUAN State NEW MEXICO
Formation PICTURED CLIFFS Test Date AUGUST 12, 1966



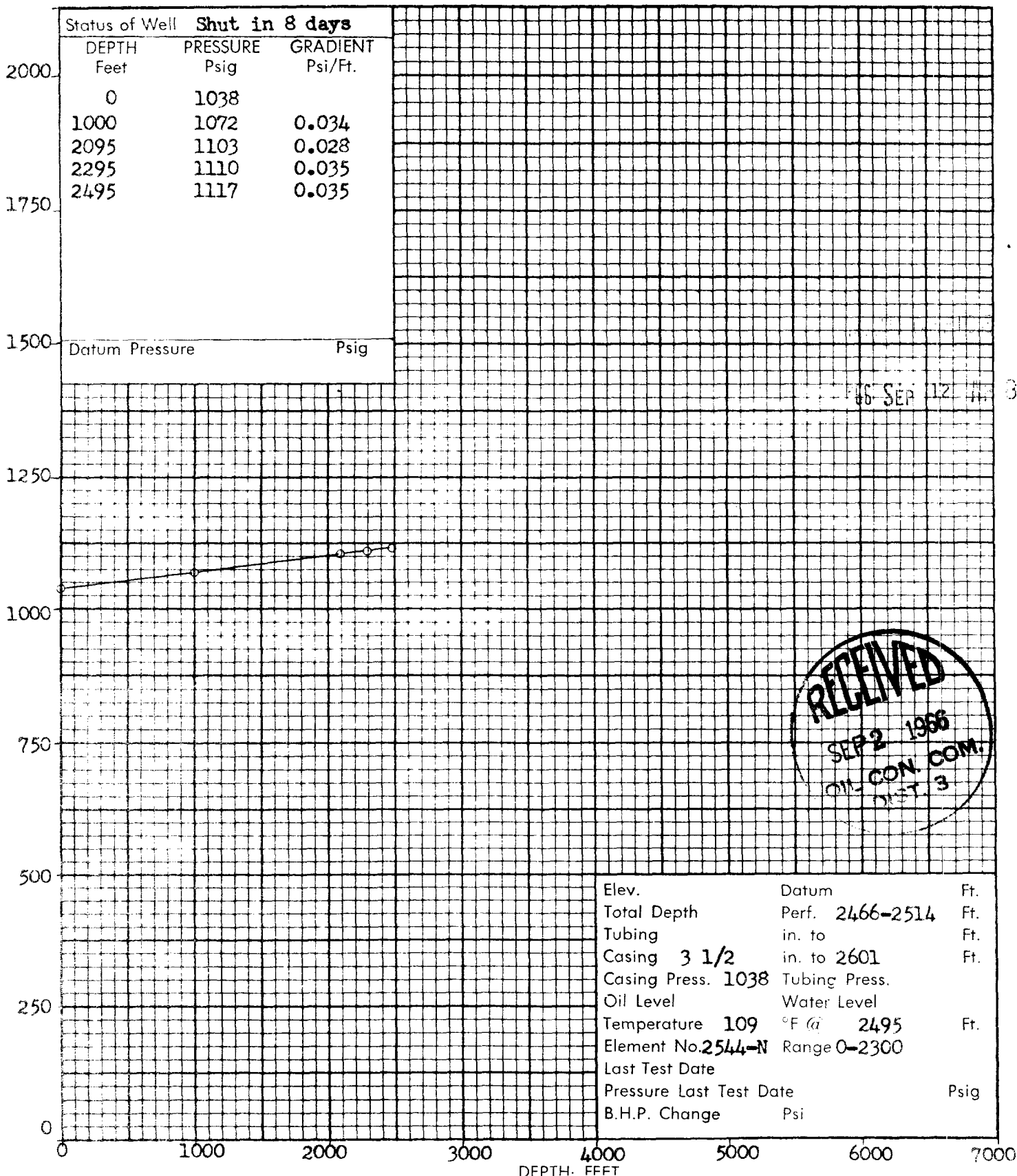


EFTELLER, INC.

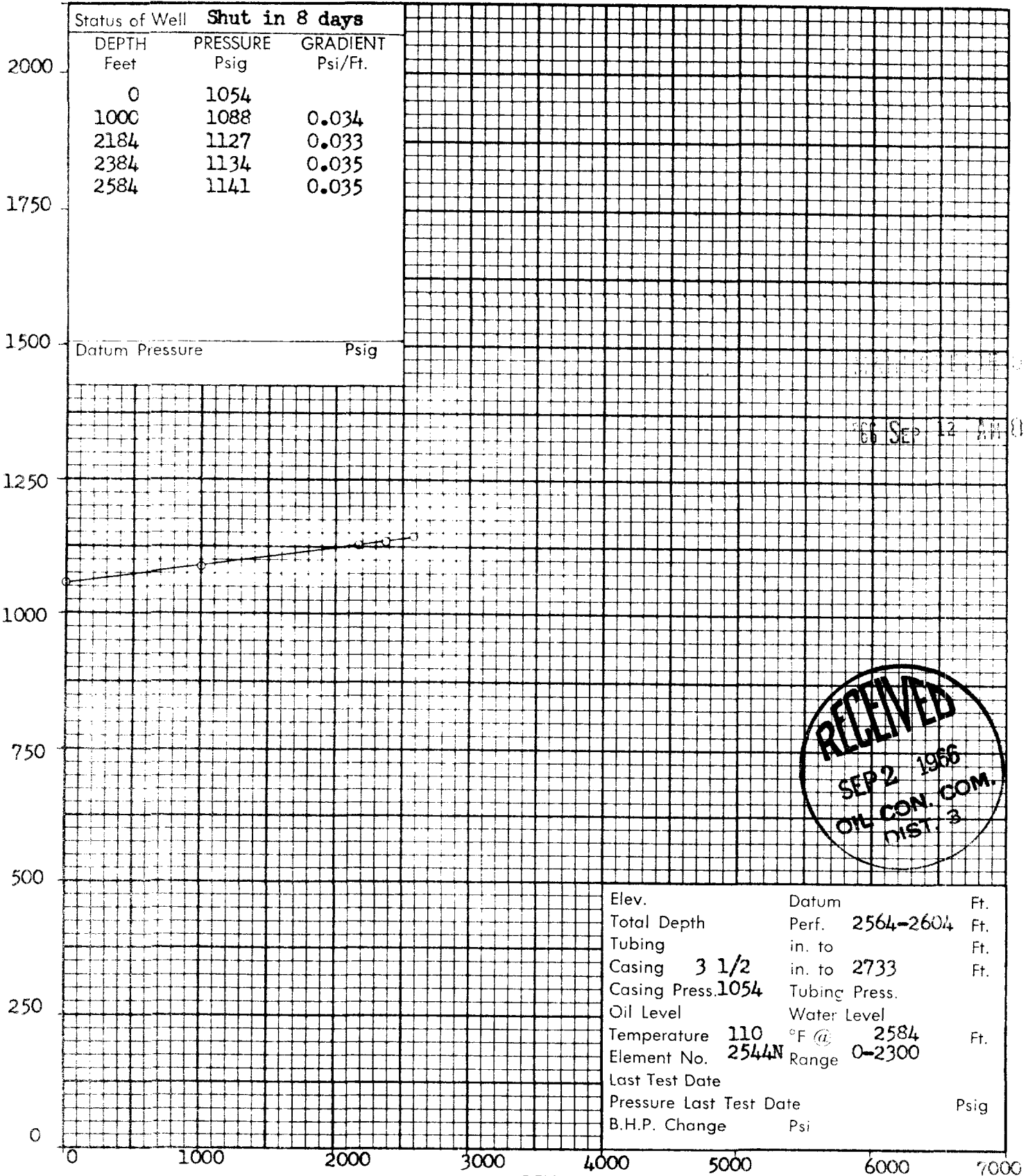
reservoir engineering data
MIDLAND, TEXAS

Page 2 of 3
File 2-2084-P

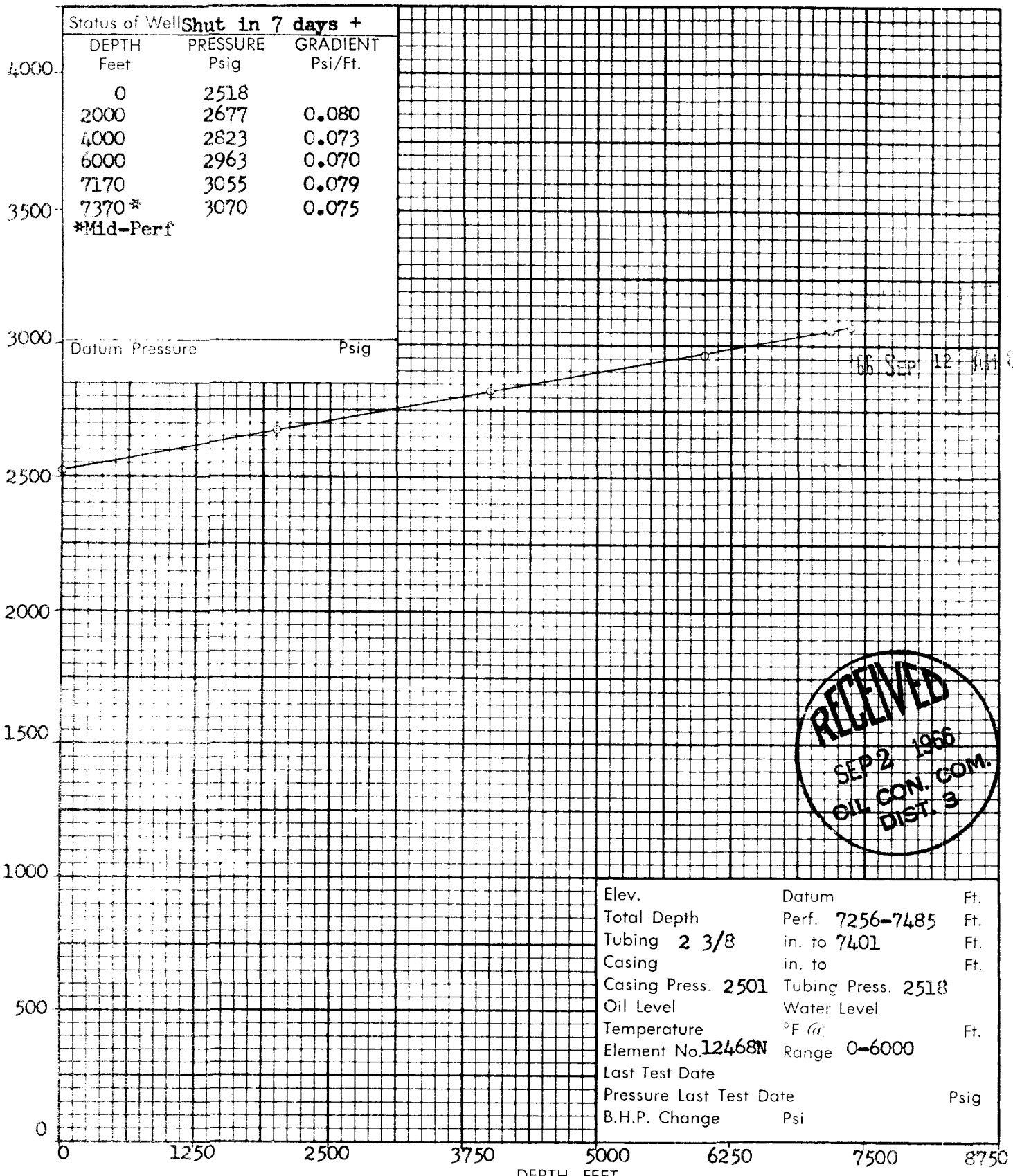
Company TENNECO OIL COMPANY Lease STATE COM. Well No. L'12
Field BLANCO PICTURED CLIFFS County SAN JUAN State NEW MEXICO
Formation PICTURED CLIFFS Test Date AUGUST 12, 1966



Company TENNECO OIL COMPANY Lease FLORANCE Well No. 92
 Field BLANCO PICTURED CLIFFS County SAN JUAN State NEW MEXICO
 Formation PICTURED CLIFFS Test Date AUGUST 12, 1966

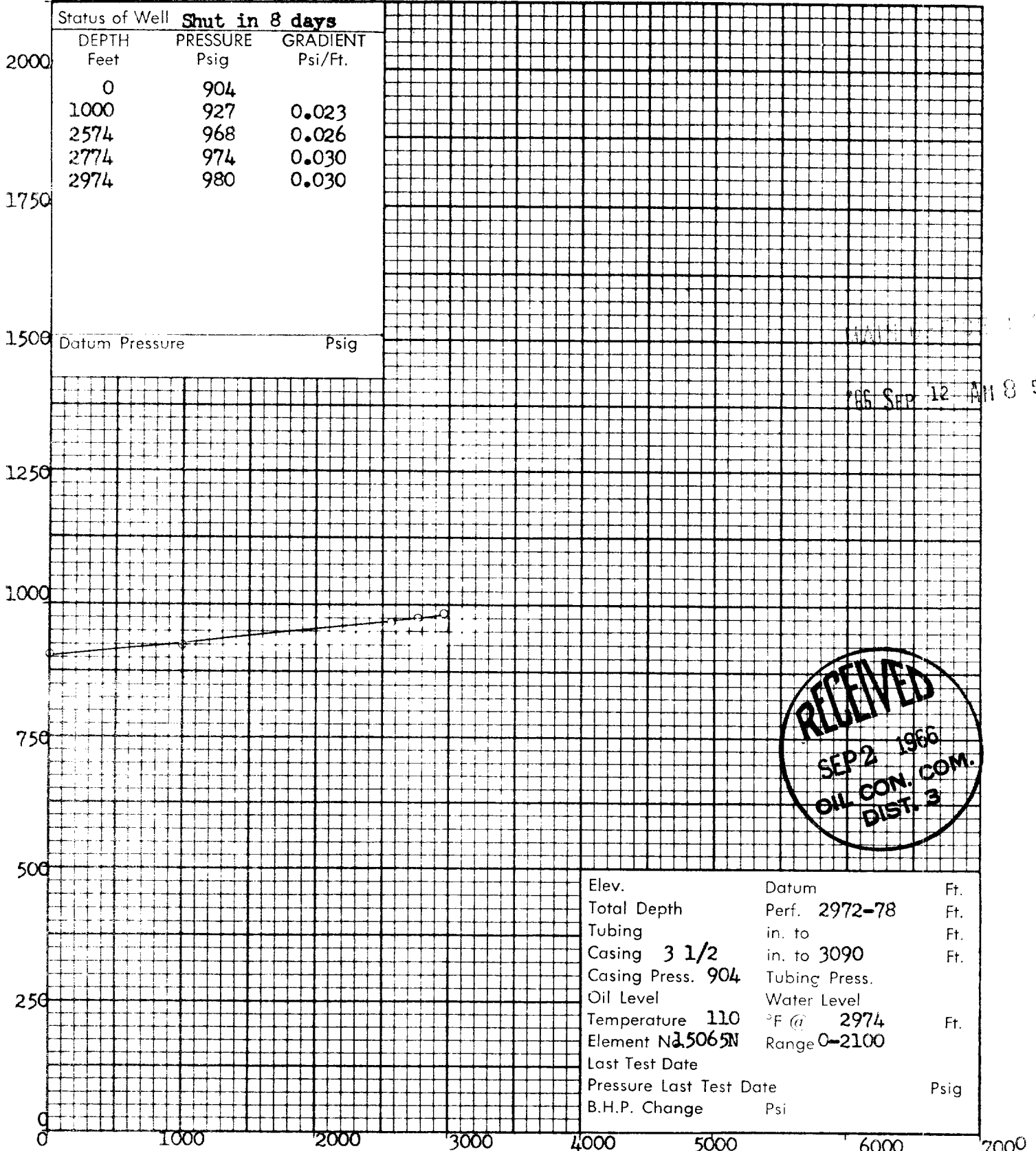


Company TENNECO OIL COMPANY Lease JICARILLA Well No. B-6
 Field BASIN DAKOTA County RIO ARriba State NEW MEXICO
 Formation DAKOTA Test Date AUGUST 17, 1966



PRESSURE POUNDS PER SQUARE INCH GAUGE

Company TENNECO OIL COMPANY Lease RIDDLE Well No. 8
 Field BLANCO PICTURED CLIFFS County SAN JUAN State NEW MEXICO
 Formation PICTURED CLIFFS Test Date AUGUST 14, 1966



MAIN OFFICE 000

FEB 4 AM 11 09

El Paso Natural Gas Company

El Paso, Texas 79999

January 31, 1966

443

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
1965 DRILLING PROGRAM

Gentlemen:

The 1965 Drilling Program for the San Juan 28-7 Unit #14-08-001-459 was approved by the regulatory bodies on the following dates:

1. United States Geological Survey - January 10, 1966
2. Commissioner of Public Lands - January 25, 1966
3. Oil Conservation Commission - January 24, 1966

Copies of this letter are being sent to the working interest owners of the San Juan 28-7 Unit.

Very truly yours,



Harry Gevertz
Supervising Landman
Land Department

HG:CTR:sb

San Juan 28-7 Unit 3.0

El Paso Natural Gas Company OFFICE CCC

El Paso, Texas

FEB 3 PM 1 21

January 28, 1966

Director
United States Geological Survey
Department of the Interior
Washington 25, D. C.

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELL, Dakota Formation, Effective
November 1, 1965

Gentlemen:

Pursuant to Section 11 (b) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Dakota Formation has been completed upon acreage committed to this Unit. This well is as follows:

The San Juan 28-7 Unit #124 Well, located 1451' from the South line and 1452' from the West line of Section 11, Township 27 North, Range 7 West, N.M.P.M. Said well was spudded on September 27, 1965, and completed on October 22, 1965, at a total depth of 7750'. The Dakota Formation in the intervals between 7468'-7484', 7496'-7504', 7596'-7612', 7647'-7651', 7676'-7680', was treated with a sand-water fracturing process. This well was shut-in on October 22, 1965, and after being shut-in for twenty (20) days, the Dakota Formation was tested on November 11, 1965, and following a three (3) hour blow-down period gauged 5,373 MCFGPD through a 3/4" choke and 6,318 MCFGPD by the calculated absolute open-flow method, with an SIPT of 2,562 psia and an SIPC of 2,539 psia. The committed spacing unit upon which this well is located is described as the W/2 of Section 11, Township 27 North, Range 7 West, N.M.P.M., containing 320.00 acres.

The spacing unit for the #124 Well was included in the San Juan 28-7 Unit Third Expanded Participating Area for the Dakota Formation, effective October 1, 1962. The completion of this well does not indicate that any lands not presently participating should be determined as capable of producing in paying quantities. Therefore, this completion does not warrant any further expansion of the Dakota Participating Area.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY



T. W. Bittick
Assistant Manager
Land Department

TWB:CTR:sb

Attachment

WORKING INTEREST OWNERS OF THE
DAKOTA PARTICIPATING AREA
SAN JUAN 28-7 UNIT

Pubco Petroleum Corporation (2)
Attention: Mr. Gilbert J. Sevier, Jr.
Attention: Mr. Robert C. Youngmun
P. O. Box 1419
Albuquerque, New Mexico 87103

Southern Petroleum Exploration, Inc.
Attention: Mr. John C. Wright
P. O. Box 192
Sistersville, West Virginia

Tenneco Oil Company
Attention: Mr. R. E. Siverson
P. O. Box 1714
Durango, Colorado

Continental Oil Company
Attention: Mr. H. D. Haley
P. O. Box 1621
Durango, Colorado

Rock Island Oil & Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Reserve Oil & Gas Co.
1700 Fidelity Union Tower
Dallas, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

El Paso Products Company
Attention: Mr. Roland L. Hamblin
P. O. Box 3986
Odessa, Texas

Drawer 1057
Roswell, New Mexico 88201

January 10, 1966

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. Sam Smith

Gentlemen:

Your 1965 plan of development dated December 14, 1965, for the San Juan 28-7 unit agreement, Rio Arriba County, New Mexico, advises that one Dakota well was drilled within the unit area during 1965. The plan of development is hereby approved for record purposes subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

(Orig. Sgd.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil & Gas Supervisor

cc:

Washington (w/cy of plan)
Farmington (w/cy of plan)
N.M.O.C.C. - Santa Fe (ltr. only) ✓
Com. of Pub. Lands - Santa Fe (ltr. only)

El Paso Natural Gas Company

El Paso, Texas 79999

December 14, 1965

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Post Office Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
1965 DRILLING PROGRAM

Gentlemen:

By letter dated December 4, 1964, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1964. Such Program advised that a well had been drilled by Delhi-Taylor Oil Corporation in Section 14, Township 28 North, Range 7 West in accordance with a Designation of Agent. The acreage proven productive by this well has now been included in the Dakota Participating Area.

El Paso Natural Gas Company is submitting this Drilling Program at this late time in the year due to a controversy with one of the Working Interest Owners regarding Dakota drilling within the unit. These differences have not yet been resolved. However, the Unit Operator has drilled a Dakota well in the W/2 Section 11, Township 27 North, Range 7 West pursuant to directions of the United States Geological Survey. This well was required to prevent unit drainage by the Rincon No. 183 Dakota well in the NE/4 Section 15, Township 27 North, Range 7 West and is within the existing Dakota Participating Area.

Inasmuch as the Working Interest Owners of the San Juan 28-7 Unit have requested no further drilling, El Paso Natural Gas Company, as Unit Operator, respectfully submits that drilling obligations within the subject unit for the current year have been fulfilled.

As of this date, the total number of wells in the San Juan 28-7 Unit is as follows:

Pictured Cliffs	30
Mesaverde	50
Dual, Pictured Cliffs-Mesaverde	26
Dual, Mesaverde-Dakota	2
Dakota	8
Non-Commercial: Pictured Cliffs	3
Mesaverde	2
Dakota	0
Plugged and Abandoned	2
	<u>123</u>

El Paso Natural Gas Company, as Unit Operator, will still drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the Working Interest Owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Sam Smith, Manager
Land Department

SS:MB:rr
Attachments

APPROVED:

Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

APPROVED:

Commissioner of Public Lands
Subject to like approval by the United
States Geological Survey and the
Oil Conservation Commission.

DATE: _____

APPROVED:

A. L. Porter, Jr.

Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the
Commissioner of Public Lands.

DATE: Jan 27, 1965

The foregoing approvals are for the 1965 Drilling Program for the San Juan 28-7
Unit #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

Continental Oil Company
Attention: Mr. H. D. Haley
Post Office Box 1621
Durango, Colorado

El Paso Natural Gas Products Company
Attention: Mr. Roland L. Hamblin
Post Office Box 3986
Odessa, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Pubco Petroleum Corporation
Attention: Mr. Gilbert J. Seivier, Jr.
Attention: Mr. Robert C. Youngmun
Post Office Box 1419
Albuquerque, New Mexico 87103

Reserve Oil & Gas Company
1700 Fidelity Union Tower
Dallas, Texas

Mr. W. H. Riddle
600 North Brookline
Apt. 38
Oklahoma City 12, Oklahoma

Rock Island Oil & Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Southern Petroleum Exploration, Inc.
Attention: Mr. John C. Wright
Post Office Box 192
Sistersville, West Virginia

Tenneco Oil Company
Attention: Mr. R. E. Siverson
Post Office Box 1714
Durango, Colorado

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas, Texas

Union Oil Company of California
Attention: Mr. Harry E. Keegan
619 West Texas Street
Midland, Texas

El Paso Natural Gas Company

El Paso, Texas

February 16, 1965

443

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
P.O. Box 1837
Roswell, New Mexico

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

Oil Conservation Commission
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico

Re: SIXTH REVISION
DAKOTA PARTICIPATING AREA,
SAN JUAN 28-7 UNIT,
RIO ARriba COUNTY, NEW MEXICO

Gentlemen:

The Sixth Revision of the Dakota Participating Area for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, was approved by the regulatory bodies on the following dates:

United States Geological Survey - January 29, 1965

Oil Conservation Commission - October 28, 1964

Commissioner of Public Lands - October 27, 1964

Copies of this letter are being sent to the working interest owners of the San Juan 28-7 Unit.

Very truly yours,


Harry Gevertz
Regional Landman
Land Department

HG:MB:sl
SJ 28-7, 4.3



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

February 9, 1963

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. T. W. Bittick

Gentlemen:

The sixth revision of the Dakota participating area, San Juan 28-7 unit agreement, Rio Arriba County, New Mexico, was approved by the Acting Director, Geological Survey, on January 29, 1963, effective as of August 1, 1963.

One approved copy of the application is enclosed. You are requested to furnish the State of New Mexico and any other interested party with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Washington (ltr. only)
Farmington (w/cy of appln.)
BLM, Santa Fe (w/cy of appln.)
NMOC, Santa Fe (ltr. only)✓
Com. of Pub. Lands, Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

445

January 24, 1965

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Attention: Mr. Sam Smith

Re: 1965 Drilling Program
San Juan 28-7, Unit
Rio Arriba County, New
Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1965 Drilling Program dated December 14, 1965, for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the drilling program is returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe
United States Geological Survey - Roswell

C
O
P
Y

Drawer 1857
Roswell, New Mexico 88201

December 31, 1964

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. Sam Smith

Gentlemen:

Your 1964 plan of development dated December 4, 1964, for the San Juan 28-7 unit area, Rio Arriba County, New Mexico, proposing the drilling of no additional wells, has been approved on this date subject to like approval by the appropriate State officials.

The San Juan 28-7 unit area is subject to Dakota formation drainage in sections 10 and 11, T. 27 N., R. 7 W., N.M.P.M., by Rincon unit wells No. 151 in the E $\frac{1}{2}$ sec. 14 and No. 184 in the E $\frac{1}{2}$ sec. 15, T. 27 N., R. 7 W. Your 1965 plan of development should provide for the drilling of the wells necessary to protect the unit area from drainage at the above described locations.

Two approved copies of the plan are enclosed.

Sincerely yours,

(Orig.Sgd.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil & Gas Supervisor

cc:
Washington (w/cy of plan)
Farmington (w/cy of plan)
NMOCC, Santa Fe (ltr. only)
Com. of Pub. Lands, Santa Fe (ltr. only)

El Paso Natural Gas Company

El Paso, Texas

December 8, 1964

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

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

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Gentlemen:

Reference is made to our letter dated September 23, 1964, transmitting eight copies of the Sixth Expanded Participating Area for the Dakota Formation of the San Juan 28-7 Unit, for approval by the necessary regulatory bodies.

It has been noted that the working interest ownership under Tract 22 on page 2 of Schedule VII was incorrect. We are, therefore, providing corrected page 2 to be inserted in the original Application.

By copy of this letter, we are also furnishing corrected page 2 to all the working interest owners of the San Juan 28-7 Unit.

Very truly yours,


Harry Gevertz
Regional Landman
Land Department

HG:MB:js
Enclosures

SJ 28-7, 4.3

SCHEDULE VII

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		
<u>Tract 21</u>						
SF 079289	<u>T-28-N, R-7-W</u> Sec. 14: SE/4	160.00	Royalty; Working Interest: Delhi-Taylor Oil Corp. ORRI;	12.50% 69.00% <u>18.50%</u> 100.00%	12.50% 69.00% <u>18.50%</u> 100.00%	<u>3.327144%</u>
<u>Tract 22</u>						
SF 079289-A	<u>T-28-N, R-7-W</u> Sec. 14: SW/4	160.00	Royalty; Working Interest: EPNG Co. ORRI;	12.500% 75.000% <u>12.500%</u> 100.000%	12.500% 75.000% <u>12.500%</u> 100.000%	<u>3.327143%</u>
<u>Tract 23</u>						
SF 079290	<u>T-28-N, R-7-W</u> Sec. 23: NW/4	160.00	Royalty; Working Interest: Delhi-Taylor Oil Corp. ORRI;	12.500% 69.00% <u>18.50%</u> 100.00%	12.500% 69.00% <u>18.50%</u> 100.00%	<u>3.327143%</u>
<u>Tract 24</u>						
SF 079290-A	<u>T-28-N, R-7-W</u> Sec. 23: NE/4	160.00	Royalty; Working Interest: Rock Island Oil & Refining Co. Reserve Oil & Gas Co. ORRI;	12.50% 76.5625% <u>10.9375%</u> 100.0000%	12.50% 76.5625% <u>10.9375%</u> 100.0000%	<u>3.327143%</u>

El Paso Natural Gas Company

El Paso, Texas

December 4, 1964

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
1964 DRILLING PROGRAM

Gentlemen:

By letter dated February 8, 1963, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1963. Said Program provided for the drilling of no wells by the Unit Operator. However, Delhi-Taylor Oil Corporation completed the following described well within the Unit Area pursuant to Section 13 of the Unit Agreement and in accordance with a Designation of Agent furnished by El Paso Natural Gas Company, as Unit Operator. This well was determined to be commercial and will occasion the Sixth Expansion of the Dakota Participating Area of this Unit. This Expansion has been prepared and submitted to the regulatory bodies for approval. This Dakota well is as follows:

Location

San Juan 28-7 Unit #136

Dedication

Sec. 14, T-28-N, R-7-W

All of the working interest owners were contacted and there were no other requests made for further drilling during 1964.

As of this date, the total number of wells in the San Juan 28-7 Unit is as follows:

Pictured Cliffs	30
Mesaverde	50
Dual, Pictured Cliffs-Mesaverde	26
Dual, Mesaverde-Dakota	2
Dakota	7
Non-Commercial: Pictured Cliffs	3
Mesaverde	2
Dakota	0
Plugged and Abandoned	2
	<u>122</u>

El Paso Natural Gas Company, as Unit Operator, will still drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By Sam Smith, Manager
Land Department

SS:MB:kp

APPROVED: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

APPROVED: _____
Commissioner of Public Lands
Subject to like approval by the United
States Geological Survey and the
Oil Conservation Commission.

DATE: _____

APPROVED: _____
Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the
Commissioner of Public Lands.

DATE: _____

The foregoing approvals are for the 1964 Drilling Program for the San Juan 28-7
Unit #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

Continental Oil Company
Attention: Mr. H. D. Haley
P. O. Box 3312
Durango, Colorado

El Paso Natural Gas Products Company
Attention: Mr. Roland Hamblin
P. O. Box 3986
Odessa, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Pubco Petroleum Corporation
Attention: Mr. Gilbert J. Sevier, Jr.
Attention: Mr. Robert C. Youngmun
P. O. Box 1419
Albuquerque, New Mexico

Reserve Oil and Gas Company
1700 Fidelity Union Tower
Dallas, Texas

Mr. W. H. Riddle
600 N. Brookline, Apt. 38
Oklahoma City 12, Oklahoma

Rock Island Oil & Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Sinclair Oil & Gas Company
P. O. Box 4005
Albuquerque, New Mexico

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Southern Petroleum Exploration, Inc.
Attention: Mr. John C. Wright
P. O. Box 192
Sistersville, West Virginia

Tenneco Oil Company
Attention: Mr. R. E. Siverson
P. O. Box 1714
Durango, Colorado 81302

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Union Oil Company of California
Attention: Mr. Harry E. Keegan
619 West Texas Street
Midland, Texas

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

445

October 28, 1964

C
O
P
Y

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. T. W. Bittick

Re: Sixth Expanded Participating
Area, Dakota Formation, San
Juan 28-7 Unit, Rio Arriba
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Sixth Expansion of the Dakota Participating Area for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Five approved copies of the application are being forwarded to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JBK/og

cc: Commissioner Public Lands - Santa Fe
Director, United States Geological Survey - Roswell

MAIL ROOM

'64 OCT 28 AM 8

October 27, 1964

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
Sixth Expanded Participating
Area
Dakota Formation

Attention: Mr. Harry Gevertz

Gentlemen:

The Commissioner of Public Lands approved as of October 27, 1964, your application for the Sixth Expanded Participating Area, Dakota Formation for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey.

We are retaining two copies and handing six approved copies to the Oil Conservation Commission, requesting them to forward five copies to the United States Geological Survey.

El Paso Natural Gas Company

El Paso, Texas

MAIN OFFICE

SEP 24 PM 11

September 23, 1964

445

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

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE
SIXTH EXPANDED PARTICIPATING AREA
OF THE DAKOTA FORMATION - Effective
August 1, 1963.

Dear Sir:

Attached are eight copies of the subject Sixth Expanded Participating Area for the Dakota Formation for the San Juan 28-7 Unit, together with the appropriate exhibits and geological information.

If this Expansion meets with your approval, please execute all copies in the space provided and secure the approval of the Oil Conservation Commission on all copies thereof. Upon approval of the Oil Conservation Commission and your office, will you please retain two copies for your files and have the Oil Conservation Commission retain one copy for their files and forward the remaining five copies to the United States Geological Survey for approval.

Very truly yours,


Harry Gevertz
Regional Landman
Land Department

HG:MB:js
Enclosures

cc: United States Geological Survey

Oil Conservation Commission ✓

SJ 28-7, 4.3

COPY

El Paso Natural Gas Company

El Paso, Texas

September 22, 1964

1000
OCT 23 AM 9 22

Director,
United States Geological Survey
Department of the Interior
Washington 25, D. C.

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

SEP 24 8 55 AM '64
STATE LAND OFFICE
SANTA FE, N.M.

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE SIXTH
EXPANDED PARTICIPATING AREA OF THE
DAKOTA FORMATION - Effective August 1,
1963.

Gentlemen:

Pursuant to the provisions of Section 11(b) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests approval of the Sixth Expanded Participating Area for the Dakota Formation, to wit:

SIXTH EXPANDED PARTICIPATING AREA - Effective August 1, 1963

<u>Description of Lands</u>	<u>Acres</u>
T-28-N, R-7-W, N.M.P.M.	
Section 14: S/2	320.00
Section 23: N/2	320.00
	640.00

The proposed Sixth Expanded Participating Area of the Dakota Formation is predicated upon the determination by El Paso Natural Gas Company, as Unit Operator, that the San Juan 28-7 Unit #136 Well, drilled by Delhi-Taylor Oil Corporation, as Sub-Operator, is capable of producing

SEP 24 8 55 AM '64
STATE LAND OFFICE
SANTA FE, N.M.

unitized substances in paying quantities from the Dakota Formation. Pertinent well data is as follows:

The San Juan 28-7 Unit #136 Well is located in the NW/4 SE/4 of Section 14, Township 28 North, Range 7 West, N.M.P.M. Said well was spudded on March 29, 1963, and drilled to a total depth of 8694' and subsequently plugged back to 7876'. The Dakota Formation in the intervals between 7450' - 7482', 7490' - 7498', 7502' - 7526', 7569' - 7587', 7617' - 7659', 7674' - 7682', 7706' - 7736', 7750' - 7753', 7768' - 7802', 7843' - 7867' was treated with a sand-water fracturing process. The Dakota Formation was tested on August 9, 1963, and following a three (3) hour blow-down period gauged 2876 MCFGPD through a 3/4" choke and 3315 MCFGPD by the calculated absolute open-flow method, with a SIPT of 2459 psia and SIPC of 2458 psia.

In support of this application, the following listed Exhibits are made a part hereof:

EXHIBIT "A"

Ownership map reflecting the boundaries of the unit and the proposed Sixth Expansion of the Dakota Participating Area.

EXHIBIT "B"

Geological Report on the Sixth Expansion of the Dakota Participating Area within the San Juan 28-7 Unit.

EXHIBIT "C"

Structural Contour Map.

EXHIBIT "D"

Schedule of Dakota Gas Production.

Attached hereto is Schedule VII showing the proposed Sixth Expanded Participating Area for the Dakota Formation in the San Juan 28-7 Unit Area. This Schedule describes the Expanded Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the percentages of ownership in each tract.

SEP 24 8 55 AM '64
STATE LAND OFFICE
SANTA FE, N. M.

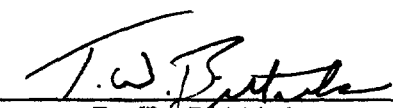
-3-

If this Sixth Expanded Participating Area of the Dakota Formation meets with your approval, please indicate such approval in the space provided and return an approved copy hereof for our files.

Copies of this letter are being sent to the working interest owners on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
T. W. Bittick
Assistant Manager
Land Department

TWB:MB:kp

RECEIVED
SEP 24 8 56 AM '64
STATE LAND OFFICE
SANTA FE, N. M.

APPROVED:

Director, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

APPROVED:

E. J. Walker
Commissioner of Public Lands
Subject to like approval by the United States
Geological Survey and the Oil Conservation
Commission.

DATE:

October 27, 1964

APPROVED:

A. H. Porter, Jr.
Oil Conservation Commission
Subject to like approval by the United States
Geological Survey and the Commissioner of
Public Lands.

DATE:

October 27, 1964

The foregoing approvals are attached and made a part of the application for the Sixth Expansion of the Dakota Participating Area for the San Juan 28-7 Unit, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

RECEIVED
SEP 24 8 56 AM '64
STATE LAND OFFICE
SANTA FE, N.M.

Continental Oil & Gas Company
Attention: Mr. C. E. Ferguson
P. O. Box 3312
Durango, Colorado

Delhi-Taylor Oil Corporation
2630 Fidelity Union Tower
Dallas 1, Texas

El Paso Natural Gas Products Company
Attention: Mr. Roland Hamblin
P. O. Box 3986
Odessa, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Pubco Petroleum Corporation (2)
Attention: Mr. Gilbert J. Sevier, Jr.
Attention: Mr. Robert C. Youngmun
P. O. Box 1419
Albuquerque, New Mexico 87103

Reserve Oil & Gas Co.
1700 Fidelity Union Tower
Dallas, Texas

Mr. W. H. Riddle
600 N. Brookline, Apt. 38
Oklahoma City 12, Oklahoma

Rock Island Oil & Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Southern Petroleum Exploration, Inc.
Attention: Mr. John C. Wright
P. O. Box 192
Sistersville, West Virginia

Tenneco Oil Company
Attention: Mr. W. T. Wells, Jr.
P. O. Box 1031
Midland, Texas

Tenneco Oil Company
Attention: Mr. W. Cass Peters
P. O. Box 18, Tennessee Bldg.
Houston 1, Texas

Tenneco Oil Company
Attention: Mr. L. B. Plumb
P. O. Box 1714
Durango, Colorado

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Union Oil Company of California
Attention: Mr. Harry E. Keegan
619 West Texas Street
Midland, Texas

SCHEDULE VII
SIXTH EXPANDED PARTICIPATING AREA FOR THE DAKOTA FORMATION
SAN JUAN 28-7 UNIT AREA

RECEIVED
SEP 24 10 56 AM '64
STATE LAND, N.M.

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		
STATE LAND OFFICE SANTA FE, N.M.						
<u>TRACT 2</u>						
NM 03560	<u>T-27-N, R-7-W</u> Sec. 29: N/2	320.00	Royalty; Working Interest; El Paso Natural Gas Co.; ORRI;	12.500% 63.125% 24.375% <u>100.000%</u>	12.500% 63.125% 24.375% <u>100.000%</u>	<u>6.654287%</u>
<u>TRACT 5</u>						
SF 078496	<u>T-27-N, R-7-W</u> Sec. 3: Lots 1, 2, S/2 NE/4	491.65	Royalty; Working Interest; El Paso Natural Gas Co.; ORRI;	12.500% 84.000% 3.500% <u>100.000%</u>	12.500% 84.000% 3.500% <u>100.000%</u>	<u>10.223688%</u>
<u>TRACT 15</u>						
SF 078640	<u>T-27-N, R-7-W</u> Sec. 15: W/2	320.00	Royalty; Working Interest; El Paso Natural Gas Co.; ORRI;	12.500% 82.500% 5.000% <u>100.000%</u>	12.500% 82.500% 5.000% <u>100.000%</u>	<u>6.654287%</u>
<u>TRACT 19</u>						
SF 078972	<u>T-27-N, R-7-W</u> Sec. 11: All Sec. 3: SE/4 Sec. 10: E/2	1120.00	Royalty; Working Interest; Pubco Petroleum Corporation; ORRI;	12.50% 82.50% 5.00% <u>100.00%</u>	12.50% 82.50% 5.00% <u>100.00%</u>	<u>23.290004%</u>

SCHEDULE VII

RECEIVED

SEP 24 10 56 AM '64
STATE LAND OFFICE
SANTA FE, N.M.

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		
SF 079289	T-28-N, R-7-W Sec. 14: SE/4	160.00	<u>TRACT 21</u>			
			Royalty;	12.50%	12.50%	<u>3.327144%</u>
			Working Interest:			
			Delhi-Taylor Oil Corp.	69.00%	69.00%	
			ORRI;	<u>18.50%</u>	<u>18.50%</u>	
	TOTAL			<u>100.00%</u>	<u>100.00%</u>	
SF 079289-A	T-28-N, R-7-W Sec. 14: SW/4	160.00	<u>TRACT 22</u>			
			Royalty;	12.500%	12.500%	<u>3.327143%</u>
			Working Interest:			
			Rock Island Oil & Ref.;	65.625%	65.625%	
			Reserve Oil & Gas Co.;	9.375%	9.375%	
	TOTAL			<u>12.500%</u>	<u>12.500%</u>	
				<u>100.000%</u>	<u>100.000%</u>	
SF 079290	T-28-N, R-7-W Sec. 23: NW/4	160.00	<u>TRACT 23</u>			
			Royalty;	12.50%	12.50%	<u>3.327143%</u>
			Working Interest:			
			Delhi-Taylor Oil Corp.;	69.00%	69.00%	
			ORRI;	<u>18.50%</u>	<u>18.50%</u>	
	TOTAL			<u>100.00%</u>	<u>100.00%</u>	
SF 079290-A	T-28-N, R-7-W Sec. 23: NE/4	160.00	<u>TRACT 24</u>			
			Royalty;	12.500%	12.500%	<u>3.327143%</u>
			Working Interest:			
			Rock Island Oil & Ref.;	76.5625%	76.5625%	
			Reserve Oil & Gas Co.;	10.9375%	10.9375%	
	TOTAL			<u>100.0000%</u>	<u>100.0000%</u>	

SCHEDULE VII

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OFFICE	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		
SF 079298-B	T-27-N, R-7-W Sec. 12: All	640.00	ROYALTY; WORKING INTEREST; El Paso Natural Gas Co.; ORRI;	12.50%	12.50%	<u>13.308574%</u>
				81.50%	81.50%	
				6.00%	6.00%	
			TOTAL	100.00%	100.00%	
SF 079321-A	T-27-N, R-7-W Sec. 1: Lots 1, 2, 3, 4, S/2 N/2, S/2 (All)	639.20	ROYALTY; WORKING INTEREST; El Paso Natural Gas Co.; ORRI;	12.50%	12.50%	<u>13.291938%</u>
				81.50%	81.50%	
				6.00%	6.00%	
			TOTAL	100.00%	100.00%	
E-290-28	T-27-N, R-7-W Sec. 2: SW/4 SE/4, SW/4, Lots 3, 4	278.96	ROYALTY; WORKING INTEREST; El Paso Natural Gas Co.; ORRI;	12.500%	12.500%	<u>5.800875%</u>
				82.500%	82.500%	
				5.000%	5.000%	
			TOTAL	100.000%	100.000%	
E-290-3	T-27-N, R-7-W Sec. 2: Lot 2, SW/4 NE/4, SE/4 NW/4	119.54	ROYALTY; WORKING INTEREST; Southern Petroleum Exploration, Inc.; ORRI;	12.500%	12.500%	<u>2.485792%</u>
				87.500%	87.500%	
				.000%	.000%	
			TOTAL	100.000%	100.000%	

SCHEDULE VII

RECORDED

SEP 24 8 56 AM '64

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP AND OFFICE	PERCENTAGE		

STATE LAND OFFICE
SANTA FE, N.M.

TRACT 30

E-290-28 T-27-N, R-7-W 119.58

Sec. 2: Lot 1,
SE/4 NE/4,
NE/4 SE/4

Royalty;
Working Interest;
El Paso Natural Gas Co.;
ORRI;
TOTAL

12.500%
87.500%
100.000%

2.486624%

E-290-33 T-27-N, R-7-W 120.00

Sec. 2: SE/4 SE/4,
S/2 NW/4

Royalty;
Working Interest;
El Paso Natural Gas Co.;
ORRI;
TOTAL

12.500%
75.000%
12.500%
100.000%

2.495358%

SCHEDULE VII

RECEIVED

SEP 24 1964
NUMBER 057
ACRES

SERIAL NUMBER	DESCRIPTION	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
		OWNERSHIP	PERCENTAGE		

STATE LAND OFFICE
SANTA FE, N. M.

RECAPITULATION

Township 27 North, Range 7 West, N. M. P. M.

Section 1: A11
Section 2: A11
Section 3: E/2
Section 10: E/2
Section 11: A11
Section 12: A11
Section 15: W/2
Section 29: N/2

Township 28 North, Range 7 West, N. M. P. M.

Section 14: S/2
Section 23: N/2
Section 35: S/2

Total number of acres in Participating Area:

4,808.93
4,808.93

Total number of acres committed to Participating Area:

Percent of Basic Royalty Committed

100%

Percent of Working Interest Committed

100%

Percent of O. R. R. I. Committed

100%

El Paso Natural Gas Company

El Paso, Texas

1963 NOV 15 PM 1:22

November 12, 1963

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459,
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE THIRD, FOURTH
AND FIFTH EXPANDED PARTICIPATING AREAS OF THE
DAKOTA FORMATION - Third Expansion Effective
October 1, 1962, Fourth Expansion Effective
December 1, 1962, Fifth Expansion Effective
February 1, 1963, and NOTICE OF COMPLETION
OF ADDITIONAL WELL, Dakota Formation

Gentlemen:

This is to advise that the above captioned expansions were approved
by the regulatory bodies on the following dates:

1. United States Geological Survey, October 29, 1963.
2. Commissioner of Public Lands, September 10, 1963.
3. Oil Conservation Commission, September 26, 1963.

Copies of this letter are being sent to the working interest owners
of the San Juan 28-7 Unit.

Very truly yours,

Charles T. Richardson
Charles T. Richardson
Area Coordinator
Land Department

CTR:MB:js

445
Drawer 1857
Roswell, New Mexico 88201

November 6, 1963

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. T. W. Bittick

Gentlemen:

The third, fourth, and fifth revisions of the Dakota participating area, San Juan 28-7 unit agreement, Rio Arriba County, New Mexico, were approved on October 29, 1963, by the Acting Director, Geological Survey, effective as of October 1, December 1, 1962, and February 1, 1963, respectively.

One approved copy of the application is enclosed. The State of New Mexico and any other interested party should be furnished appropriate evidence of this approval.

Sincerely yours,

(SIGNED) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:

Washington (ltr. only)
BLM-Santa Fe (w/cy of appln.)
Farmington (w/cy of appln.)
NMOCC-Santa Fe (ltr. only)
Com. of Pub. Lands-Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

445

September 26, 1963

**El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas**

Attention: Mr. T. W. Bittick

**Re: Third, Fourth and Fifth
Expansions, Dakota
Participating Area, San
Juan 28-7 Unit, Rio Arriba
County, New Mexico**

Gentlemen:

**This is to advise that the New Mexico Oil
Conservation Commission has this date approved the Third,
Fourth and Fifth Expansions of the Dakota Participating Area
for the San Juan 28-7 Unit, Rio Arriba County, New Mexico,
subject to like approval by the United States Geological
Survey and the Commissioner of Public Lands of the State of
New Mexico.**

**Five approved copies of the application are being
forwarded to the United States Geological Survey, Roswell.**

Very truly yours,

**A. L. PORTER, Jr.,
Secretary-Director**

ALP/JEK/og

**cc: Commissioner Public Lands, Santa Fe
United States Geological Survey - Roswell**

El Paso Natural Gas Company

MAIN OFFICE OCC

El Paso, Texas

1963 SEP 25 AM 8 17

September 25, 1963

445

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: San Juan 28-7 #14-08-001-459
Rio Arriba County, New Mexico
1963 DRILLING PROGRAM

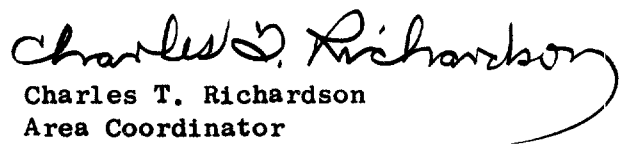
Gentlemen:

The 1963 Drilling Program for the San Juan 28-7 Unit has been approved by the regulatory bodies on the dates indicated below:

1. United States Geological Survey - April 9, 1963
2. Commissioner of Public Lands - February 27, 1963
3. Oil Conservation Commission - May 2, 1963

Copies of this letter are being sent to the working interest owners of the San Juan 28-7 Unit.

Very truly yours,


Charles T. Richardson
Area Coordinator
Land Department

CTR:MB:js

SJ 28-7, 3.0

September 11, 1963

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
Third, Fourth and Fifth Expanded
Participating Areas, Dakota
Formation

Attention: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has approved as of September 10, 1963 the Third, Fourth and Fifth Expanded Participating Areas, Dakota Formation for the San Juan 28-7 Unit Area, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are handing six approved copies to the Oil Conservation Commission requesting them to forward five copies to the United States Geological Survey, Roswell, New Mexico.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:

(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v

cc: Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey

El Paso Natural Gas Company

El Paso, Texas

May 24, 1963

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Attention: Mrs. Marian M. Rhea

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
Application for Approval of
the Fifth Expansion, Dakota
Formation

Gentlemen:

I have received your letter of May 22, 1963, setting forth your objections to the proposed Fifth Expansion for the Dakota Formation, San Juan 28-7 Unit. However, a review of the Exhibits to which you make reference confirms our belief that the E/2 of Section 16, Township 27 North, Range 7 West, should properly be excluded from participation at this time. Exhibit "C", Figure #1, Subsurface Structure Map, indicates only a low gentle northeasterly dip toward the synclinal axis of the basin and is apparently less than 1 degree in slope. As set out in Exhibit "B" to the proposed First and Second Expansions of the San Juan 28-7 Unit, Dakota Participating Area, "The structure of the Dakota interval within the Unit boundaries is that of regional basin dip with no local structural features to form a hydrocarbon trap."

Therefore, the subsurface structure map for this region provides no basis for determination of the probable area of commercial production. Exhibit "C", Figure #2, Isopach Map, proposing the Fifth Expansion, clearly shows the E/2 of Section 16, Township 27 North, Range 7 West, to be almost entirely excluded from the area containing greater than a net reservoir sand of 20 feet or more. The E/2 of Section 10, Township 27 North, Range 7 West, shows a portion thereof lying between the 20 feet through 30 feet interval, the remainder having a minimum of 30 feet of net reservoir sand.

C O P Y

Commissioner of
Public Lands

-2-

May 24, 1963

The Isopach Map and Geological Report are the controlling Exhibits in determining expansions of the Participating Area in this region, and we feel the Exhibits submitted positively support the inclusion of the E/2 of Section 10 and omission of the E/2 of Section 16.

Should you have any further question concerning interpretation of the Exhibits furnished we will gladly discuss the matter with you. In the event you are satisfied that the proposed expansion is correct, we will appreciate securing the approval of the Commissioner of Public Lands so that the Expansion may be further processed.

Very truly yours,
Original Signed by
HARRY GEVERTZ
Harry Gevertz
Regional Landman
Land Department

HG:js

cc: Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

SJ 28-7, 4.3

445

TO
FROM
SUBJECT
DATE
BY
RECEIVED
FILED

May 22, 1963

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
Application for Approval of
the Fifth Expansion Dakota
Formation

Attention: Mr. Charles T. Richardson

Gentlemen:

Pursuant to your letter of May 21, 1963, in regard
to the Fifth Expansion of the Dakota Participating Area.

In reviewing these Expansions to the Dakota Participating Area we have examined your Exhibit "C" Figure No. 1 which was presented to us with the First and Second Expansions. This Dakota structure map together with your Exhibit "C" Figure No. 2 Isopach Map, leads me to believe that the East half of Section sixteen belongs in the Fifth Expansion much more so than the East half of Section ten.

We do not wish to approve these expansions until there has been a further review of previous information.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmrv

cc: Oil Conservation Commission

U. S. Geological Survey

445
El Paso Natural Gas Company

El Paso, Texas

1963 MAY 21 11 11

May 21, 1963

Registered Mail

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Attention: Mrs. Marian M. Rhea

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE THIRD, FOURTH
AND FIFTH EXPANDED PARTICIPATING AREAS OF THE
DAKOTA FORMATION - Third Expansion Effective
October 1, 1962, Fourth Expansion Effective
December 1, 1962, Fifth Expansion Effective
February 1, 1963, and NOTICE OF COMPLETION
OF ADDITIONAL WELL, Dakota Formation

Gentlemen:

Attached are eight (8) copies of the subject Third, Fourth and Fifth Expanded Participating Areas of the Dakota Formation for the San Juan 28-7 Unit, together with the appropriate exhibits and geological information.

If these Third, Fourth and Fifth Expansions meet with your approval, please execute all copies in the space provided and secure the approval of the Oil Conservation Commission on all copies thereof. Upon approval of the Oil Conservation Commission and your office, will you please retain two copies for your files and have the Oil Conservation Commission retain one copy for their files and forward the remaining five copies to the United States Geological Survey for approval.

Very truly yours,

Charles T. Richardson
Charles T. Richardson
Area Coordinator
Land Department

CTR:MB:js
Attachments

cc: United States Geological Survey
Oil Conservation Commission

El Paso Natural Gas Company

El Paso, Texas

May 17, 1963

Director,
United States Geological Survey
Department of the Interior
Washington 25, D. C.

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE THIRD, FOURTH
AND FIFTH EXPANDED PARTICIPATING AREAS OF THE
DAKOTA FORMATION - Third Expansion Effective
October 1, 1962, Fourth Expansion Effective
December 1, 1962, Fifth Expansion Effective
February 1, 1963, and NOTICE OF COMPLETION
OF ADDITIONAL WELL, Dakota Formation

Gentlemen:

Pursuant to the provisions of Section 11(b) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests approval of the Third, Fourth and Fifth Expanded Participating Areas for the Dakota Formation, to wit:

THIRD EXPANDED PARTICIPATING AREA - Effective October 1, 1962

<u>Description of Lands</u>	<u>Acres</u>
T-27-N, R-7-W, N.M.P.M.	
Section 2: W/2	318.96
Section 3: E/2	319.25
Section 11: W/2	320.00
	<u>958.21</u>

The proposed Third Expanded Participating Area of the Dakota Formation is predicated upon the determination by El Paso Natural Gas Company, as Unit Operator, that the San Juan 28-7 Unit #130 Well is capable of producing unitized substances in paying quantities from the Dakota Formation. This well is as follows:

The San Juan 28-7 Unit #130 Well is located in the NW/4 SW/4 of Section 2, Township 27 North, Range 7 West, N.M.P.M. Said well was spudded on September 13, 1962, and completed on October 8, 1962, at a total depth of 7309'. The Dakota Formation in the intervals between 7044' - 7048', 7064' - 7068', 7159' - 7171', 7191' - 7195', 7214' - 7220' was treated with a sand-water fracturing process on October 6, 1962. This well was shut-in on October 8, 1962, and after being shut-in for eight (8) days, the Dakota Formation was tested on October 16, 1962, and following a three (3) hour blow-down period gauged 3006 MCFGPD through a 3/4" choke and 3188 MCFGPD by the calculated absolute open-flow method, with a SIPT of 2376 psia and a SIPC of 2578 psia.

FOURTH EXPANDED PARTICIPATING AREA - Effective December 1, 1962

<u>Description of Lands</u>	<u>Acres</u>
T-28-N, R-7-W, N.M.P.M. Section 35: S/2	 332.40 332.40

The proposed Fourth Expanded Participating Area of the Dakota Formation is predicated upon the determination by El Paso Natural Gas Company, as Unit Operator, that the San Juan 28-7 Unit #133 Well is capable of producing unitized substances in paying quantities from the Dakota Formation. This well is as follows:

The San Juan 28-7 Unit #133 Well is located in the SE/4 SW/4 of Section 35, Township 28 North, Range 7 West, N.M.P.M. Said well was spudded on November 8, 1962, and completed on December 20, 1962, at a total depth of 7240'. The Dakota Formation in the intervals between 6996' - 7002', 7016' - 7028', 7116' - 7128', 7194' - 7200' was treated with a sand-water fracturing process on December 19, 1962. This well was shut-in on December 20, 1962, and after being shut-in for ten (10) days, the Dakota Formation was tested on December 30, 1962, and following a three (3) hour blow-down period gauged 2827 MCFGPD through a 3/4" choke and 2968 MCFGPD by the calculated absolute open-flow method, with a SIPT of 1852 psia and a SIPC of 2571 psia.

FIFTH EXPANDED PARTICIPATING AREA - Effective February 1, 1963

<u>Description of Lands</u>	<u>Acres</u>
T-27-N, R-7-W, N.M.P.M.	
Section 10: E/2	320.00
Section 15: W/2	320.00
	<u>640.00</u>

The proposed Fifth Expanded Participating Area of the Dakota Formation is predicated upon the determination by El Paso Natural Gas Company, as Unit Operator, that the San Juan 28-7 Unit #132 Well is capable of producing unitized substances in paying quantities from the Dakota Formation. This well is as follows:

The San Juan 28-7 Unit #132 Well is located in the NE/4 SW/4 of Section 15, Township 27 North, Range 7 West, N.M.P.M. Said well was spudded on November 28, 1962, and completed on December 19, 1962, at a total depth of 7686'. The Dakota Formation in the intervals between 7418' - 7430', 7496' - 7500', 7530' - 7542', 7562' - 7566' was treated with a sand-water fracturing process on December 18, 1962. During the period between December 19, 1962 and February 5, 1963, some difficulty was encountered in getting this well on a test status due to frac fluids remaining in the formation. The well was shut-in on February 5, 1963, and after being shut-in for twenty-two (22) days, the Dakota Formation was tested on February 27, 1963, and following a three (3) hour blow-down period gauged 3609 MCFGPD through a 3/4" choke and 4064 MCFGPD by the calculated absolute open-flow method with a SIPT of 2382 psia and a SIPC of 2410 psia.

In support of these applications, the following listed Exhibits are made a part hereof:

EXHIBIT "A"

Ownership map reflecting the boundaries of the unit and the proposed Third, Fourth and Fifth Expansions of the Dakota Participating Area.

EXHIBIT "B"

Geological Report on the Third, Fourth and Fifth Expansions of the Dakota Participating Area within the San Juan 28-7 Unit.

EXHIBIT "C"

Structural Contour Map.

EXHIBIT "D"

Schedule of Dakota Gas Production.

Attached hereto are Schedules IV, V and VI showing the proposed Third, Fourth and Fifth Expanded Participating Areas for the Dakota Formation in the San Juan 28-7 Unit Area. These Schedules describe the Expanded Participating Areas, show the percentage of unitized substances allocated to each unitized tract, and the percentages of ownership in each tract.

If these Third, Fourth and Fifth Expanded Participating Areas of the Dakota Formation meet with your approval, please indicate such approval in the space provided and return an approved copy hereof for our files.

Further, pursuant to Section 11(b) of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, has determined on the date indicated that one (1) additional well capable of producing unitized substances from the Dakota Formation has been completed upon acreage committed to the San Juan 28-7 Unit. This well is as follows:

The San Juan 28-7 Unit #128 Well, located in the NE/4 NE/4 of Section 12, Township 27 North, Range 7 West, Rio Arriba County, New Mexico, was spudded on October 9, 1962, and completed on November 6, 1962, at a total depth of 7692'. The Dakota Formation from 7436' - 7448', 7541' - 7547', 7558' - 7562', 7592' - 7596' was treated with a sand-water fracturing process on November 4, 1962. The well was shut-in on November 6, 1962, and after being shut-in for eight (8) days the Dakota Formation was tested on November 14, 1962, and following a three (3) hour blow-down period gauged 3814 MCFGPD through a 3/4" choke and 4433 MCFGPD by the calculated absolute open-flow method with a SIPT of 2631 psia and a SIPC of 2595 psia. The determination that this well is capable of producing unitized substances from the Dakota Formation was made on November 14, 1962.

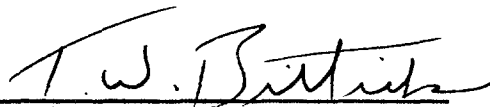
The acreage upon which the San Juan 28-7 Unit #128 Well is located was included in the First Expanded Participating Area for the Dakota Formation, effective August 1, 1961. Therefore, the Participating Area will not be enlarged and the percentage allocated to the various tracts will remain the same.

Copies of this letter are being sent to the working interest owners on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Assistant Manager
Land Department

APPROVED:

Director, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

APPROVED:



Commissioner of Public Lands
Subject to like approval by the United States
Geological Survey and the Oil Conservation
Commission.

DATE: September 18, 1963

APPROVED:



Oil Conservation Commission
Subject to like approval by the United States
Geological Survey and the Commissioner of
Public Lands.

DAT: 9-26-63

The foregoing approvals are attached and made a part of the application for the Third, Fourth and Fifth Expansions of the Dakota Participating Area for the San Juan 28-7 Unit, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

Delhi-Taylor Oil Corporation
Attention: Mr. R. L. Caldwell
2630 Fidelity Union Tower
Dallas 1, Texas

El Paso Natural Gas Products Company
Attention: Mr. Roland Hamblin
P. O. Box 1161
El Paso, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Producing Properties, Inc.
35th Floor, Southland Center
Dallas 1, Texas

Pubco Petroleum Corporation (2)
Attention: Mr. Gilbert J. Sevier, Jr.
Attention: Mr. Robert C. Youngmun
P. O. Box 1419
Albuquerque, New Mexico

Mr. W. H. Riddle
600 N. Brookline, Apt. 38
Oklahoma City 12, Oklahoma

Rock Island Oil & Refining Co., Inc.
321 West Douglas Street
Wichita, Kansas

San Jacinto Oil and Gas Company
Attention: Mr. L. W. Goodrich
San Jacinto Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Southern Petroleum Exploration, Inc.
Attention: Mr. John C. Wright
P. O. Box 192
Sistersville, West Virginia

Tenneco Oil Company
Attention: Mr. W. T. Wells, Jr.
P. O. Box 1031
Midland, Texas

Tenneco Oil Company
Attention: Mr. W. Cass Peters
P. O. Box 18, Tennessee Bldg.
Houston 1, Texas

Tenneco Oil Company
Attention: Mr. L. B. Plumb
P. O. Box 1714
Durango, Colorado

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Union Oil Company of California
Attention: Mr. C. F. Bowden
619 West Texas Street
Midland, Texas

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

445

May 1, 1963

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. Sam Smith

Re: 1963 Drilling Program
San Juan 28-7 Unit, Rio
Arriba County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1963 Drilling Program for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/ig

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

C
O
P
Y

1557
H. L. Drawn 1857
Roswell, New Mexico

1963 APR 10 PM 1 28

April 9, 1963

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. Sam Smith

Gentlemen:

Your 1963 plan of development dated February 8, 1963, for the San Juan 28-7 unit area, Rio Arriba County, New Mexico, proposing the drilling of no additional wells, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Very truly yours,

JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Washington (w/cy of plan)
Farmington (w/cy of plan)
NMOCC-Santa Fe (ltr. only) ✓
Com. of Pub. Lands, Santa Fe (ltr. only)

DELHI-TAYLOR OIL CORPORATION
FIDELITY UNION TOWER
DALLAS 1, TEXAS

March 13, 1963

445

U. S. Geological Survey
P. O. Box 959
Farmington, New Mexico

AIR MAIL

Attn: Mr. P. T. McGrath

Re: San Juan Unit 28-7 (NMO-26)
E/2 Sec. 14, T28N-R7W
Rio Arriba County, N.M.

Gentlemen:

We are enclosing three copies of a Designation of Agent executed by El Paso Natural Gas Company, as Unit Operator, of the captioned unit. This designation authorizes Delhi to drill a unit well on the location shown above.

A notice of intention to drill will subsequently be filed with your office.

Sincerely,

DELHI-TAYLOR OIL CORPORATION



Millard F. Carr
Land Department

MFC:jn

cc: New Mexico Oil Conservation Commission w/enc (1) ← Copy for
P. O. Box 871
Santa Fe, New Mexico

Commissioner of Public Lands w/enc (2)
State Land Office
Santa Fe, New Mexico

Delhi-Taylor Oil Corporation
Farmington, New Mexico

DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

The undersigned is, on the records of the Geological Survey, Unit Operator under the San Juan 28-7 Unit Agreement, Rio Arriba County, New Mexico, 14-08-001-459, and hereby designates:

NAME: **DELHI-TAYLOR OIL CORPORATION**

ADDRESS: **2630 Fidelity Union Tower
Dallas 1, Texas**

as its agent, with full authority to act in its behalf in complying with the terms of the Unit Agreement and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing, and completing a unit well in the E/2 of Section 14, Township 28 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico.

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

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

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

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate district office of the U. S. Geological Survey a completed file of all required Federal reports pertaining to subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the Unit Operator.

EL PASO NATURAL GAS COMPANY
Unit Operator

Date MAR 12 1951

By 
Attorney in Fact

MAIN OFFICE OCC

1963 MAR 4 PM 1 135

February 27, 1963

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: San Juan 28-7 Unit
Rio Arriba County,
New Mexico, 1963
Drilling Program

Attention: Mr. Sam Smith

Gentlemen:

The Commissioner of Public Lands has approved your 1963 Drilling Program, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

This Plan does not call for additional drilling but it requires the drilling of any offset wells which are necessary.

We are returning one approved copy.

Very truly yours,

E. S. Johnny Walker
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Shea
Supervisor, Unit Division

ESW/mar/e

encl: United States Geological Survey
cc: Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico

El Paso Natural Gas Company

El Paso, Texas

February 8, 1963

1963 FEB 13 AM 8:27

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
1963 DRILLING PROGRAM

Gentlemen:

By letter dated March 15, 1962, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1962. Said Program provided for the drilling of no wells, however, with the consent of the necessary working interest owners, said Program was amended at various times during the year and the following wells were completed by reason of such amendments:

<u>LOCATION</u>	<u>FORMATION</u>
E/2 Sec. 12, T-27-N, R-7-W	Dakota
W/2 Sec. 2, T-27-N, R-7-W	Dakota
W/2 Sec. 15, T-27-N, R-7-W	Dakota
W/2 Sec. 35, T-28-N, R-7-W	Dakota

The well in the E/2 of Section 12 was completed in the present Dakota Participating Area as a development well and will not cause an expansion of the Dakota Participating Area. The wells in the W/2 of Section 2, the S/2 of Section 35 and the W/2 of Section 15 were drilled as step-out wells. It is anticipated that the well in Section 2 will cause the Third Expansion of the Dakota Participating Area and the well in Section 35 will cause the Fourth such Expansion. The well in Section 15 is presently being evaluated for a possible expansion.

As of this date, the total number of wells in the San Juan 28-7 Unit is as follows:

Pictured Cliffs	26
Mesaverde	52
Dual, Pictured Cliffs - Mesaverde	24
Dual, Mesaverde - Dakota	2
Dakota	6
Non-Commercial	
Pictured Cliffs	3
Mesaverde	3
Dakota	2
Plugged and abandoned	<u>1</u>
	119

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program which provides that no wells be drilled during the period from January 1, 1963, to December 31, 1963.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their desires for additional drilling and El Paso Natural Gas Company, as Unit Operator, and the working interest owners believe that all current unit obligations have been satisfied.

El Paso Natural Gas Company, as Unit Operator, will drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the working interest owners.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
 Sam Smith, Manager
 Land Department

SS:MB:ojp

APPROVED: _____

Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

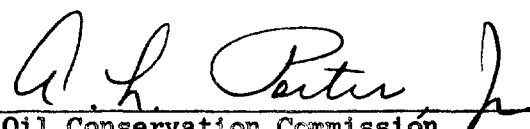
DATE: _____

APPROVED: _____

Commissioner of Public Lands
Subject to like approval by the United States
Geological Survey and the Oil Conservation
Commission.

DATE: _____

APPROVED: _____


Oil Conservation Commission
Subject to like approval by the United States
Geological Survey and the Commissioner of
Public Lands.

DATE: 5-2-63

The foregoing approvals are for the 1963 Drilling Program for the
San Juan 28-7 Unit #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
Working Interest Owners

Delhi-Taylor Oil Corporation
Attention: Mr. R. L. Caldwell
2630 Fidelity Union Tower
Dallas 1, Texas

El Paso Natural Gas Products Company
Attention: Mr. Roland Hamblin
El Paso National Bank Building
El Paso, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Producing Properties, Inc.
35th Floor, Southland Center
Dallas 1, Texas

Pubco Petroleum Corporation
Attention: Mr. Gilbert J. Sevier, Jr.
P. O. Box 1419
Albuquerque, New Mexico

Pubco Petroleum Corporation
Attention: Mr. Robert C. Youngmun
P. O. Box 1419
Albuquerque, New Mexico

Mr. W. H. Riddle
1205 East Thomas Road, Apt. 23
Phoenix, Arizona

Rock Island Oil & Refining Co., Inc.
321 West Douglas
Wichita, Kansas

San Jacinto Oil & Gas Company
Attention: L. W. Goodrich
San Jacinto Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Southern Petroleum Exploration, Inc.
Attention: Mr. John C. Wright
P. O. Box 192
Sistersville, West Virginia

Tenneco Oil Company
Attention: Mr. W. T. Wells, Jr.
P. O. Box 1031
Midland, Texas

Tenneco Oil Company
Attention: Mr. W. Cass Peters
P. O. Box 18, Tennessee Building
Houston 1, Texas

Tenneco Oil Company
Attention: Mr. L. B. Plumb
P. O. Box 1714
Durango, Colorado

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Union Oil Company of California
619 West Texas Street
Midland, Texas
Attn: C. F. Bowden

El Paso Natural Gas Company

MAIN OFFICE OCC

El Paso, Texas

1963 JAN 21 AM 9 29 January 16, 1963

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE FIRST
AND SECOND EXPANDED PARTICIPATING
AREAS OF THE DAKOTA FORMATION, First
Expansion Effective August 1, 1961,
Second Expansion Effective November
1, 1961

Gentlemen:

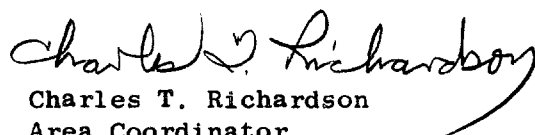
This is to advise you that the above captioned First and Second Expanded Participating Areas were approved by the regulatory bodies on the following dates:

United States Geological Survey	- December 26, 1962
Commissioner of Public Lands	- July 30, 1962
Oil Conservation Commission	- July 25, 1962

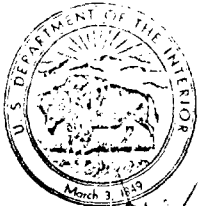
With reference to our letter dated November 7, 1962, describing certain corrections for the First and Second Revisions of the Dakota Participating Area, San Juan 28-7 Unit, we attach one (1) copy of a letter dated January 2, 1963, from the Acting Oil and Gas Supervisor, evidencing approval of said corrections by the United States Geological Survey.

Copies of this letter and attachment are being sent to the working interest owners of the San Juan 28-7 Unit.

Very truly yours,


Charles T. Richardson
Area Coordinator
Land Department

CTR:MB:js



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico

January 2, 1963

CTR	
GA	

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. T. W. Bittick

Gentlemen:

Your application of June 25, 1962, for the first and second revision of the Dakota participating area, San Juan 28-7 unit agreement, Rio Arriba County, New Mexico, was approved by the Acting Director of the Geological Survey on December 26, 1962. All copies of the application furnished this office have been corrected to establish the effective dates of the first and second revisions as August 1 and November 1, 1961, respectively, and to show the description for tract 29 on page 2 of Schedule III as section 2: Lot 2, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, as requested by your letter of November 7, 1962.

One approved copy of the application is enclosed. You are requested to furnish the State of New Mexico and any other interested party with appropriate evidence of this approval and the above described corrections to the application.

Very truly yours,

Carl C. Traywick
CARL C. TRAYWICK
Acting Oil and Gas Supervisor

28-7-13

445
Drawer 1857
Roswell, New Mexico

January 2, 1963

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. T. W. Bittick

Gentleman:

Your application of June 25, 1962, for the first and second revision of the Dakota participating area, San Juan 28-7 unit agreement, Rio Arriba County, New Mexico, was approved by the Acting Director of the Geological Survey on December 26, 1962. All copies of the application furnished this office have been corrected to establish the effective dates of the first and second revisions as August 1 and November 1, 1961, respectively, and to show the description for tract 29 on page 2 of Schedule III as section 2: Lot 2, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, as requested by your letter of November 7, 1962.

One approved copy of the application is enclosed. You are requested to furnish the State of New Mexico and any other interested party with appropriate evidence of this approval and the above described corrections to the application.

Very truly yours,

(Orig. Sec.) CARL C. TRAYNICK

CARL C. TRAYNICK
Acting Oil and Gas Supervisor

Copy to: Washington (ltr. only)
Farmington (w/cy of appln.)
BLM-Santa Fe (w/cy of appln.)
NMOCC-Santa Fe (ltr. only) ✓
Com. of Pub. Lands - Santa Fe (ltr. only)

El Paso Natural Gas Company

El Paso, Texas

November 7, 1962

445

United States Geological Survey
Drawer 1857
Roswell, New Mexico

Attention: Mr. Carl Traywick

Re: San Juan 28-7 Unit
First and Second Expansions
of the Dakota Formation

Gentlemen:

It has been brought to our attention that the effective dates of subject First and Second Expansions for the Dakota Formation of the San Juan 28-7 Unit submitted with our letter of August 3, 1962 are incorrect. These expansions were approved by the Oil Conservation Commission of the State of New Mexico and the Commissioner of Public Lands of the State of New Mexico, and thereafter they were furnished to the United States Geological Survey for approval. The following errors were noted after receipt by your office:

1. In accordance with the second paragraph of Section 11(b) of the San Juan 28-7 Unit Agreement the effective date of any revision should be the first of the month in which the knowledge or information on which such revision is predicated is obtained rather than the following month as reflected on these expansions. We request that you change the effective date of the First Expansion to August 1, 1961 and the effective date of the Second Expansion to November 1, 1961.

2. Additionally, an acreage description in the Second Expansion is in error and we request that you correct the description of Tract 29 on page 2 of Schedule III to read Section 2: Lot 2, SW/4 NE/4, NW/4 SE/4.

By a copy of this letter we are advising the Oil Conservation Commission, the Commissioner of Public Lands and the Unit Working Interest Owners of the above corrections.

Your assistance in this matter will be appreciated.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Assistant Manager
Land Department

TWB:AJM:js

215
July 30, 1962

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: San Juan 28-7 Unit,
Rio Arriba County,
New Mexico, First and
Second Expanded
Participating Areas,
Dakota Formation

Attention: Mr. T. W. Bittick

Gentlemen:

The Commissioner of Public Lands has approved as of July 30, 1962, the First and Second Expanded Participating areas, Dakota Formation for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are returning five approved copies.

Please furnish us a copy of El Paso Natural designation of well No. 109 as non commercial and the United States Geological Survey approval of such designation. Well No. 109 being located in SE/4SW/4 of Sec. 18, T-27N, R-7W.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:

(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v
cc:

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas
July 30, 1962
(page 2)

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico

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C. L. CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

445

July 25, 1962

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. T. W. Bittick

Re: First and Second Expansions
Dakota Participating Area
San Juan 28-7 Unit, Rio
Arriba County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the First and Second Expansions of the Dakota Participating Area for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Seven approved copies of the expansions are being forwarded to the Commissioner of Public Lands.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/ig

cc: U. S. Geological Survey
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

C
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El Paso Natural Gas Company

El Paso, Texas

June 25, 1962

Director
United States Geological Survey
Department of the Interior
Washington 25, D. C.

Commissioner of Public Lands
Of the State of New Mexico
P.O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
P.O. Box 871
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
APPLICATION FOR APPROVAL OF THE FIRST
AND SECOND EXPANDED PARTICIPATING
AREAS OF THE DAKOTA FORMATION
First Expansion Effective September 1,
1961, Second Expansion Effective
December 1, 1961

Gentlemen:

Pursuant to the provisions of Section 11(b) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, hereby requests approval of the First and Second Expansions of the Participating Area for the Dakota Formation, to wit:

FIRST EXPANDED PARTICIPATING AREA - Effective September 1, 1961

<u>Description of Lands</u>	<u>Acres</u>
T-27-N, R-7-W, N.M.P.M.	
Section 11: E/2	320.00
Section 12: All	640.00

These lands are proven to be productive by the following:

The San Juan 28-7 Unit #125 Well is located in the SW/4 SW/4 of Section 12, Township 27 North, Range 7 West, N.M.P.M. Said well was spudded on July 13, 1961, and completed on August 14, 1961, at a total depth of 7802'. The Dakota Formation in the intervals between 7512' - 7518', 7533' - 7539', 7546' - 7552', 7558' - 7564', 7641' - 7649', 7656' - 7660', 7679' - 7687', 7700' - 7704', 7724' - 7732' were treated with a sand-water fracturing process on August 10, 1961, and August 12, 1961. This well was shut-in on August 14, 1961, and after being shut-in for fifteen (15) days, the Dakota Formation was tested on August 29, 1961, and following a three (3) hour blow-down period gauged 5028 MCFGPD through a 3/4" choke and 6348 MCFGPD by the calculated absolute open-flow method, with an SIPT of 2516 psia.

SECOND EXPANDED PARTICIPATING AREA - Effective December 1, 1961

<u>Description of Lands</u>	<u>Acres</u>
T-27-N, R-7-W, N.M.P.M.	
Section 1: All	639.20
Section 2: E/2	319.12

These lands are proven to be productive by the following:

The San Juan 28-7 Unit #126 Well is capable of producing unitized substances in paying quantities from the Dakota Formation. This well is located in the SW/4 SW/4 of Section 1, T-27-N, R-7-W, N.M.P.M. Said well was spudded October 13, 1961, and completed November 4, 1961, at a total depth of 7331'. The Dakota Formation in the intervals between 7055' - 7060', 7065' - 7070', 7078' - 7083', 7091' - 7096', 7166' - 7174', 7180' - 7184', 7202' - 7210', 7224' - 7228', 7234' - 7242', 7250' - 7254' were treated with a sand-water fracturing process on October 31, 1961, and November 2, 1961. This well was shut-in on November 4, 1961, and after being shut-in for eleven (11) days, the Dakota Formation was tested on November 15, 1961, and following a three (3) hour blow-down period gauged 3282 MCFGPD through a 3/4" choke and 3733 MCFGPD by the calculated absolute open-flow method, with an SIPT of 2470 psia.

In support of these applications, the following listed Exhibits are made a part hereof:

EXHIBIT "A"

Ownership map reflecting the boundaries of the unit and the proposed First and Second Expansions of the Dakota Participating Area.

EXHIBIT "B"

Geological Report on the First and Second Expansions of
the Dakota Participating Area within the San Juan 28-7 Unit.

EXHIBIT "C"

Structural Contour Map.

EXHIBIT "D"

Schedule of Dakota Gas Production.

Attached hereto are Schedules II and III showing the proposed First and Second Expanded Participating Areas for the Dakota Formation in the San Juan 28-7 Unit Area. These Schedules describe the Expanded Participating Areas, show the percentage of unitized substances allocated to each unitized tract, and the percentages of ownership in each tract.

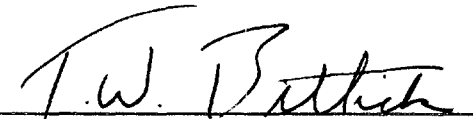
If these First and Second Expanded Participating Areas of the Dakota Formation meet with your approval, please indicate such approval in the space provided and return an approved copy hereof for our files.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Assistant Manager
Land Department

TWB:AJM:cah
Attachments

SAN JUAN 28-7 UNIT
Working Interest Owners

Delhi-Taylor Oil Corporation
Attention: Mr. R. L. Caldwell
2630 Fidelity Union Tower
Dallas 1, Texas

El Paso Natural Gas Products Company
Attention: Mr. Roland Hamblin
Luther Building
El Paso, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Producing Properties, Inc.
35th Floor, Southland Center
Dallas 1, Texas

Pubco Petroleum Corporation
Attention: Mr. Gilbert J. Sevier, Jr.
P.O. Box 1419
Albuquerque, New Mexico

Pubco Petroleum Corporation
Attention: Mr. Robert C. Youngmun
P.O. Box 1419
Albuquerque, New Mexico

Mr. W. H. Riddle
1205 East Thomas Road, Apt. 23
Phoenix, Arizona

Rock Island Oil & Refining Co., Inc.
321 West Douglas
Wichita, Kansas

San Jacinto Oil & Gas Company
Attention: Mr. B. G. Martin
San Jacinto Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court, East
Fort Worth, Texas

Southern Petroleum Exploration, Inc.
Attention: Mr. John C. Wright
P.O. Box 192
Sistersville, West Virginia

Tenneco Company
Attention: Mr. W. T. Wells, Jr.
P.O. Box 1031
Midland, Texas

Tenneco Company
Attention: Mr. W. Cass Peters
P.O. Box 18, Tennessee Building
Houston 1, Texas

Tenneco Company
Attention: Mr. L. B. Plumb
P.O. Box 1714
Durango, Colorado

Texas National Petroleum Company
Attention: Mr. L. C. Oldham, Jr.
Vice President
410 Pierce Avenue
Houston 3, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

APPROVED: _____ DATE: _____
Director, United States Geological Survey
Subject to like approval by the appropriate
State officials.

APPROVED: _____ DATE: _____
Commissioner of Public Lands
Subject to like approval by the United States
Geological Survey and the Oil Conservation
Commission.

APPROVED:  _____ DATE: July 25, 1961
Oil Conservation Commission
Subject to like approval by the United States
Geological Survey and the Commissioner of
Public Lands.

The foregoing approvals are for the First and Second Expansions of the
Participating Area for the Dakota Formation, San Juan 28-7 Unit, No.
14-08-001-459, Rio Arriba County, New Mexico.

El Paso Natural Gas Company

El Paso, Texas

May 29, 1962

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
1962 Drilling Program

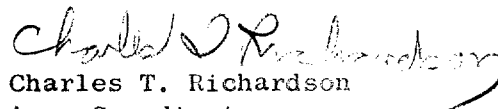
Gentlemen:

The 1962 Drilling Program for the San Juan 28-7 Unit has been approved by the regulatory bodies on the dates indicated:

1. United States Geological Survey - May 10, 1962
2. Commissioner of Public Lands - March 22, 1962
3. Oil Conservation Commission - March 29, 1962

Copies of this letter are being sent to the working interest owners of the San Juan 28-7 Unit.

Very truly yours,


Charles T. Richardson
Area Coordinator
Land Department

CTR:AJM:js

SJ 28-7, 3.0



UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Drawer 1857

ROSWELL, NEW MEXICO
MAY 10 AM 5-26

445

May 10, 1962

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. Sam Smith

Gentlemen:

Your 1962 plan of development dated March 15, 1962, for the San Juan 28-7 unit area, Rio Arriba County, New Mexico, proposing no additional wells, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Yours very truly,

(Orig.Sgd.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Regional Oil & Gas Supervisor

Copy to: Washington (w/cy of plan)
Farmington (w/cy of plan)
NMOCC-Santa Fe (ltr only) ✓
Com. of Pub. Lands-Santa Fe (ltr only)

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

445

March 28, 1962

El Paso Natural Gas Company
Box 1492
El Paso, Texas

Attention: Mr. Sam Smith

Re: 1962 Drilling Program
San Juan 28-7 Unit
Rio Arriba County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1962 Drilling Program for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the program is returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/og

cc: U. S. Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

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March 22, 1962

C
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El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: San Juan 28-7 Unit
Rio Arriba County,
New Mexico, 1962
Drilling Program

Attention: Mr. Sam Smith

Gentlemen:

The Commissioner of Public Lands has approved the 1962 Drilling Program for the San Juan 28-7 Unit as of this date, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are returning one approved copy of this Plan.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

cc:
U. S. Geological Survey
Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico

El Paso Natural Gas Company

El Paso, Texas

March 15, 1962

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P.O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P.O. Box 871
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
1962 DRILLING PROGRAM

Gentlemen:

By letter dated March 30, 1961, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1961. Said Program provided for the drilling of four (4) Pictured Cliffs wells and two (2) Dakota wells. All four Pictured Cliffs wells and the two Dakota wells were drilled. Five of the six wells have been admitted to their respective Participating Areas. One Dakota well is presently being evaluated.

As of this date, the total number of wells in the San Juan 28-7 Unit is as follows:

Pictured Cliffs	26
Mesaverde	52
Dual, Pictured Cliffs-Mesaverde	24
Dual, Mesaverde-Dakota	2
Dakota	2
Non-Commercial:	
Pictured Cliffs	3
Mesaverde	3
Dakota	2
Plugged and Abandoned	<u>1</u>
	115

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of no wells during the period from January 1, 1962, to December 31, 1962.

El Paso Natural Gas Company, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances, and any other wells being necessary or desirable by the Unit Operator and the working interest owners in the affected drilling blocks.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

Copies of this Drilling Program are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


Sam Smith, Manager
Land Department

SS: JBB: cah

SAN JUAN 28-7 UNIT
Working Interest Owners

Delhi-Taylor Oil Corporation
Attention: Mr. R. L. Caldwell
2630 Fidelity Union Tower
Dallas 1, Texas

El Paso Natural Gas Products Company
Attention: Mr. Roland Hamblin
Luther Building
El Paso, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Producing Properties, Inc.
35th Floor, Southland Center
Dallas 1, Texas

Pubco Petroleum Corporation
Attention: Mr. Gilbert J. Sevier, Jr.
P. O. Box 1419
Albuquerque, New Mexico

Pubco Petroleum Corporation
Attention: Mr. Robert C. Youngmun
P. O. Box 1419
Albuquerque, New Mexico

Mr. W. H. Riddle
1205 East Thomas Road, Apt. 23
Phoenix, Arizona

Rock Island Oil & Refining Co., Inc.
321 West Douglas
Wichita, Kansas

San Jacinto Oil & Gas Company
Attention: Mr. B. G. Martin
San Jacinto Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Southern Petroleum Exploration, Inc.
Attention: Mr. Paul W. Neuenschwander
P. O. Box 192
Sistersville, West Virginia

Tenneco Company
Attention: Mr. W. T. Wells, Jr.
P. O. Box 1031
Midland, Texas

Tenneco Company
Attention: Mr. W. Cass Peters
P. O. Box 18, Tennessee Building
Houston 1, Texas

Tenneco Company
Attention: Mr. L. B. Plumb
P. O. Box 1714
Durango, Colorado

Texas National Petroleum Company
Attention: Mr. L. C. Oldham, Jr.,
Vice President
902 South Coast Building
Houston, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

APPROVED: _____ DATE: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State officials.

APPROVED: _____ DATE: _____
Commissioner of Public Lands
Subject to like approval by the United States
Geological Survey and the Oil Conservation
Commission.

APPROVED:  DATE: 3/29/62
Oil Conservation Commission
Subject to like approval by the United States
Geological Survey and the Commissioner of Public
Lands.

The foregoing approvals are for the 1962 Drilling Program for the San Juan 28-7
Unit, #14-08-001-459, Rio Arriba County, New Mexico.

El Paso Natural Gas Company

El Paso, Texas

December 18, 1961

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
Exhibit "B"

Gentlemen:

Please find enclosed herewith copies of the San Juan 28-7 Unit Proposed Revision of Exhibit "B" which has been revised effective November 1, 1961.

This Exhibit "B" was mailed to the working interest owners of the San Juan 28-7 Unit under date of November 17, 1961, and they were advised that if they should have any corrections or changes, to notify El Paso within ten days. As of this date, we have made the changes requested by the working interest owners, therefore this Exhibit "B" is presumed to reflect the correct interests of each working interest owner.

By a copy of this letter we are forwarding each working interest owner a corrected page No. 8 and ask that they insert this page in the Exhibit "B" forwarded with our letter of November 17, 1961.

Very truly yours,

Charles T. Richardson
Charles T. Richardson
Area Coordinator
Land Department

CTR: AJM: js
Enclosure

El Paso Natural Gas Company

El Paso, Texas

October 27, 1961

445

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
NOTICE OF COMPLETION OF ADDITIONAL WELL
Pictured Cliffs Formation

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to the unit. This well is as follows:

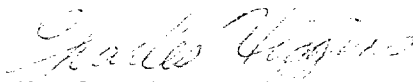
The San Juan 28-7 Unit #114 Well is located 990' from the South line and 2250' from the West line of Section 22, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 11, 1961, and completed on September 1, 1961, at a total depth of 3546'. The Pictured Cliffs Formation between 3481' - 3489', 3494' - 3502', 3510' - 3518' was treated with a sand-water fracturing process. After being shut-in on September 1, 1961, for twenty-six (26) days, the well was tested on September 27, 1961, and following a three (3) hour blow-down period gauged 1221 MCFGPD through a 3/4" choke, and 1240 MCFGPD by the calculated absolute open-flow method, with an SIPC of 977 psia. The committed drilling block upon which this well is located is described as the W/2 of Section 22, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of

producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on September 27, 1961.

This drilling block was included in the San Juan 28-7 Twenty-Fourth Expanded Participating Area, effective November 1, 1960. Therefore the Participating Area is not enlarged and the percentages allocated to the tract shown on Schedule XXV for the Twenty-Fourth Expanded Participating Area remain the same.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Very truly yours,



Charles Higgins
Area Coordinator
Land Department

CH:JBB:js

cc: Attached list

SAN JUAN 28-7 UNIT
Working Interest Owners

Delhi-Taylor Oil Corporation
Attention: Mr. R. L. Caldwell
2630 Fidelity Union Tower
Akard & Pacific Streets
Dallas 1, Texas

El Paso Natural Gas Products Company
Attention: Roland Hamblin
Luther Building
El Paso, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Pubco Petroleum Corporation
Attention: Mr. Gilbert J. Sevier, Jr.
P. O. Box 1419
Albuquerque, New Mexico

Pubco Petroleum Corporation
Attention: Mr. Robert C. Youngmun
P. O. Box 1419
Albuquerque, New Mexico

Mr. W. H. Riddle
1205 East Thomas Road, Apt. 23
Phoenix, Arizona

Rock Island Oil & Refining Company
321 West Douglas
Wichita, Kansas

San Jacinto Oil & Gas Company
Attention: Mr. B. G. Martin
San Jacinto Building
Houston 2, Texas

Shoreline Petroleum Corporation
Attention: Mr. W. E. Richards
Petroleum Center Building
900 North East Military Drive
San Antonio 9, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Southern Petroleum Exploration, Inc.
Attention: Mr. Paul W. Neuenschwander
P. O. Box 192
Sistersville, West Virginia

Tenneco Company
Attention: Mr. W. T. Wells, Jr.
P. O. Box 1031
Midland, Texas

Tenneco Company
Attention: Mr. W. Cass Peters
P. O. Box 18, Tennessee Bldg.
Houston 1, Texas

Tenneco Company
Attention: Mr. L. B. Plumb
P. O. Box 1714
Durango, Colorado

Texas National Petroleum Company
Attention: Mr. L. C. Oldham, Jr.
Vice President
902 South Coast Building
Houston, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

El Paso Natural Gas Company

El Paso, Texas

September 29, 1961

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P.O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
P.O. Box 871
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
NOTICE OF COMPLETION OF ADDITIONAL WELLS
Pictured Cliffs Formation

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that three additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to the unit. The wells are as follows:

1. The San Juan 28-7 Unit #121 Well is located 1550' from the North line and 810' from the West line of Section 15, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 4, 1961, and completed on July 22, 1961, at a total depth of 3304'. The Pictured Cliffs Formation between 3187' - 3197', 3218' - 3228', 3238' - 3248' was treated with a sand-water fracturing process. After being shut-in on July 22, 1961, for twenty-six days, the well was tested on August 17, 1961, and following a three (3) hour blow-down period gauged 4025 MCFGPD through a 3/4" choke, and 4956 MCFGPD by the calculated absolute open-flow method, with an SIPC of 893 psia. The committed drilling block upon which this well is located is described as the W/2 of Section 15, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on August 17, 1961.

This drilling block was included in the San Juan 28-7 Sixteenth Expanded Participating Area, effective June 1, 1958. Therefore, the Participating Area is not enlarged and the percentages allocated to the tracts shown on Schedule XVII for the Sixteenth Expanded Participating Area remain the same. This well was drilled as an offset well in order to protect the unit from drainage and is the Second Pictured Cliffs well on the drilling block.

2. The San Juan 28-7 Unit #122 Well is located 790' from the South line and 1850' from the West line of Section 18, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 8, 1961, and completed on August 6, 1961, at a total depth of 2992'. The Pictured Cliffs Formation between 2905' - 2911', 2914' - 2920', 2922' - 2928' was treated with a sand-water fracturing process. After being shut-in on August 6, 1961, for eleven days, the well was tested on August 17, 1961, and following a three (3) hour blow-down period gauged 1583 MCFGPD through a 3/4" choke, and 1635 MCFGPD by the calculated absolute open-flow method, with an SIPC of 830 psia. The committed drilling block upon which this well is located is described as the W/2 of Section 18, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.36 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on August 17, 1961.

This drilling block was included in the San Juan 28-7 Fifth Expanded Participating Area, effective June 1, 1955. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts shown on Schedule VI for the Fifth Expanded Participating Area remain the same. This well was drilled as an offset well in order to protect the unit from drainage and is the Second Pictured Cliffs well on the drilling block.

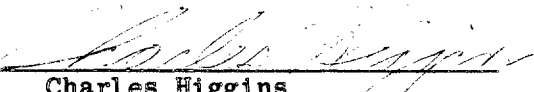
3. The San Juan 28-7 Unit #123 Well is located 1720' from the North line and 1665' from the West line of Section 30, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 22, 1961, and completed on July 24, 1961, at a total depth of 2377'. The Pictured Cliffs Formation between 2272' - 2280', 2288' - 2296', 2306' - 2314' was treated with a sand-water fracturing process. After being shut-in on July 24, 1961, for twenty three (23) days, the well was tested on August 16, 1961, and following a three (3) hour blow-down period gauged 3898 MCFGPD through a 3/4" choke, and 4964 MCFGPD by the calculated absolute open-flow method, with an SIPC of 766 psia. The committed drilling block upon which this well is located is described as the W/2 of Section 30, Township 27 North, Range 7 West, N.M.P.M., and consists of 321.44 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on August 16, 1961.

This drilling block was included in the San Juan 28-7 Fourth Expanded Participating Area, effective September 1, 1954. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts shown on Schedule V for the Fourth Expanded Participating Area remain the same. This well was drilled as an offset well in order to protect the unit from drainage and is the second Pictured Cliffs well on the drilling block.

Copies of this letter are being sent to the working interest owners shown on the attached list.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Charles Higgins
Area Coordinator
Land Department

CH: JEB: cah

cc: Attached list

SAN JUAN 28-7 UNIT
WORKING INTEREST OWNERS

Delhi-Taylor Oil Corporation
Attention: Mr. R. L. Caldwell
2630 Fidelity Union Tower
Akard and Pacific Streets
Dallas 1, Texas

El Paso Natural Gas Products Company
Luther Building
El Paso, Texas
Attention: Mr. Roland Hamblin

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Pubco Petroleum Corporation
Attention: Mr. Gilbert J. Sevier, Jr.
P.O. Box 1419
Albuquerque, New Mexico

Pubco Petroleum Corporation
Attention: Mr. Robert C. Youngmun
P.O. Box 1419
Albuquerque, New Mexico

Mr. W. H. Riddle
1205 East Thomas Road, Apt. 23
Phoenix, Arizona

Rock Island Oil & Refining Company
321 West Douglas
Wichita, Kansas

San Jacinto Oil & Gas Company
Attention: Mr. B. G. Martin
San Jacinto Building
Houston 2, Texas

Shoreline Petroleum Corporation
Attention: Mr. W. E. Richards
Petroleum Center Building
900 North East Military Drive
San Antonio 9, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Southern Petroleum Exploration, Inc.
P.O. Box 192
Sistersville, West Virginia
Attention: Mr. Paul W. Neuenschwander

Tenneco Oil Company
Attention: Mr. W. T. Wells, Jr.
P.O. Box 1031
Midland, Texas

Tenneco Oil Company
Attention: Mr. W. Cass Peters
P.O. Box 18 Tennessee Building
Houston 1, Texas

Tenneco Oil Company
Attention: Mr. L. B. Plumb
P.O. Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Texas National Petroleum Company
Attention: Mr. L. C. Oldham, Jr.
902 South Coast Building
Houston 2, Texas

El Paso Natural Gas Company

El Paso, Texas

June 7, 1961

Can 1-12

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Post Office Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
Drilling Program
Rio Arriba County, New Mexico

Gentlemen:

The 1961 Drilling Program for the San Juan 28-7 Unit was approved by the regulatory bodies on the following dates:

1. United States Geological Survey - May 18, 1961.
2. Commissioner of Public Lands - April 6, 1961.
3. Oil Conservation Commission - June 5, 1961.

Copies of this letter are being sent to all the working interest owners of the San Juan 28-7 Unit.

Very truly yours,

Charles Higgins
by JBB

Charles Higgins
Area Coordinator
Land Department

JE JBB:fsc

C.L. CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

*Card
4/45*

June 5, 1961

C

**El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas**

O

ATTENTION: Mr. Sam Smith

**Re: 1961 Drilling Program
San Juan 28-7 Unit, Rio
Arriba County, New Mexico**

P

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1961 Drilling Program for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Y

One approved copy of the program is returned herewith.

Very truly yours,

**A. L. PORTER, Jr.,
Secretary-Director**

ALP/JEK/ig

cc: US Geological Survey

Commissioner of Public Lands

El Paso Natural Gas Company

El Paso, Texas

May 19, 1961

Case 100-5

REGISTERED MAIL

Oil Conservation Commission
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: Amendment and Supplement to San Juan
28-7 Unit Operating Agreement

Gentlemen:

We are enclosing herewith for your files and information an original, fully executed copy of the Amendment and Supplement to the San Juan 28-7 Unit Operating Agreement.

Copies of the amendment have been distributed to the Commissioner of Public Lands and the United States Geological Survey and the unit working interest owners.

Very truly yours,

Charles Higgins

Charles Higgins
Area Coordinator
Land Department

CH:JNN:cah
Attachments



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico

IN REPLY REFER TO:

RECEIVED

MAY 22 1961

O. G. D.
ARTESIAN OFFICE

May 18, 1961

El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas

Attention: Mr. Sam Smith

Gentlemen:

Your plan of development for 1961, dated March 30, 1961, for the San Juan 2897 unit area, Rio Arriba County, New Mexico, which proposes the drilling of one Dakota and four Pictured Cliffs formation wells, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Very truly yours,

EDWIN M. THOMASSON
Acting Regional Oil and Gas Supervisor

Copy to: Washington (w/cy of plan)
Farmington (w/cy of plan)
NMOCC, Santa Fe (ltr. only)

April 6, 1961

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1961 Drilling

Attention: Mr. Sam Smith

Gentlemen:

The Commissioner of Public Lands has of April 6, 1961 approved the 1961 Drilling Program for the San Juan 28-7 Unit Area, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are enclosing one approved copy of this plan.

Very truly yours,
E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

ESW/mm/s

cc: US Geological Survey
Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico

C
O
P
Y

El Paso Natural Gas Company

El Paso, Texas

April 4, 1961

Case 1-155

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Post Office Box 1837
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Post Office Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
NOTICE OF DISCOVERY
INITIAL PARTICIPATING AREA
Dakota Formation

Gentlemen:

This is to advise that the captioned Notice has been approved by the regulatory bodies as follows:

1. United States Geological Survey - March 23, 1961
2. Commissioner of Public Lands - July 11, 1960
3. Oil Conservation Commission - June 29, 1960

Copies of this letter and the Notice of Discovery are being sent to the working interest owners of the San Juan 28-7 Unit.

Very truly yours,

Charles Higgins

Charles Higgins
Area Coordinator
Land Department

CH: JBB: cah

El Paso Natural Gas Company

El Paso, Texas

March 30, 1961

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
P.O. Box 791
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
1961 Drilling Program

Gentlemen:

By letter dated January 18, 1960, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1960. Said Program provided for the drilling of four (4) Pictured Cliffs wells and one (1) Pictured Cliffs-Mesaverde dual well. All four Pictured Cliffs wells were drilled with two of the wells being dually completed with already existing Mesaverde wells. The Pictured Cliffs-Mesaverde well which was scheduled to be drilled in the W/2 of Section 6, T-27-N, R-7-W, was deleted from the drilling program by letter dated April 1, 1960, which was consented to by the regulatory bodies. The commercially completed wells have been admitted to the Pictured Cliffs Participating Area.

As of this date, the total number of wells in the San Juan 28-7 Unit is as follows:

Pictured Cliffs	22
Mesaverde	52
Dual, Pictured Cliffs-Mesaverde	24
Dual, Mesaverde-Dakota	2
Non-Commercial:	
Pictured Cliffs	3
Mesaverde	3
Dakota	2
Plugged & Abandoned	<u>1</u>
	109

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following described wells during the period from January 1, 1961 to December 31, 1961:

<u>DRILLING BLOCK</u>	<u>FORMATION</u>
1. NW/4 Section 15, T-27-N, R-7-W	Pictured Cliffs
2. SW/4 Section 18, T-27-N, R-7-W	Pictured Cliffs
3. NW/4 Section 30, T-27-N, R-7-W	Pictured Cliffs
4. *W/2 Section 22, T-28-N, R-7-W	Pictured Cliffs
5. W/2 Section 12, T-27-N, R-7-W	Dakota

*Intervening Drilling Block; must be drilled during 1961.

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, also plans to drill any offset wells required to prevent drainage of unitized substances, and any other wells being necessary or desirable by the Unit Operator and the Working Interest Owners in the affected drilling blocks.

El Paso Natural Gas Company intends to drill the Pictured Cliffs wells to the base of the Pictured Cliffs Formation using rotary and cable tools. Surface casing will be set to approximately 100' from the surface, and then a production string of casing will be set through the Pictured Cliffs Formation. Mud will be used in drilling through the Pictured Cliffs Formation and cable tools will be used for completion work. The entire Pictured Cliffs Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company intends to drill the Dakota well to the base of the Dakota Formation using rotary tools. Surface casing will be set to the depth of approximately 300' and an intermediate string will be run if necessary through the Pictured Cliffs Formation to a depth of approximately 3200', and then a production casing string will be run to the base of the Dakota Formation. The casing in the Dakota Formation will then be perforated and the Dakota Formation subjected to a hydraulic fracturing process. Mud will be used in setting the intermediate string of casing when said casing is run and the hole below the intermediate string of casing will be drilled with either mud or gas. Due care will be taken to protect all horizons.

All of the Working Interest Owners have been contacted and this Drilling Program reflects, insofar as possible, their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


Sam Smith, Manager
Land Department

SS; JBB: cah

APPROVED: _____ DATE: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

APPROVED: _____ DATE: _____
Commissioner of Public Lands
Subject to like approval by the United
States Geological Survey and the Oil
Conservation Commission.

APPROVED: *A. H. Porter* DATE: *6-5-61*
Oil Conservation Commission
Subject to like approval by the United
States Geological Survey and the
Commissioner of Public Lands.

The foregoing approvals are for the 1961 Drilling Program for the San Juan 28-7 Unit
#14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT

Working Interest Owners

Delhi-Taylor Oil Corporation
Attention: Mr. R. L. Caldwell
2630 Fidelity Union Tower
Akard and Pacific Streets
Dallas 1, Texas

El Paso Natural Gas Products Company
Luther Building
El Paso, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Pubco Petroleum Corporation
Attention: Mr. Gilbert J. Sevier, Jr.
P.O. Box 1419
Albuquerque, New Mexico

Pubco Petroleum Corporation
Attention: Mr. Robert C. Youngmun
P.O. Box 1419
Albuquerque, New Mexico

Mr. W. H. Riddle
1205 East Thomas Road, Apt. 23
Phoenix, Arizona

Rock Island Oil & Refining Company
321 West Douglas
Wichita, Kansas

San Jacinto Oil & Gas Company
Attention: Mr. B. G. Martin
San Jacinto Building
Houston 2, Texas

Shoreline Petroleum Corporation
Attention: Mr. W. E. Richards
Petroleum Center Building
900 North East Military Drive
San Antonio 9, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Southern Petroleum Exploration, Inc.
Attention: Mr. Paul W. Neuenschwander
P.O. Box 192
Sistersville, West Virginia

Tenneco Corporation
Attention: Mr. J. P. Wasinger
P.O. Box 1031
Midland, Texas

Tenneco Corporation
Attention: Miss A. Alverson
P.O. Box 18 Tennessee Building
Houston 1, Texas

Tenneco Corporation
Attention: District Landman
P.O. Box 1714
Durango, Colorado

Tenneco Corporation
Attention: District Prod. Superintendent
P.O. Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Texas National Petroleum Company
Attention: Mr. L. C. Oldham, Jr.
902 South Coast Building
Houston 2, Texas



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico

March 30, 1961

El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas

Attention: Mr. T. W. Bittick

Gentlemen:

Your application of June 3, 1960, for the initial 320-acre Dakota participating area for the San Juan 28-7 unit agreement, Rio Arriba County, New Mexico, was approved March 23, 1961, by the Acting Director of the Geological Survey, effective as of April 21, 1959.

Enclosed are two copies of the approved application. It is assumed that you will furnish the State of New Mexico and any other interested party with appropriate evidence of this approval.

Very truly yours,

(Orig. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Washington (ltr. only)

Farmington (w/cy of approved appln.)
BLM-Santa Fe (w/cy of approved appln.)
Com. of Pub. Lands, Santa Fe (ltr. only)
NMOCC, Santa Fe (ltr. only)

El Paso Natural Gas Company

El Paso, Texas

December 29, 1960

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELL AND TWENTY-FOURTH EXPANDED
PARTICIPATING AREA, Pictured Cliffs
Formation, effective November 1, 1960

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that two (2) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to this unit. The Pictured Cliffs Participating Area is expanded accordingly to include the following described wells:

1. The San Juan 28-7 Unit #45 Well is located 1700' from the South line and 1050' from the West line of Section 27, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was originally completed in the Mesaverde Formation only on November 11, 1956. Rework operations were commenced on August 8, 1960 in order to recomplete the well in the Pictured Cliffs Formation also. The well was recompleted on August 15, 1960, with the Pictured Cliffs producing from 2706' to 2740'. The Pictured Cliffs Formation between 2706' - 2718', 2722' - 2728', 2734' - 2740' was treated with a sand-water fracturing process. After being shut-in for gauge on August 15, 1960 for seventy-three (73) days, the well was tested on October 27, 1960, and following a three (3) hour

blow-down period gauged 1124 MCFGPD through a 3/4" choke and 1133 MCFGPD by the calculated absolute open-flow method with an SIPC of 987# and an SIPT of 988#. The committed drilling block upon which this well is located is described as the W/2 of Section 27, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on October 27, 1960. This drilling block was included in the San Juan 28-7 Twenty-First Expanded Participating Area effective October 1, 1959, as an intervening drilling block.

The completion of the San Juan 28-7 Unit #45 Well creates one (1) Pictured Cliffs intervening drilling block described as the W/2 of Section 22, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Twenty-Fourth Expanded Pictured Cliffs Participating Area as of November 1, 1960. A well must be commenced on this block by November 1, 1961.

The San Juan 28-7 Unit #45 Well was dually completed in the Pictured Cliffs and Mesaverde Formations. Since the San Juan 28-7 Unit #45 Well was previously completed in the Mesaverde Formation, no further notice, as to the Mesaverde Formation, is deemed necessary.

The Participating Area for the Pictured Cliffs Formation is expanded to include the following described well:

2. The San Juan 28-7 Unit #118 Well is located 1700' from the South line and 1475' from the West line of Section 12, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 3, 1960 and completed on August 15, 1960 at a total depth of 3290'. The Pictured Cliffs Formation between 3192' - 3212', 3217' - 3227', 3234' - 3239' was treated with a sand-water fracturing process. After being shut-in for gauge on September 15, 1960 for twenty-six (26) days, the well was tested on October 11, 1960, and following a three (3) hour blow-down period gauged 1416 MCFGPD through a 3/4" choke and 1438 MCFGPD by the calculated absolute open-flow method with an SIPC of 1110#. The committed drilling block upon which this well is located is described as the W/2 of Section 12, Township 27 North, Range 7 West, N.M.P.M., and consists of 320 acres. This well was completed without tubing.

Under the terms of the San Juan 28-7 Unit Agreement, the above described drilling block for the San Juan 28-7 Unit #118 Well is admitted to the Twenty-Fourth Pictured Cliffs Expanded Participating Area as of November 1, 1960.

Attached is Schedule XXV showing the Twenty-Fourth Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized sub-

stances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Fourth Expanded Participating Area will become effective as of November 1, 1960.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 

T. W. Bittick
Assistant Manager
Land Department

TWB:JEB:ja

cc: Attached list

El Paso Natural Gas Company

El Paso, Texas

December 16, 1960

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
NOTICE OF COMPLETION OF ADDITIONAL
WELLS, Pictured Cliffs Formation

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that two additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to the unit. The wells are as follows:

1. The San Juan 28-7 Unit #119 Well is located 1520' from the North line and 1650' from the West line of Section 22, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 17, 1960, and completed on August 26, 1960 at a total depth of 3169'. The Pictured Cliffs Formation between 3058' - 3068', 3072' - 3082', 3088' - 3096' was treated with a sand-water fracturing process. After being shut-in on September 2, 1960 for thirty-nine (39) days, the well was tested on October 11, 1960, and following a three (3) hour blow-down period gauged 3,767 MCFGPD through a 3/4" choke, and 4,361 MCFGPD by the calculated absolute open-flow method with an SIPC of 976#. The committed drilling block upon which this well is located is described as the W/2 of Section 22, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on October 11, 1960.

This drilling block was included in the San Juan 28-7 Seventh Expanded Participating Area, effective February 1, 1957. Therefore, the Participating Area

is not enlarged, and the percentages allocated to the tracts shown on Schedule VIII for the Seventh Expanded Participating Area remain the same. This well was drilled as an offset well in order to protect the unit from drainage and is the Second Pictured Cliffs well on the drilling block.

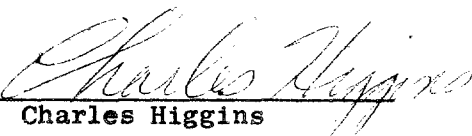
2. The San Juan 28-7 Unit #120 Well is located 800' from the South line and 1090' from the East line of Section 29, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 28, 1960, and completed on September 1, 1960 at a total depth of 3027'. The Pictured Cliffs Formation between 2918' - 2934', 2944' - 2960' was treated with a sand-water fracturing process. After being shut-in on September 16, 1960 for twenty-five (25) days, the well was tested on October 11, 1960, and following a three (3) hour blow-down period gauged 4059 MCFGPD through a 3/4" choke, and 4904 MCFGPD by the calculated absolute open-flow method with an SIPC of 771# and an SIPT of 771#. The committed drilling block upon which this well is located is described as the E/2 of Section 29, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on October 11, 1960.

This drilling block was included in the San Juan 28-7 Fourth Expanded Participating Area, effective August 1, 1954. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts shown on Schedule V for the Fourth Expanded Participating Area remain the same. This well was drilled as an offset well in order to protect the unit from drainage and is the Second Pictured Cliffs well on the drilling block.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Charles Higgins
Area Coordinator
Land Department

CH:JBB:js

Attachment

SAN JUAN 28-7 UNIT
Working Interest Owners

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. R. L. Caldwell
Delha-Taylor Oil Corporation
2630 Fidelity Union Tower
Akard & Pacific Streets
Dallas 1, Texas

District Production Superintendent
District Landman
Tennessee Gas Transmission Company
Post Office Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. W. E. Richards
Shoreline Petroleum Corporation
Petroleum Center Building
900 North East Military Drive
San Antonio 9, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 2410
Denver, Colorado

Mr. B. G. Martin
San Jacinto Oil & Gas Company
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Hondo Oil & Gas Company
Post Office Box 660
Roswell, New Mexico

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
P. O. Box 1419
Albuquerque, New Mexico

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Miss A. Alverson
Tennessee Gas Transmission Company
P. O. Box 2511
Houston 1, Texas

Mr. W. H. Riddle
1205 East Thomas Road, Apt. 23
Phoenix, Arizona

El Paso Natural Gas Products Company
Luther Building
El Paso, Texas

Rock Island Oil & Refining Company
321 West Douglas
Wichita, Kansas

El Paso Natural Gas Company

El Paso, Texas

December 13, 1960

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELL, Pictured Cliffs Formation
Effective December 1, 1960

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to this Unit. This well is as follows:

The San Juan 28-7 Unit #71 Well is located 1840' from the South line and 1150' from the West line of Section 34, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was originally completed in the Mesaverde Formation only on May 3, 1957. Rework operations were commenced on August 17, 1960, in order to recomplete the well in the Pictured Cliffs Formation. The well was recompleated on August 23, 1960 with the Pictured Cliffs producing from 2782' to 2816'. The Pictured Cliffs Formation between 2782' - 2798', 2812' - 2816' was treated with a sand-water fracturing process. After being shut-in for gauge on August 23, 1960 for seventy-two (72) days, the well was tested on November 3, 1960 and following a three (3) hour blow-down period gauged 1447 MCFGPD through a 3/4" choke and 1465 MCFGPD by the calculated absolute open-flow method with an SIPC of 1063# and an SIPT of 1063#. The committed drilling block upon which this well is located is described as the W/2 of Section 34, Township 28 North, Range 7 West, N.M.P.M., and consists of 318.40 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pic-

tured Cliffs Formation was made on November 3, 1960. This drilling block was included in the San Juan 28-7 Twenty-first Expanded Participating Area, effective October 1, 1959, as an intervening drilling block. Therefore, the present participating area will not be enlarged.

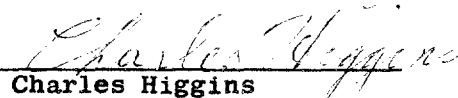
The San Juan 28-7 Unit #71 Well was dually completed on a Pictured Cliffs intervening drilling block in the Pictured Cliffs Formation and on a previously committed Mesaverde drilling block. Since the Mesaverde Formation was not reworked, no notice of completion of additional well will be forthcoming on the Mesaverde Formation.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



Charles Higgins
Area Coordinator
Land Department

CH:JBB:js

cc: Attached List

SAN JUAN 28-7 UNIT
Working Interest Owners

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. R. L. Caldwell
Delhi-Taylor Oil Corporation
2630 Fidelity Union Tower
Akard & Pacific Streets
Dallas 1, Texas

District Production Superintendent
District Landman
Tennessee Gas Transmission Company
Post Office Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. W. E. Richards
Shoreline Petroleum Corporation
Petroleum Center Building
900 North East Military Drive
San Antonio 9, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 2410
Denver, Colorado

Mr. B. G. Martin
San Jacinto Oil & Gas Company
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Hondo Oil & Gas Company
Post Office Box 660
Roswell, New Mexico

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Miss A. Alverson
Tennessee Gas Transmission Company
Post Office Box 2511
Houston 1, Texas

Mr. W. H. Riddle
1205 East Thomas Road, Apt. 23
Phoenix, Arizona

El Paso Natural Gas Products Company
Luther Building
El Paso, Texas

Rock Island Oil & Refining Company
321 West Douglas
Wichita, Kansas

El Paso Natural Gas Company

RECEIVED
AUG 31 1960

El Paso, Texas

August 31, 1960

See 1455

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
TWENTY-THIRD EXPANDED PARTICIPATING
AREA, Pictured Cliffs Formation
Effective August 1, 1960

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to this unit. The Pictured Cliffs Participating Area is expanded accordingly to include the following described well:

The San Juan 28-7 Unit #115 Well is located 990' from the North line and 1650' from the West line of Section 27, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 5, 1960 and completed on June 17, 1960 at a total depth of 3187'. The Pictured Cliffs Formation between 3068' - 3078', 3086' - 3092', 3106' - 3114' was treated with a sand-water fracturing process. After being shut-in for gauge for twenty-six (26) days, the well was tested on July 13, 1960, and following a three (3) hour blow-down period gauged 1918 MCFGPD through a 3/4" choke and 1993 MCFGPD by the calculated absolute open-flow method with an SIPC of 948#. The committed drilling block upon which this well is located is described as the NW/4 of Section 27, Township 27 North, Range 7 West, N.M.P.M., and consists of 160.00 acres. This well was completed without tubing.

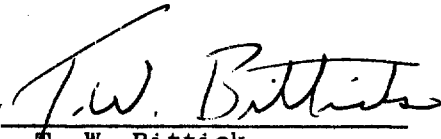
By Agreement dated March 15, 1955, between the Unit Working Interest Owners, the NW/4 of Section 27, Township 27 North, Range 7 West was determined to be a drilling block as defined under Section 11 of the Unit Agreement. This Agreement was approved by the Regulatory Bodies.

Attached is Schedule XXIV showing the Twenty-Third Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Third Expanded Participating Area will become effective as of August 1, 1960.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
T. W. Bittick
Assistant Manager
Land Department

TWB: JNN:js

Attachments

San Juan 28-7 Unit
Working Interest Owners

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
P. O. Box 192
Sistersville, West Virginia

Mr. R. L. Caldwell
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas, Texas

Mr. R. N. Walker
Mr. Don E. Weber
Tennessee Gas Transmission Co.
P. O. Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. Herman Otto
Miss A. Alverson
Tennessee Gas & Oil Co.
P. O. Box 2511
Houston 1, Texas

Mr. Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Rock Island Oil & Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Oil & Gas Co.
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Hondo Oil & Gas Co.
P. O. Box 660
Roswell, New Mexico

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
P. O. Box 1419
Albuquerque, New Mexico

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. W. E. Richards
Shoreline Petroleum Corp.
102 West Crockett Street
San Antonio 5, Texas

El Paso Natural Gas Products Co.
Luther Building
El Paso, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Co.
P. O. Box 2410
Denver 1, Colorado

In reply refer to:
Unit Division

UNIT OFFICE OCC
AUG 23 AM 9:27

August 24, 1960

Case # 445

C
O
P
Y

El Paso Natural Gas Co.
P.O. Box 1492
El Paso, Texas

Re: Supplement to the 1960
Drilling Program, San
Juan 28-7 Unit, Rio
Arriba County, New Mex-
ico

Attention: Mr. Charles Higgins

Gentlemen:

We are enclosing a copy of your supplement to the 1960 Drilling Program for the San Juan 28-7 Unit Area. This was approved by the Commissioner of Public Lands August 23, 1960.

Please notify this office when this supplement has been fully executed.

Very truly yours,
Murray E. Morgan
Commissioner of Public Lands

By:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/1

cc: USGS-Roswell
OCC-Santa Fe

NEW MEXICO
OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 23, 1960

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. T. W. Bittick

Re: Initial Participating Area,
Dakota Formation, San Juan
28-7 Unit, Rio Arriba County,
New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Initial Participating Area, Dakota Formation for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Seven approved copies of the application are being forwarded to the Commissioner of Public Lands.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/jer

cc: United States Geological Survey - Roswell

State Land Office - Santa Fe

El Paso Natural Gas Company

El Paso, Texas

June 13, 1960

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
REVISED NOTICE OF COMPLETION OF
ADDITIONAL WELLS & THIRTY-SEVENTH
EXPANDED PARTICIPATING AREA
Mesaverde Formation
Effective September 1, 1959

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that four (4) additional wells capable of producing unitized substances in paying quantities from the Mesaverde Formation have been completed upon acreage committed to this unit. These wells are as follows:

1. The San Juan 28-7 Unit #102 Well is located 990' from the South line and 1790' from the West line of Section 2, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on September 8, 1959, and dually completed on September 30, 1959 at a total depth of 5605'. The Mesaverde Formation between 4880' - 4898', 4916' - 4924', 5394' - 5400', 5412' - 5418', 5426' - 5434', 5444' - 5460', 5472' - 5480', 5508' - 5518' was treated with a sand-water fracturing process. After being shut-in for gauge for fourteen (14) days, the well was tested on October 13, 1959, and following a three (3) hour blow-down period gauged 3862 MCFGPD through a 3/4" choke and 5557 MCFGPD by the calculated absolute open-flow method, with an SIPT of 1025#. The committed drilling block upon which this well is located is described as the W/2 of Section 2, Township

27 North, Range 7 West, N.M.P.M., and consists of 318.96 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on October 13, 1959. This drilling block was included in the San Juan 28-7 Thirty-Sixth Expanded Participating Area, effective August 1, 1959, as an intervening drilling block. Therefore, the present Participating Area is not enlarged.

2. The San Juan 28-7 Unit #104 Well is located 800' from the South line and 1150' from the West line of Section 3, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded July 20, 1959, and dually completed on August 6, 1959 at a total depth of 5696'. The Mesaverde Formation between 5528' - 5536', 5546' - 5556', 5594' - 5604', 5616' - 5628', 5644' - 5654' was treated with a sand-water fracturing process. After being shut in for gauge for twelve (12) days, the well was tested on August 18, 1959, and following a three (3) hour blow-down period gauged 2166 MCFGPD through a 3/4" choke and 2403 MCFGPD by the calculated absolute open-flow method with an SIPT of 999#. The committed drilling block upon which this well is located is described as the W/2 of Section 3, Township 27 North, Range 7 West, N.M.P.M., and consists of 319.99 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on August 18, 1959. This drilling block was included in the San Juan 28-7 Thirty-Sixth Expanded Participating Area effective August 1, 1959, as an intervening drilling block. Therefore, the present Participating Area is not enlarged.
3. The San Juan 28-7 Unit #106-X Well is located 800' from the South line and 1150' from the West line of Section 10, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 12, 1959, and dually completed on September 13, 1959, at a total depth of 5664'. The Mesaverde Formation between 4968' - 4976', 5466' - 5476', 5484' - 5494', 5500' - 5510', 5544' - 5554', 5574' - 5582' was treated with a sand-water fracturing process. After being shut-in for gauge for twenty-six (26) days, the well was tested on October 9, 1959, and following a three (3) hour blow-down period gauged 2501 MCFGPD through a 3/4" choke and 2839 MCFGPD by the calculated absolute open flow method with an SIPT of 1037#. The committed drilling block upon which this well is located is described as the W/2 of Section 10, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on October 9, 1959. This drilling block was included in the San Juan 28-7 Thirty-Third Expanded Participating Area, effective August 1, 1958, as an intervening drilling block. Therefore, the present Participating Area is not enlarged.

The San Juan 28-7 Unit #106 Well was drilled to a depth of 3420'; however, due to drilling difficulties, the well was subsequently plugged and abandoned on August 11, 1959, and the San Juan 28-7 Unit #106-X Well was drilled as a direct offset.

4. The San Juan 28-7 Unit #107 Well is located 1750' from the South line and 1650' from the West line of Section 11, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 30, 1959, and dually completed on August 29, 1959, at a total depth of 5636'. The Mesaverde Formation between 4896' - 4902', 4924' - 4930', 5432' - 5442', 5452' - 5464', 5480' - 5486', 5520' - 5530', 5544' - 5552' was treated with a sand-water fracturing process. After being shut in for gauge for eleven (11) days, the well was tested on September 9, 1959, and following a three (3) hour blow-down period gauged 2804 MCFGPD through a 3/4" choke and 3270 MCFGPD by the calculated absolute open-flow method with an SIPT of 1051#. The committed drilling block upon which this well is located is described as the W/2 of Section 11, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on September 9, 1959. This drilling block was included in the San Juan 28-7 Thirty-Third Expanded Participating Area, effective August 1, 1958, as an intervening drilling block. Therefore, the present Participating Area is not enlarged.

The Participating Area for the Mesaverde Formation is expanded to include the following described well:

The San Juan 28-7 Unit #105 Well is located 850' from the South line and 1840' from the West line of Section 31, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 4, 1959 and dually completed on July 18, 1959, at a total depth of 5107'. The Mesaverde Formation between 4888' - 4896', 4910' - 4920', 4952' - 4962', 4970' - 4980', 5002' - 5012', 5026' - 5032' was treated with a sand water fracturing process. After being shut in for gauge for thirteen (13) days, the well was tested on August 1, 1959, and following a three (3) hour blow-down period gauged 2587 MCFGPD through a 3/4" choke and 3144 MCFGPD by the calculated absolute open flow method with an SIPC of 1047# and an SIPT of 1047#. The committed drilling block upon which this well is located is described as the W/2 of Section 31, Township 28 North, Range 7 West, N.M.P.M., and consists of 301.23 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on August 1, 1959.

The W/2 of Section 6, Township 27 North, Range 7 West, is not being included as a Mesaverde Intervening Drilling Block, as would normally be the case, since the San Juan 28-7 #3 Well (formerly the Howell #2-F Well), located in the SW/4 of Section 6, was originally drilled to a total depth of 5700' and was tested in the Mesaverde Formation. This situation is more fully explained in the Supplemental 1960 Drilling Program dated April 1, 1960, for the San Juan 28-7 Unit, a copy of which has been previously forwarded to you. The Supplemental Drilling Program has been approved by the Regulatory Bodies.

The San Juan 28-7 Unit #102, #104, #106-X and #107 Wells were dually completed in the Pictured Cliffs and Mesaverde Formations; therefore, the #102, #106-X and #107 Wells were included in the Notice of Completion and Twenty-Second Expansion for the Pictured Cliffs Formation effective November 1, 1959, which has been previously forwarded. The #104 Well was included in the Notice of Completion and Twenty-First Expansion for the Pictured Cliffs Formation effective October 1, 1959.

Attached is Schedule XXXVIII showing the Revised Thirty-Seventh Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Thirty-Seventh Expanded Participating Area will become effective as of September 1, 1959.

Copies of this letter and schedule are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By. 

T. W. Bittick
Assistant Manager
Land Department

TWB: JNN:cah

62.
OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 7, 1960

C
O
P
Y
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. Sam Smith

Re: 1960 Plan of Development
and Supplemental Plan,
San Juan 28-7 Unit, Rio
Arriba County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1960 Plan of Development and Supplemental to the 1960 Plan of Development for the San Juan 28-7 Unit, Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the 1960 Plan of Development and Supplemental to the 1960 Plan of Development is returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/pj

cc: United States Geological Survey - Roswell

State Land Office - Santa Fe

El Paso Natural Gas Company

El Paso, Texas

June 3, 1960

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF DISCOVERY
INITIAL PARTICIPATING AREA
Dakota Formation

Gentlemen:

In accordance with Section 11 of the San Juan 28-7 Unit Agreement, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, has determined that the first well capable of producing unitized substances in paying quantities from the Dakota Formation has been completed upon acreage committed to this unit, and that the Initial Dakota Participating Area should be established and that the effective date for the Initial Participating Area should be April 21, 1959, the date of first production from the subject well. The Participating Area for this well consists of the N/2 of Section 29, Township 27 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico. The well is as follows:

The San Juan 28-7 Unit #98 Well is located 1800' from the North line and 1800' from the East line of Section 29, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on December 27, 1958, and completed on March 1, 1959 at a total depth of 7540' in the Dakota Formation. The Dakota Formation between 7268'-7278', 7308' - 7318', 7334' - 7340', 7344' - 7350', 7356'-7362', 7366' - 7376', 7422' - 7430' was treated with a sand-water fracturing process. After being shut-in for gauge for nine (9) days, the well was tested in the Dakota Formation on March 11, 1959, and following a three (3) hour blow-down period gauged 2187 MCFGPD through a 3/4" choke, and 2270

MCFGPD by the calculated absolute open-flow method, with an SIPT of 1812#. The committed drilling block upon which this well is located is described as the N/2 of Section 29, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Dakota Formation was made on March 11, 1959.

The San Juan 28-7 Unit #98 Well was dually completed in the Mesaverde and Dakota Formations. Therefore, the well was included in the Thirty-Fifth Expanded Participating Area for the Mesaverde Formation, effective April 1, 1959, which has been previously forwarded to you.

Attached is Schedule I showing the Initial Participating Area for the Dakota Formation of the San Juan 28-7 Unit Area. This describes the Participating Area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownership in said tract. The effective date of the Initial Participating Area for the Dakota Formation is April 21, 1959.

If this Initial Participating Area meets with your approval, please indicate such approval in the space provided on the attached page and return an approved copy for our files.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 

T. W. Bittick
Assistant Manager
Land Department

TWB: JNN: cah

APPROVED: _____ DATE: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate state officials.

APPROVED: _____ DATE: _____
Commissioner of Public Lands
Subject to like approval by the United States Geological Survey
and the Oil Conservation Commission of the State of New Mexico.

APPROVED: _____ DATE: _____
Oil Conservation Commission
Subject to like approval by the United States Geological Survey
and the Commissioner of Public Lands of the State of New Mexico.

The foregoing approvals are for the Initial Participating Area for the Dakota
Formation, San Juan 28-7 Unit #14-08-001-459, Rio Arriba County, New Mexico.

SAN JUAN 28-7 UNIT
WORKING INTEREST OWNERS

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
P.O. Box 192
Sistersville, West Virginia

Mr. R. L. Caldwell
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. R. N. Walker
Mr. Don E. Weber
Tennessee Gas Transmission Company
P.O. Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Miss A. Alverson
Mr. Herman Otto
Tennessee Gas Transmission Company
P.O. Box 2511
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Estate of Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Rock Island Oil & Refining Company
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Oil & Gas Company
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Hondo Oil & Gas Company
P.O. Box 660
Roswell, New Mexico

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
P.O. Box 1419
Albuquerque, New Mexico

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. W. E. Richards
Shoreline Petroleum Corporation
Petroleum Center Building
900 North East Military Drive
San Antonio 9, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Products Company
Luther Building
El Paso, Texas

Tennessee Gas Transmission Company
Post Office Box 2410
Denver, Colorado
Attention: Mr. J. D. Moon

EXHIBIT "B"

Geological Report on the Initial Dakota Participating Area within the San Juan 28-7 Unit

GENERAL INFORMATION

The Dakota formation within the San Juan 28-7 Unit is of Upper Cretaceous Age and is approximately 250 feet thick. It consists primarily of sandstone with intermittent lenses of black carbonaceous shale. The basal sand, which overlies an apparent unconformity of Jurassic sand and/or shale, appears from existing completion data to be water bearing and is essentially non-productive within the San Juan 28-7 Unit. Well samples and cores show that the sand varies from white to light gray, medium to coarse grained sand in the lower zones. In the upper zones the sand is light to medium gray, very fine grained to fine grained, well sorted, sub-angular and sometimes shaly and silty.

Production from the Dakota formation is believed to be controlled in part by variable amounts of clay and shaly material within the formation. This directly affects and reduces the effective porosity and permeability of the sand. There are, however, highly fractured sand and shale zones which improve the productive capabilities in this area.

The "Dakota Producing Interval" within this portion of the San Juan Basin is defined by State Order No. R-1287 as that interval "extending from the base of the Greenhorn limestone to a point 400 feet below the base of said formation". This would apply to the Graneros formation if found to be productive in other portions of this Unit. The Graneros formation is predominantly a black carbonaceous shale with well developed sand lenses. This sand is light gray to brown, very fine to fine grained and usually has a productive thickness of 20 to 30 feet.

Accompanying this report is a Structural Contour Map (Exhibit) which shows a gentle northeast dip with no local structures that would be a control to gas accumulation.

The following Initial Dakota Participating Area is based upon the above data:

INITIAL PARTICIPATING AREA

Effective Date April 21, 1959

N/2 Section 29, T 27N, R 7 W

San Juan 28-7 No. 98 (MD)

This well was tested on March 11, 1959 for an Initial Potential of 2187 MCF/D from the Dakota formation and should prove this acreage commercial.

No additional acreage is recommended at the present time due to insufficient information on surrounding acreage.

EL PASO NATURAL GAS COMPANY

By Roy L. Pritchard
Roy L. Pritchard
Division Geologist
Geological & Exploration Department

STAFF OFFICE OCC

In reply refer to:
Unit Division

1960 MAY 17 AM 8:21

May 17, 1960

C
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P
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El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: San Juan 28-7 Unit
Rio Arriba County,
New Mexico-Supplement to
the 1960 Drilling Program

ATTENTION: Mr. Sam Smith

Gentlemen:

In regard to the supplement which you filed on San Juan 28-7 unit area, we concur with your determination that the W/2 of Section 6 could not become an intervening drilling block due to a previous mesaverde test and excluding it from the Thirty-Seventh Mesaverde Participating Area, however, it is noted you have deleted from your program the only mesaverde well. This unit does not appear to be fully developed, therefore, we request some mesaverde development on this unit during the year 1960.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/m

cc:

USGS-Roswell
OCC-Santa Fe

P. O. Box 6721
Roswell, New Mexico

April 18, 1960

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. Sam Smith

Gentlemen:

Your plan of development for 1960 dated January 18 and supplement dated April 1 for the San Juan 28-7 unit area, No. 14-08-001-459, Rio Arriba County, New Mexico, which proposes the drilling of four Pictured Cliffs formation wells has been approved on this date subject to like approval by the appropriate State officials. Please furnish us with suitable evidence of State approval.

Your prognosis for drilling and completion indicates that all of these wells will be new wells.

Your supplement of April 1 to the 1960 drilling program refers to schedule for the thirty-seventh expanded participating area, Mesaverde formation, dated September 1, 1959, wherein the W $\frac{1}{4}$ sec. 6, T. 27 N., R. 7 W. was incorrectly included in this expansion as an intervening drilling block. We concur in your notation of this error and shall expect to receive from you a corrected schedule for the aforementioned expansion of the Mesaverde formation. This expansion will exclude the W $\frac{1}{4}$ of section 6 from the Mesaverde participating area and will be effective September 1, 1959.

Two approved copies of the plan are enclosed.

Copy to: Washington (w/cy of plan)
Farmington "
NMOCC, Santa Fe (ltr only)
Comm. Pub. Lands, Santa Fe (ltr only)
Accounts (ltr only)

Very truly yours,

(Orig. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Enclosures

El Paso Natural Gas Company

El Paso, Texas

April 1, 1960

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
SUPPLEMENTAL 1960 DRILLING PROGRAM

Gentlemen:

By letter dated January 18, 1960, El Paso Natural Gas Company, as Unit Operator, submitted a Drilling Program for the calendar year 1960 for the captioned unit. Included in the Plan is a dual Pictured Cliffs - Mesaverde Well to be located in the W/2 of Section 6, Township 27 North, Range 7 West. The W/2 of Section 6 was included in the Notice of Completion of Additional Wells and Thirty-Seventh Expanded Participating Area for the Mesaverde Formation, effective September 1, 1959, as an intervening drilling block. It appears that the block should not have been considered an intervening drilling block pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement which provides: "In the event that any Drilling Block is admitted to a Participating Area as hereinabove provided when it lies directly north, south, east or west of any drilling block already included in said Participating Area and where there is one, but only one intervening drilling block on which no well has then been drilled, said intervening Drilling Block shall also be admitted to said Participating Area..."

The San Juan 28-7 Unit #3 Well (formerly the Howell #2-F Well) located in the SW/4 of Section 6, was originally drilled to a total depth of 5700' and was tested in the Mesaverde Formation. However, due to there being only a very slight show of gas, a bridge plug was set at 3225' and the well has since been producing from the Pictured Cliffs Formation only. Therefore, it is our opinion that the acreage should not have been considered as an intervening drilling block, since a Mesaverde test had been previously

drilled on said acreage and since the Unit Agreement provides for an intervening drilling block to be admitted to a participating area only when there has been no well drilled to the affected formation. In view of this situation, El Paso is now desirous of deleting the proposed dual Pictured Cliffs - Mesaverde Well which was to be located in the W/2 of Section 6, Township 27 North, Range 7 West from the San Juan 28-7 Unit Drilling Program.

If this Supplemental Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

If this determination is acceptable, the previously mentioned Expansion will be corrected to reflect the exclusion of the W/2 of Section 6 in the Mesaverde Participating Area.

Copies of this Drilling Program are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



Sam Smith, Manager
Land Department

SS:JNN:js

APPROVED:

Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State officials.

DATE _____

APPROVED:

Commissioner of Public Lands
Subject to like approval by the United States
Geological Survey and the Oil Conservation
Commission.

DATE _____

APPROVED:



Oil Conservation Commission
Subject to like approval by the United States
Geological Survey and the Commissioner of
Public Lands.

DATE

6-7-60

The foregoing approvals are for the Supplemental 1960 Drilling Program for the San Juan 28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. R. L. Caldwell
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. R. N. Walker
Mr. Don E. Weber
Tennessee Gas Transmission Company
Post Office Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Miss A. Alverson
Mr. Herman Otto
Tennessee Gas Transmission Company
Post Office Box 2511
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. Alfred E. McLane
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Dallas 1, Texas

Rock Island Oil and Refining Company
321 West Douglas
Wichita, Kansas

Mr. J. D. Moon
Tennessee Gas Transmission Co.
Post Office Box 2410
Denver, Colorado

Mr. B. G. Martin
San Jacinto Oil & Gas Company
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Hondo Oil & Gas Company
Post Office Box 660
Roswell, New Mexico

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. W. E. Richards
Shoreline Petroleum Corporation
Petroleum Center Building
900 North East Military Drive
San Antonio 9, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Products Company
Luther Building
El Paso, Texas

In reply refer to:
Unit Division

Case #445

February 5, 1960

C
O
P
Y

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: 1960 Drilling Program
San Juan 28-7 Unit
Rio Arriba County,
New Mexico

ATTENTION: Mr. Sam Smith

Gentlemen:

We are enclosing one copy of the 1960 Drilling Program, dated January 18, 1960, for the San Juan 28-7 Unit Area, Rio Arriba County, New Mexico.

This program was approved by the Commissioner of Public Lands as of February 5, 1960, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/m

cc:

OCC- Santa Fe
USGS- Roswell

El Paso Natural Gas Company

El Paso, Texas

January 18, 1960

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
1960 DRILLING PROGRAM

Gentlemen:

By letter dated January 2, 1959, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1959. Said Program provided for the drilling of two Pictured Cliffs wells, nine Mesaverde wells, nine Pictured Cliffs-Mesaverde dual wells, and one Mesaverde-Dakota dual well. One of the Mesaverde wells was dually completed with the Dakota Formation. The two Pictured Cliffs wells were dually completed with already existing Mesaverde wells. Seven of the scheduled Mesaverde wells were not drilled because it was determined from the early drilling during 1959 that the wells would be incapable of producing unitized substances in paying quantities. The two Mesaverde-Dakota dual completions were declared non-commercial as to the Dakota Formation only. The commercially completed wells have been admitted to their respective Participating Areas.

As of this date, the total number of wells in the San Juan 28-7 Unit is as follows:

Pictured Cliffs	20
Mesaverde	54
Dual, Pictured Cliffs-Mesaverde	22
Dual, Mesaverde-Dakota	2
Non-Commercial:	
Pictured Cliffs	3
Mesaverde	3
Dakota	2
Plugged & Abandoned	<u>1</u>

107

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following described wells during the period from January 1, 1960 to December 31, 1960:

<u>DRILLING BLOCK</u>	<u>FORMATION</u>
W/2 Section 27, T-28-N, R-7-W	Pictured Cliffs
W/2 Section 34, T-28-N, R-7-W	Pictured Cliffs
W/2 Section 6, T-27-N, R-7-W	Dual, Pictured Cliffs-Mesaverde
W/2 Section 12, T-27-N, R-7-W	Pictured Cliffs
NW/4 Section 27, T-27-N, R-7-W	Pictured Cliffs

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, also plans to drill any offset wells required to prevent drainage of unitized substances, and any other wells being necessary or desirable by the Unit Operator and the Working Interest Owners in the affected drilling blocks.

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above listed Pictured Cliffs wells to the base of the Pictured Cliffs Formation using rotary and cable tools. Surface casing will be set to approximately 100' from the surface, and then a production string of 5 1/2" casing will be set through the Pictured Cliffs Formation. Mud will be used in drilling through the Pictured Cliffs Formation and cable tools will be used for completion work. The entire Pictured Cliffs Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, intends to drill the above listed dual Pictured Cliffs-Mesaverde well to the base of the Mesaverde Formation using rotary tools. Surface casing of 10 3/4" will be set to approximately 150' below the surface and an intermediate string of 7 5/8" will be

set through the Pictured Cliffs Formation to a depth of approximately 3200'. A 5 1/2" production liner will be set from this point through the Mesaverde Formation. The Mesaverde Formation will then be selectively perforated and subjected to a hydraulic fracturing process, after which a bridging plug will be set above the Mesaverde Formation and the Pictured Cliffs Formation will be selectively perforated and subjected to a hydraulic fracturing process. For completion, a production packer will be set between the two formations using 2" tubing to produce the Mesaverde. A string of 1 1/4" tubing will be run through which the Pictured Cliffs Formation will be produced. Mud will be used in setting the intermediate string of casing and the hole below the intermediate string will be drilled with gas. Due care will be taken to protect all horizons.

All of the Working Interest Owners have been contacted and this Drilling Program reflects, insofar as possible, their requests for additional drilling.

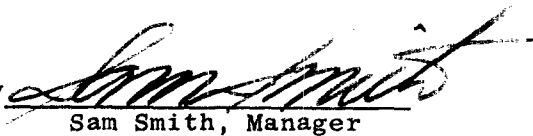
If this Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



Sam Smith, Manager
Land Department

SS: JNN: ch

APPROVED: _____ DATE: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State officials.

APPROVED: _____ DATE: _____
Commissioner of Public Lands
Subject to like approval by the United States
Geological Survey and the Oil Conservation
Commission.

APPROVED: A. L. Carter DATE: 6-7-60
Oil Conservation Commission
Subject to like approval by the United States
Geological Survey and the Commissioner of
Public Lands.

The foregoing approvals are for the 1960 Drilling Program for the San Juan 28-7
Unit, #14-08-001-459, Rio Arriba County, New Mexico

WORKING INTEREST OWNERS
SAN JUAN 28-7 UNIT

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
P.O. Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Co.
P.O. Box 1714
Durango, Colorado

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Rock Island Oil & Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. R. N. Walker
Tennessee Gas Transmission Co.
P.O. Box 1714
Durango, Colorado

Mr. E. K. Boatright
Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. R. E. Beamon
1303 Esperson Building
Houston, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Hondo Oil & Gas Company
P.O. Box 660
Roswell, New Mexico

Mr. W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett St.
San Antonio 5, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Building
Houston, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Tennessee Gas & Oil Co.
P.O. Box 2511
Houston 1, Texas
Attention: Miss A. Alverson

Mr. Herman "Otto"
Tennessee Gas & Oil Company
P.O. Box 2511
Houston, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
P.O. Box 1419
Albuquerque, New Mexico

El Paso Natural Gas Company

El Paso, Texas

December 9, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELLS AND TWENTY-SECOND EXPANDED
PARTICIPATING AREA, Pictured Cliffs
Formation, Effective November 1, 1959

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that two (2) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to this unit. These wells are as follows:

1. The San Juan 28-7 Unit #106-X Well is located 800' from the South line and 1150' from the West line of Section 10, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 12, 1959 and dually completed on September 13, 1959 at a total depth of 5664'. The Pictured Cliffs Formation between 3206' - 3214', 3240' - 3254' was treated with a sand-water fracturing process. After being shut-in for gauge for thirty-seven (37) days, the well was tested on October 20, 1959, and following a three (3) hour blow-down period gauged 1405 MCFGPD through a 3/4" choke and 1423 MCFGPD by the calculated absolute open-flow method with an SIPC of 991# and an SIPT of 991#. The committed drilling block upon which this well is located is described as the W/2 of Section 10, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00

acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on October 20, 1959. This drilling block was included in the San Juan 28-7 Eighteenth Expanded Participating Area, effective August 1, 1958, as an intervening drilling block. Therefore, the present Participating Area is not enlarged.

2. The San Juan 28-7 Unit #107 Well is located 1750' from the South line and 1650' from the West line of Section 11, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 30, 1959 and dually completed on August 29, 1959 at a total depth of 5636'. The Pictured Cliffs Formation between 3178' - 3192' was treated with a sand-water fracturing process. After being shut-in for gauge for forty-five (45) days the well was tested on October 13, 1959, and following a three (3) hour blow-down period gauged 1748 MCFGPD through a 3/4" choke, and 1779 MCFGPD by the calculated absolute open-flow method with an SIPC of 1043# and an SIPT of 1015#. The committed drilling block upon which this well is located is described as the W/2 of Section 11, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on October 13, 1959. This drilling block was included in the San Juan 28-7 Unit Eighteenth Expanded Participating Area, effective August 1, 1958, as an intervening drilling block. Therefore, the present Participating Area is not enlarged.

The Participating Area for the Pictured Cliffs Formation is expanded to include the following described well:

The San Juan 28-7 Unit #102 Well is located 990' from the South line and 1790' from the West line of Section 2, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on September 8, 1959 and dually completed on September 30, 1959 at a total depth of 5605'. The Pictured Cliffs Formation between 3170' - 3182', 3190' - 3208' was treated with a sand-water fracturing process. After being shut-in for gauge for twenty-one (21) days, the well was tested on October 20, 1959, and following a three (3) hour blow-down period gauged 2174 MCFGPD through a 3/4" choke and 2234 MCFGPD by the calculated absolute open-flow method with an SIPC of 976# and an SIPT of 976#. The committed drilling block upon which this well is located is described as the W/2 of Section 2, Township 27 North, Range 7 West, N.M.P.M., and consists of 318.96 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on October 20, 1959.

The San Juan 28-7 Unit #102, #106-X, #107 Wells were dually completed in the Pictured Cliffs and Mesaverde Formations on Mesaverde intervening drilling blocks. Therefore, said wells have been included in the Notice of Completion of Additional Wells and Thirty-Seventh Expanded Participating Area for the Mesaverde Formation, effective September 1, 1959, which is enclosed herewith.

Attached is Schedule XXIII showing the Twenty-Second Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Second Expanded Participating Area will become effective as of November 1, 1959.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
T. W. Bittick
Assistant Manager
Land Department

TWB: JNN: ch

WORKING INTEREST OWNERS
SAN JUAN 28-7 UNIT

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
P.O. Box 192
Sistersville, West Virginia

Mr. R. L. Caldwell
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas, Texas

Mr. R. N. Walker
Mr. J. D. Moon
Tennessee Gas Transmission Co.
P.O. Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Miss A. Alverson
Tennessee Gas & Oil Co.
P O. Box 2511
Houston 1, Texas

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1900 Mercantile Dallas Building
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Wood River Oil & Refining Co., Inc.
321 West Douglas
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Mr. B. G. Martin
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San Jacinto Building
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Phoenix, Arizona

Mr. W. E. Richards
Shoreline Petroleum Corp.
102 West Crockett St.
San Antonio 5, Texas

El Paso Natural Gas Products Company
Luther Building
El Paso, Texas

Mr. Herman Otto
Tennessee Gas Transmission Company
P.O. Box 2511
Houston, Texas

El Paso Natural Gas Company

El Paso, Texas

December 7, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELLS and THIRTY-SEVENTH EXPANDED
PARTICIPATING AREA, Mesaverde Formation
Effective September 1, 1959

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that four (4) additional wells capable of producing unitized substances in paying quantities from the Mesaverde Formation have been completed upon acreage committed to this Unit. These wells are as follows:

1. The San Juan 28-7 Unit #102 Well is located 990' from the South line and 1790' from the West line of Section 2, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on September 8, 1959, and dually completed on September 30, 1959 at a total depth of 5605'. The Mesaverde Formation between 4880' - 4898', 4916' - 4924', 5394' - 5400', 5412' - 5418', 5426' - 5434', 5444' - 5460', 5472' - 5480', 5508' - 5518' was treated with a sand water fracturing process. After being shut in for gauge for fourteen (14) days, the well was tested on October 13, 1959, and following a three (3) hour blow down period gauged 3862 MCFGPD through a 3/4" choke and 5557 MCFGPD by the calculated absolute open flow method with an SIPT of 1025#. The committed drilling block upon which this well is located is described as the W/2 of Section 2, Township

27 North, Range 7 West, N.M.P.M., and consists of 318.96 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on October 13, 1959. This drilling block was included in the San Juan 28-7 Thirty-Sixth Expanded Participating Area, effective August 1, 1959, as an intervening drilling block. Therefore, the present Participating Area is not enlarged.

2. The San Juan 28-7 Unit #104 Well is located 800' from the South line and 1150' from the West line of Section 3, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded July 20, 1959, and dually completed on August 6, 1959 at a total depth of 5696'. The Mesaverde Formation between 5528' - 5536', 5546' - 5556', 5594' - 5604', 5616' - 5628', 5644' - 5654' was treated with a sand-water fracturing process. After being shut in for gauge for twelve (12) days, the well was tested on August 18, 1959, and following a three (3) hour blow-down period gauged 2166 MCFGPD through a 3/4" choke and 2403 MCFGPD by the calculated absolute open-flow method with an SIPT of 999#. The committed drilling block upon which this well is located is described as the W/2 of Section 3, Township 27 North, Range 7 West, N.M.P.M., and consists of 319.99 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on August 18, 1959. This drilling block was included in the San Juan 28-7 Thirty-Sixth Expanded Participating Area effective August 1, 1959, as an intervening drilling block. Therefore, the present Participating Area is not enlarged.
3. The San Juan 28-7 Unit #106-X Well is located 800' from the South line and 1150' from the West line of Section 10, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 12, 1959, and dually completed on September 13, 1959, at a total depth of 5664'. The Mesaverde Formation between 4968' - 4976', 5466' - 5476', 5484' - 5494', 5500' - 5510', 5544' - 5554', 5574' - 5582' was treated with a sand-water fracturing process. After being shut-in for gauge for twenty-six (26) days, the well was tested on October 9, 1959, and following a three (3) hour blow-down period gauged 2501 MCFGPD through a 3/4" choke and 2839 MCFGPD by the calculated absolute open flow method with an SIPT of 1037#. The committed drilling block upon which this well is located is described as the W/2 of Section 10, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on October 9, 1959. This drilling block was included in the San Juan 28-7 Thirty-Third Expanded Participating Area, effective August 1, 1958, as an intervening drilling block. Therefore, the present Participating Area is not enlarged.

The San Juan 28-7 Unit #106 Well was drilled to a depth of 3420'; however, due to drilling difficulties, the well was subsequently plugged and abandoned on August 11, 1959, and the San Juan 28-7 Unit #106-X Well was drilled as a direct offset.

4. The San Juan 28-7 Unit #107 Well is located 1750' from the South line and 1650' from the West line of Section 11, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 30, 1959, and dually completed on August 29, 1959, at a total depth of 5636'. The Mesaverde Formation between 4896' - 4902', 4924' - 4930', 5432' - 5442', 5452' - 5464', 5480' - 5486', 5520' - 5530', 5544' - 5552' was treated with a sand-water fracturing process. After being shut in for gauge for eleven (11) days, the well was tested on September 9, 1959, and following a three (3) hour blow-down period gauged 2804 MCFGPD through a 3/4" choke and 3270 MCFGPD by the calculated absolute open-flow method with an SIPT of 1051#. The committed drilling block upon which this well is located is described as the W/2 of Section 11, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on September 9, 1959. This drilling block was included in the San Juan 28-7 Thirty-Third Expanded Participating Area, effective August 1, 1958, as an intervening drilling block. Therefore, the present Participating Area is not enlarged.

The Participating Area for the Mesaverde Formation is expanded to include the following described well and intervening drilling block:

The San Juan 28-7 Unit #105 Well is located 850' from the South line and 1840' from the West line of Section 31, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 4, 1959 and dually completed on July 18, 1959, at a total depth of 5107'. The Mesaverde Formation between 4888' - 4896', 4910' - 4920', 4952' - 4962', 4970' - 4980', 5002' - 5012', 5026' - 5032' was treated with a sand water fracturing process. After being shut in for gauge for thirteen (13) days, the well was tested on August 1, 1959, and following a three (3) hour blow-down period gauged 2587 MCFGPD through a 3/4" choke and 3144 MCFGPD by the calculated absolute open flow method with an SIPC of 1047# and an SIPT of 1047#. The committed drilling block upon which this well is located is described as the W/2 of Section 31, Township 28 North, Range 7 West, N.M.P.M., and consists of 301.23 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on August 1, 1959.

The completion of the San Juan 28-7 Unit #105 Well creates one (1) intervening drilling block described as the W/2 of Section 6, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.20 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Mesaverde Participating Area as of September 1, 1959. A well must be commenced on this block by September 1, 1960.

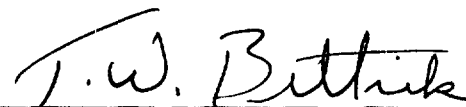
The San Juan 28-7 Unit #102, #104, #106-X, #107 Wells were dually completed in the Pictured Cliffs and Mesaverde Formations; therefore, the #102, #106-X and #107 will be included in the Notice of Completion and Twenty-Second Expansion for the Pictured Cliffs Formation, effective November 1, 1959, which will be forwarded under separate cover. The #104 Well was included in the Notice of Completion and Twenty-First Expansion for the Pictured Cliffs Formation effective October 1, 1959.

Attached is Schedule XXXVIII showing the Thirty-Seventh Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Thirty-Seventh Expanded Participating Area will become effective as of September 1, 1959.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 

T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. R. L. Caldwell
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. R. N. Walker (1)
Mr. J. D. Moon (1)
Tennessee Gas Transmission Co.
Post Office Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Miss A. Alverson
Tennessee Gas Transmission Company
Post Office Box 2511
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. Alfred E. McLane
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Oil & Gas Company
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Hondo Oil & Gas Company
Post Office Box 660
Roswell, New Mexico

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. W. E. Richards
Shoreline Petroleum Corporation
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San Antonio 5, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Products Company
Luther Building
El Paso, Texas

El Paso Natural Gas Company

El Paso, Texas

October 30, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL WELLS
AND TWENTY-FIRST EXPANDED PARTICIPATING
AREA - PICTURED CLIFFS FORMATION
Effective October 1, 1959

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that four (4) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to this unit. These wells are as follows:

1. The San Juan 28-7 Unit #1 Well is located 660' from the North line and 660' from the East line of Section 33, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was originally completed in the Mesaverde Formation only on November 30, 1950. Rework operations were commenced on July 1, 1959 in order to recomplete the well in the Pictured Cliffs Formation also. The well was recompleted on July 25, 1959, with the Pictured Cliffs producing from 2658' to 2696'. The Pictured Cliffs Formation between 2658' - 2668', 2686' - 2696' was treated with a sand-water fracturing process. After being shut-in for gauge for fifty-three (53) days, the well was tested on September 16, 1959, and following a three (3) hour blow-down period gauged 1307 MCFGPD through a 3/4" choke and 1321 MCFGPD by the calculated absolute open-flow method with an SIPC of 1031#

and an SIPT of 1026#. The committed drilling block upon which this well is located is described as the E/2 of Section 33, Township 28 North, Range 7 West, N.M.P.M., and consists of 316.32 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on September 16, 1959. This drilling block was included in the San Juan 28-7 Seventeenth Expanded Participating Area, effective July 1, 1958, as an intervening drilling block. Therefore, the present Participating Area is not enlarged.

2. The San Juan 28-7 Unit #52 Well is located 1840' from the North line and 990' from the East line of Section 27, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was originally completed in the Mesaverde Formation only on October 20, 1956. Rework operations were commenced on July 24, 1959 in order to recomplete the well in the Pictured Cliffs Formation also. The well was recompleted on July 30, 1959, with the Pictured Cliffs Formation producing from 2826' to 2856'. The Pictured Cliffs Formation between 2826' - 2856' was treated with a sand-water fracturing process. After being shut-in for gauge for forty-eight (48) days, the well was tested on September 16, 1959, and following a three (3) hour blow-down period gauged 1394 MCFGPD through a 3/4" choke and 1412 MCFGPD by the calculated absolute open-flow method with an SIPC of 1025# and an SIPT of 1027#. The committed drilling block upon which this well is located is described as the E/2 of Section 27, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on September 16, 1959. This drilling block was included in the San Juan 28-7 Eighteenth Expanded Participating Area, effective August 1, 1958, as an intervening drilling block. Therefore, the present Participating Area is not enlarged.
3. The San Juan 28-7 Unit #104 Well is located 800' from the South line and 1150' from the West line of Section 3, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 20, 1959, and dually completed on August 6, 1959 at a total depth of 5696'. The Pictured Cliffs Formation between 3274' - 3290', 3314' - 3326' was treated with a sand-water fracturing process. After being shut-in for gauge for twenty-nine (29) days, the well was tested on September 4, 1959 and following a three (3) hour blow-down period gauged 1449 MCFGPD through a 3/4" choke and 1887 MCFGPD by the calculated absolute open-flow method with an SIPC of 1009# and an SIPT of 1010#. The committed drilling block upon which this well is located is described as the W/2 of Section 3, Township 27 North, Range 7 West, N.M.P.M., and consists of 319.99 acres. The determination that this well is capable of producing unitized substances

in paying quantities from the Pictured Cliffs Formation was made on September 4, 1959. This drilling block was included in the San Juan 28-7 Twentieth Expanded Participating Area, effective August 1, 1959, as an intervening drilling block. Therefore, the present Participating Area is not enlarged.

4. The San Juan 28-7 Unit #116 Well is located 1749' from the North line and 1550' from the East line of Section 17, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 2, 1959, and completed on August 17, 1959 at a total depth of 3466'. The Pictured Cliffs Formation between 3362' - 3378', 3386' - 3398', 3416' - 3430' was treated with a sand-water fracturing process. After being shut-in for gauge for seventeen (17) days, the well was tested on September 3, 1959, and following a three (3) hour blow-down period gauged 2284 MCFGPD through a 3/4" choke, and 2362 MCFGPD by the calculated absolute open-flow method with an SIPC of 1001# and an SIPT of 1001#. The committed drilling block upon which this well is located is described as the E/2 of Section 17, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on September 3, 1959. This drilling block was included in the San Juan 28-7 Nineteenth Expanded Participating Area, effective February 1, 1959. Therefore, the present Participating Area is not enlarged.

The recompletion of the San Juan 28-7 Unit #1 Well creates one (1) intervening drilling block described as the W/2 of Section 34, Township 28 North, Range 7 West, N.M.P.M., and consists of 318.40 acres.

The recompletion of the San Juan 28-7 Unit #52 Well creates one (1) intervening drilling block described as the W/2 of Section 27, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling blocks are admitted to the Pictured Cliffs Participating Area as of October 1, 1959. Wells must be commenced on these blocks by October 1, 1960.

The San Juan 28-7 Unit #104 Well was dually completed in the Pictured Cliffs and Mesaverde Formations on a Pictured Cliffs and Mesaverde intervening drilling block. Therefore, said well will be included in the Notice of Completion of Additional Wells and Thirty-Seventh Expanded Participating Area for the Mesaverde Formation, effective September 1, 1959, which will be forwarded under separate cover.

Attached is Schedule XXII showing the Twenty-First Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of

unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-First Expanded Participating Area will become effective as of October 1, 1959.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:nl

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. R. L. Caldwell
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. R. N. Walker (1)
Mr. J. D. Moon (1)
Tennessee Gas Transmission Co.
Post Office Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Miss A. Alverson
Tennessee Oil & Gas Company
Division of Tennessee Gas Transmission Co.
Post Office Box 2511
Houston 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Oil & Gas Company
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
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Post Office Box 660
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Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
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Shoreline Petroleum Corporation
102 West Crockett Street
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Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Products Company
Luther Building
El Paso, Texas

El Paso Natural Gas Company

El Paso, Texas

September 24, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NON-COMMERCIAL WELL
Dakota Formation

Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following described well, located within the San Juan 28-7 Unit was not capable of producing unitized substances in paying quantities from the Dakota Formation.

The San Juan 28-7 Unit #109 Well is located 800' from the South line and 1650' from the West line of Section 18, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 25, 1959 and dually completed on July 14, 1959 at a total depth of 7560'. The Dakota Formation between 7316' - 7324'; 7333' - 7344'; 7361' - 7371'; 7398' - 7404'; 7410' - 7426'; 7434' - 7440'; 7448' - 7457' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days the well was tested on July 21, 1959, and following a three (3) hour blow-down period gauged 1087 MCFGPD through a 3/4" choke and 1093 MCFGPD by the calculated absolute open-flow method with an SIPT of 2187#. The committed drilling block upon which this well is located is described as the W/2 of Section 18, Township 27 North, Range 7 West, N.M.P.M. and consists of 320.36 acres. The determination that this well is not capable of producing unitized substances in paying quantities from the Dakota Formation was made on July 21, 1959.

The San Juan 28-7 Unit #109 Well was dually completed in the Mesaverde and Dakota Formations; therefore, said well will be included in the Notice of Completion and Thirty-Sixth Expanded Participating Area for the Mesaverde Formation and will be forwarded under separate cover.

Pursuant to Section 11(b) of the San Juan 28-7 Unit Agreement, #14-08-001-459, Unit Operator hereby requests the approval of the foregoing determination by the Regional Oil and Gas Supervisor, as the above described well is located on a drilling block involving Federal Lands.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


Sam Smith, Manager
Land Department

SS: JNN:ch
Attachment

SAN JUAN 28-7 UNIT
WORKING INTEREST OWNERS

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. R. L. Caldwell
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Mr. R. N. Walker (1)
Mr. J. D. Moon (1)
Tennessee Gas Transmission Co.
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Durango, Colorado

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Dallas 1, Texas

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Dallas, Texas

Mr. Alfred E. McLane
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Dallas 1, Texas

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321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Oil & Gas Company
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Hondo Oil & Gas Company
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Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. D. J. Simmons
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Fort Worth, Texas

Mr. W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett St.
San Antonio 5, Texas

Mr. W. H. Riddle
1205 East Thomas Rd.
Phoenix, Arizona

El Paso Natural Gas Products Company
Luther Building
El Paso, Texas

APPROVED: _____
Supervisor, United States Geological Survey

DATE: _____

The foregoing approval is for the recommendation declaring the San Juan 28-7 Unit #109 (MD) Well non-commercial as to the Dakota Formation only.

El Paso Natural Gas Company

El Paso, Texas

September 21, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL WELLS
and TWENTIETH EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective August 1, 1959

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that two (2) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to this unit. These wells are as follows:

1. The San Juan 28-7 Unit #103 Well is located 816' from the North line and 1041' from the East line of Section 3, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 14, 1959, and dually completed on July 2, 1959 at a total depth of 5222'. The Pictured Cliffs Formation between 2766' - 2780', 2790' - 2806', 2834' - 2844', 2850' - 2860' was treated with a sand-water fracturing process. After being shut-in for gauge for twenty-one (21) days, the well was tested on July 23, 1959 and following a three (3) hour blow-down period gauged 1684 MCFGPD through a 3/4" choke and 1714 MCFGPD by the calculated absolute open-flow method with an SIPC of 1041# and an SIPT of 1039#. The committed drilling block upon which this well is located is described as the E/2 of Section 3, Township 27 North, Range 7 West, N.M.P.M., and consists of 319.25 acres. The determination that this well

is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on July 23, 1959. This drilling block was included in the San Juan 28-7 Eighteenth Expanded Participating Area, effective August 1, 1958, as an intervening drilling block. Therefore, the Participating Area is not enlarged and the percentages allocated to the tracts shown on Schedule XIX for the Eighteenth Expanded Participating Area remain the same.

2. The San Juan 28-7 Unit #108 Well is located 1500' from the North line and 990' from the East line of Section 16, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 29, 1959, and dually completed on June 21, 1959 at a total depth of 5800'. The Pictured Cliffs Formation between 3340' - 3350', 3362' - 3384', 3392' - 3402' was treated with a sand-water fracturing process. After being shut in for gauge for twenty-one (21) days, the well was tested on July 13, 1959, and following a three (3) hour blow-down period gauged 9220 MCFGPD through a 3/4" choke and 19,939 MCFGPD by the calculated absolute open-flow method with an SIPC of 981# and an SIPT of 981#. The committed drilling block upon which this well is located is described as the E/2 of Section 16, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on July 13, 1959. This drilling block was included in the San Juan 28-7 Sixteenth Expanded Participating Area, effective June 1, 1958. Therefore, the Participating Area is not enlarged and the percentages allocated to the tracts shown on Schedule XVII for the Sixteenth Expanded Participating Area remain the same.

The completion of the San Juan 28-7 Unit #103 Well creates one (1) intervening drilling block. This intervening drilling block is described as the W/2 of Section 3, Township 27 North, Range 7 West, N.M.P.M., and consists of 319.99 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Pictured Cliffs Participating Area as of August 1, 1959. A well must be commenced on this block by August 1, 1960.

The San Juan 28-7 Unit #103 Well was dually completed in the Pictured Cliffs and Mesaverde Formations on a Pictured Cliffs and Mesaverde intervening drilling block. The San Juan 28-7 Unit #108 Well was dually completed in the Pictured Cliffs and Mesaverde Formations on a Pictured Cliffs intervening drilling block. Therefore, both wells will be included in the Notice of Completion of Additional Well and Thirty-Sixth Expanded Participating Area for the Mesaverde Formation, effective August 1, 1959, which is enclosed herewith.

Attached is Schedule XXI showing the Twentieth Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the

Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twentieth Expanded Participating Area will become effective as of August 1, 1959.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. R. L. Caldwell
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El Paso Natural Gas Products Co.
Luther Building
El Paso, Texas

El Paso Natural Gas Company

El Paso, Texas

September 21, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELL and THIRTY-SIXTH EXPANDED
PARTICIPATING AREA, Mesaverde Formation
Effective August 1, 1959

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to this Unit. This well is as follows:

The San Juan 28-7 Unit #103 Well is located 816' from the North line and 1041' from the East line of Section 3, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded June 14, 1959, and dually completed on July 2, 1959 at a total depth of 5222'. The Mesaverde Formation between 4480' - 4500', 4516' - 4524', 4532' - 4540', 4546' - 4554', 5004' - 5014', 5028' - 5038', 5052' - 5062', 5072' - 5082', 5106' - 5116' was treated with a sand-water fracturing process. After being shut in for gauge for fourteen (14) days, the well was tested on July 16, 1959, and following a three (3) hour blow-down period gauged 4259 MCFGPD through a 3/4" choke and 6167 MCFGPD by the calculated absolute open-flow method with an SIPT of 1096#. The committed drilling block upon which this well is located is described as the E/2 of Section 3, Township 27 North, Range 7 West, N.M.P.M., and consists of 319.25 acres. The determination that this well is capable of

producing unitized substances in paying quantities from the Mesaverde Formation was made on July 16, 1959. This drilling block was included in the San Juan 28-7 Thirty-Third Expanded Participating Area effective August 1, 1958, as an intervening drilling block. Therefore, the Mesaverde Participating Area is not enlarged and the percentages allocated to the tracts shown on Schedule XXXIV for the Thirty-Third Expanded Participating Area remain the same.

The Participating Area for the Mesaverde Formation is expanded to include the following described wells and intervening drilling blocks:

1. The San Juan 28-7 Unit #108 Well is located 1500' from the North line and 990' from the East line of Section 16, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 29, 1959, and dually completed on June 21, 1959 at a total depth of 5800'. The Mesaverde Formation between 5620' - 5630', 5652' - 5660', 5672' - 5680', 5696' - 5706', 5724' - 5734' was treated with a sand-water fracturing process. After being shut in for gauge for nine (9) days, the well was tested on July 1, 1959, and following a three (3) hour blow-down period gauged 1311 MCFGPD through a 3/4" choke and 1364 MCFGPD by the calculated absolute open-flow method with an SIPT of 1014#. The committed drilling block upon which this well is located is described as the E/2 of Section 16, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on July 1, 1959.
2. The San Juan 28-7 Unit #109 Well is located 800' from the South line and 1650' from the West line of Section 18, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 25, 1959, and dually completed on July 14, 1959, at a total depth of 7560'. The Mesaverde Formation between 5168' - 5178', 5193' - 5204', 5226' - 5234', 5244' - 5260', 5271' - 5278' was treated with a sand-water fracturing process. After being shut-in for gauge for fifteen (15) days, the well was tested on July 29, 1959, and following a three (3) hour blow-down period gauged 1562 MCFGPD through a 3/4" choke and 1697 MCFGPD by the calculated absolute open-flow method with an SIPC of 992# and an SIPT of 993#. The committed drilling block upon which this well is located is described as the W/2 of Section 18, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.36 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on July 29, 1959.

The completion of the San Juan 28-7 Unit #103 Well creates two (2) intervening drilling blocks described as the W/2 of Section 2 and the W/2 of Section 3, both in Township 27 North, Range 7 West, N.M.P.M., and consist of 318.96 acres and 319.99 acres, respectively.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling blocks are admitted to the Mesaverde Participating Area as of August 1, 1959. Wells must be commenced on these blocks by August 1, 1960.

The San Juan 28-7 Unit #103 Well and the San Juan 28-7 Unit #108 Well were dually completed in the Pictured Cliffs and Mesaverde Formations, the #103 on a Pictured Cliffs and Mesaverde intervening drilling block, and the #108 on a Pictured Cliffs intervening drilling block; therefore, both wells are included in the Notice of Completion of Additional Wells and Twentieth Expansion for the Pictured Cliffs Formation which is enclosed herewith.

The San Juan 28-7 Unit #109 Well was dually completed in the Mesaverde and Dakota Formations, however, the Dakota Formation was declared non-commercial; therefore, a Notice of Completion of Non-Commercial Well will be prepared and forwarded under separate cover.

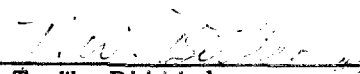
Attached is Schedule XXXVII showing the Thirty-Sixth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Thirty-Sixth Expanded Participating Area will become effective as of August 1, 1959.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


T. W. Bittick
Assistant Manager
Land Department

TWB: JNN:pc

San Jua 28-7 Unit
Working Interest Owners

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. R. L. Caldwell
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

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Phoenix, Arizona

El Paso Natural Gas Products Company
Luther Building
El Paso, Texas

El Paso Natural Gas Company

El Paso, Texas

April 10, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Bldg.
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Bldg.
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
EXHIBIT "B" Revised
Effective April 1, 1959

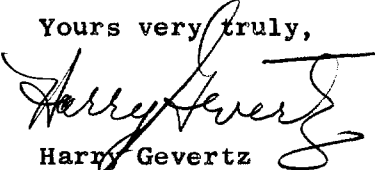
Gentlemen:

Submitted herewith for your information and files please find enclosed a revision of the Exhibit "B" for the San Juan 28-7 Unit, effective April 1, 1959.

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

We will appreciate the Working Interest Owners advising us should they find the ownership or detail of any tract not correctly reflected on said Exhibit "B", and we will make the necessary corrections.

Yours very truly,



Harry Gevertz
Area Landman
Land Department

HG:JNN:pc
Enclosure

El Paso Natural Gas Company

El Paso, Texas
April 7, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
THIRTY-FIFTH EXPANDED PARTICIPATING
AREA, Mesaverde Formation
Effective April 1, 1959

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, No. 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #98 Well is located 1800' from the North line and 1800' from the East line of Section 29, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on December 27, 1958 and dually completed on March 1, 1959 at a total depth of 7540'. The Mesaverde Formation between 5204'-5220', 5286'-5296', 5304'-5314' was treated with a sand-water fracturing process. After being shut-in for gauge for sixteen (16) days, the well was tested on March 18, 1959, and following a three (3) hour blow-down period gauged 1621 MCFGPD through a 3/4" choke and 1938 MCFGPD by the calculated absolute open flow method with an SIPC of 972# and an SIPT of 207#. The committed drilling block upon which this well is located is described as the E/2 of Section 29, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The deter-

mination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on March 18, 1959.

The San Juan 28-7 Unit #96 Well was dually completed commercially in the Mesaverde and Dakota Formations. Therefore, a request for approval for the Initial Dakota Participating Area for the San Juan 28-7 Unit will be approved and forwarded under separate cover.

Attached is Schedule XXXVI showing the Thirty-Fifth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Thirty-Fifth Expanded Participating Area will become effective as of April 1, 1959.

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

Yours very truly,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Co.
Post Office Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Wood River Oil & Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. R. N. Walker
Tennessee Gas Transmission Co.
P. O. Box 1714
Durango, Colorado

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Bldg.
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett St.
San Antonio 5, Texas

Mr. R. E. Beamon
1303 Esperson Bldg.
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Building
Houston, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Tennessee Gas Transmission Co.
Post Office Box 2511
Houston 1, Texas
Attn: Miss A. Alverson

El Paso Natural Gas Company

El Paso, Texas

April 3, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1959 DRILLING PROGRAM

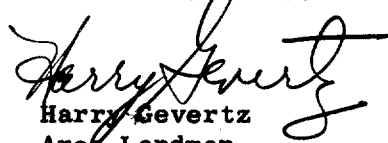
Gentlemen:

This is to advise that the 1959 Drilling Program for the captioned unit was approved as follows:

1. Approved by the United States Geological Survey on February 6, 1959.
2. Approved by the Commissioner of Public Lands of the State of New Mexico on March 7, 1959.
3. Approved by the Oil Conservation Commission of the State of New Mexico on January 29, 1959.

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

Yours very truly,


Harry Gevertz
Area Landman
Land Department

HG:JNN:pc
Attachment

San Juan 28-7 Unit
Working Interest Owners

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
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Dallas 1, Texas

Wood River Oil and Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. R. N. Walker
Tennessee Gas Transmission Co.
Post Office Box 1714
Durango, Colorado

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
1303 Esperson Bldg.
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Tennessee Gas Transmission Company
Post Office Box 2511
Houston 1, Texas
Attn: Miss A. Alverson

El Paso Natural Gas Company

El Paso, Texas

March 26, 1959

File 440

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
NOTICE OF COMPLETION OF ADDITIONAL
WELL, Mesaverde Formation

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed on acreage committed to the Unit. This well is as follows:

The San Juan 28-7 Unit #95 Well is located 890' from the South line and 890' from the West line of Section 4, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on January 18, 1959, and dually completed on February 7, 1959 at a total depth of 5794'. The Mesaverde Formation between 5452'-5464', 5562'-5572', 5584'-5594', 5610'-5626', 5646'-5666', 5678'-5690', 5722'-5732', 5740'-5750' was treated with a sand-water fracturing process. After being shut-in for gauge for ten (10) days, the well was tested on February 18, 1959, and following a three (3) hour blow-down period gauged 1581 MCFGPD through a 3/4" choke and 1676 MCFGPD by the calculated absolute open flow method with an SIPT of 968#. The committed drilling block upon which this well is located is described as the W/2 of Section 4, Township 27 North, Range 7 West, N.M.P.M., and consists of 319.79 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on February 18, 1959. This drilling block was included in the San Juan 28-7 Twenty-Ninth Expanded Participating Area, effective February 1, 1958. Therefore, the Participating Area is not enlarged and the percentages allocated to the tracts shown on Schedule XXX for the Twenty-Ninth Expanded Participating Area remain the same.

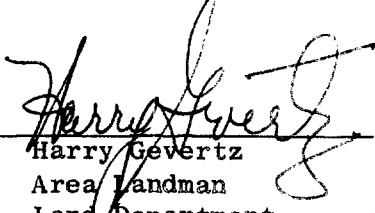
The San Juan 28-7 Unit #95 Well was dually completed in the Pictured Cliffs and Mesaverde Formations on a Pictured Cliffs and Mesaverde Intervening Drilling Block; therefore, a Notice of Completion of Additional Well for the Pictured Cliffs Formation has been prepared and is enclosed herewith.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


Harry Gevertz
Area Landman
Land Department

HG: JNN:pc

Attachment

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Wood River Oil and Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. R. N. Walker
Tennessee Gas Transmission Company
Post Office Box 1714
Durango, Colorado

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Bldg.
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
1303 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Tennessee Gas Transmission Company
Post Office Box 2511
Houston 1, Texas
Attn: Miss A. Alverson

File
445

P. O. Box 6721
Roswell, New Mexico

March 25, 1959

El Paso Natural Gas Company,
P. O. Box 1492
El Paso, Texas

Attention: Mr. T. W. Bittick

Gentlemen:

Your notice of the Thirty-Fourth Expanded Participating Area, Mesaverde formation, for the San Juan 28-7 unit agreement (No. 14-08-001-459), contains the following errors in Schedule XXXV:

1. On page 10, Tract 5 is shown as being embraced in lease SF 079496. Our records show that the correct lease serial is SF 078496.
2. On page 19, Tract 13 is shown as being embraced in lease SF 078640. Our records show that the correct lease serial is SF 078569.

The above errors have occurred in several previous schedules, and have been corrected here. Please correct your masters to avoid the same errors in future schedules.

Very truly yours,

(Orig. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: NOCC ✓

8
In reply refer to:
Unit Division

File
445

March 17, 1959

C
O
P
Y

El Paso Natural Gas Company
El Paso, Texas

ATTENTION: Mr. Sam Smith

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1959 Drilling Program

Gentlemen:

We are enclosing one copy of the 1959 Drilling Program for the San Juan 28-7 Unit Area, which was approved by the Commissioner of Public Lands March 17, 1959.

This approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Very truly yours,
MURRAY E. MORGAN
Commissioner of Public Lands

BY:
Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/m
cc:

USGS- Roswell
OCC- Santa Fe

El Paso Natural Gas Company

El Paso, Texas

February 19, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

File
445

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
THIRTY-FOURTH EXPANDED PARTICIPATING
AREA, Mesaverde Formation
Effective February 1, 1959

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #96 Well is located 1700' from the North line and 1800' from the East line of Section 8, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on December 13, 1958 and dually completed on January 3, 1959 at a total depth of 5703'. The Mesaverde Formation between 5489' - 5505', 5511' - 5533', 5549' - 5571', 5591' - 5617', 5645' - 5659' was treated with a sand-water fracturing process. After being shut-in for gauge for sixteen (16) days, the well was tested on January 20, 1959, and following a three (3) hour blow-down period gauged 1878 MCFGPD through a 3/4" choke and 2019 MCFGPD by the calculated absolute open-flow method with an SIPT of 1028#. The committed drilling block upon which this well is located is described as the E/2 of Section 8, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying

quantities from the Mesaverde Formation was made on January 20, 1959.

The San Juan 28-7 Unit #96 Well was dually completed in the Pictured Cliffs and Mesaverde Formations on acreage already admitted to the Pictured Cliffs Participating Area in the Fourteenth Expansion for the Pictured Cliffs Formation as an intervening drilling block, effective February 1, 1958. The completion of the San Juan 28-7 Unit #96 Well in the Pictured Cliffs Formation is described in our letter entitled Notice of Completion of Additional Well and Nineteenth Expanded Participating Area, Pictured Cliffs Formation, dated February 19, 1959, and submitted herewith.

Attached is Schedule XXXV showing the Thirty-Fourth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Thirty-Fourth Expanded Participating Area will become effective as of February 1, 1959.

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

Yours very truly,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Co.
Post Office Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
P. O. Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. R. N. Walker
Tennessee Gas Transmission Company
P. O. Box 1714
Durango, Colorado

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Bldg.
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
1303 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Tennessee Gas Transmission Company
P. O. Box 2511
Houston 1, Texas
Attn: Miss A. Alverson

El Paso Natural Gas Company

El Paso, Texas

February 19, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL WELL
and NINETEENTH EXPANDED PARTICIPATING
AREA, Pictured Cliffs Formation
Effective February 1, 1959

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to this Unit. This well is as follows:

The San Juan 28-7 Unit #96 Well is located 1700' from the North line and 1800' from the East line of Section 8, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on December 13, 1958, and dually completed on January 3, 1959 at a total depth of 5703'. The Pictured Cliffs Formation between 3237' - 3256' and 3264' - 3278' was treated with a sand water fracturing process. After being shut in for gauge for nine (9) days, the well was tested on January 13, 1959 and following a three (3) hour blow-down period gauged 5882 MCFGPD through a 3/4" choke and 7917 MCFGPD by the calculated absolute open-flow method with an SIPC of 897# and an SIPT of 897#. The committed drilling block upon which this well is located is described as the E/2 of Section 8, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was

made on January 13, 1959. This drilling block was included in the San Juan 28-7 Fourteenth Expanded Participating Area, effective February 1, 1958, as an intervening drilling block.

The completion of the San Juan 28-7 Unit #96 Well creates one (1) intervening drilling block. This intervening drilling block is described as the E/2 of Section 17, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Pictured Cliffs Participating Area as of February 1, 1959. A well must be commenced on this block by February 1, 1960.

The San Juan 28-7 Unit #96 Well was dually completed on a Pictured Cliffs intervening drilling block in the Pictured Cliffs and Mesaverde Formations; therefore this well will be included in the Thirty-Fourth Mesaverde Expanded Participating Area, effective February 1, 1959, and is herewith enclosed.

Attached is Schedule XX showing the Nineteenth Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Nineteenth Expanded Participating Area will become effective as of February 1, 1959.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Co.
P. O. Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Wood River Oil and Refining Co, Inc.
321 West Douglas
Wichita, Kansas

Mr. R. N. Walker
Tennessee Gas Transmission Company
P. O. Box 1714
Durango, Colorado

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San Jacinto Petroleum Corp.
San Jacinto Bldg.
Houston 2, Texas

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Malco Refineries, Inc.
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Roswell, New Mexico

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Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Tennessee Gas Transmission Company
P. O. Box 2511
Houston 1, Texas
Attn: Miss A. Alverson

El Paso Natural Gas Company

El Paso, Texas

February 6, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

File
445

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
NOTICE OF COMPLETION OF ADDITIONAL WELL
Pictured Cliffs Formation

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to the unit. This well is as follows:

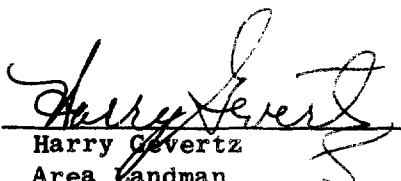
The San Juan 28-7 Unit #97 Well is located 903' from the North line and 990' from the East line of Section 21, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on December 5, 1958, and dually completed on December 29, 1958 at a total depth of 5472'. The Pictured Cliffs Formation between 3020'-3032', 3042'-3054' was treated with a sand-water fracturing process. After being shut-in for gauge for fifteen (15) days, the well was tested on January 13, 1959, and following a three (3) hour blow-down period gauged 3151 MCFGPD through a 3/4" choke, and 3385 MCFGPD by the calculated absolute open-flow method with an SIPC of 932# and an SIPT of 933#. The committed drilling block upon which this well is located is described as the E/2 of Section 21, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on January 13, 1959. This drilling block was included in the San Juan 28-7 Fifteenth Expanded Participating Area, effective March 1, 1958. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts shown on Schedule XVI for the Fifteenth Expanded Participating Area remain the same.

The San Juan 28-7 Unit #97 Well was dually completed in the Pictured Cliffs and Mesaverde Formations, however, the Mesaverde Formation was determined to be non-commercial; therefore, a Notice of Completion of Non-Commercial Well has been made, and is herewith enclosed.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Harry Gevertz
Area Landman
Land Department

HG:JNN:ch
Attachment

SAN JUAN 28-7 UNIT
WORKING INTEREST OWNERS

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Three States Natural Gas Company
17th Floor Corrigan Tower
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Mr. J. Glenn Turner
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Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 1714
Durango, Colorado

Mr. Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Wood River Oil & Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. B. G. Martin
San Jacinto Oil & Gas Company
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. R. E. Beamon
1303 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Miss A. Alverson
Tennessee Gas Transmission Company
Post Office Box 2511
Houston 1, Texas

El Paso Natural Gas Company

El Paso, Texas

February 5, 1959

File
446

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NON-COMMERCIAL WELL

Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following Mesaverde Well in the San Juan 28-7 Unit is not capable of producing unitized substances in paying quantities from the Mesaverde Formation.

The San Juan 28-7 Unit #97 Well is located 903' from the North line and 990' from the East line of Section 21, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on December 5, 1958, and dually completed on December 29, 1958 at a total depth of 5472'. The Mesaverde Formation between 5280' - 5304', 5310' - 5322', 5344' - 5360', 5368' - 5394' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on January 5, 1959, and following a three (3) hour blow-down period gauged 852 MCFGPD through a 3/4" choke and 865 MCFGPD by the calculated absolute open-flow method with an SIPT of 993#. The committed drilling block upon which this well is located is described as the E/2 of Section 21, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

El Paso Natural Gas Company, as Unit Operator, determined that the above described well was not capable of producing unitized substances in paying quantities from the Mesaverde Formation on January 5, 1959.

The San Juan 28-7 Unit #97 Well was dually completed on a Pictured Cliffs intervening drilling block; therefore, a Notice of Completion of Additional Well for the Pictured Cliffs Formation has been made and is herewith enclosed.

Pursuant to Section 11 of the San Juan 28-7 Unit Agreement, #14-08-001-459, Unit Operator hereby requests the approval of the foregoing determination by the Regional Oil and Gas Supervisor, as the above described well is located on a drilling block involving Federal Lands.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:ch
Attachment

APPROVED: _____ DATE: _____
Director, United States Geological Survey

The foregoing approval is for the recommendation declaring the above described San Juan 28-7 Unit #97 (PM) Well non-commercial, as to the Mesaverde Formation only, and excluding the acreage pertaining thereto from consideration as a part of the Mesaverde Participating Area.

SAN JUAN 28-7 UNIT

WORKING INTEREST OWNERS

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. R. N. Walker
Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 1714
Durango, Colorado

Mr. Alfred E. McLane
1900 Mercantile Dallas Building
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Mr. W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
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Mr. B. G. Martin
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San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
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Mr. R. E. Beamon
1303 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Miss A. Alverson
Tennessee Gas Transmission Company
Post Office Box 2511
Houston 1, Texas

P. O. Box 6721
Roswell, New Mexico

February 3, 1959

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. Sam Smith

Gentlemen:

Your 1959 Plan of Development, dated January 2, 1959, for the San Juan 28-7 unit area, No. 14-08-001-459 Rio Arriba County, New Mexico, proposing the drilling of 19 wells, including nine Mesaverde wells, two Pictured Cliffs wells, and seven wells to be dually completed in the Pictured Cliffs and Mesaverde formations, and one well to be dually completed in the Mesaverde and Dakota formations, has been approved on this date, subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Very truly yours,

EDWIN M. THOMASSON
Acting Oil and Gas Supervisor

Enclosure 2

Copy to: Washington (w/copy of plan)
Farmington (w/copy of plan)
NMOCC, Santa Fe (letter only)
Comm. Pub. Lands, Santa Fe (letter only)

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 26, 1959

File

445

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

ATTENTION: Mr. Sam Smith

Re: 1959 Drilling Program
San Juan 28-7 Unit
Rio Arriba County,
New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1959 Drilling Program for the San Juan 28-7 Unit Rio Arriba County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the application is returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/RLS/pj

cc: State Land Office - Santa Fe
US Geological Survey - Roswell

C
O
P
Y

El Paso Natural Gas Company

El Paso, Texas
January 2, 1959

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
1959 DRILLING PROGRAM

Gentlemen:

By letter dated January 17, 1958, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1958. Said program provided for the drilling of two (2) Pictured Cliffs wells, five (5) Mesaverde wells, and three (3) dual Pictured Cliffs-Mesaverde wells. Nine (9) wells have been completed upon lands committed to the Unit, and nine (9) wells have been admitted to their respective Participating Areas. One (1) Mesaverde well was plugged and abandoned. In addition to the aforementioned ten (10) wells, Unit Operator is also in the process of drilling three (3) additional dual Pictured Cliffs-Mesaverde wells located as follows:

W/2 Section 4, T-27-N, R-7-W
E/2 Section 8, T-27-N, R-7-W
E/2 Section 21, T-27-N, R-7-W

As of this date, the total number of wells in the San Juan 28-7 Unit Area is as follows:

Pictured Cliffs	20
Mesaverde	56
Dual, Pictured Cliffs and Mesaverde	11
Non-Commercial	6 - Pictured Cliffs 4, Mesaverde 1, and Dakota 1
Plugged and Abandoned	<u>1</u>
	94

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following described wells during the period from January 1, 1959 to December 31, 1959:

<u>DRILLING BLOCK</u>	<u>FORMATION</u>
*E/2 Section 27, T-28-N, R-7-W	Pictured Cliffs
W/2 Section 31, T-28-N, R-7-W	Mesaverde
*E/2 Section 33, T-28-N, R-7-W	Pictured Cliffs
W/2 Section 2, T-27-N, R-7-W	Dual, Pictured Cliffs-Mesaverde
*E/2 Section 3, T-27-N, R-7-W	Dual, Pictured Cliffs-Mesaverde
W/2 Section 3, T-27-N, R-7-W	Dual, Pictured Cliffs-Mesaverde
*W/2 Section 10, T-27-N, R-7-W	Dual, Pictured Cliffs-Mesaverde
*W/2 Section 11, T-27-N, R-7-W	Dual, Pictured Cliffs-Mesaverde
*E/2 Section 16, T-27-N, R-7-W	Dual, Pictured Cliffs-Mesaverde
W/2 Section 17, T-27-N, R-7-W	Mesaverde
E/2 Section 18, T-27-N, R-7-W	Mesaverde
W/2 Section 18, T-27-N, R-7-W	Mesaverde
W/2 Section 19, T-27-N, R-7-W	Mesaverde
W/2 Section 20, T-27-N, R-7-W	Mesaverde
*E/2 Section 21, T-27-N, R-7-W	Dual, Pictured Cliffs-Mesaverde
E/2 Section 29, T-27-N, R-7-W	Dual, Mesaverde-Dakota
W/2 Section 29, T-27-N, R-7-W	Mesaverde
E/2 Section 30, T-27-N, R-7-W	Mesaverde
W/2 Section 30, T-27-N, R-7-W	Mesaverde

*Intervening Drilling Blocks must be drilled during 1959.

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, also plans to drill any offset wells required to prevent drainage of unitized substances, and any other wells being necessary or desirable by the Unit Operator and the Working Interest Owners in the affected drilling blocks.

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above listed Pictured Cliffs wells to the base of the Pictured Cliffs Formation using rotary and cable tools. Surface casing will be set to approximately 100' from the surface, and then a production string of 5-1/2" casing will be set through the Pictured Cliffs Formation. Mud will be used in drilling through the Pictured Cliffs Formation and cable tools will be used for completion work. The entire Pictured Cliffs Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above listed Mesaverde wells to the base of the Mesaverde Formation using rotary tools. Surface casing of 10-3/4" will be set to approximately 150' below the surface and an intermediate string of 7-5/8" will be set through the Pictured Cliffs Formation to a depth of approximately 3200'. A 5-1/2" production string will be set through the Mesaverde Formation, and the casing of the Mesaverde Formation will then be selectively perforated and the Mesaverde Formation will be subjected to a hydraulic fracturing process. Mud will be used in setting the intermediate string of casing, and the hole below the intermediate string will be drilled with gas. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above listed Mesaverde-Pictured Cliffs dual wells to the base of the Mesaverde Formation using rotary tools. Surface casing of 10-3/4" will be set to approximately 150' below the surface and an intermediate string of 7-5/8" will be set through the Pictured Cliffs Formation to a depth of approximately 3200'. A 5-1/2" production liner will be set from this point through the Mesaverde Formation. The Mesaverde Formation

will then be selectively perforated and subjected to a hydraulic fracturing process, after which a bridging plug will be set above the Mesaverde Formation and the Pictured Cliffs Formation will be selectively perforated and subjected to a hydraulic fracturing process. For completion, a production packer will be set between the two formations using 2" tubing to produce the Mesaverde. A string of 1-1/4" tubing will be run through which the Pictured Cliffs Formation will be produced. Mud will be used in setting the intermediate string of casing and the hole below the intermediate string will be drilled with gas. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, intends to drill the above mentioned Mesaverde-Dakota Well to the base of the Dakota Formation using rotary tools. Surface casing of 13-3/8" will be set to the depth of approximately 150' and an intermediate string of 9-5/8" will be run through the Pictured Cliffs Formation to a depth of approximately 3200', and then Operator will run a production string of either 5-1/2" or 7" casing to the base of the Dakota Formation. The casing in the Dakota Formation will then be perforated and the Dakota Formation subjected to a hydraulic fracturing process. A bridging plug will be used to separate the Mesaverde from the Dakota Formation and the Mesaverde Formation will be selectively perforated and subjected to a hydraulic fracturing process. A production packer will be run on 2" tubing with the Dakota producing through the tubing and the Mesaverde producing through the casing.

All of the Working Interest Owners have been contacted and this Drilling Program reflects, insofar as possible, their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 

Sam Smith
Manager
Land Department

SS: JNN:pc

cc: Attached Sheet

APPROVED: _____

Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State Officials.

DATE: _____

APPROVED: _____

Commissioner of Public Lands
Subject to like approval by the United States
Geological Survey and the Oil Conservation
Commission.

DATE: _____

APPROVED: _____

Oil Conservation Commission
Subject to like approval by the United States
Geological Survey and the Commissioner of
Public Lands.

DATE: March 2, 1959

The foregoing approvals are for the 1959 Drilling Program for the San Juan
28-7 Unit, #14-08-001-459, Rio Arriba County, New Mexico.

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Co.
P. O. Box 1714
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Wood River Oil and Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. R. N. Walker
Tennessee Gas Transmission Company
P. O. Box 1714
Durango, Colorado

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
1303 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Tennessee Gas Transmission Company
P. O. Box 2511
Houston 1, Texas
Attn: Miss A. Alverson

El Paso Natural Gas Company

El Paso, Texas

September 30, 1958

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
EIGHTEENTH EXPANDED PARTICIPATING
AREA, Pictured Cliffs Formation
Effective August 1, 1958

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that two (2) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to this Unit. The Participating Area for the Pictured Cliffs Formation is expanded accordingly to include these wells as follows:-

1. The San Juan 28-7 Unit #88 Well is located 830' from the North line and 1109' from the East line of Section 10, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 28, 1958, and dually completed on June 22, 1958, at a total depth of 5582'. The Pictured Cliffs Formation between 3144' - 3164', 3188' - 3200' was treated with a sand-water fracturing process. After being shut-in for gauge for thirty-eight (38) days, the well was tested on July 30, 1958, and following a three (3) hour blow-down period gauged 1822 MCFGPD through a 3/4" choke, and 1862 MCFGPD by the calculated absolute open-flow method with an SIPC of 1035# and an SIPT of 1035#. The committed drilling block upon which this well is located is described as the E/2 of Section 10, Township 27 North, Range 7 West, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on July 30, 1958.

2. The San Juan 28-7 Unit #91 Well is located 836' from the North line and 1544' from the East line of Section 34, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on April 21, 1958, and dually completed on June 11, 1958 at a total depth of 5107'. The Pictured Cliffs Formation between 2710' - 2740', 2752' - 2766' was treated with a sand-water fracturing process. After being shut-in for gauge for eighteen (18) days, the well was tested on July 7, 1958, and following a three (3) hour blow-down period gauged 1241 MCFGPD through a 3/4" choke, and 1259 MCFGPD by the calculated absolute open-flow method with an SIPC of 939# and an SIPT of 939#. The committed drilling block upon which this well is located is described as the E/2 of Section 34, Township 28 North, Range 7 West, N.M.P.M. and consists of 321.87 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on July 7, 1958.

The completion of the San Juan 28-7 Unit #88 Well creates three (3) intervening drilling blocks. These intervening drilling blocks are described as the W/2 of Section 10, the W/2 of Section 11, and the E/2 of Section 3, all in Township 27 North, Range 7 West, N.M.P.M., and consist of 320.00 acres, 320.00 acres, and 319.25 acres respectively.

The completion of the San Juan 28-7 Unit #91 Well creates one (1) intervening drilling block. This intervening drilling block is described as the E/2 of Section 27, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling blocks are admitted to the Pictured Cliffs Participating Area as of August 1, 1958. Wells must be commenced on these blocks by August 1, 1959.

The San Juan 28-7 Unit #91 Well is a dual completion on a Mesaverde intervening drilling block. A Notice of Completion of Additional Well has been made for the Mesaverde Formation and has previously been forwarded to you.

The San Juan 28-7 Unit #88 Well is a dual completion well, therefore, said well will be included in the Thirty-Third Mesaverde Expansion and will be forwarded under separate cover.

Attached is Schedule XIX showing the Eighteenth Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Eighteenth Expanded Participating Area will become effective as of August 1, 1958.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:jfb

cc: Attached List

San Juan 28-7
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. B. G. Martin
San Jacinto Oil & Gas Company
San Jacinto Building
Houston 2, Texas

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. J. D. Moon
Tennessee Gas Transmission Co.
Post Office Box 3231
Durango, Colorado

Mr. W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. R. E. Beamon
1303 Esperson Building
Houston 2, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Wood River Oil and Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. Patterson Lay
Tennessee Gas Transmission Co.
Post Office Box 1772
Casper, Wyoming

Mr. W. C. Peters
Tennessee Gas Transmission Co.
Post Office Box 2511
Houston 1, Texas

El Paso Natural Gas Company

El Paso, Texas
September 26, 1958

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
THIRTY-THIRD EXPANDED PARTICIPATING
AREA, Mesaverde Formation
Effective August 1, 1958

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #88 Well is located 830' from the North line and 1109' from the East line of Section 10, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 28, 1958, and dually completed on June 22, 1958, at a total depth of 5583'. The Mesaverde Formation between 4894' - 4904', 5384' - 5394', 5404' - 5424', 5434' - 5448', 5456' - 5476', 5490' - 5510' was treated with a sand-water fracturing process. After being shut-in for gauge for seventeen (17) days, the well was tested on July 9, 1958, and following a three (3) hour blow-down period gauged 2795 MCFGPD through a 3/4" choke and 3250 MCFGPD by the calculated absolute open-flow method with an SIPT of 1082#. The committed drilling block upon which this well is located is described as the E/2 of Section 10, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on July 9, 1958.

The completion of the San Juan 28-7 Unit #88 Well creates three (3) Mesa-verde intervening drilling blocks. These intervening drilling blocks are described as the E/2 of Section 3, the W/2 of Section 10, and the W/2 of Section 11, all in Township 27 North, Range 7 West, and consist of 319.15 acres, 320.00 acres, and 320.00 acres respectively.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling blocks are admitted to the Mesaverde Participating Area as of August 1, 1958. Wells must be commenced on these intervening drilling blocks by August 1, 1959.

The San Juan 28-7 Unit #88 Well was dually completed in the Pictured Cliffs and Mesaverde Formations, therefore the Pictured Cliffs Participating Area has been expanded accordingly, and has been forwarded under separate cover.

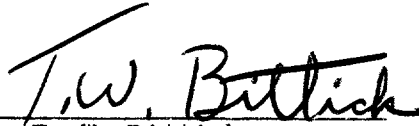
Attached is Schedule XXXIV showing the Thirty-Third Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Thirty-Third Expanded Participating Area will become effective as of August 1, 1958.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

cc: Attached List

San Jua. 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

J. D. Moon
Tennessee Gas Transmission Company
P.O. Box 3231
Durango, Colorado

Three States Natural Gas Co.
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1900 Mercantile Dallas Bldg.
Dallas 1, Texas

Wood River Oil and Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. Patterson Lay
Tennessee Gas Transmission Co.
P. O. Box 1772
Casper, Wyoming

Mr. B. G. Martin
San Jacinto Oil and Gas Co.
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
1303 Esperson Bldg.
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Bldg.
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Tennessee Gas Transmission Co.
P. O. Box 2511
Houston 1, Texas
Attn: Mr. W. C. Peters

El Paso Natural Gas Company

MAIN OFFICE CCC

1958 AUG 1 10 59 AM
El Paso, Texas
July 30, 1958

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
NOTICE OF COMPLETION OF ADDITIONAL
WELLS, Mesaverde Formation

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that two (2) additional wells capable of producing unitized substances in paying quantities from the Mesaverde Formation have been completed on acreage committed to the Unit. These wells are as follows:

1. The San Juan 28-7 Unit #82 Well is located 1190' from the North line and 1190' from the East line of Section 4, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on January 26, 1958, and dually completed on February 15, 1958, at a total depth of 5719'. The Mesaverde Formation between 4958'-4964', 4990'-4996', 5020'-5030', 5034'-5042', 5048'-5058', 5064'-5070', 5522'-5596', 5634'-5644', 5652'-5656' was treated with a sand-water fracturing process. After being shut in for gauge for sixty-three (63) days, the well was tested on June 2, 1958, and following a three (3) hour blow down period gauged 4547 MCFGPD through a 3/4" choke, and 7625 MCFGPD by the calculated absolute open flow method with an SIPT of 1072#. The committed drilling block upon which this well is located is described as the E/2 of Section 4, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.17 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on June 2, 1958. The drilling block was included in the San Juan 28-7 Twenty-Eighth Expanded Participating Area effective December 1, 1957, as an intervening drilling block. Therefore, the Participating Area is not enlarged and the percentages allocated to the tracts shown on Schedule XXIX for the Twenty-Eighth Expanded Participating Area remain the same.

The San Juan 28-7 Unit #82 Well was a dual completion, therefore, the Pictured Cliffs Participating Area will be expanded accordingly. Said well will be included in the Seventeenth Expanded Participating Area for the San Juan 28-7 Unit, effective July 1, 1958, and will be forwarded under separate cover.

2. The San Juan 28-7 Unit #91 Well is located 836' from the North line and 1544' from the East line of Section 34, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on April 21, 1958, and dually completed on June 11, 1958, at a total depth of 5107'. The Mesaverde Formation between 4380'-4390', 4424'-4432', 4936'-4948', 4958'-4974', 4994'-5010', 5018'-5034' was treated with a sand-water fracturing process. After being shut in for gauge for eight (8) days, the well was tested on June 19, 1958, and following a three (3) hour blow down period gauged 4431 MCFGPD through a 3/4" choke, and 7577 MCFGPD by the calculated absolute open flow method with an SIPT of 997#. The committed drilling block upon which this well is located is described as the E/2 of Section 34, Township 28 North, Range 7 West, N.M.P.M., and consists of 321.87 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on June 19, 1958. The drilling block was included in the San Juan 28-7 Twenty-Sixth Expanded Participating Area, effective June 1, 1957, as an intervening drilling block. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts shown on Schedule XXVII for the Twenty-Sixth Expanded Participating Area remain the same.

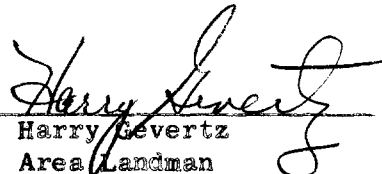
The San Juan 28-7 Unit #91 Well was a dual completion in the Pictured Cliffs and Mesaverde Formations; therefore, the Pictured Cliffs Formation will be expanded accordingly, and will be forwarded under separate cover.

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

Yours very truly,

EL PASO NATURAL GAS COMPANY

By


Harry Gevertz
Area Landman
Land Department

HG: JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Co.
Post Office Box 3231
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. W. C. Peters
Tennessee Gas Transmission Co.
Post Office Box 2511
Houston 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. Patterson Lay
Tennessee Gas Transmission Co.
Post Office Box 1772
Casper, Wyoming

El Paso Natural Gas Company

El Paso, Texas

July 28, 1958

MAIL OFFICE COO
AUG 0 PM 1:29

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

FL
C
445

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
THIRTY-FIRST EXPANDED PARTICIPATING
AREA, Mesaverde Formation
Effective May 1, 1958

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to this unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #89 Well is located 1100' from the South line and 1190' from the West line of Section 15, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on March 3, 1958, and dually completed on March 30, 1958, at a total depth of 5614'. The Mesaverde Formation between 5348'-5358', 5372'-5382', 5406'-5420', 5428'-5438', 5450'-5466', 5480'-5496', 5504'-5524' was treated with a sand-water fracturing process. After being shut-in for gauge for seventeen (17) days, the well was tested on April 17, 1958, and following a three (3) hour blow down period gauged 2297 MCFGPD through a 3/4" choke and 2536 MCFGPD by the calculated absolute open-flow method with an SIPT of 1102#. The committed drilling block upon which this well is located is described as the W/2 of Section 15, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on April 17, 1958.

The San Juan 28-7 Unit #89 Well was dually completed in the Pictured Cliffs and Mesaverde Formations, therefore the Pictured Cliffs Participating Area has been expanded accordingly, and has been forwarded under separate cover.

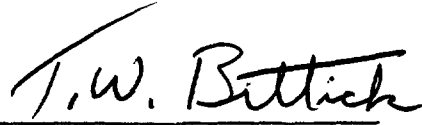
Attached is Schedule XXXII showing the Thirty-First Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Thirty-First Expanded Participating Area will become effective as of May 1, 1958.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Building
Houston 2, Texas

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. J. D. Moon
Tennessee Gas Transmission Co.
Post Office Box 3231
Durango, Colorado

Mr. W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. Patterson Lay
Tennessee Gas Transmission Co.
Post Office Box 1772
Casper, Wyoming

Mr. W. C. Peters
Tennessee Gas Transmission Co.
Post Office Box 2511
Houston 1, Texas

El Paso Natural Gas Company

El Paso, Texas

July 14, 1958

NEW MEXICO
JUL 14 1958

File
44

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
THIRTY-SECOND EXPANDED PARTICIPATING
AREA, Mesaverde Formation
Effective July 1, 1958

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that three (3) additional wells capable of producing unitized substances in paying quantities from the Mesaverde Formation have been completed upon acreage committed to this unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit #84 Well is located 1472' from the North line and 1812' from the East line of Section 5, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 12, 1958, and completed on June 2, 1958, at a total depth of 5615'. The Mesaverde Formation between 5408'-5428', 5440'-5468', 5482'-5496', 5510'-5524', 5542'-5554' was treated with a sand-water fracturing process. After being shut-in for gauge for sixteen (16) days, the well was tested on June 19, 1958, and following a three (3) hour blow-down period gauged 2678 MCFGPD through a 3/4" choke and 3680 MCFGPD by the calculated absolute open flow method with an SIPC of 1006# and an SIPT of 1006#. The committed drilling block upon which this well is located is described as the E/2 of Section 5, Township 27 North, Range 7 West, N.M.P.M., and consists of 319.90 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on June 19, 1958.
2. The San Juan 28-7 Unit #85 Well is located 856' from the North line and 1090' from the East line of Section 6, Township 27 North,

Range 7 West, Rio Arriba County, New Mexico. This well was spudded on April 11, 1958, and completed on May 19, 1958 at a total depth of 5120'. The Mesaverde Formation between 4810'-4830', 4924'-4950', 4964'-4998', 5006'-5032', 5044'-5070', 5098'-5114' was treated with a sand-water fracturing process. After being shut in for gauge for thirty-one (31) days, the well was tested on June 19, 1958, and following a three (3) hour blow down period gauged 2831 MCFGPD through a 3/4" choke and 3591 MCFGPD by the calculated absolute open-flow method with an SIPC of 1049# and an SIPT of 1060#. The committed drilling block upon which this well is located is described as the E/2 of Section 6, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.60 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on June 19, 1958.

3. The San Juan 28-7 Unit #86 Well is located 1800' from the South line and 1550' from the West line of Section 7, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on February 15, 1958, and dually completed on March 10, 1958 at a total depth of 5457'. The Mesaverde Formation between 5200'-5218', 5250'-5284', 5386'-5424' was treated with a sand-water fracturing process. After being shut in for gauge for seventy-six (76) days, the well was tested on June 11, 1958, and following a three (3) hour blow down period gauged 1758 MCFGPD through a 3/4" choke and 1855 MCFGPD by the calculated absolute open-flow method with an SIPT of 1091#. The committed drilling block upon which this well is located is described as the W/2 of Section 7, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.26 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on June 11, 1958.

The San Juan 28-7 Unit #86 Well is a dual completion, therefore, a Notice of Completion of Additional Well in the Pictured Cliffs Formation will be made and forwarded under separate cover.

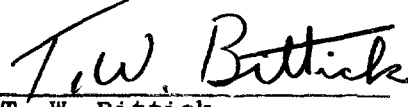
Attached is Schedule XXXIII showing the Thirty-Second Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Thirty-Second Expanded Participating Area will become effective as of July 1, 1958.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Co.
Post Office Box 3231
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. W. C. Peters
Tennessee Gas Transmission Co.
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Mr. B. G. Martin
San Jacinto Petroleum Corp.
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Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. W. E. Richards
Shoreline Petroleum Corporation
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Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. Patterson Lay
Tennessee Gas Transmission Co.
Post Office Box 1772
Casper, Wyoming

El Paso Natural Gas Company
MAIN OFFICE

1953 JUL 12 PM 6:20 El Paso, Texas

July 10, 1958

*File
Case
445*

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
NOTICE OF COMPLETION OF ADDITIONAL WELL
Pictured Cliffs Formation

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to the Unit.

This well is as follows:

The San Juan 28-7 Unit #86 Well is located 1800' from the South line and 1550' from the West line of Section 7, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on February 15, 1958, and dually completed on March 10, 1958 at a total depth of 5457'. The Pictured Cliffs Formation between 3038'-3062', 3080'-3100', 3108'-3120' was treated with a sand-water fracturing process. After being shut-in for gauge for sixty-nine (69) days, the well was tested on May 19, 1958 and following a three (3) hour blow-down period gauged 1189 MCFGPD through a 3/4" choke, and 1207 MCFGPD by the calculated absolute open-flow method with an SIPC of 771# and an SIPT of 781#. The committed drilling block upon which this well is located is described as the W/2 of Section 7, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.26 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on May 19, 1958. This drilling block was included in the San Juan 28-7 Fifth Expanded Participating Area, effective June 1, 1955. Therefore, the Participating Area

is not enlarged, and the percentages allocated to the tracts shown on Schedule VI for the Fifth Expanded Participating Area remain the same.

The San Juan 28-7 Unit #86 Well was a dual completion, therefore the Mesa-verde Participating Area will be expanded accordingly, and will be forwarded under separate cover.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Harry Gevertz
Area Landman
Land Department

HG:JNN:jb
Attachment

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Building
Houston 2, Texas

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. J. D. Moon
Tennessee Gas Transmission Co.
Post Office Box 3231
Durango, Colorado

Mr. W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. J. Glenn Turner
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. Alfred E. McLane
1900 Mercantile Dallas Building
Dallas 1, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. Patterson Lay
Tennessee Gas Transmission Co.
Post Office Box 1772
Casper, Wyoming

Mr. W. C. Peters
Tennessee Gas Transmission Co.
Post Office Box 2511
Houston 1, Texas

El Paso Natural Gas Company

MAIN OFFICE

El Paso, Texas

July 10, 1958

1958 JUL 25 AM 11 30

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

*File
Cope
445*

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
SEVENTEENTH EXPANDED PARTICIPATING
AREA, Pictured Cliffs Formation
Effective July 1, 1958

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to this Unit. The Participating Area for the Pictured Cliffs Formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #82 Well is located 1190' from the North line and 1190' from the East line of Section 4, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on January 26, 1958, and dually completed on February 15, 1958 at a total depth of 5719'. The Pictured Cliffs Formation between 3286' - 3300', 3338' - 3356' was treated with a sand-water fracturing process. After being re-shut in for gauge for twenty-one (21) days, the well was tested on June 9, 1958, and following a three (3) hour blow down period gauged 1870 MCFGPD through a 3/4" choke, and 1903 MCFGPD by the calculated absolute open flow method with an SIPC of 1074# and an SIPT of 1079#. The committed drilling block upon which this well is located is described as the E/2 of Section 4, Township 27 North, Range 7 West, N.M.P.M. and consists of 320.17 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on June 9, 1958.

The completion of the San Juan 28-7 Unit #82 Well creates two (2) Pictured Cliffs intervening drilling blocks. These intervening drilling blocks are described

as the W/2 of Section 4, Township 27 North, Range 7 West, N.M.P.M., and the E/2 of Section 33, Township 28 North, Range 7 West, N.M.P.M., and consist of 319.79 acres, and 316.32 acres, respectively.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling blocks are admitted to the Pictured Cliffs Participating Area as of July 1, 1958. Wells must be commenced on these blocks by July 1, 1959.

The San Juan 28-7 Unit #82 Well is a dual completion on a Mesaverde intervening drilling block, therefore a Notice of Completion of Additional Well will be made for the Mesaverde Formation, and will be forwarded under separate cover.

Attached is Schedule XVIII showing the Seventeenth Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Seventeenth Expanded Participating Area will become effective as of July 1, 1958.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


T. W. Bittick
Assistant Manager
Land Department

TWB: JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
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823 Corrigan Tower
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902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. Patterson Lay
Tennessee Gas Transmission Co.
Post Office Box 1772
Casper, Wyoming

El Paso Natural Gas Company

1958 JUL 29
El Paso, Texas

July 10, 1958

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
SIXTEENTH EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective June 1, 1958

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed upon acreage committed to this Unit. The Participating Area for the Pictured Cliffs Formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #89 Well is located 1100' from the South line and 1190' from the West line of Section 15, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on March 3, 1958, and dually completed on March 30, 1958, at a total depth of 5614'. The Pictured Cliffs Formation between 3144' - 3154', 3160' - 3174' was treated with a sand-water fracturing process. After being shut-in for gauge for sixty (60) days, the well was tested on May 30, 1958, and following a three (3) hour blow-down period gauged 8,113 MCFGPD through a 3/4" choke, and 13,013 MCFGPD by the calculated absolute open-flow method with an SIPC of 1005# and an SIPT of 1005#. The committed drilling block upon which this well is located is described as the W/2 of Section 15, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on May 30, 1958.

The completion of the San Juan 28-7 Unit #89 Well creates one (1) Pictured Cliffs intervening drilling block. This intervening drilling block is described as the E/2 of Section 16, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Pictured Cliffs Participating Area as of June 1, 1958. A well must be commenced on said block by June 1, 1959.

The San Juan 28-7 Unit #89 Well is a dual completion in the Pictured Cliffs and Mesaverde Formations, therefore, the Mesaverde will be expanded accordingly. Said expansion will be forwarded to you under separate cover.

Attached is Schedule XVII showing the Sixteenth Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Sixteenth Expanded Participating Area will become effective as of June 1, 1958.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:cl

cc: Attached list



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P.O. Box 6721
Roswell, New Mexico

May 7, 1958

El Paso Natural Gas Co.
P.O. Box 1492
El Paso, Texas

Attention: MR. Sam Smith

Gentlemen:

Your plan of development dated January 17, 1958, for the San Juan 28-7 Unit Area, New Mexico, for the calendar year 1958, which plans the drilling of five Mesaverde, two Pictured Cliffs, and three dual Mesaverde-Pictured Cliffs wells, has been approved on this date subject to like approval by the appropriate State of New Mexico officials.

Two approved copies of the plan are enclosed.

Very truly yours,



JAMES A. KNAUF
Acting Oil and Gas Supervisor

Enc.: 2

Copy to: Wash. (w/copy of plan)
Farmington (w/copy of plan) ✓
Com. of Public Lands, Santa Fe (letter only)
Oil Cons. Comm., Santa Fe (letter only) ✓

RFEvans:baw
5-7-58

File
Case 445

In reply refer to:
Unit Division

April 18, 1958

El Paso Natural Gas Company
El Paso, Texas

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF NON-
COMMERCIAL WELL

Attention: Mr. T. W. Bittick

Gentlemen:

We are enclosing one copy of the above designated which
was approved April 18, 1958 by the Commissioner of Public Lands.

This approves El Paso Natural Gas Companys determination
that San Juan Unit 28-7 Well No. 94 is incapable of producing
unitized substances in paying quantities from the Pictured Cliffs
Formation as of January 29, 1958.

Very truly yours,

MURRAY E. MORGAN,
Commissioner of Public Lands

BY:

Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/s

cc:

USGS

OCC ✓

File
445

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

April 14, 1958

C
O
P
Y

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. Sam Smith

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1958 Drilling Program

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1958 Drilling Program for the San Juan 28-7 Unit Area, subject to like approval by the United States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/RLS/ga

cc U. S. Geological Survey, Roswell
Commissioner of Public Lands, Santa Fe

El Paso Natural Gas Company

El Paso, Texas

January 17, 1958

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
#14-08-001-459
Rio Arriba County, New Mexico
1958 Drilling Program

Gentlemen:

By letter dated December 31, 1956, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned Unit for the calendar year 1957. Said Program and three (3) Supplemental Programs provided for the drilling of two (2) Pictured Cliffs wells; seven (7) Mesaverde wells; and seven (7) dual Pictured Cliffs-Mesaverde wells. All sixteen (16) wells have been completed or are in the process of being completed upon lands committed to the Unit, and fifteen (15) wells have been admitted or are in the process of being admitted to their respective Participating Areas; one (1) Mesaverde well having been determined to be incapable of producing unitized substances in paying quantities.

As of this date, the total number of wells in the San Juan 28-7 Unit Area is as follows:

Pictured Cliffs	19
Mesaverde	52
Pictured Cliffs-Mesaverde	7
Non-Commercial	5 (Pictured Cliffs 3 Mesaverde 2)

Pursuant to Section 10 of the San Juan 28-7 Unit Agreement, El Paso Natural Gas Company, as Unit Operator, is submitting this Drilling Program providing for the drilling of the following described wells during the period from January 1, 1958 to December 31, 1958:

<u>Drilling Block</u>	<u>Formation</u>
*E/2 Section 4, T-27-N, R-7-W	Mesaverde
E/2 Section 5, T-27-N, R-7-W	Mesaverde
E/2 Section 6, T-27-N, R-7-W	Mesaverde
W/2 Section 7, T-27-N, R-7-W	Mesaverde
W/2 Section 8, T-27-N, R-7-W	Mesaverde
*W/2 Section 5, T-27-N, R-7-W	Pictured Cliffs
*W/2 Section 21, T-27-N, R-7-W	Pictured Cliffs
E/2 Section 10, T-27-N, R-7-W	Dual, Pictured Cliffs-Mesaverde
W/2 Section 15, T-27-N, R-7-W	Dual, Pictured Cliffs-Mesaverde
*E/2 Section 34, T-28-N, R-7-W	Dual, Pictured Cliffs-Mesaverde

*Intervening drilling blocks; must be drilled during 1958.

In addition to the above wells, El Paso Natural Gas Company, as Unit Operator, also plans to drill any offset wells required to prevent drainage of unitized substances, and any other wells being necessary or desirable by the Unit Operator and the Working Interest Owners in the affected drilling blocks.

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above listed Pictured Cliffs wells to the base of the Pictured Cliffs Formation using rotary and cable tools. Surface casing will be set to approximately 100' from the surface, and then a production string of 5 1/2" casing will be set through the Pictured Cliffs Formation. Mud will be used in drilling through the Pictured Cliffs Formation and cable tools will be used for completion work. The entire Pictured Cliffs Formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above listed Mesaverde wells to the base of the Mesaverde Formation using rotary tools. Surface casing of 10 3/4" will be set to approximately 150' below the surface and an intermediate string of 7 5/8" will be set through the Pictured Cliffs Formation to a depth of approximately 3200'. A 5 1/2" production string will be set through the Mesaverde Formation, and the casing of the Mesaverde Formation will then be selectively perforated and the Mesaverde Formation will be subjected to a hydraulic fracturing process. Mud will be used in setting the intermediate string of casing, and the hole below the intermediate string will be drilled with gas. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above listed Mesaverde-Pictured Cliffs dual wells to the base of the Mesaverde Formation using rotary tools. Surface casing of 10 3/4" will be set to approximately 150' below the surface and an intermediate string of 7 5/8" will be set through the Pictured Cliffs Formation to a depth of approximately 3200'. A 5 1/2" production liner will be set from this point through the Mesaverde Formation. The Mesaverde Formation will then be selectively perforated and subjected to a hydraulic fracturing process, after which a bridging plug will be set above the Mesaverde Formation and the Pictured Cliffs Formation will be selectively perforated and subjected to a hydraulic fracturing process. For completion, a production packer will be set between the two formations using 2" tubing to produce the Mesaverde. A string of 1 1/4" tubing will be run, through which the Pictured Cliffs Formation will be produced. Mud will be used in setting the intermediate string of casing and the hole below the intermediate string will be drilled with gas. Due care will be taken to protect all horizons.

All of the Working Interest Owners have been contacted and this Drilling Program reflects, insofar as possible, their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval, as required under Section 10 of the Unit Agreement, in the space provided on the attached sheet and return an approved copy to El Paso Natural Gas Company.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 

Sam Smith

Manager

Land Department

SS:JNN:pc

APPROVED: _____ DATE: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate
State officials.

APPROVED: _____ DATE: _____
Commissioner of Public Lands
Subject to like approval by the United States
Geological Survey and Oil Conservation Commission.

APPROVED: *[Signature]* DATE: *11-18-58*
Oil Conservation Commission
Subject to like approval by the United States
Geological Survey and the Commissioner of Public Lands.

The foregoing approvals are for the 1958 Drilling Program for the San Juan 28-7 Unit,
Rio Arriba County, New Mexico.

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

J. D. Moon
Tennessee Gas Transmission Co.
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

In reply refer to:
Unit Division

April 11, 1958

Case 445

El Paso Natural Gas Company
El Paso, Texas

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1958 Drilling Program

Attention: Mr. Sam Smith

Gentlemen:

We are enclosing one copy of the 1958 Drilling Program for the San Juan 28-7 Unit, dated January 17, 1958 and which was received by this office April 10, 1958.

This program was approved by the Commissioner of Public Lands April 11, 1958.

Murray E. Morgan,
Commissioner of Public Lands

BY:

Ted Bilberry, Supervisor
Oil and Gas Division

MEM/MMR/s
cc:

United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

Oil Conservation Commission ✓
Box 871
Santa Fe, New Mexico



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O. Box 6721
Roswell, New Mexico

445
IN REPLY REFER TO:

April 9, 1958

El Paso Natural Gas Co.
Box 1492
El Paso, Texas

Attention: Mr. T.W. Bittick

Gentlemen:

Receipt is acknowledged of six copies of your "Notice of Completion of Non-Commercial Well" for the San Juan 28-7 Unit #94, in the Pictured Cliffs formation in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 30, T. 28 N., R. 7 W., N.M.P.M., Rio Arriba County, New Mexico.

Section 11(a) of the unit agreement provides that determinations such as this be effective automatically unless disapproved in 30 days.

Accordingly, no action is being taken to approve the determination. Four copies of the determination are being retained to be distributed to the appropriate government offices, and two copies are returned herewith.

Very truly yours,

JAMES A. KNAUF
Acting Oil and Gas Supervisor

Copy to: Washington (w/copy of Notice)
Farmington (w/copy of Notice)
Comm. of Public Lands, Santa Fe (letter only)
Oil Cons. Comm., Santa Fe (letter only)

JAKnauf:baw

File

El Paso Natural Gas Company

El Paso, Texas

April 7, 1958

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELL AND FIFTEENTH EXPANDED
PARTICIPATING AREA
Pictured Cliffs Formation
Effective March 1, 1958

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below, that two (2) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed upon acreage committed to this Unit. The Participating Area for the Pictured Cliffs Formation is expanded accordingly to include the following described intervening drilling block:

The San Juan 28-7 Unit #90 Well is located 1112' from the North line and 1650' from the West line of Section 21, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on January 27, 1958, and completed on February 9, 1958, at a total depth of 3046'. The Pictured Cliffs Formation between 2934' - 2944', 2950' - 2964', 2984' - 3004' was treated with a sand-water fracturing process. After being shut-in for gauge for nine (9) days, the well was tested on February 18, 1958 and following a three (3) hour blow-down period gauged 867 MCFGPD through a 3/4" choke, and 871 MCFGPD by the calculated absolute open-flow method with an SIPC of 997# and an SIPT of 997#. The committed drilling block upon which this well is located is described as the W/2 of Section 21, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on February 18, 1958.

The completion of the San Juan 28-7 Unit #90 Well creates one (1) Pictured Cliffs intervening drilling block. This intervening drilling block is described as the E/2 of Section 21, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Pictured Cliffs Participating Area as of March 1, 1958. A well must be commenced on said block by March 1, 1958.

The San Juan 28-7 Unit #83 Well is located 1501' from the North line and 1511' from the West line of Section 5, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on January 16, 1958 and completed on January 29, 1958 at a total depth of 3415'. The Pictured Cliffs Formation between 3306' - 3340' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on February 10, 1958, and following a three (3) hour blow-down period gauged 1226 MCFGPD through a 3/4" choke, and 1238 MCFGPD by the calculated absolute open-flow method with an SIPC of 1006# and an SIPT of 1006#. The committed drilling block upon which this well is located is described as the W/2 of Section 5, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.52 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on February 10, 1958.

Attached is Schedule XVI showing the Fifteenth Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Fifteenth Expanded Participating Area will become effective as of March 1, 1958.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

BY T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:cl

cc: Attached list

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Bldg.
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Wood River Oil and Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. Patterson Lay
Tennessee Gas Transmission Co.
P. O. Box 1772
Casper, Wyoming

El Paso Natural Gas Company

El Paso, Texas

March 14, 1958

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
THIRTIETH EXPANDED PARTICIPATING
AREA, Mesaverde Formation
Effective March 1, 1958

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to this unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #94 Well is located 800' from the South line and 1850' from the West line of Section 30, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on December 27, 1957, and dually completed on January 11, 1958, at a total depth of 4893'. The Mesaverde Formation between 4534' - 4544', 4594' - 4608', 4678' - 4680', 4702' - 4734', 4748' - 4758', 4812' - 4824' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on February 5, 1958, and following a three (3) hour blow-down period gauged 2645 MCFGPD through a 3/4" choke and 3016 MCFGPD by the calculated absolute open-flow method with an SIPT of 1056#. The committed drilling block upon which this well is located is described as the W/2 of Section 30, Township 28 North, Range 7 West, N.M.P.M., and consists of 305.76 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on February 5, 1958.

The San Juan 28-7 Unit #94 Well was dually completed in the Pictured Cliffs and Mesaverde Formations, however, on January 29, 1958, it was determined that the Pictured Cliffs section of said well was incapable of producing unitized substances in paying quantities; therefore, a Notice of Completion of Non-Commercial Well has been made, covering the Pictured Cliffs Formation of the subject well, and will be forwarded under separate cover.

Attached is Schedule XXXI showing the Thirtieth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Thirtieth Expanded Participating Area will become effective as of March 1, 1958.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:cl

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Bldg.
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Wood River Oil and Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. Patterson Lay
Tennessee Gas Transmission Co.
P. O. Box 1772
Casper, Wyoming

El Paso Natural Gas Company

El Paso, Texas

March 11, 1958

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
#14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF
NON-COMMERCIAL WELL

Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following Pictured Cliffs Well in the San Juan 28-7 Unit Area is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation.

The San Juan 28-7 Unit #94 Well is located 800' from the South line and 1850' from the West line of Section 30, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on December 27, 1957, and dually completed on January 11, 1958 at a total depth of 4893'. The Pictured Cliffs Formation between 2470'-2492', 2518' - 2540' was treated with a sand-water fracturing process. After being shut in for gauge for seventeen (17) days the well was tested on January 29, 1958 and following a three (3) hour blow-down period gauged 498 MCFGPD through a 3/4" choke and 499 MCFGPD by the calculated absolute open flow method with an SIPC of 999# and an SIPT of 999#. The committed drilling block upon which this well is located is described as the W/2 of Section 30, Township 28 North, Range 7 West, N.M.P.M., and consists of 305.76 acres.

El Paso Natural Gas Company, as Unit Operator, determined that the above described well was not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation on January 29, 1958.

The San Juan 28-7 Unit #94 Well was dually completed in the Pictured Cliffs and Mesaverde Formations; therefore, the Mesaverde Participating Area will be expanded accordingly. Said well will be included in the Thirtieth Expansion for the Mesaverde Formation, effective March 1, 1958, and will be forwarded under separate cover.

Pursuant to Section 11 of the San Juan 28-7 Unit Agreement, #14-08-001-459, Unit Operator hereby requests the approval of the foregoing determination by the Regional Oil and Gas Supervisor, the Commissioner of Public Lands and the Oil Conservation Commission as the above described well is located on a drilling block involving both Federal and Fee Lands.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

APPROVED: _____ Date: _____
Director, United States Geological Survey

Subject to like approval by the appropriate State officials.

APPROVED: _____ Date: _____
Commissioner of Public Lands

Subject to like approval by the U.S.G.S. and Oil Conservation Commission

APPROVED: _____ Date: _____
Oil Conservation Commission

Subject to like approval by the U.S.G.S. and Commissioner of Public Lands.

The foregoing approvals are for the recommendation declaring the above described San Juan 28-7 Unit #94 (PM) Well non-commercial, as to the Pictured Cliffs Formation only, and excluding the acreage pertaining thereto from consideration as a part of the Pictured Cliffs Participating Area.

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Bldg.
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Wood River Oil and Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
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Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. Patterson Lay
Tennessee Gas Transmission Co.
P. O. Box 1772
Casper, Wyoming

El Paso Natural Gas Company

El Paso, Texas

March 3, 1958

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
TWENTY-NINTH EXPANDED PARTICIPATING AREA
Mesaverde Formation
Effective February 1, 1958

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #93 Well is located 840' from the South line and 1550' from the West line of Section 9, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on December 3, 1957, and dually completed on December 21, 1957, at a total depth of 5719'. The Mesaverde Formation between 5400'-5428', 5466'-5498', 5542'-5566', 5606'-5620', 5626'-5646' was treated with a sand-water fracturing process. After being shut-in for gauge for fourteen (14) days the well was tested on January 27, 1958 and following a three (3) hour blow-down period gauged 1598 MCFGPD through a 3/4" choke, and 1680 MCFGPD by the calculated absolute open flow method with an SIPT of 1056#. The committed drilling block upon which this well is located is described as the W/2 of Section 9, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on January 27, 1958.

The San Juan 28-7 Unit #93 Well is a dually completed well in the Pictured Cliffs and Mesaverde Formations, therefore, the Pictured Cliffs Participating Area will be expanded accordingly. Said well will be included in the Fourteenth Expanded Participating Area for the Pictured Cliffs Formation, effective February 1, 1958, and will be forwarded to you under separate cover.

The completion of the San Juan 28-7 Unit #93 Well creates one (1) intervening drilling block. This intervening drilling block is described as the W/2 of Section 4, Township 27 North, Range 7 West, N.M.P.M., and consists of 319.79 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Mesaverde Participating Area as of February 1, 1958. A well must be commenced on this intervening drilling block by February 1, 1959.

Attached is Schedule XXX showing the Twenty-Ninth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Ninth Expanded Participating Area will become effective as of February 1, 1958.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick

T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:jb

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Bldg.
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Wood River Oil and Refining Co., Inc.
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. Patterson Lay
Tennessee Gas Transmission Co.
P. O. Box 1772
Casper, Wyoming

El Paso Natural Gas Company

El Paso, Texas

February 28, 1958

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
FOURTEENTH EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective February 1, 1958

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below, that two (2) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to this Unit. The Participating Area for the Pictured Cliffs is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit #93 Well is located 840' from the South line and 1550' from the West line of Section 9, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on December 3, 1957, and dually completed on December 21, 1957 at a total depth of 5719'. The Pictured Cliffs Formation between 3130' - 3180' was treated with a sand-water fracturing process. After being shut-in for gauge for twenty-three (23) days, the well was tested on January 13, 1958, and following a three (3) hour blow down period gauged 7535 MCFGPD through a 3/4" choke, and 10,572 MCFGPD by the calculated absolute open flow method with an SIPC of 991# and an SIPT of 991#. The committed drilling block upon which this well is located is described as the W/2 of Section 9, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation was made on January 13, 1958.

Attached is Schedule XV showing the Fourteenth Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Fourteenth Expanded Participating Area will become effective as of February 1, 1958.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By

T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Bldg.
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
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Albuquerque, New Mexico

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Wichita, Kansas

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San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
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Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. Patterson Lay
Tennessee Gas Transmission Co.
P. O. Box 1772
Casper, Wyoming

File
44

El Paso Natural Gas Company

El Paso, Texas

February 10, 1958

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: Exhibit "B"
San Juan 28-7 Unit
Rio Arriba County, New Mexico
Revised: January 1, 1958

Gentlemen:

Please find enclosed the Exhibit "B" for the San Juan 28-7 Unit, which has been revised effective January 1, 1958.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Yours very truly,



Harry Gevertz
Area Landman
Land Department

HG: JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

J. D. Moon
Tennessee Gas Transmission Co.
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
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321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
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Mr. R. E. Beamon
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Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Company

El Paso, Texas

January 27, 1958

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
TWENTY-EIGHTH EXPANDED PARTICIPATING
AREA, Mesaverde Formation,
Effective December 1, 1957

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #81 Well is located 1675' from the North line and 1750' from the East line of Section 9, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on October 2, 1957, and dually completed on November 10, 1957, at a total depth of 5843'. The Mesaverde Formation between 5059'- 5070', 5096'- 5145', 5620'- 5666', 5678'- 5700', 5722'- 5736', 5748'- 5768' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days the well was tested on November 25, 1957 and following a three (3) hour blow-down period gauged 1637 MCFGPD through a 3/4" choke, and 1743 MCFGPD by the calculated absolute open flow method with an SIPT of 970#. The committed drilling block upon which this well is located is described as the E/2 of Section 9, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities from the Mesaverde Formation was made on November 25, 1957.

The San Juan 28-7 Unit #81 Well is a dually completed well in the Pictured Cliffs and Mesaverde Formations, therefore the Pictured Cliffs Participating Area will be expanded accordingly. Said well will be included in the Thirteenth Expanded Participating Area for the Pictured Cliffs Formation, effective December 1, 1957, and will be forwarded to you under separate cover.

The completion of the San Juan 28-7 Unit #81 Well creates one (1) intervening drilling block. This intervening drilling block is described as the E/2 of Section 4, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.17 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Mesaverde Participating Area as of December 1, 1957. A well must be commenced on this intervening drilling block by December 1, 1958.

Attached is Schedule XXIX showing the Twenty-Eighth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Eighth Expanded Participating Area will become effective as of December 1, 1957.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:jb

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

J. D. Moon
Tennessee Gas Transmission Co.
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
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Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
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Dallas 1, Texas

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321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

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Mr. R. E. Beamon
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Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Company

El Paso, Texas

January 3, 1958

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
TWENTY-EIGHTH EXPANDED PARTICIPATING
AREA, Mesaverde Formation,
Effective December 1, 1957

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #81 Well is located 1675' from the North line and 1750' from the East line of Section 9, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on October 2, 1957, and dually completed on November 10, 1957, at a total depth of 5843'. The Mesaverde Formation between 5059'- 5070', 5096'- 5145', 5620'- 5666', 5678'- 5700', 5722'- 5736', 5748'- 5768' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days the well was tested on November 25, 1957 and following a three (3) hour blow-down period gauged 1637 MCFGPD through a 3/4" choke, and 1743 MCFGPD by the calculated absolute open flow method with an SIPT of 970#. The committed drilling block upon which this well is located is described as the E/2 of Section 9, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on November 25, 1957.

The San Juan 28-7 Unit #81 Well is a dually completed well in the Pictured Cliffs and Mesaverde Formations, therefore the Pictured Cliffs Participating Area will be expanded accordingly. Said well will be included in the Thirteenth Expanded Participating Area for the Pictured Cliffs Formation, effective December 1, 1957, and will be forwarded to you under separate cover.

The completion of the San Juan 28-7 Unit #81 Well creates one (1) intervening drilling block. This intervening drilling block is described as the E/2 of Section 4, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.07 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Mesaverde Participating Area as of December 1, 1957. A well must be commenced on this intervening drilling block by December 1, 1958.

Attached is Schedule XXIX showing the Twenty-Eighth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Eighth Expanded Participating Area will become effective as of December 1, 1957.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

cc: Attached List

Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
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2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle

El Paso Natural Gas Company

El Paso, Texas

January 2, 1958

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
THIRTEENTH EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective December 1, 1957

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to this Unit. The Participating Area for the Pictured Cliffs is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #81 Well is located 1675' from the North line and 1750' from the East line of Section 9, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on October 2, 1957 and dually completed on November 10, 1957, at a total depth of 5843'. The Pictured Cliffs Formation between 3368'-3380', 3404'-3420' was treated with a sand-water fracturing process. After being shut-in for gauge for nine (9) days, the well was tested on November 19, 1957, and following a three (3) hour blow down period gauged 1109 MCFGPD through a 3/4" choke, and 1120 MCFGPD by the calculated absolute open flow method with an SIPC of 835# and an SIPT of 835#. The committed drilling block upon which this well is located is described as the E/2 of Section 9, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on November 19, 1957.

The San Juan 28-7 Unit #81 Well is a dually completed well in the Pictured Cliffs and Mesaverde Formations, therefore the Pictured Cliffs Participating Area will be expanded accordingly. Said well will be included in the Thirteenth Expanded Participating Area for the Pictured Cliffs Formation, effective December 1, 1957, and will be forwarded to you under separate cover.

The completion of the San Juan 28-7 Unit #81 Well creates one (1) intervening drilling block. This intervening drilling block is described as the E/2 of Section 4, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.07 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Mesaverde Participating Area as of December 1, 1957. A well must be commenced on this intervening drilling block by December 1, 1958.

Attached is Schedule XXIX showing the Twenty-Eighth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Eighth Expanded Participating Area will become effective as of December 1, 1957.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
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Mr. Jack Martin
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Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Company

El Paso, Texas

January 3, 1958

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
TWENTY-EIGHTH EXPANDED PARTICIPATING
AREA, Mesaverde Formation,
Effective December 1, 1957

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #81 Well is located 1675' from the North line and 1750' from the East line of Section 9, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on October 2, 1957, and dually completed on November 10, 1957, at a total depth of 5843'. The Mesaverde Formation between 5059'- 5070', 5096'- 5145', 5620'- 5666', 5678'- 5700', 5722'- 5736', 5748'- 5768' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days the well was tested on November 25, 1957 and following a three (3) hour blow-down period gauged 1637 MCFGPD through a 3/4" choke, and 1743 MCFGPD by the calculated absolute open flow method with an SIPT of 970#. The committed drilling block upon which this well is located is described as the E/2 of Section 9, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on November 25, 1957.

The San Juan 28-7 Unit #81 Well was dually completed in the Pictured Cliffs and Mesaverde Formations; therefore, the Mesaverde Participating Area has been expanded accordingly. Said well was included in the Twenty-Eighth Expansion for the Mesaverde Formation, effective December 1, 1957, and will be forwarded to you under separate cover.

Attached is Schedule XIV showing the Thirteenth Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Thirteenth Expanded Participating Area will become effective as of December 1, 1957.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick

T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

J. D. Moon
Tennessee Gas Transmission Co.
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Company

El Paso, Texas

December 5, 1957

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
TWELFTH EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective November 1, 1957

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to this Unit. The Participating Area for the Pictured Cliffs is expanded accordingly to include this well as follows:

1. The San Juan 28-7 Unit #79 Well is located 1570' from the North line and 1008' from the East line of Section 11, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on September 9, 1957 and dually completed on September 25, 1957, at a total depth of 5285'. The Pictured Cliffs Formation between 2834'-2870' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on October 2, 1957, and following a three (3) hour blow down period gauged 1593 MCFGPD through a 3/4" choke, and 1619 MCFGPD by the calculated absolute open flow method with an SIPC of 1005# and an SIPT of 1005#. The committed drilling block upon which this well is located is described as the E/2 of Section 11, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized

substances in paying quantities was made on October 2, 1957.

The San Juan 28-7 Unit #79 Well was dually completed in the Pictured Cliffs and Mesaverde Formations; therefore, the Mesaverde Participating Area has been expanded accordingly. Said well was included in the Twenty-Seventh Expansion for the Mesaverde Formation, effective November 1, 1957, and has been forwarded to you under separate cover.

Attached is Schedule XIII showing the Twelfth Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twelfth Expanded Participating Area will become effective as of November 1, 1957.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

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Post Office Box 1419
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Roswell, New Mexico

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San Antonio 5, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

November 26, 1957

El Paso Natural Gas Company
Box 1492
El Paso, Texas

Attention: Mr. T. W. Bittick

Re: San Juan 28-7 Unit
Rio Arriba County, N. Mex.
Second Amended Supplemental
1957 Drilling Program

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Second Amended Supplemental 1957 Drilling Program for the subject unit area subject to like approval by the U. S. Geological Survey and by the Commissioner of Public Lands of the State of New Mexico. One approved copy of the drilling program is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

DSN:omg

cc: U. S. Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

November 19, 1957

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. T. W. Bittick

Gentlemen:

The second amendment of the 1957 supplemental plan of development, dated November 12, 1957, for the San Juan 28-7 unit area, New Mexico, No. 14-08-001-459 has been approved today, subject to like approval by the appropriate State officials. The second amendment provides for one additional Mesaverde well, making a total of two wells to be drilled to the Pictured Cliffs formation, eight wells to be drilled to the Mesaverde formation and seven wells to be dually completed in the Mesaverde and Pictured Cliffs formation during the calendar year 1957.

Very truly yours,

JAMES A. KNAUF
Acting Oil and Gas Supervisor

Copy to: Washington (w/copy of plan)
Farmington (w/copy of plan)
NMDCC, Santa Fe (letter only)

El Paso Natural Gas Company

El Paso, Texas

November 12, 1957

Mr. John A. Anderson
Regional Oil & Gas Supervisor
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
SECOND AMENDED SUPPLEMENTAL 1957
DRILLING PROGRAM

Gentlemen:

By letter of December 31, 1956, El Paso Natural Gas Company, as Unit Operator, filed its 1957 Drilling Program for the captioned Unit, providing for the drilling of fourteen (14) wells between the dates of January 1, 1957, and December 31, 1957. Seven (7) wells were to be drilled to the Mesaverde Formation, one (1) well was to be drilled to the Pictured Cliffs Formation and six (6) wells were to be dually completed in the Pictured Cliffs and Mesaverde Formations.

The 1957 Drilling Program was approved by the United States Geological Survey on January 28, 1957; by the Commissioner of Public Lands on January 11, 1957; and by the Oil Conservation Commission on February 11, 1957.

By letter dated September 4, 1957, El Paso Natural Gas Company, as Unit Operator, filed a Supplemental 1957 Drilling Program for the captioned Unit providing for the drilling of one (1) well, said well to be dually completed in the Pictured Cliffs and Mesaverde Formations, and located in the E/2 of Section 9, Township 27 North, Range 7 West, N.M.P.M.

The Supplemental 1957 Drilling Program was approved by the United States Geological Survey on September 10, 1957; by the Commissioner of Public Lands on September 13, 1957; and by the Oil Conservation Commission on October 29, 1957.

By letter dated October 2, 1957, El Paso Natural Gas Company, as Unit Operator, filed an Amended Supplemental 1957 Drilling Program providing for the drilling of one (1) well, said well to be completed in the Pictured Cliffs Formation, and located in the W/2 of Section 20, Township 27 North, Range 7 West, N.M.P.M.

The Amended Supplemental 1957 Drilling Program was approved by the United States Geological Survey on October 10, 1957; by the Commissioner of Public Lands on October 22, 1957; and by the Oil Conservation Commission on October 29, 1957.

El Paso Natural Gas Company, as Unit Operator, is now desirous of drilling one (1) well, in addition to the wells proposed by the Supplemental 1957 Drilling Program and the Amended Supplemental 1957 Drilling Program, said well to be completed in the Mesaverde Formation, to be located as hereinafter set forth. Therefore pursuant to Section 10 of the above numbered Unit Agreement, herewith submitted is a Proposed Second Amended Supplemental 1957 Drilling Program for the balance of the calendar year of 1957, providing for the drilling of the following well.

DRILLING BLOCK

W/2 Section 9, T-27-N, R-7-W

FORMATION

Mesaverde

El Paso Natural Gas Company, as Unit Operator, intends to drill said well employing the same drilling and completion method as specified for a Mesaverde Well in the Drilling Program for the San Juan 28-7 Unit for 1957, dated December 31, 1956.

El Paso Natural Gas Company, as Unit Operator, will protect the Unit from drainage, and will comply with any drilling requirements created under the terms of the Unit Agreement calling for additional drilling.

If this Second Amended Supplemental 1957 Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Copies of this Second Amended Supplemental 1957 Drilling Program are being sent to the Working Interest Owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

BY:



T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:cl

cc: Attached list

Approved: _____ Date: _____
Supervisor, United States Geological Survey,
Subject to like approval by the appropriate State officials.

Approved: _____ Date: _____
Commissioner of Public Lands, Subject to like approval
by the United States Geological Survey and the Oil
Conservation Commission.

Approved:  _____ Date: _____
Oil Conservation Commission, Subject to like approval
by the United States Geological Survey and the Commissioner
of Public Lands.

The foregoing approvals are for the Second Amended Supplemental 1957 Drilling Program
for the San Juan 28-7 Unit, Rio Arriba County, New Mexico.

El Paso Natural Gas Company

El Paso, Texas

November 12, 1957

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
TWENTY-SEVENTH EXPANDED PARTICIPATING
AREA, Mesaverde Formation,
Effective November 1, 1957

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one(1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #79 Well is located 1570' from the North line and 1008' from the East line of Section 11, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on September 9, 1957, and completed on September 25, 1957, at a total depth of 5285'. The Mesaverde Formation between 4506' - 4524', 4544' - 4566', 4576' - 4586', 4596' - 4608', 4992' - 5008', 5042' - 5070', 5086' - 5096', 5126' - 5138' was treated with a sand-water fracturing process. After being shut-in for gauge for fifteen (15) days the well was tested on October 10, 1957 and following a three (3) hour blow-down period gauged 3982 MCFGPD through a 3/4" choke, and 5527 MCFGPD by the calculated absolute open flow method with an SIPT of 1066#. The committed drilling block upon which this well is located is described as the E/2 of Section 11, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on October 10, 1957.

The San Juan 28-7 Unit #79 Well is a dually completed well in the Pictured Cliffs and Mesaverde Formations, therefore the Pictured Cliffs Participating Area will be expanded accordingly. Said well will be included in the Twelfth Expanded Participating Area for the Pictured Cliffs Formation, effective November 1, 1957, and will be forwarded to you under separate cover.

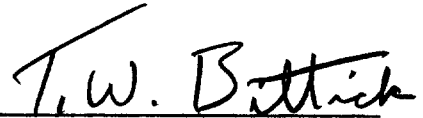
Attached is Schedule XXVIII showing the Twenty-Seventh Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Seventh Expanded Participating Area will become effective as of November 1, 1957.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

J. D. Moon
Tennessee Gas Transmission Co.
P. O. Box 847
Durango, Colorado

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

El Paso Natural Gas Company

El Paso, Texas

November 7, 1957

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
ELEVENTH EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective October 1, 1957

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that two (2) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to this Unit. The Participating Area for the Pictured Cliffs is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit #73 Well is located 990' from the North line and 1090' from the East line of Section 28, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 11, 1957 and dually completed on September 5, 1957, at a total depth of 5062'. The Pictured Cliffs Formation between 2680' - 2724' was treated with a sand-water fracturing process. After being shut-in for gauge for twelve (12) days, the well was tested on September 17, 1957, and following a three (3) hour blow down period gauged 1101 MCFGPD through a 3/4" choke, and 1110 MCFGPD by the calculated absolute open flow method with an SIPC of 939# and an SIPT of 939#. The committed drilling block upon which this well is located is described as the E/2 of Section 28, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that

this well is capable of producing unitized substances in paying quantities was made on September 17, 1957.

The San Juan 28-7 Unit #73 Well was dually completed in the Pictured Cliffs and Mesaverde Formations, on a Mesaverde intervening drilling block; therefore, a Notice of Completion of Additional Well has been made for the Mesaverde Formation, and has been previously forwarded under separate cover.

2. The San Juan 28-7 Unit #80 Well is located 1800' from the North line and 890' from the West line of Section 16, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 15, 1957 and completed on September 6, 1957, at a total depth of 3190'. The Pictured Cliffs Formation between 3099' - 3109', 3117' - 3135' was treated with a sand-water fracturing process. After being shut in for gauge for twelve (12) days, the well was tested on September 18, 1957, and following a three (3) hour blow-down period gauged 3797 MCFGPD through a 3/4" choke, and 4157 MCFGPD by the calculated absolute open flow method with an SIPC of 1025# and an SIPT of 1025#. The committed drilling block upon which this well is located is described as the W/2 of Section 16, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on September 18, 1957.

The completion of the San Juan 28-7 Unit #80 well creates one (1) intervening drilling block. This intervening drilling block is described as the W/2 of Section 21, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

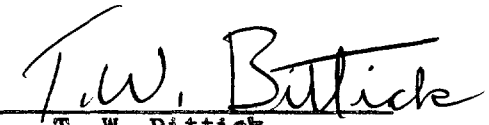
Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Pictured Cliffs Participating Area as of October 1, 1957. A well must be commenced on this intervening drilling block by October 1, 1958.

Attached is Schedule XII showing the Eleventh Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Eleventh Expanded Participating Area will become effective as of October 1, 1957.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

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321 West Douglas
Wichita, Kansas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 29, 1957

C
O
P
Y

El Paso Natural Gas Company
Box 1492
El Paso, Texas

Attention: Mr. T. W. Bittick

Re: San Juan 28-7 Unit
Rio Arriba County,
New Mexico - Amended
Supplemental 1957 Drilling
Program

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this day approved your amended Supplemental 1957 Drilling Program for the above captioned unit dated October 2, 1957. The amended supplemental plan of development calls for the drilling of an additional well to the Pictured Cliffs formation. Said well to be located in the W/2 of Section 20, Township 27 North, Range 7 West. One approved copy of the Supplemental Drilling Program is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

DSN:omg
Encl.

cc: U. S. Geological Survey, Roswell
Commissioner of Public Lands, Santa Fe

*noted to file
445*

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 29, 1957

El Paso Natural Gas Company
Box 1492
El Paso, Texas

Attention: Mr. T. W. Bittick

Re: San Juan 28-7 Unit
Rio Arriba County,
N. Mex. - Supplemental
1957 Drilling Program

Gentlemen:

This is to advise that the Oil Conservation Commission of the State of New Mexico has this date approved your Supplemental Plan of Development for the above captioned unit area dated September 4, 1957. The supplemental plan calls for the drilling of one well to be located in the E/2 of Section 9, Township 28 North, Range 7 West, and the well is to be a dual completion in the Pictured Cliffs and Mesaverde formations. One approved copy of the Plan of Development is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

DSN:omg
Encl.

cc: U S Geological Survey - Roswell
Commissioner of Public Lands, Santa Fe

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El Paso Natural Gas Company

El Paso, Texas

October 24, 1957

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
Supplemental 1957 Drilling Program

Gentlemen:

In the description of the drilling block described on the captioned program said description reads as follows:

E/2 of Section 9, Township 28 North, Range 7 West.

This should have read:

E/2 of Section 9, Township 27 North, Range 7 West.

We wish to advise you of this so that you may change your records accordingly.

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

Very truly yours,


Harry Gevertz
Area Landman
Land Department

HG:JNN:pc

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
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Dallas 1, Texas

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Tennessee Gas Transmission Company
Post Office Box 847
Durango, Colorado

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Pubco Petroleum Corporation
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Albuquerque, New Mexico

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San Jacinto Building
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Fort Worth, Texas

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Phoenix, Arizona

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

El Paso Natural Gas Company

El Paso, Texas

October 24, 1957

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
TENTH EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective September 1, 1957

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to this Unit. The Participating Area for the Pictured Cliffs is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #76 Well is located 990' from the North line and 990' from the East line of Section 22, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 20, 1957 and dually completed on July 14, 1957, at a total depth of 5875'. The Pictured Cliffs Formation between 3492' - 3520', 3530' - 3550' was treated with a sand-water fracturing process. After being shut-in for gauge for forty-six (46) days, the well was tested on August 29, 1957, and following a three (3) hour blow down period gauged 1193 MCFGPD through a 3/4" choke, and 1204 MCFGPD by the calculated absolute open flow method with an SIPC of 941# and an SIPT of 941#. The committed drilling block upon which this well is located is described as the E/2 of Section 22, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The deter-

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

RECEIVED

OCT 24 1957

October 22, 1957

In reply refer to:
Unit Division

El Paso Natural Gas Co.
P. O. Box 1492
El Paso, Texas

Re: San Juan 28-7 Unit -
Amended Supplemental
1957 Drilling Program

Attention: Mr. T. W. Bittick

Gentlemen:

We are enclosing one copy of the above designated Drilling Program for San Juan Unit 28-7. This program was approved by the Commissioner of Public Lands on October 22, 1957, subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Very truly yours,

MURRAY E. MORGAN
Commissioner of Public Lands

By: Ted Bilberry, Supervisor
Oil and Gas Department

MEM:MMR/m
Enc.

cc: USGS-Roswell
OCC-Santa Fe



IN REPLY REFER TO:

1-2-12
C-44
UNITED STATES

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

1957 OCT 21 AM 10:37 P. O. Box 6721
Roswell, New Mexico

October 21, 1957

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Gentlemen:

The amended supplemental 1957 plan of development dated October 2, 1957, for the San Juan 28-7 unit area, New Mexico, No. 14-08-001-459 has been approved on this date, subject to like approval by the appropriate State officials. The amended plan provides for the drilling of one additional Pictured Cliffs well, making a total of two wells to be drilled to the Pictured Cliffs formation, seven wells to be drilled to the Mesaverde formation, and seven wells to be dually completed in the Mesaverde and Pictured Cliffs formation during the calendar year 1957.

Two approved copies of the plan are enclosed.

Very truly yours,

(Orig. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Washington (w/copy of plan)
Farmington (w/copy of plan)
NMDCC, Santa Fe (letter only)

El Paso Natural Gas Company

El Paso, Texas

October 21, 1957

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
NOTICE OF COMPLETION OF ADDITIONAL
WELL

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed on acreage committed to the Unit.

This well is as follows:

The San Juan 28-7 #73 well is located 990' from the North line and 1090' from the East line of Section 28, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 11, 1957 and completed on September 5, 1957, at a total depth of 5062'. The Mesaverde Formation between 4338' - 4352', 4366' - 4378', 4400' - 4450', 4872' - 4886', 4934' - 4950', 4966' - 4980' was treated with a sand-water fracturing process. After being shut-in for gauge for twenty-one (21) days, the well was tested on September 26, 1957, and following a three hour blow-down period gauged 4604 MCFGPD through a 3/4" choke, and 7380 MCFGPD by the calculated absolute open flow method with an SIPT of 1071#.

The committed drilling block upon which this well is located is described as the E/2 of Section 28, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on September 26, 1957.

The drilling block was included in the San Juan 28-7 Twenty-First Expanded Participating Area, effective October 1, 1956, as an intervening drilling block. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts shown on Schedule XXII for the Twenty-First Expanded Participating Area remain the same.

The San Juan 28-7 Unit #73 Well was a dually completed well in the Pictured Cliffs and Mesaverde Formations, on a Mesaverde intervening drilling block; therefore, this well will be included in the Pictured Cliffs Expansion effective October 1, 1957, and will be forwarded to you under separate cover.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Harry Gevertz
Area Landman
Land Department

HG: JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Company

El Paso, Texas

October 11, 1957

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
NINTH EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective August 1, 1957

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to this Unit. The Participating Area for the Pictured Cliffs is expanded accordingly to include this well as follows:

1. The San Juan 28-7 Unit #75 Well is located 1850' from the South line and 890' from the West line of Section 15, Township 28 North, Range 7 West, Rio Arriba County New Mexico. This well was spudded on May 7, 1957 and completed on June 17, 1957, at a total depth of 3124'. The Pictured Cliffs Formation between 2863'- 2920' was treated with a sand-water fracturing process. After being shut-in for gauge for eighteen (18) days, the well was tested on July 5, 1957, and following a three (3) hour blow down period gauged 1808 MCFGPD through a 3/4" choke, and 1839 MCFGPD by the calculated absolute open flow method with an SIPC of 1057# and an SIPT of 1057#. The committed drilling block upon which this well is located is described as the W/2 of Section 15, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00

-2-

acres. The determination that this well is capable of producing unitized substances in paying quantities was made on July 5, 1957.

The San Juan 28-7 Unit #75 Well was dually completed in the Pictured Cliffs and Mesaverde Formations, on a Mesaverde intervening drilling block; therefore, a Notice of Completion of Additional Well has been made for the Mesaverde Formation, and has been previously forwarded under separate cover.

Attached is Schedule X showing the Ninth Expanded Participating Area for the Pictured Cliffs formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Ninth Expanded Participating Area will become effective as of August 1, 1957.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick

T. W. Bittick
Asst. Manager
Land Department

TWB:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 847
Durango, Colorado

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Company

El Paso, Texas

October 2, 1957

Mr. John A. Anderson
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
AMENDED SUPPLEMENTAL 1957 DRILLING PROGRAM

Gentlemen:

By letter of December 31, 1956, El Paso Natural Gas Company, as Unit Operator, filed its 1957 Drilling Program for the captioned Unit, providing for the drilling of fourteen (14) wells between the dates of January 1, 1957 and December 31, 1957. Seven (7) wells were to be drilled to the Mesaverde Formation, one (1) well was to be drilled to the Pictured Cliffs Formation and six (6) wells were to be dually completed in the Mesaverde and Pictured Cliffs Formations.

The 1957 Drilling Program was approved by the United States Geological Survey on January 28, 1957; the Commissioner of Public Lands of the State of New Mexico on January 11, 1957; and the Oil Conservation Commission of the State of New Mexico on February 11, 1957.

By letter dated September 4, 1957, El Paso Natural Gas Company, as Unit Operator, filed a Supplemental 1957 Drilling Program for the captioned Unit providing for the drilling of one (1) well, said well to be dually completed in the Mesaverde and Pictured Cliffs Formations, and located in the E/2 of Section 9, Township 27 North, Range 7 West.

The Supplemental 1957 Drilling Program was approved by the United States Geological Survey on September 10, 1957; the Commissioner of Public Lands of the State of New Mexico on September 13, 1957; and has yet to be approved by the Oil Conservation Commission of the State of New Mexico.

El Paso Natural Gas Company, as Unit Operator, is now desirous of drilling one (1) well, in addition to the well proposed by the Supplemental 1957 Drilling Program; said well to be completed in the Pictured Cliffs Formation, to be located as hereinafter set forth. Therefore, pursuant to Section 10 of the above numbered Unit Agreement,

herewith submitted is a Proposed Amended Supplemental Drilling Program for the balance of the calendar year of 1957, providing for the drilling of said well:

DRILLING BLOCK

W/2 Section 20: T-27-N, R-7-W

FORMATION

Pictured Cliffs

El Paso Natural Gas Company, as Unit Operator, intends to drill said well employing the same drilling and completion method as specified for a Pictured Cliffs Well in the Drilling Program for the San Juan 28-7 Unit for 1957, dated December 31, 1957.

El Paso Natural Gas Company, as Unit Operator, will protect the Unit from drainage, and will comply with any drilling requirements created under the terms of the Unit Agreement calling for additional drilling.

If this Amended Supplemental Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Copies of this Amended Supplemental Drilling Program are being sent to the Working Interest Owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick

Assistant Manager

Land Department

TWB:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. J. D. Moon
Tennessee Gas Transmission Company
Post Office Box 847
Durango, Colorado

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

APPROVED: _____
Supervisor, United States Geological Survey

DATE: _____

Subject to like approval by the appropriate State officials.

APPROVED: _____
Commissioner of Public Lands for the State
of New Mexico.

DATE: _____

Subject to like approval by the United States Geological Survey and the Oil
Conservation Commission of the State of New Mexico.

APPROVED: _____
Oil Conservation Commission of the State of
New Mexico.

DATE: _____

Subject to like approval by the United States Geological Survey and the
Commissioner of Public Lands of the State of New Mexico.

The foregoing approvals are for the Amended Supplemental 1957 Drilling Program for the
San Juan 28-7 Unit, Rio Arriba County, New Mexico.

RS
File 995
El Paso Natural Gas Company

El Paso, Texas

SEP 21 1957
3:10
September 18, 1957

Mr. John A. Anderson
Regional Oil and Gas Supervisor
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
#14-08-001-459
NOTICE OF COMPLETION OF
ADDITIONAL WELLS
Mesaverde Formation

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459 approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below, that three (3) additional wells capable of producing unitized substances in paying quantities from the Mesaverde formation have been completed on acreage committed to the Unit.

These wells are as follows:

1. The San Juan 28-7 Unit #74 Well is located 990' from the South line, and 1650' from the West line of Section 11, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 16, 1957, and completed on August 6, 1957, at a total depth of 5314'. The Mesaverde Formation between 4583'-4595', 4676'-4690', 4700'-4708', 4719'-4747', 5116'-5126', 5162'-5182', 5194'-5209', 5240'-5251' was treated with a sand-water fracturing process. After being shut in for gauge for twenty (20) days the well was tested on August 28, 1957, and following a three (3) hour blow down period gauged 3917 MCFGPD through a 3/4" choke, and 6774 MCFGPD by the calculated absolute

open flow method with an SIPT of 1074# and an SIPT of 1065#. The committed drilling block upon which this well is located is described as the S/2 of Section 11, Township 28 North, Range 7 West, N.M.P.M., and consists of 292.80 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on August 28, 1957.

2. The San Juan 28-7 Unit #76 Well is located 990' from the North line and 990' from the East line of Section 22, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 20, 1957, and completed on July 14, 1957 at a total depth of 5875'. The Mesaverde formation between 5140' -5158', 5172' -5186', 5190' -5200', 5250' -5278', 5312' -5322', 5660' - 5670', 5680' -5690', 5712' -5740', 5756' -5764', 5778' -5790' was treated with a sand-water fracturing process. After being shut in for gauge for fifty-three (53) days the well was tested on September 5, 1957, and following a three (3) hour blow-down period gauged 4538 MCFGPD through a 3/4" choke, and 7529 MCFGPD by the calculated absolute open flow method with an SIPT of 1072#. The committed drilling block upon which this well is located is described as the E/2 of Section 22, Township 28 North, Range 7 West, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on September 5, 1957. The San Juan 28-7 Unit #76 Well is a dually completed well, therefore, the Pictured Cliffs Participating Area will be expanded accordingly. Said expansion will be effective September 1, 1957, and will be submitted under separate cover.

The above listed drilling blocks were included in the San Juan 28-7 Twentieth Expanded Participating Area, effective September 1, 1956, as intervening drilling blocks. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts shown on Schedule XXI for the Twentieth Expanded Participating area remain the same.

3. The San Juan 28-7 Unit #75 Well is located 1850' from the South line and 890' from the West line of Section 15, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 7, 1957 and completed on June 17, 1957 at a total depth of 5260'. The Mesaverde formation between 4506' -4522', 4530' -4540', 4552' -4580', 4630' -4660', 5084' -5092', 5146' -5160', 5170' -5200', was treated by a sand-water fracturing process. After being shut in for gauge for seven (7) days the well was tested on June 25, 1957, and following a three (3) hour blow down period gauged 3127 MCFGPD through a 3/4" choke and 3932 MCFGPD by the calculated absolute open flow method with an SIPT of 984#. The committed drilling block upon which this well is located is described as the W/2 of Section 15, Township 28 North, Range 7 West, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on June 25, 1957. The San Juan 28-7 Unit #75 Well is a dually completed well, therefore, the Pictured Cliffs Participating Area will be expanded accordingly. Said expansion will be effective August 1, 1957, and will be submitted under separate cover.

The above drilling block was included in the San Juan 28-7 Seventeenth Expanded Participating Area, effective June 1, 1956, as an intervening drilling block. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts shown on Schedule XVIII for the Seventeenth Expanded Participating Area remain the same.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Harry Gevertz
Area Landman
Land Department

HG:JNN:pc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Company
Post Office Box 2125
Salt Lake City 10, Utah

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

MAIN OFFICE 000

SEP 13 AM 6:26

September 13, 1957

In reply refer to:
Unit Division

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: San Juan 28-7 Unit -
Supplemental 1957
Drilling Program

Attention: Mr. T. W. Bittick
Assistant Manager
Land Department

Gentlemen:

Enclosed is one copy of your Supplemental 1957 Drilling Program, which was approved by the Commissioner of Public Lands on September 13, 1957, subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Very truly yours,

MURRAY E. MORGAN
Commissioner of Public Lands

By: Ted Bilberry, Supervisor
Oil and Gas Department

MEM:MMR/m
Enc.

cc: OCC-Santa Fe
USGS-Roswell

El Paso Natural Gas Company

RECEIVED
SEP 11 11:03

El Paso, Texas

1

September 4, 1957

Mr John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
Of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

return to
Mr. Anderson

Re: San Juan 28-7 Unit
#14-08-001-459
Rio Arriba County, New Mexico
SUPPLEMENTAL 1957 DRILLING PROGRAM

Gentlemen:

By letter of December 31, 1956, El Paso Natural Gas Company, as Unit Operator, filed its 1957 Drilling Program for the captioned Unit, providing for the drilling of fourteen (14) wells between the dates of January 1, 1957 and December 31, 1957. Seven (7) wells were to be drilled to the Mesaverde Formation, one (1) well was to be drilled to the Pictured Cliffs Formation and six (6) wells were to be dually completed in the Mesaverde and Pictured Cliffs Formations.

The 1957 Drilling Program was approved by the United States Geological Survey on January 28, 1957; the Commissioner of Public Lands of the State of New Mexico on January 11, 1957; and the Oil Conservation Commission of the State of New Mexico on February 11, 1957.

El Paso Natural Gas Company, as Unit Operator, is now desirous of drilling one (1) additional well, said well to be dually completed in the Pictured Cliffs and Mesaverde Formations, to be located as hereinafter set forth. Therefore, pursuant to Section 10 of the above numbered Unit Agreement, herewith submitted is a Proposed Supplemental Drilling Program for the balance of the calendar year of 1957, providing for the drilling of said well:

DRILLING BLOCK

E/2 Section 9: T-28-N, R-7-W

FORMATION

Dual, Pictured Cliffs and
Mesaverde

El Paso Natural Gas Company, as Unit Operator, intends to drill said well employing the same drilling and completion methods as specified, for a dually completed Pictured Cliffs and Mesaverde well, in the Drilling Program for the San Juan 28-7 Unit for 1957, dated December 31, 1956.

El Paso Natural Gas Company, as Unit Operator, will protect the Unit from drainage, and will comply with any drilling requirements created under the terms of the Unit Agreement calling for additional drilling.

If this Supplemental Drilling Program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick
T. W. Bittick
Assistant Manager
Land Department

TWB:JNN:cl

cc: Attached list

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Company
Post Office Box 2125
Salt Lake City 10, Utah

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas
Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Company

El Paso, Texas

July 26, 1957

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
EIGHTH EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective June 1, 1957

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one (1) additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation has been completed on acreage committed to this Unit. The Participating Area for the Pictured Cliffs is expanded accordingly to include this well as follows:

1. The San Juan 28-7 Unit #72 Well is located 1650' from the South line and 1090' from the West line of Section 35, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on March 23, 1957 and completed on April 30, 1957, at a total depth of 2946'. The Pictured Cliffs Formation between 2704' - 2736' was treated with a sand-water fracturing process. After being shut-in for gauge for Twenty-Four (24) days, the well was tested on May 24, 1957, and following a three (3) hour blow down period gauged 1131 MCFGPD through a 3/4" choke, and 1139 MCFGPD by the calculated absolute open flow method with an SIPC of 1071# and SIPT of 1071#. The committed drilling block upon which this well is located is described as the W/2 of Section 35, Township 28 North, Range 7 West, N.M.P.M., and consists of 324.70 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on May 24, 1957.

The San Juan 28-7 Unit #72 Well is a dual completion well, therefore, the Mesaverde Participating Area will be expanded accordingly. Said well will be included in the Twenty-Sixth Expanded Participating Area for the Mesaverde Formation, effective June 1, 1957.

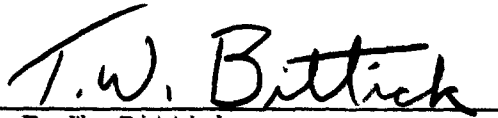
Attached is Schedule IX showing the Eighth Expanded Participating Area for the Pictured Cliffs formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Eighth Expanded Participating Area will become effective as of June 1, 1957.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



T. W. Bittick
Asst. Manager
Land Department

TWB:JNN:nc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Company
Post Office Box 2125
Salt Lake City 10, Utah

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas
Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Company

El Paso, Texas

July 26, 1957

1957 AUG 1 PM 1:20

MAIN OFFICE CCC

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
TWENTY-SIXTH EXPANDED PARTICIPATING AREA
Mesaverde Formation
Effective June 1, 1957

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that Two (2) additional wells capable of producing unitized substances in paying quantities from the Mesaverde formation have been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit #71 Well is located 1840' from the South line and 1150' from the West line of Section 34, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on March 19, 1957, and completed on April 13, 1957, at a total depth of 5165'. The Mesaverde formation between 4454' - 4470', 4504' - 4518', 4530' - 4550', 4556' - 4568', 5032' - 5050', 5066' - 5077', 5086' - 5094', 5132' - 5140' was treated with a sand-water fracturing process. After being shut-in for gauge for twenty (20) days the well was tested on May 3, 1957, and following a three (3) hour blow-down period gauged 5023 MCFGPD through a 3/4" choke, and 8695 MCFGPD by the calculated absolute open flow method with an SIPC of 1101# and an SIPT of 1093#. The committed drilling block upon which this well is located is described as the W/2 of Section 34, Township 28 North, Range 7 West, N.M.P.M., and consists of 318.40 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on May 3, 1957.

2. The San Juan 28-7 Unit #72 Well is located 1650' from the South line and 1090' from the West line of Section 35, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on March 23, 1957, and completed on April 30, 1957, at a total depth of 5120'. The Mesaverde Formation between 4404' - 4418', 4440' - 4456', 4462' - 4478', 4486' - 4496', 4862' - 4886', 4950' - 4980', 5000' - 5014', 5024' - 5034' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on May 31, 1957, and following a three (3) hour blow down period gauged 4307 MCFGPD through a 3/4" choke, and 6191 MCFGPD by the calculated absolute open flow method with an SIPT of 1113#. The committed drilling block upon which this well is located is described as the W/2 of Section 35, Township 28 North, Range 7 West, N.M.P.M., and consists of 324.70 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on May 31, 1957.

The San Juan 28-7 Unit #72 well is a dual completion well, therefore, the Pictured Cliffs Participating Area will be expanded accordingly. Said well will be included in the Eighth Expanded Participating Area for the Pictured Cliffs Formation, effective June 1, 1957.

The completion of the San Juan 28-7 Unit #71 and #72 Wells creates one (1) intervening drilling block. This intervening drilling block is described as the E/2 of Section 34, Township 28 North, Range 7 West, N.M.P.M., and consists of 321.87 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Mesaverde Participating Area as of June 1, 1957. A well must be commenced on this intervening drilling block by June 1, 1958.

Attached is Schedule XXVII showing the Twenty-Sixth Expanded Participating Area for the Mesaverde formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Sixth Expanded Participating Area will become effective as of June 1, 1957.

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

Very truly yours,
EL PASO NATURAL GAS COMPANY

By


T. W. Bittick
Ass't. Manager
Land Department

TWB:JNN:nc

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Company
Post Office Box 2125
Salt Lake City 10, Utah

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas
Wood River Oil and Refining Company, Inc.
321 West Douglas
Wichita, Kansas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

W. E. Richards
Shoreline Petroleum Corporation
102 West Crockett Street
San Antonio 5, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Company

El Paso, Texas

June 17, 1957

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

file 44

Re: San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
TWENTY-FIFTH EXPANDED PARTICIPATING AREA
Mesaverde Formation
Effective April 1, 1957

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde formation has been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #69 Well is located 1700' from the North line and 1700' from the East line of Section 32, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on February 20, 1957, and completed on March 17, 1957, at a total depth of 4970'. The Mesaverde formation between 4264' - 4286', 4296' - 4324', 4336' - 4358', 4788' - 4811', 4852' - 4876', 4886' - 4898', 4930' - 4944' was treated with a sand-water fracturing process. After being shut-in for gauge for nine (9) days the well was tested on March 26, 1957, and following a three (3) hour blow-down period gauged 5240 MCFGPD

through a 3/4" choke, and 9773 MCFGPD by the calculated absolute open flow method with an SIPC of 1060# and an SIPT of 1034#. The committed drilling block upon which this well is located is described as the E/2 of Section 32, Township 28 North, Range 7 West, N.M.P.M., and consists of 315.68 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on March 26, 1957.

The completion of the San Juan 28-7 Unit #69 Well in the Mesaverde Participating Area creates one (1) intervening drilling block. This intervening drilling block is described as the W/2 of Section 33, Township 28 North, Range 7 West, N.M.P.M., and consists of 316.00 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Mesaverde Participating Area as of April 1, 1957. A well must be commenced on this intervening drilling block by April 1, 1958.

Attached is Schedule XXVI showing the Twenty-Fifth Expanded Participating Area for the Mesaverde formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Fifth Expanded Participating Area will become effective as of April 1, 1957.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 

Samuel Smith
Ass't. Manager
Lease Department

SS:JNN:cr

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Building
Houston 2, Texas

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Company
Post Office Box 2125
Salt Lake City 10, Utah

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. Waymon G. Peavey
1200 Republic National Bank Bldg.
Dallas 1, Texas

El Paso Natural Gas Company

El Paso, Texas

June 7, 1957

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit Area, #14-08-001-459
Rio Arriba County, New Mexico
**NOTICE OF COMPLETION OF NON-COMMERCIAL
WELL**

Gentlemen:

El Paso Natural Gas Company, as Unit Operator, has concluded that the following Mesaverde well in the San Juan 28-7 Unit Area is not capable of producing unitized substances in paying quantities from the Mesaverde Formation.

The San Juan 28-7 Unit #68 Well is located 990' from the North line and 1650' from the East line of Section 31, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on January 19, 1957, and completed on April 2, 1957 at a total depth of 4872'. The Mesaverde formation between 4148' - 4156', 4166' - 4178', 4188' - 4218', 4659' - 4674', 4682' - 4702', 4714' - 4724', 4733' - 4742', 4752' - 4760', 4780' - 4788', 4806' - 4821' was treated with a sand-water fracturing process. After being shut in for gauge for nine (9) days the well was tested on April 11, 1957, and following a three (3) hour blow-down period gauged 896 MCFGPD through a 3/4" choke, and 923 MCFGPD by the calculated absolute open flow method with an SIPC of 912# and an SIPT of 910#. The committed drilling block upon which this well is located is described as the E/2 of Section 31, Township 28 North, Range 7 West, N.M.P.M., and consists of 315.00 acres.

El Paso Natural Gas Company, as Unit Operator, determined that this well was not capable of producing unitized substances in paying quantities from the Mesaverde Formation on April 11, 1957.

Pursuant to Section 11 of the San Juan 28-7 Unit Agreement, #14-08-001-459, Unit Operator hereby requests the approval of the foregoing determination by the Regional Oil and Gas Supervisor as the above described well is located on Federal land.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



Samuel Smith
Ass't. Manager
Lease Department

SS:JNN:cr

cc: Attached List

APPROVED: _____ DATE: _____
Supervisor, United States Geological Survey

The foregoing approval is for the recommendation declaring the above described San Juan 28-7 Unit #68 Mesaverde well a non-commercial, and excluding the acreage pertaining thereto from consideration as a part of the participating area in the Mesaverde Formation.

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Building
Houston 2, Texas

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Company
Post Office Box 2125
Salt Lake City 10, Utah

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Waymon G. Peavey
1200 Republic National Bank Bldg.
Dallas 1, Texas

El Paso Natural Gas Company

El Paso, Texas

May 22, 1957

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

file 445

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
TWENTY-FOURTH EXPANDED PARTICIPATING AREA
Mesaverde Formation
Effective March 1, 1957

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde formation has been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #78 Well is located 800' from the North line and 800' from the East line of Section 19, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on January 22, 1957, and completed on February 14, 1957, at a total depth of 5407'. The Menefee and Point Lookout sections of the Mesaverde formation between 4978' - 4988', 5018' - 5032', 5050' - 5070', 5102' - 5122', 5210' - 5220', 5240' - 5250', 5270' - 5290', 5330' - 5350', 5358' - 5366' was treated with a sand-water fracturing process. After being shut in for gauge for twelve (12) days, the well was tested on February 26, 1957, and following a three (3) hour blow-down period gauged 1637 MCFGPD through a 3/4" choke, and

1863 MCFGPD by the calculated absolute open flow method with an SIPC of 1071# and SIPT of 1071#. The committed drilling block upon which this well is located is described as the E/2 of Section 19, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on February 26, 1957.

Attached is Schedule XXV showing the Twenty-Fourth Expanded Participating Area for the Mesaverde formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Fourth Expanded Participating Area will become effective as of March 1, 1957.

The East-half of said Section 19, Township 27 North, Range 7 West, was previously admitted to the Pictured Cliffs Participating Area on the Sixth Expansion for the Pictured Cliffs formation, effective August 1, 1955. This expansion was handled on the schedule accompanying said expansion.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Samuel Smith
Ass't. Manager
Lease Department

SS:JNN:cr

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Company
Post Office Box 2125
Salt Lake City 10, Utah

Three States Natural Gas Company
17th Floor Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. Waymon G. Peavey
1200 Republic National Bank Bldg.
Dallas 1, Texas

1/1/5

El Paso Natural Gas Company

El Paso, Texas

March 1, 1957

United States Geological Survey
Department of the Interior
Washington 25, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
#14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF APPROVAL OF
1957 DRILLING PROGRAM

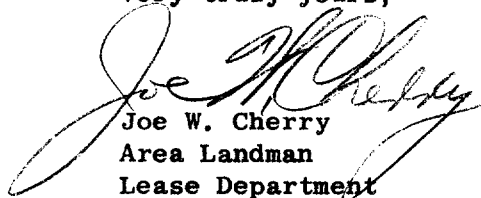
Gentlemen:

This is to advise that the 1957 Drilling Program for the captioned unit was approved by the Regulatory Bodies as follows:

- (1) Acting Regional Oil and Gas Supervisor, United States Geological Survey, Approved: January 28, 1957
- (2) Commissioner of Public Lands of the State of New Mexico Approved: January 11, 1957
- (3) Oil Conservation Commission of the State of New Mexico Approved: February 11, 1957

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,


Joe W. Cherry
Area Landman
Lease Department

JWC:JNN:nn
cc: Attached list

El Paso Natural Gas Company

El Paso, Texas

February 15, 1957

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
SEVENTH EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective February 1, 1957

Gentlemen:

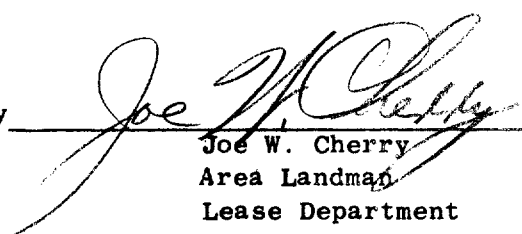
✓
We would like to call your attention to the fact that the captioned expansion inadvertently stated that the San Juan 28-7 Unit #66 Well was located 1800' from the North line and 1840' from the East line of Section 8. The latter figure should have read 1840' from the West line.

We would appreciate you changing your copy to read 1840' from the West line.

Copies of this letter are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

By


Joe W. Cherry
Area Landman
Lease Department

JWC:JNN:cr
cc: Attached Sheet

Re: San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Co.
Post Office Box 2125
Salt Lake City 10, Utah

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. Alfred E. McLane
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346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. F. G. Daniell
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

El Paso Natural Gas Company

El Paso, Texas

File 14

February 15, 1957

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
SEVENTH EXPANDED PARTICIPATING AREA
Pictured Cliffs Formation
Effective February 1, 1957

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that four (4) additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation have been completed on acreage committed to this Unit. The Participating Area for the Pictured Cliffs is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit #64 Well is located 990' from the South line and 990' from the West line of Section 22, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on November 24, 1956, and completed on January 6, 1957, at a total depth of 3065'. The Pictured Cliffs formation between 2978' - 2996', 3028' - 3042' was treated with a sand-water fracturing process. After being shut-in for gauge for eleven (11) days, the well was tested on January 17, 1957, and following a three (3) hour blow down period gauged 2216 MCFGPD through a 3/4" choke, and 2271 MCFGPD by the calculated absolute open flow method with an SIPC of 967# and SIPT of 967#. The committed drilling block upon which this well is located is described as the W/2 of Section 22, Township 27 North, Range 7 West, N.M.P.M., and consists of

320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on January 17, 1957.

2. The San Juan 28-7 Unit #65 Well is located 1800' from the North line and 1190' from the East line of Section 28, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on November 29, 1956, and completed on January 9, 1957, at a total depth of 2996'. The Pictured Cliffs formation between 2890' - 2906', 2919' - 2950' was treated with a sand-water fracturing process. After being shut in for gauge for eight (8) days, the well was tested on January 17, 1957, and following a three (3) hour blow down period gauged 2050 MCFGPD through a 3/4" choke, and 2110 MCFGPD by the calculated absolute open flow method with an SIPC of 817# and an SIPT of 817#. The committed drilling block upon which this well is located is described as the N/2 of Section 28, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on January 17, 1957.
3. The San Juan 28-7 Unit #66 Well is located 1800' from the North line and 1840' from the East line of Section 8, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on December 8, 1956, and completed on January 2, 1957, at a total depth of 3430'. The Pictured Cliffs formation between 3348' - 3366' was treated with a sand-water fracturing process. After being shut in for gauge for seven (7) days, the well was tested on January 9, 1957, and following a three (3) hour blow down period gauged 1823 MCFGPD through a 3/4" choke, and 1848 MCFGPD by the calculated absolute open flow method with an SIPC of 991# and an SIPT of 991#. The committed drilling block upon which this well is located is described as the W/2 of Section 8, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on January 9, 1957.
4. The San Juan 28-7 Unit #67 Well is located 955' from the South line and 1709' from the East line of Section 5, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on December 2, 1956, and completed on December 30, 1956, at a total depth of 3354'. The Pictured Cliffs formation between 3262' - 3288' was treated with a sand-water fracturing process. After being shut in for gauge for nine (9) days, the well was tested on January 9, 1957, and following a three (3) hour blow down period gauged 2616 MCFGPD through a 3/4" choke and 2703 MCFGPD by the calculated absolute open flow method with an SIPC of 964# and an SIPT of 964#. The committed drilling block upon which this well is located is described as the E/2 of Section 5, Township 27 North, Range 7 West, N.M.P.M., and consists of 319.90 acres. The

determination that this well is capable of producing unitized substances in paying quantities was made of January 9, 1957.

The inclusion of the San Juan 28-7 Unit #67 Well in the Pictured Cliffs Participating Area creates one (1) intervening drilling block. This intervening drilling block is described as the W/2 of Section 5, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.52 acres. (Said W/2 of Section 5 was admitted into the Mesaverde Participating Area on January 29, 1953.)

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Pictured Cliffs Participating Area as of February 1, 1957, the same time of admission as the San Juan 28-7 Unit #67 Well. A well must be commenced on this intervening drilling block by February 1, 1958.

Attached is Schedule VIII showing the Seventh Expanded Participating Area for the Pictured Cliffs formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Seventh Expanded Participating Area will become effective as of February 1, 1957.

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

Very truly yours,

By 

Samuel Smith
Ass't. Manager
Lease Department

SS:JNN:cr

cc: Attached List

Re: San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Co.
Post Office Box 2125
Salt Lake City 10, Utah

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. Alfred E. McLane
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Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. F. G. Daniell
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 11, 1957

**El Paso Natural Gas Company
El Paso, Texas**

Attention: Mr. Samuel Smith

**Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1957 Drilling Program**

Gentlemen:

This is to advise that the 1957 Drilling Program for the subject unit area, dated December 31, 1956, has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the United States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

You are reminded that approval of the drilling program does not constitute approval of the dual completions proposed, and that individual approval for each of said duals must be obtained in the prescribed manner.

One copy of the approved program is returned herewith.

Very truly yours,

**A. L. PORTER, JR.
Secretary-Director**

**ALP:DSN:dea
Enclosure**

El Paso Natural Gas Company

El Paso, Texas

February 6, 1957

File 445

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit #14-08-001-459
Rio Arriba County, New Mexico
TWENTY-THIRD EXPANDED PARTICIPATING
AREA
Mesaverde Formation
Effective December 1, 1956

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde formation has been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #45 Well is located 1700' from the South line and 1050' from the West line of Section 27, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 4, 1956, and completed on November 7, 1956, at a total depth of 5100'. The Cliff House and Point Lookout sections of the Mesaverde formation between 4338' - 4344', 4354' - 4370', 4374' - 4381', 4396' - 4408', 4430' - 4438', 4451' - 4458', 4472' - 4478', 4483' - 4490', 4908' - 4924', 4944' - 4958', 4964' - 4974', 5002' - 5028', 5048' - 5055' was treated with a sand-water fracturing process. After being shut in for gauge for seven (7) days, the well was tested on

November 14, 1956, and following a three (3) hour blow-down period gauged 4360 MCFGPD through a 3/4" choke, and 7966 MCFGPD by the calculated absolute open flow method with an SIPC of 1039# and SIPT of 1038#. The committed drilling block upon which this well is located is described as the W/2 of Section 27, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on November 14, 1956.

Attached is Schedule XXIV showing the Twenty-Third Expanded Participating Area for the Mesaverde formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Third Expanded Participating Area will become effective as of December 1, 1956.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Samuel Smith
Ass't. Manager
Lease Department

SS:JNN:cr

cc: Attached List

Re: San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Co.
Post Office Box 2125
Salt Lake City 10, Utah

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Mr. J. Glenn Turner
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17th Floor, Corrigan Tower
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Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. F. G. Daniell
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

January 28, 1957

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. E. L. Hamblin

Gentlemen:

Your plan of development dated December 31, 1956, for the San Juan 28-7 Unit Area, New Mexico, for the calendar year 1957, has been approved on this date subject to like approval by the appropriate State of New Mexico officials.

One approved copy of the plan is enclosed.

Very truly yours,

(Orig. Sgd.) R. E. CANFIELD

R. E. CANFIELD
Acting Regional Oil and Gas Supervisor

Enclosure

Copy to: Wash: (w/copy of plan)
Farmington (w/copy of plan)
Comm. of Public Lands, Santa Fe (letter only)
✓ Oil Cons. Comm., Santa Fe (letter only)

El Paso Natural Gas Company

El Paso, Texas

January 14, 1957

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

file

Re: San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
TWENTY-SECOND EXPANDED PARTICIPATING
AREA
Mesaverde Formation
Effective November 1, 1956

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that two (2) additional wells capable of producing unitized substances in paying quantities from the Mesaverde formation have been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit #52 Well is located 1840' from the North line and 990' from the East line of Section 27, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 7, 1956, and completed on October 20, 1956, at a total depth of 5225'. The Cliff House section of the Mesaverde formation between 4442' - 4454', 4474' - 4488', 4500' - 4510', 4546' - 4554', 4562' - 4576', 4586' - 4594', 4612' - 4620', was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde formation between 5004' - 5014', 5028' - 5038', 5062' - 5072', 5098' - 5108', 5148' - 5155' was treated with a sand-water fracturing process. After being shut in for gauge for eleven (11) days,

the well was tested on October 31, 1956, and following a three (3) hour blow-down period gauged 5486 MCFGPD through a 3/4" choke, and 12,014 MCFGPD by the calculated absolute open flow method with an SIPC of 1083# and SIPT of 1071#. The committed drilling block upon which this well is located is described as the E/2 of Section 27, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on October 31, 1956.

2. The San Juan 28-7 Unit #53 Well is located 1550' from the South line and 1090' from the West line of Section 28, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded August 19, 1956, and completed on October 2, 1956, at a total depth of 5647'. The Cliff House section of the Mesaverde formation between 4838' - 4848', 4972' - 4986', 4994' - 5010', 5019' - 5027' was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde formation between 5488' - 5498', 5576' - 5586', 5597' - 5605', 5623' - 5633' was treated with a sand-water fracturing process. After being shut in for gauge for seven (7) days, the well was tested on October 10, 1956, and following a three (3) hour blow-down period gauged 5311 MCFGPD through a 3/4" choke and 11,249 MCFGPD by the calculated absolute open flow method with an SIPC of 1072# and an SIPT of 1064#. The committed drilling block upon which this well is located is described as the W/2 of Section 28, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on October 10, 1956.

Attached is Schedule XXIII showing the Twenty-Second Expanded Participating Area for the Mesaverde formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-Second Expanded Participating Area will become effective as of November 1, 1956.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Samuel Smith
Ass't. Manager
Lease Department

Re: San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Co.
Post Office Box 2125
Salt Lake City 10, Utah

Mr. J. Glenn Turner
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Albuquerque, New Mexico

Mr. Robert C. Youngmun
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Post Office Box 1419
Albuquerque, New Mexico

Mr. B. G. Martin
San Jacinto Petroleum Corporation
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346 Esperson Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

January 11, 1957

In reply refer to:
Unit Division

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Re: San Juan 28-7 Unit
1957 Drilling Program

Attention: Mr. Samuel Smith,
Assistant Manager, Lease Department

Gentlemen:

We are enclosing one copy of the 1957 Drilling Program for the San Juan 28-7 Unit, which was approved by the Commissioner of Public Lands January 11, 1957, subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Very truly yours,

HURRAY E. MORGAN
Commissioner of Public Lands

MEM:MEM/m
enc: 1

cc: USGS-Roswell
OCC-Santa Fe

El Paso Natural Gas Company

El Paso, Texas

December 31, 1956

Mr. John A. Anderson
Regional Oil and Gas Supervisor
United States Geological Survey
Post Office Box 6721
Roswell, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
#14-08-001-459
Rio Arriba County, New Mexico
1957 Drilling Program

Gentlemen:

By letter dated December 27, 1955, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned Unit for the calendar year 1956. The following wells were completed on lands committed to this Unit:

<u>Well Name</u>	<u>Drilling Block</u>	<u>Initial Potential</u>	<u>Tied-In</u>	<u>Formation</u>
San Juan 28-7 #45	W/2 Section 27: T-28-N, R-7-W	4360 Choke Volume 7966 AOF		Mesaverde
San Juan 28-7 #46	E/2 Section 16: T-28-N, R-7-W	4554 Choke Volume 7214 AOF	9-4-56	Mesaverde
San Juan 28-7 #47	E/2 Section 20: T-28-N, R-7-W	5911 Choke Volume 6857 AOF	5-15-56	Mesaverde
San Juan 28-7 #48	W/2 Section 21: T-28-N, R-7-W	5020 Choke Volume 10,216 AOF	5-18-56	Mesaverde
San Juan 28-7 #49	E/2 Section 21: T-28-N, R-7-W	4333 Choke Volume 7240 AOF		Mesaverde
San Juan 28-7 #50	E/2 Section 23: T-28-N, R-7-W	4372 Choke Volume 7472 AOF	8-15-56	Mesaverde
San Juan 28-7 #51	E/2 Section 24: T-28-N, R-7-W	4635 Choke Volume 8389 AOF	8-28-56	Mesaverde
San Juan 28-7 #52	E/2 Section 27: T-28-N, R-7-W	5846 Choke Volume 12,014 AOF		Mesaverde

<u>Well Name</u>	<u>Drilling Block</u>	<u>Initial Potential</u>	<u>Tied-In</u>	<u>Formation</u>
San Juan 28-7 #53	W/2 Section 28: T-28-N, R-7-W	5311 Choke Volume 11,249 AOF		Mesaverde
San Juan 28-7 #54	W/2 Section 22: T-28-N, R-7-W	4938 Choke Volume 9269 AOF		Mesaverde
San Juan 28-7 #55	S/2 Section 12: T-28-N, R-7-W	6051 Choke Volume 17,838 AOF		Mesaverde
San Juan 28-7 #56	W/2 Section 13: T-28-N, R-7-W	4497 Choke Volume 8059 AOF	8-14-56	Mesaverde
San Juan 28-7 #57	E/2 Section 30: T-28-N, R-7-W	4950 Choke Volume 8120 AOF	6-24-56	Mesaverde
San Juan 28-7 #58	W/2 Section 29: T-28-N, R-7-W	6223 Choke Volume 10,710 AOF	8-29-56	Mesaverde
San Juan 28-7 #59	E/2 Section 29: T-28-N, R-7-W	5176 Choke Volume 9332 AOF	8-29-56	Mesaverde
San Juan 28-7 #60	E/2 Section 19: T-28-N, R-7-W	5224 Choke Volume 10,955 AOF		Mesaverde
San Juan 28-7 #61	S/2 Section 10: T-28-N, R-7-W	4965 Choke Volume 10,278 AOF		Mesaverde
San Juan 28-7 #62	E/2 Section 12: T-27-N, R-7-W	4712 Choke Volume 8317 AOF	10-3-56	Mesaverde
San Juan 28-7 #63	W/2 Section 12: T-27-N, R-7-W	4806 Choke Volume 9506 AOF	10-3-56	Mesaverde
San Juan 28-7 #64	W/2 Section 15: T-27-N, R-7-W			Pictured Cliffs
San Juan 28-7 #65	N/2 Section 28: T-27-N, R-7-W			Pictured Cliffs
San Juan 28-7 #66	W/2 Section 8: T-27-N, R-7-W			Pictured Cliffs
San Juan 28-7 #67	E/2 Section 5: T-27-N, R-7-W			Pictured Cliffs

Nineteen (19) wells have been drilled to the Mesaverde formation and four (4) wells have been drilled to the Pictured Cliffs formation upon lands committed to the Unit. Of the nineteen (19) Mesaverde wells, nineteen (19) have been determined to be capable of producing unitized substances in paying quantities and have been admitted to the Mesaverde Participating Area. Eleven (11) of the Mesaverde wells are, as of this date, producing into El Paso's gathering system.

The four (4) Pictured Cliffs wells have, as yet, not been tested and for these wells no determination has been made regarding unitized substances.

For the period from 7:00 o'clock A.M., on January 1, 1956, to 7:00 o'clock A.M., on November 30, 1956, the production from the Mesaverde formation of the San Juan 28-7 Unit was 1,898,814 M.C.F. of gas having a value of \$199,216.39

El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a Drilling Program for the calendar year 1957, consisting of fourteen (14) wells. Seven (7) wells are to be drilled to test the Mesaverde formation; one (1) well is to be drilled to test the Pictured Cliffs formation; and six (6) wells are to be dually completed to test both the Pictured Cliffs and Mesaverde formations; such Drilling Program to constitute all of our drilling obligations for such year. These proposed drilling blocks are listed below as follows:

<u>Drilling Block</u>	<u>Formation</u>
* S/2 Section 11: T-28-N, R-7-W	Mesaverde

continued

<u>Drilling Block</u>	<u>Formation</u>
* W/2 Section 15:	Dual, Pictured
T-28-N, R-7-W	Cliffs & Mesaverde
* E/2 Section 22:	Dual, Pictured
T-28-N, R-7-W	Cliffs & Mesaverde
* E/2 Section 28:	Dual, Pictured
T-28-N, R-7-W	Cliffs & Mesaverde
W/2 Section 30:	
T-28-N, R-7-W	Mesaverde
E/2 Section 31:	
T-28-N, R-7-W	Mesaverde
E/2 Section 32:	
T-28-N, R-7-W	Mesaverde
* W/2 Section 32:	Dual, Pictured
T-28-N, R-7-W	Cliffs & Mesaverde
W/2 Section 33:	
T-28-N, R-7-W	Mesaverde
W/2 Section 34:	
T-28-N, R-7-W	Mesaverde
W/2 Section 35:	Dual, Pictured
T-28-N, R-7-W	Cliffs & Mesaverde
E/2 Section 11:	Dual, Pictured
T-27-N, R-7-W	Cliffs & Mesaverde
W/2 Section 16:	
T-27-N, R-7-W	Pictured Cliffs
E/2 Section 19:	
T-27-N, R-7-W	Mesaverde

* These are intervening drilling blocks; must be drilled during 1957.

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above listed Mesaverde wells to the base of the Mesaverde formation using rotary tools. Surface casing of 10-3/4" will be set to approximately 150' below the surface and an intermediate string of 7-5/8" will be set through the Pictured Cliffs formation to a depth of approximately 3200'. A 5-1/2" production string will be set through the Mesaverde formation, and the casing of the Mesaverde formation will then be selectively perforated and the Mesaverde formation will be subjected to a hydraulic fracturing process. Mud will be used in setting the intermediate string of casing, and the hole below the intermediate string will be drilled with gas. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above listed Mesaverde - Pictured Cliffs dual wells to the base of the Mesaverde formation using rotary tools. Surface casing of 10-3/4" will be set to approximately 150' below the surface and an intermediate string of 7-5/8" will be set through the Pictured Cliffs formation to a depth of approximately 3200'. A 5-1/2" production liner will be set from this point through the Mesaverde formation. The Mesaverde formation will then be selectively perforated and subjected to a hydraulic fracturing process, after which a bridging plug will be set above the Mesaverde formation, and the Pictured Cliffs formation will be selectively perforated and subjected to a hydraulic fracturing process. For completion, a production packer will be set between the two formations using 2" tubing to produce the Mesaverde. A string of 1-1/4" tubing will be run, through which the Pictured Cliffs formation will be produced. Mud will be used in

continued

setting the intermediate string of casing and the hole below the intermediate string will be drilled with gas. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, intends to drill the above listed Pictured Cliffs well to the base of the Pictured Cliffs formation using rotary and cable tools. Surface casing will be set to approximately 100' from the surface, and then a production string of 5-1/2" casing will be set through the Pictured Cliffs formation. Mud will be used in drilling through the Pictured Cliffs formation and cable tools will be used for completion work. The entire Pictured Cliffs formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, will protect the Unit from drainage and will comply with any drilling requirement created under the terms of the Unit Agreement calling for additional drilling.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval of this Drilling Program as required under Section 10 of the Unit Agreement in the space provided on the attached sheet, and return an approved copy to El Paso Natural Gas Company.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Samuel Smith
Ass't. Manager
Lease Department

SS:JNN:cr

Attachment

APPROVED: _____
Supervisor, United States Geological Survey

DATE: _____

Subject to like approval by the appropriate State officials.

APPROVED: _____
Commissioner of Public Lands

DATE: _____

Subject to like approval by the United States Geological Survey and
Oil Conservation Commission.

APPROVED: _____
Oil Conservation Commission

DATE: _____

Subject to like approval by the United States Geological Survey and
Commissioner of Public Lands.

The foregoing approvals are for the 1957 Drilling Program for the San Juan
28-7 Unit, Rio Arriba County, New Mexico.

El Paso Natural Gas Company

El Paso, Texas

December 20, 1956

file

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF ADDITIONAL
WELL AND TWENTY-FIRST EXPANDED
PARTICIPATING AREA
Mesaverde Formation
Effective October 1, 1956

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde formation has been completed upon acreage committed to this Unit.

This well is as follows:

The San Juan 28-7 Unit #49 Well is located 769' from the North line and 1550' from the East-line of Section 21, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 25, 1956, and completed on September 7, 1956, at a total depth of 5245'. The Mesaverde formation between 4426' - 4440', 4462' - 4472', 4484' - 4498', 4550' - 4564', 4580' - 4590', 4976' - 4984', 5014' - 5028', 5062' - 5064' was treated with a sand-water fracturing process. After being shut in for gauge for seven (7) days, the well was tested on September 14, 1956, and following a three (3) hour blow-down period gauged 4333 MCFGPD through a 3/4" choke, and 7240 MCFGPD by the calculated absolute open flow method with an SIPC of 1076# and SIPT of 1068#. The committed drilling block upon which this well is

located is described as the E/2 of Section 21, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on September 14, 1956. This drilling block was included in the San Juan 28-7 Twentieth Expanded Participating Area, effective September 1, 1956, as an intervening drilling block.

The completion of the San Juan 28-7 Unit #49 Well in the Mesaverde Participating Area creates one (1) intervening drilling block. This intervening drilling block is described as the E/2 of Section 28, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Mesaverde Participating Area as of October 1, 1956. A well must be commenced on this intervening drilling block by October 1, 1957.

Attached is Schedule XXII showing the Twenty-First Expanded Participating Area for the Mesaverde formation of the San Juan 28-7 Unit Area. This described the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twenty-First Expanded Participating Area will become effective as of October 1, 1956.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Samuel Smith
Ass't. Manager
Lease Department

SS:JNN:cr

cc: Attached List

Re: San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Co.
Post Office Box 2125
Salt Lake City 10, Utah

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Mr. F. G. Daniell
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

El Paso Natural Gas Company

El Paso, Texas

November 1, 1956

file

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
TWENTIETH EXPANDED PARTICIPATING AREA
Mesaverde Formation
Effective September 1, 1956

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that three (3) additional wells capable of producing unitized substances in paying quantities from the Mesaverde formation have been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit #54 Well is located 800' from the South line and 1840' from the West line of Section 22, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 10, 1956, and completed on July 29, 1956, at a total depth of 5945'. The Point Lookout section of the Mesaverde Formation between 5080' and 5096', 5116' and 5134', 5142' and 5154', 5180' and 5190', 5210' and 5230', 5634' and 5642', 5650' and 5670', 5694' and 5704', 5720' and 5740' was treated with a sand-oil fracturing process. After being shut in for gauge for nineteen (19) days, the well was tested on August 17, 1956, and following a three (3) hour blow-down period gauged 4938 MCFGPD through a 3/4" choke, and 9269 MCFGPD by the calculated absolute open flow method with an SIPC of 1088# and SIPT of 1071#. The committed drilling block upon which this well is located is described as the W/2 of Section 22, Township 28 North, Range 7 West, N.M.P.M., and consists

of 320.00 acres. The determination that his well is capable of producing unitized substances in paying quantities was made on August 17, 1956.

2. The San Juan 28-7 Unit #55 Well is located 800' from the South line and 891' from the West line of Section 12, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded July 20, 1956, and completed on August 19, 1956, at a total depth of 5700'. The Point Lookout Section of the Mesaverde Formation between 5100' and 5110', 5132' and 5144', 5150' and 5170', 5181' and 5191', 5532' and 5542', 5565' and 5575', 5585' and 5591', 5600' and 5608', 5622' and 5632' was treated with a sand-water fracturing process. After being shut-in for gauge for eight (8) days, the well was tested on August 27, 1956, and following a three (3) hour blow-down period gauged 6051 MCFGPD through a 3/4" choke and 17838 MCFGPD by the calculated absolute open flow method with an SIPC of 1083# and an SIPT of 1076#. The committed drilling block upon which this well is located is described as the S/2 of Section 12, Township 28 North, Range 7 West, N.M.P.M., and consists of 288.40 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on August 27, 1956.
3. The San Juan 28-7 Unit #61 Well is located 1650' from the West line and 1550' from the South line of Section 10, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 4, 1956, and completed on July 21, 1956, at a total depth of 5750'. The Cliff House Section of the Mesaverde Formation between 5020' and 5030', 5062' and 5070', 5116' and 5126', 5134' and 5145', 5160' and 5172' was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde Formation between 5559' and 5581', 5612' and 5632', 5639' and 5652' was treated with a sand-water fracturing process. After being shut-in for gauge for eleven (11) days the well was tested on August 1, 1956, and following a three (3) hour blow-down period gauged 4965 MCFGPD through a 3/4" choke and 10,278 MCFGPD by the calculated absolute open flow method with an SIPC of 1069# and an SIPT of 1063#. The committed drilling block upon which this well is located is described as the S/2 of Section 10, Township 28 North, Range 7 West, N.M.P.M., and consists of 296.08 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on August 1, 1956.

The inclusion of the San Juan 28-7 Unit #55 Well and the San Juan 28-7 Unit #61 Well in the Mesaverde Participating Area creates one (1) intervening drilling block. This intervening drilling block lies between the San Juan 28-7 Unit #55 Well and the San Juan 28-7 Unit #61 Well. This intervening drilling block is described as the S/2 of Section 11, Township 28 North, Range 7 West, N.M.P.M., and consists of 292.80 acres.

The inclusion of the San Juan 28-7 Unit #54 Well in the Mesaverde Participating Area creates two (2) intervening drilling blocks. These intervening drilling blocks lie between the San Juan 28-7 Unit #48 Well, the San Juan 28-7 Unit #54 Well, and the San Juan 28-7 Unit #25 Well. These intervening drilling blocks are described as the E/2 of Section 21 and the E/2 of Section 22, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres each.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling blocks are admitted to the Mesaverde Participating Area as of September 1, 1956, the same time of admission as of the San Juan 28-7 Unit #54, #55, and #61 wells. Wells must be commenced on these intervening drilling blocks by September 1, 1957.

Attached is Scheudle XXI showing the Twentieth Expanded Participating Area for the Mesaverde formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twentieth Expanded Participating Area will become effective as of September 1, 1956.

Copies of this letter and schedule are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



R. L. Hamblin

Manager

Lease Department

RLH:JN:nb

cc: Attached List

Re: San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Company
Post Office Box 2125
Salt Lake City 10, Utah

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

El Paso Natural Gas Company

El Paso, Texas

September 25, 1956

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
NINETEENTH EXPANDED PARTICIPATING AREA
Mesaverde Formation
Effective August 1, 1956

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that two (2) additional wells capable of producing unitized substances in paying quantities from the Mesaverde formation have been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit #59 Well is located 890' from the North line and 1750' from the East line of Section 29, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 15, 1956, and completed on July 2, 1956, at a total depth of 5113'. The Cliff House section of the Mesaverde formation between 4380' and 4390', 4416' and 4426', 4454' and 4464', 4492' and 4502' was treated with a sand water fracturing process. The Point Lookout section of the Mesaverde formation between 4918' and 4930', 4955' and 4961', 4974' and 4982', 5006' and 5018' was treated with a sand water fracturing process. After being shut-in for gauge for seven (7) days, the

well was tested on July 9, 1956, and following a three (3) hour blow-down period gauged 5176 MCFGPD by the choke volume method and 9332 MCFGPD by the calculated absolute open flow method with an SIPC of 1038# and SIPT of 1030#. The committed drilling block upon which this well is located is described as the E/2 of Section 29, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on July 9, 1956.

2. The San Juan 28-7 Unit #63 Well is located 1845' from the South line and 1650' from the West line of Section 12, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded June 13, 1956, and completed on July 5, 1956, at a total depth of 5664'. The Cliff House section of the Mesaverde formation between 4894' and 4906', 4918' and 4928', 4940' and 4950', 4964' and 4972', 4978' and 4988' was treated with a sand water fracturing process. The Point Lookout section of the Mesaverde formation between 5400' and 5412', 5420' and 5432', 5500' and 5510', 5520' and 5530', 5555' and 5570' was treated with a sand water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on July 12, 1956, and following a three (3) hour blow-down period gauged 4806 MCFGPD by the choke volume method and 9506 MCFGPD by the calculated absolute open flow method with an SIPC of 1054# and an SIPT of 1048#. The committed drilling block upon which this well is located is described as the W/2 of Section 12, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on July 12, 1956.

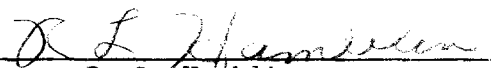
Attached is Schedule XX showing the Nineteenth Expanded Participating Area for the Mesaverde formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Nineteenth Expanded Participating Area will become effective as of August 1, 1956.

Copies of this letter and schedule are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



R. L. Hamblin

Manager

Lease Department

RLH:JN:nb

cc: Attached List

San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Company
Post Office Box 2125
Salt Lake City 10, Utah

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Bldg.
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

El Paso Natural Gas Company

El Paso, Texas

September 18, 1956

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

fill

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
#14-08-001-459
NOTICE OF COMPLETION
OF ADDITIONAL WELL

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed on acreage committed to the Unit.

This well is as follows:

The San Juan 28-7 #60 well, located 800' from the North line and 1650' from the East line of Section 19, Township 28 North, Range 7 West, Rio Arriba County, New Mexico, was spudded on July 23, 1956 and completed on August 9, 1956. The well was drilled to a total depth of 5847'. The Cliff House section of the Mesaverde Formation between 5110' - 5122', 5132' - 5148', 5170' - 5180', 5190' - 5202', 5212' - 5222' was treated with a sand water fracturing process. The Point Lookout section of the Mesaverde Formation between 5676' - 5690', 5698' - 5716', 5731' - 5748' was treated with a sand water fracturing process. After being shut-in for eight (8) days, the well was tested on August 17, 1956, and following a three (3) hour blow-down period gauged 5224 MCFGPD by the choke volume method and 10,955 MCFGPD by the calculated absolute open flow method with an SIPC of 1055# and an SIPT of 1047#.

The committed drilling block upon which this well is located is described as the E/2 of Section 19, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

The drilling block was included in the San Juan 28-7 Ninth Expanded Participating Area, effective August 1, 1955, as an intervening drilling block. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts shown on Schedule X for the Ninth Expanded Participating Area remain the same.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
Joe W. Cherry
Area Landman
Lease Department

JWC:JNN:nb

cc: Attached List

El Paso Natural Gas Company

El Paso, Texas

August 31, 1956

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
EIGHTEENTH EXPANDED PARTICIPATING AREA
Mesaverde Formation
Effective July 1, 1956

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that three (3) additional wells capable of producing unitized substances in paying quantities from the Mesaverde formation have been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit #57 Well is located 1840' from the North line and 1460' from the East line of Section 30, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 9, 1956, and completed on May 25, 1956, at a total depth of 4895'. The Cliff House section of the Mesaverde formation between 4226' and 4238', 4250' and 4260', 4266' and 4280', was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde formation between 4730' and 4746', 4764' and 4774', 4810' and 4820', was treated with a sand-water fracturing process. After being shut-in for gauge for twelve (12) days, the well was tested on June 6, 1956, using an absolute open flow, gauged 8120 MCFGPD with an SIPC of 1099# and SIPT of 1094#. The committed drilling block upon which this well is located is described as the E/2 of Section 30, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on June 6, 1956.

2. The San Juan 28-7 Unit #58 Well is located 1650' from the South line and 1800' from the West line of Section 29, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 27, 1956, and completed on June 12, 1956, at a total depth of 5109'. The Cliff House section of the Mesaverde formation between 4397' and 4410', 4433' and 4443', 4460' and 4474' was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde formation between 4924' and 4936', 4955' and 4968', 5010' and 5020', 5065' and 5076' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on June 19, 1956, using an absolute open flow, gauged 10,710 MCFGPD with an SIPC of 1065# and SIPT of 1063#. The committed drilling block upon which this well is located is described as the W/2 of Section 29, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on June 19, 1956.
3. The San Juan 28-7 Unit #62 Well is located 1630' from the North line and 1650' from the East line of Section 12, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded May 25, 1956, and completed on June 11, 1956, at a total depth of 5638'. The Cliff House section of the Mesaverde formation between 4894' and 4904', 4922' and 4936', 4942' and 4952' was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde formation between 5414' and 5432', 5466' and 5478', 5488' and 5498', was treated with a sand-water fracturing process. After being shut-in for gauge for eight (8) days the well was tested on June 19, 1956, using an absolute open flow gauged 8317 MCFGPD with an SIPC of 1094# and an SIPT of 1093#. The committed drilling block upon which this well is located is described as the E/2 of Section 12, Township 27 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on June 19, 1956.

The inclusion of the San Juan 28-7 Unit #58 Well in the Mesaverde Participating Area creates one (1) intervening drilling block. This intervening drilling block lies between the San Juan 28-7 Unit # 58 Well and the San Juan 28-7 Unit #2 Well. This intervening drilling block is described as the W/2 of Section 32, Township 28 North, Range 7 West, N.M.P.M., and consists of 315.36 acres.

Under the terms of the San Juan 28-7 Unit Agreement, the above described intervening drilling block is admitted to the Mesaverde Participating Area as of July 1, 1956, the same time of admission as of the San Juan 28-7 Unit #58 Well. A well must be commenced on this intervening drilling block by July 1, 1957.

Attached is Schedule XIX showing the Eighteenth Expanded Participating Area for the Mesaverde formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Eighteenth Expanded Participating Area will become effective as of July 1, 1956.

Copies of this letter and schedule are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin
Manager
Lease Department

RLH:JN:cr
cc: Attached List

Re: San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Company
Post Office Box 2125
Salt Lake City 10, Utah

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

El Paso Natural Gas Company

El Paso, Texas

August 24, 1956

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
EIGHTEENTH EXPANDED PARTICIPATING AREA
Mesaverde Formation, Effective July 1, 1956

Gentlemen:

Would you please destroy your copy of the above captioned schedule, as it is in error. A revised schedule is in the process of being drafted and will be forwarded to you as soon as possible.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By James C. Vandiver
James C. Vandiver
Area Landman
Lease Department

JCV:JNN:pb

cc: Attached List

Re: San Juan 28-7 Unit
Working Interest Owners

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Company
Post Office Box 2125
Salt Lake City 10, Utah

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San Jacinto Petroleum Corp.
San Jacinto Building
Houston 2, Texas

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Houston 2, Texas

Mr. W. H. Riddle
1205 East Thomas Road
Phoenix, Arizona

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

El Paso Natural Gas Company

El Paso, Texas

August 16, 1956

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Bill

Re: San Juan 28-7 Unit
#14-08-001-459
NOTICE OF COMPLETION
OF ADDITIONAL WELL

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation has been completed on acreage committed to the Unit.

This well is as follows:

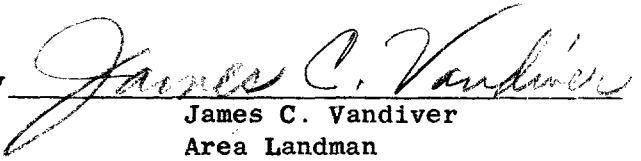
The San Juan 28-7 #51 well, located 990' from the North line and 1850' from the East line of Section 24, Township 28 North, Range 7 West, Rio Arriba County, New Mexico, was spudded on June 18, 1956 and completed on July 8, 1956. The well was drilled to a total depth of 5717'. The Cliff House section of the Mesaverde Formation between 4980' - 5000', 5078' - 5090', 5120' - 5132', 5146' - 5156' was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde Formation between 5510' - 5528', 5568' - 5580', 5612' - 5624' was treated with a sand-water fracturing process. After being shut-in for nine days, the well was tested on July 17, 1956, and following a three hour blow-down, gauged an AOF of 8389 MCFGPD with an SIPC of 1069# and an SIPT of 1061#.

The committed drilling block upon which this well is located is described as the E/2 of Section 24, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

The drilling block was included in the San Juan 28-7 Twelfth Expanded Participating Area, effective November 1, 1955, as an intervening drilling block. Therefore, the Participating Area is not enlarged, and the percentages allocated to the tracts shown on Schedule XIII for the Twelfth Expanded Participating Area remain the same.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
James C. Vandiver
Area Landman
Lease Department

JCV:JNN:pb

cc: Attached List

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. N. B. Venus, Jr.
Tennessee Gas Transmission Company
Post Office Box 2125
Salt Lake City 10, Utah

Mr. J. Glenn Turner
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Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Petroleum Corporation
Post Office Box 1419
Albuquerque, New Mexico

Mr. W. H. Riddle
Dateland, Arizona

Mr. B. G. Martin
San Jacinto Petroleum Corporation
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Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
Post Office Box 660
Roswell, New Mexico

Miss Margaret Clark
Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

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346 Esperson Building
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Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

El Paso Natural Gas Company

El Paso, Texas

June 20, 1956

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

file

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
14-08-001-459
NOTICE OF COMPLETION OF
ADDITIONAL WELL

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, # 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde formation has been completed upon acreage committed to the Unit.

This well is as follows:

The San Juan 28-7 #56 Well, located 980' from the South line and 100' from the West line of Section 13, Township 28 North, Range 7 West, Rio Arriba County, New Mexico, was spudded on April 29, 1956 and completed on May 23, 1956. The well was drilled to a total depth of 5755'. The Cliff House section of the Mesaverde formation between 5072' and 5086', 5118' and 5126', 5180' and 5190', and 5226' and 5242' was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde formation between 5616' and 5626', 5638' and 5648', 5670' and 5682', 5700' and 5710' was treated with a sand-water fracturing process. After being shut-in for gauge for eight (8) days, the well was tested on May 31, 1956, and following a three hour blow-down, gauged an AOF of 8059 MCFGPD with an SIPC of 1076# and an SIPT of 1060#.

The committed drilling block upon which this well is located is described as the W/2 of Section 13, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

This drilling block was included in the San Juan 28-7 Twelfth Expanded Participating Area, effective November 1, 1955, as an intervening drilling block. Therefore, the Participating Area is not enlarged, and the percentage allocated to the tracts shown on Schedule XIII for the Twelfth Expanded Participating Area remain the same.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By James C. Vandiver
James C. Vandiver
Area Landman
Lease Department

JCV:JNN:rb

cc: Attached list

El Paso Natural Gas Company

El Paso, Texas

May 23, 1956

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

fill

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
SIXTEENTH EXPANDED PARTICIPATING AREA
Mesaverde Formation
Effective May 1, 1956

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde formation has been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #48 Well is located 1600' from the South line and 800' from the West line of Section 21, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on March 17, 1956, and completed on April 7, 1956 at a total depth of 5065'. The Cliff House section of the Mesaverde formation between 4282' and 4293', 4324' and 4334', 4390' and 4404' and 4410' and 4420' was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde formation between 4794' and 4806', 4816' and 4826', 4841' and 4852' and 4864' and 4874' was treated with a sand-water fracturing process. After being shut-in for gauge for twelve (12) days, the well was tested on April 19, 1956, and following a three hour blow-down, gauged an IP of 10,216 MCFGPD with an SIPC of 1027# and an SIPT of 1020#. The committed drilling block upon which this well is located is described as

the W/2 of Section 21, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on April 19, 1956.

Attached is Schedule XVII showing the Sixteenth Expanded Participating Area for the Mesaverde formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Sixteenth Expanded Participating Area will become effective as of May 1, 1956.

Copies of this letter and schedule are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin
Manager
Lease Department

RLH:JNN:rb
cc: Attached list

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
P. O. Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. Charles E. Taylor, Jr.
Tennessee Gas Transmission Company
Post Office Box 2410
Denver 1, Colorado

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Development, Inc.
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
P. O. Box 660
Roswell, New Mexico

Miss Margaret Clark
Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Mr. W. H. Riddle
Dateland, Arizona

El Paso Natural Gas Company

El Paso, Texas

May 12, 1956

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

fill

Re: San Juan 28-7 Unit, # 14-08-001-459
FIFTEENTH EXPANDED PARTICIPATING AREA
Mesaverde Formation
Effective April 1, 1956

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde formation has been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #47 Well is located 817' from the North line and 838' from the East line of Section 20, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on February 23, 1956, and completed on March 15, 1956 at a total depth of 5109'. The Cliff House section of the Mesaverde formation between 4303' and 4310', 4344' and 4352', 4364' and 4374', 4438' and 4450', and 4470' and 4479' was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde formation between 4868' and 4888', 4930' and 4940', 4952' and 4968', 5010' and 5018', and 5044' and 5056' was treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on March 22, 1956, and following a three hour blow-down, gauged an IP of 6857 MCFGPD with an SIPC of 995# and an SIPT of 989#. The committed drilling block upon which this well is located is described as the E/2 of Section 20, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of

producing unitized substances in paying quantities was made on March 22, 1956.

Attached is Schedule XVI showing the Fifteenth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Fifteenth Expanded Participating Area will become effective as of April 1, 1956.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin
Manager
Lease Department

RLH:JNN:rb
cc: Attached list

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
P. O. Box 192
Sistersville, West Virginia

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. Charles E. Taylor, Jr.
Tennessee Gas Transmission Company
Post Office Box 2410
Denver 1, Colorado

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. F. G. Daniell
Mr. Robert C. Youngmun
Pubco Development, Inc.
Post Office Box 1419
Albuquerque, New Mexico

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corp.
San Jacinto Building
Houston 2, Texas

Mr. Donald Anderson
Malco Refineries, Inc.
P. O. Box 660
Roswell, New Mexico

Miss Margaret Clark
Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Mr. W. H. Riddle
Dateland, Arizona



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

February 8, 1956

El Paso Natural Gas Company
P. O. Box 1192
El Paso, Texas

Attention: Mr. E. L. Hamblin

Gentlemen:

Your plan of development dated December 27, 1955, for the San Juan 28-7 unit, New Mexico, for the calendar year 1956, has been approved on this date subject to like approval by the appropriate State of New Mexico officials.

One approved copy of the plan is enclosed.

Very truly yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Enclosure

Copy to: Wash. (w/copy of plan)
Farmington (w/copy of plan)
Comm. of Public Lands, Santa Fe (letter only)
Oil & Gas, Wash., Santa Fe (letter only) ✓

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 30, 1956

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. R. L. Hamblin

file
Re: (San Juan 28-7 Unit)
Rio Arriba County, New Mexico
1956 Drilling Program

Gentlemen:

This is to advise that the Drilling Program for calendar year 1956 for the San Juan 28-7 Unit, dated December 27, 1955 has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the United States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

W. B. Macey
Secretary-Director

WBM:jh

cc: U. S. Geological Survey, Roswell
Commissioner of Public Lands, Santa Fe

C
O
P
Y

El Paso Natural Gas Company

El Paso, Texas

January 17, 1956

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

file

Re: (San Juan 28-7 Unit
No. 14-08-001-459
Fourteenth Expanded Participating Area
Mesaverde Formation
Effective January 1, 1956

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that two (2) additional wells capable of producing unitized substances in paying quantities from the Mesaverde formation had been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include these wells as follows:

The San Juan 28-7 Unit #21 Well is located 1080' from the South line and 1650' from the West line of Section 9, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on November 2, 1955, and completed on November 22, 1955 at a total depth of 5660'. The Cliff House section of the Mesaverde formation between 4988' and 5006', 5032' and 5048', and 5100' and 5128' was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde formation between 5528' and 5546', 5568' and 5598' and 5638' and 5648' was also treated with a sand-water fracturing process. After being shut-in for gauge for twenty (20) days, the well was tested on December 12, 1955, and following a three hour blow-down gauged an IP of 4742 MCFGPD with an SIPC of 1069# and an SIPT of 1063#. The committed drilling block upon which this well is located is described as All of Section 9, Township 28 North, Range 7 West, N.M.P.M., and consists

of 299.64 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on December 12, 1955.

The San Juan 28-7 Unit #44 Well is located 660' from the North line and 765' from the East line of Section 2, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on November 27, 1955, and completed on December 16, 1955 at a total depth of 5100'. The Cliff House section of the Mesaverde formation between 4450' and 4470', 4488' and 4506', 4514' and 4550' and 4590' and 4604' was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde formation between 4964' and 4984', 4994' and 5006', 5020' and 5043', 5058' and 5069', and 5078' and 5091' was also treated with a sand-water fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on December 23, 1955, and following a three hour blow-down, gauged an IP of 4385 MCFGPD with an SIPC of 1096# and an SIPT of 1092#. The committed drilling block upon which this well is located is described as the E/2 of Section 2, Township 27 North, Range 7 West, N.M.P.M., and consists of 319.12 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on December 23, 1955.

Attached is Schedule XV showing the Fourteenth Expanded Participating Area for the Mesaverde formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Fourteenth Expanded Participating Area will become effective as of January 1, 1956.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


R. L. Hamblin
Manager
Lease Department

RLH:JWC:eb

cc: Attached list

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia
Attention: Mr. Paul W. Neuenschwander

Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas
Attention: Mr. Jack Martin

Tennessee Gas Transmission Company
Post Office Box 2410
Denver 1, Colorado
Attention: Mr. Charles E. Taylor, Jr.

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Pubco Development, Inc.
Post Office Box 1419
Albuquerque, New Mexico
Attention: Mr. F. G. Daniell
Attention: Mr. Robert C. Youngmun

Mr. W. H. Riddle
Dateland, Arizona

San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas
Attention: Mr. B. G. Martin

Malco Refining Company
Post Office Box 660
Roswell, New Mexico
Attention: Mr. Donald B. Anderson

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas
Attention: Miss Margaret Clark

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

January 13, 1956

El Paso Natural Gas Company
El Paso, Texas

file

Re: (San Juan 28-7 Unit,) #14-08-001-459
Rio Arriba County, New Mexico
1956 Drilling Program

Gentlemen:

We are returning one copy of the San Juan 28-7 Unit 1956 Drilling Program, dated December 27, 1955, which was approved by the Commissioner of Public Lands January 13, 1956, subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

MMH/m
enc: 1

cc: USGS-Roswell
OCC-Santa Fe

El Paso Natural Gas Company

El Paso, Texas

December 27, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
#14-08-001-459
Rio Arriba County, New Mexico
1956 Drilling Program

Gentlemen:

By letter dated December 31, 1954, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned unit for the calendar year 1955. The following wells on this Drilling Program were completed upon lands committed to this Unit:

<u>Well Name</u>	<u>Drilling Block</u>	<u>Initial Potential</u>	<u>Tied-In</u>	<u>Formation</u>
San Juan 28-7 #29	S/2 Sec. 7, T-28-N, R-7-W	5190	10-25-55	Mesaverde
San Juan 28-7 #20	S/2 Sec. 8, T-28-N, R-7-W	5100	No	Mesaverde
San Juan 28-7 #21	S/2 Sec. 9, T-28-N, R-7-W	4742	No	Mesaverde
San Juan 28-7 #33	E/2 Sec. 13, T-28-N, R-7-W	9306	11-2-55	Mesaverde
San Juan 28-7 #24	E/2 Sec. 14, T-28-N, R-7-W	3758	8-12-55	Mesaverde
San Juan 28-7 #23	E/2 Sec. 15, T-28-N, R-7-W	1948	7-2-55	Mesaverde
San Juan 28-7 #22	E/2 Sec. 17, T-28-N, R-7-W	4116	9-7-55	Mesaverde
San Juan 28-7 #30	W/2 Sec. 18, T-28-N, R-7-W	2595	No	Mesaverde
San Juan 28-7 #32	W/2 Sec. 19, T-28-N, R-7-W	1917	7-14-55	Mesaverde
San Juan 28-7 #31	W/2 Sec. 20, T-28-N, R-7-W	4116	8-11-55	Mesaverde
San Juan 28-7 #25	W/2 Sec. 23, T-28-N, R-7-W	1556	9-13-55	Mesaverde
San Juan 28-7 #26	W/2 Sec. 24, T-28-N, R-7-W	3624	9-13-55	Mesaverde
San Juan 28-7 #28	E/2 Sec. 26, T-28-N, R-7-W	4116	9-13-55	Mesaverde
San Juan 28-7 #27	W/2 Sec. 26, T-28-N, R-7-W	4071	9-13-55	Mesaverde
San Juan 28-7 #36	W/2 Sec. 31, T-28-N, R-7-W	3400	No	Pictured Cliffs

<u>Well Name</u>	<u>Drilling Block</u>	<u>Initial Potential</u>	<u>Tied-In</u>	<u>Formation</u>
San Juan 28-7 #34	E/2 Sec. 1, T-27-N, R-7-W	3311	10-10	Mesaverde
San Juan 28-7 #35	W/2 Sec. 1, T-27-N, R-7-W	2020	10-3	Mesaverde
San Juan 28-7 #37	E/2 Sec. 6, T-27-N, R-7-W	2326	11-29	Pictured Cliffs
San Juan 28-7 #38	W/2 Sec. 7, T-27-N, R-7-W	1230	8-30	Pictured Cliffs
* San Juan 28-7 #42	W/2 Sec. 17, T-27-N, R-7-W	580	8-25	Pictured Cliffs
San Juan 28-7 #39	W/2 Sec. 18, T-27-N, R-7-W	139	8-29	Pictured Cliffs
* San Juan 28-7 #40	E/2 Sec. 18, T-27-N, R-7-W	216	8-30	Pictured Cliffs
San Juan 28-7 #41	E/2 Sec. 19, T-27-N, R-7-W	846	8-25	Pictured Cliffs
* San Juan 28-7 #43	W/2 Sec. 20, T-27-N, R-7-W	247	8-25	Pictured Cliffs

* Non-Commercial Well

By letter dated May 25, 1955, El Paso Natural Gas Company, as Unit Operator, filed a supplemental Drilling Program for the calendar year 1955. The following wells on this supplemental Drilling Program were completed upon lands committed to the Unit:

<u>Well Name</u>	<u>Drilling Block</u>	<u>Initial Potential</u>	<u>Tied-In</u>
San Juan 28-7 #19	E/2 Sec. 25, T-28-N, R-7-W	2684	No
San Juan 28-7 #44	E/2 Sec. 2, T-27-N, R-7-W	Not Tested	No

There were no locations on the supplemental 1955 Drilling Program which were not drilled. However, the San Juan 28-7 #44 well is at present shut-in for gauge and no test data is available.

Twenty-seven (27) wells have been drilled to the Mesaverde formation and sixteen (16) wells have been drilled to the Pictured Cliffs formation upon lands committed to the Unit. Of the 27 Mesaverde wells, 25 have been determined to be capable of producing unitized substances in paying quantities and have been admitted to the Mesaverde Participating Area. One (1) Mesaverde well has not been tested and for this well no determination has been made regarding unitized substances. Twenty-two (22) of these wells are producing into El Paso's gathering system.

Of the 16 Pictured Cliffs wells, 13 have been determined to be capable of producing unitized substances in paying quantities and have been admitted to the Pictured Cliffs Participating Area. Eleven (11) of these wells are producing into El Paso's gathering system.

For the period from 7:00 o'clock a.m. on January 1, 1955, to 7:00 o'clock a.m. on December 1, 1955, the production from the Mesaverde formation of the San Juan 28-7 Unit was 336,938 m.c.f. of gas and 519.51 BBL of condensate having a value of \$41,755.71. For the same period of time the gas production from the Pictured Cliffs formation of the San Juan 28-7 Unit was 522,548 m.c.f. and there were extracted from this formation liquid products having a value of \$4,206.32, the total value being \$56,461.12. The total value of production in the San Juan 28-7 Unit was \$98,216.83.

El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a Drilling Program for the calendar year 1956, consisting of nineteen (19) wells to be drilled to the Mesaverde formation and four (4) wells to be drilled to the Pictured Cliffs formation; such Drilling Program to constitute all of our

drilling obligations for such year. These proposed drilling blocks are listed below as follows:

	<u>Drilling Block</u>	<u>Formation</u>
S/2 (All)	Section 10, T-28-N, R-7-W	Mesaverde
S/2 (All)	Section 12, T-28-N, R-7-W	Mesaverde
W/2	Section 13, T-28-N, R-7-W	Mesaverde
E/2	Section 16, T-28-N, R-7-W	Mesaverde
E/2	Section 19, T-28-N, R-7-W	Mesaverde
E/2	Section 20, T-28-N, R-7-W	Mesaverde
E/2	Section 21, T-28-N, R-7-W	Mesaverde
W/2	Section 21, T-28-N, R-7-W	Mesaverde
W/2	Section 22, T-28-N, R-7-W	Mesaverde
E/2	Section 23, T-28-N, R-7-W	Mesaverde
E/2	Section 24, T-28-N, R-7-W	Mesaverde
E/2	Section 27, T-28-N, R-7-W	Mesaverde
W/2	Section 27, T-28-N, R-7-W	Mesaverde
W/2	Section 28, T-28-N, R-7-W	Mesaverde
E/2	Section 29, T-28-N, R-7-W	Mesaverde
W/2	Section 29, T-28-N, R-7-W	Mesaverde
E/2	Section 30, T-28-N, R-7-W	Mesaverde
E/2	Section 12, T-27-N, R-7-W	Mesaverde
W/2	Section 12, T-27-N, R-7-W	Mesaverde
E/2	Section 5, T-27-N, R-7-W	Pictured Cliffs
W/2	Section 8, T-27-N, R-7-W	Pictured Cliffs
W/2	Section 22, T-27-N, R-7-W	Pictured Cliffs
N/2	Section 28, T-27-N, R-7-W	Pictured Cliffs

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above listed Mesaverde wells to the base of the Mesaverde formation using rotary tools. Surface casing of 10-3/4" will be set to approximately 150' below the surface and an intermediate string of 7-5/8" will be set through the Pictured Cliffs formation to a depth of approximately 3200'. From this point a 5-1/2" production string will be set through the Mesaverde formation, and the casing of the Mesaverde formation will then be selectively perforated and the Mesaverde formation will be subjected to a hydraulic fracturing process. Mud will be used in setting the intermediate string of casing, and the hole below the intermediate string will be drilled in with gas. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, intends to drill all of the above listed Pictured Cliffs wells to the base of the Pictured Cliffs formation using rotary and cable tools. Surface casing of 9-5/8" will be set to approximately 100' from the surface, and then a production string of 5-1/2" casing will be set on top of the Pictured Cliffs formation. Mud will be used in drilling to the top of the Pictured Cliffs formation and the Pictured Cliffs formation will be drilled in with cable tools. The entire Pictured Cliffs formation will be subjected to a hydraulic fracturing process. Due care will be taken to protect all horizons.

All of the working interest owners have been contacted and this Drilling Program reflects, insofar as possible, their requests for additional drilling.

If this Drilling Program is acceptable, please signify your approval of this Drilling Program as required under Section 10 of the Unit Agreement in the space provided below, and return an approved copy to El Paso Natural Gas Company.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin, Manager *RLH*
Lease Department

RLH:JWC:pb
cc: Attached List

APPROVED: _____
Director, United States Geological Survey

Date: _____

Subject to like approval by the proper State authorities.

APPROVED: _____
Commissioner of Public Lands

Date: _____

Subject to like approval by the U.S.G.S. and Oil Conservation Commission.

APPROVED: LCOS Macey
Oil Conservation Commission

Date: JAN 30 1956

Subject to like approval by the U.S.G.S. and Commissioner of Public Lands.

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia
Attention: Mr. Paul W. Neuenschwander

Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas
Attention: Mr. Jack Martin

Tennessee Gas Transmission Company
Post Office Box 2410
Denver 1, Colorado
Attention: Mr. Charles E. Taylor, Jr.

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Pubco Development, Inc.
Post Office Box 1419
Albuquerque, New Mexico
Attention: Mr. F. G. Daniell
Attention: Mr. Robert C. Youngmun

Mr. W. H. Riddle
Dateland, Arizona

San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas
Attention: Mr. B. G. Martin

Malco Refining Company
Post Office Box 660
Roswell, New Mexico
Attention: Mr. Donald B. Anderson

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas
Attention: Miss Margaret Clark

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

El Paso Natural Gas Company

El Paso, Texas

December 13, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

File

Re: San Juan 28-7 Unit
14-08-001-459
Thirteenth Expanded Participating Area
Mesaverde Formation
Effective December 1, 1955

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde formation had been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit #20 Well, located 925' from the South line and 875' from the West line of Section 8, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on October 9, 1955, and completed on October 30, 1955 at a total depth of 5748'. The Cliff House section of the Mesaverde formation between 5018' and 5046', 5060' and 5074', 5082' and 5094', 5142' and 5160', 5180' and 5192', and 5216' and 5227' was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde formation between 5598' and 5612', 5634' and 5646', 5665' and 5674', and 5684' and 5700' was also treated with a sand-water fracturing process. After being shut-in for gauge for eight (8) days, the well was tested on November 7, 1955, and following a three hour blow-down, gauged an IP of 5100' MCFGPD with an SIPC of 1052# and an SIPT of 1046#. The committed drilling block upon which this well is located is described as All of Section 8, Township 28 North, Range 7 West, N.M.P.M., and consists of

304.04 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on November 7, 1955.

Attached is Schedule XIV showing the Thirteenth Expanded Participating Area for the Mesaverde formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Thirteenth Expanded Participating Area will become effective as of December 1, 1955.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin
Manager
Lease Department

RLH:JWC:rb
cc: Attached list

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia
Attention: Mr. Paul W. Neuenschwander

Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas
Attention: Mr. Jack Martin

Tennessee Gas Transmission Company
Post Office Box 2410
Denver 1, Colorado
Attention: Mr. Charles E. Taylor, Jr.

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Pubco Development, Inc.
Post Office Box 1419
Albuquerque, New Mexico
Attention: Mr. F. G. Daniell
Attention: Mr. Robert C. Youngmun

Mr. W. H. Riddle
Dateland, Arizona

San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas
Attention: Mr. B. G. Martin

Malco Refining Company
Post Office Box 660
Roswell, New Mexico
Attention: Mr. Donald B. Anderson

Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas
Attention: Miss Margaret Clark

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

El Paso Natural Gas Company

El Paso, Texas

November 15, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

#445

fill

Re: San Juan 28-7 Unit
14-08-001-459
Twelfth Expanded Participating Area
Mesaverde Formation
Effective November 1, 1955

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that two (2) additional wells capable of producing unitized substances in paying quantities from the Mesaverde formation had been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit # 33 Well, located 800' from the North line and 990' from the East line of Section 13, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on September 4, 1955, and completed on October 4, 1955 at a total depth of 5889'. The Cliff House section of the Mesaverde formation between 5312' and 5406' was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde formation between 5768' and 5853' was also treated with a sand-water fracturing process. After being shut-in for gauge for ten (10) days, the well was tested on October 14, 1955, and following a three hour blow-down, gauged an IP of 9306 MCFGPD with an SIPC of 1056# and an SIPT of 1052#. The committed drilling block upon which this well is located is described as the E/2 of Section 13, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on October 14, 1955.

2. The San Juan 28-7 Unit # 34 Well, located 1650' from the North line and 990' from the East line of Section 1, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 23, 1955, and completed on September 18, 1955 at a total depth of 5155'. The Cliff House section of the Mesaverde formation between 4460' and 4560' was treated with a sand-water fracturing process. The Point Lookout section of the Mesaverde formation between 5074' and 5104' was also treated with a sand-water fracturing process. After being shut-in for gauge for fourteen (14) days, the well was tested on October 3, 1955, and following a three hour blow-down, gauged an IP of 3311 MCFGPD with an SIPC of 1090# and an SIPT of 1084#. The committed drilling block upon which this well is located is described as the E/2 of Section 1, Township 27 North, Range 7 West, N.M.P.M., and consists of 319.40 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on October 3, 1955.

The inclusion of the San Juan 28-7 # 33 Well in the Mesaverde Participating Area creates two (2) intervening drilling blocks. One intervening drilling block lies between the San Juan 28-7 Unit # 19 Well and the San Juan 28-7 Unit # 33 Well. This intervening drilling block is described as the E/2 of Section 24, Township 28 North, Range 7 West, N.M.P.M., containing 320.00 acres. The other intervening drilling block lies between the San Juan 28-7 Unit # 24 Well and the San Juan 28-7 Unit # 33 Well. This intervening drilling block is described as the W/2 of Section 13, Township 28 North, Range 8 West, N.M.P.M., containing 320.00 acres.

Under the terms of Paragraph 11(a) of the San Juan 28-7 Unit Agreement, the above described intervening drilling blocks are admitted to the Mesaverde Participating Area effective November 1, 1955, the same date of admission of the San Juan 28-7 Unit # 33 Well. A well must be commenced on each of these intervening drilling blocks by November 1, 1956.

Attached is Schedule XIII showing the Twelfth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Twelfth Expanded Participating Area will become effective as of November 1, 1955.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin
Manager
Lease Department

RLH:JWC:rb
cc: Attached list

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia
Attention: Mr. Paul W. Neuenschwander

Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas
Attention: Mr. Jack Martin

Tennessee Gas Transmission Company
Post Office Box 2410
Denver 1, Colorado
Attention: Mr. Charles E. Taylor, Jr.

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

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Albuquerque, New Mexico
Attention: Mr. F. G. Daniell
Attention: Mr. Robert C. Youngmun

Mr. W. H. Riddle
Dateland, Arizona

San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas
Attention: Mr. B. G. Martin

Malco Refining Company
Post Office Box 660
Roswell, New Mexico
Attention: Mr. Donald B. Anderson

Three States Natural Gas Company
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Dallas 1, Texas
Attention: Miss Margaret Clark

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

El Paso Natural Gas Company

El Paso, Texas

October 25, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

File

Re: (San Juan 28-7 Unit
14-08-001-459
Eleventh Expanded Participating Area
Mesaverde Formation
Effective October 1, 1955

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, # 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one (1) additional well capable of producing unitized substances in paying quantities from the Mesaverde formation had been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde formation is expanded accordingly to include this well as follows:

1. The San Juan 28-7 Unit # 29 Well, located 1550' from the South line and 990' from the West line of Section 7, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 2, 1955, and completed on August 24, 1955 at a total depth of 5425'. The Cliff House section of the Mesaverde formation between 4670' and 4885' was treated with a sand-oil fracturing process. The Point Lookout section of the Mesaverde formation between 5025' and 5425' was also treated with a sand-oil fracturing process. After being shut-in for gauge for twenty nine (29) days, the well was tested on September 22, 1955, and following a three hour blow-down, gauged an IP of 5190 MCFGPD with an SIPC of 1078# and an SIPT of 1060#. The committed drilling block upon which this well is located is described as all of Section 7, Township 28 North, Range 7 West, N.M.P.M., and consists of 299.21 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on September 22, 1955.

Attached is Schedule XII showing the Eleventh Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Eleventh Expanded Participating Area will become effective as of October 1, 1955.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



R. L. Hamblin
Manager
Lease Department

RLH:JWC:rb
cc: Attached list

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia
Attention: Mr. Paul W. Neuenschwander

Delhi-Taylor Oil Corporation
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Dallas 1, Texas
Attention: Mr. Jack Martin

Tennessee Gas Transmission Company
Post Office Box 2410
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Post Office Box 1419
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Attention: Mr. F. G. Daniell
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Mr. W. H. Riddle
Dateland, Arizona

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San Jacinto Building
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Malco Refining Company
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Attention: Mr. Donald B. Anderson

Three States Natural Gas Company
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Dallas 1, Texas
Attention: Miss Margaret Clark

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

El Paso Natural Gas Company

El Paso, Texas

October 4, 1955

file

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: (San Juan 28-7) Unit
No. 14-08-001-459
Rio Arriba County, New Mexico
NOTICE OF COMPLETION OF
ADDITIONAL WELL

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, No. 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on September 9, 1955 that one additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation had been completed upon acreage committed to this Unit.

This well is the San Juan 28-7 Unit # 28 Well located 1455' from the North line and 990' from the East line of Section 26, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on August 14, 1955 and completed on September 1, 1955 at a total depth of 5700'. The Cliff House Section of the Mesaverde Formation between 4935' and 5135' was treated with a sand-oil fracturing process. The Point Lockout section of the Mesaverde Formation between 5335' and 5700' was also treated with a sand-oil fracturing process. After being shut in for gauge for seven (7) days, this well was tested on September 9, 1955 and following a three hour blow-down, gauged an IP of 4116 MCFGPD with a SIPC of 1047# and a SIPT of 987#. The committed drilling block upon which this well is located is described as the E/2 of Section 26, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres.

This drilling-block was included in the Ninth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit, effective August 1, 1955, as an intervening drilling block. Therefore, the Participating Area is not enlarged, and the

-2-

percentages allocated to the tracts shown on Schedule X for the Ninth Expanded Participating Area remain the same.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T.W. Bittick

T.W. Bittick
Area Landman
Lease Department

TWB:GWO:rb

cc: Attached list

El Paso Natural Gas Company

El Paso, Texas

September 28, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
Tenth Expanded Participating Area
Mesaverde Formation
Effective September 1, 1955

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that two (2) additional wells capable of producing unitized substances in paying quantities from the Mesaverde formation had been completed upon acreage committed to this unit. The Participating Area for the Mesaverde formation is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit #26 well, located 990' from the South line and 910' from the West line of Section 24, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 23, 1955 and completed on August 11, 1955 at a total depth of 5690'. The Cliff House section of the Mesaverde formation between 4895' and 5100' was treated with a sand-oil fracturing process. The Point Lookout section of the Mesaverde formation between 5190' and 5690' was also treated with a sand-oil fracturing process. After being shut in for gauge for twelve (12) days, the well was tested on August 23, 1955, and following a three hour blow-down, gauged an IP of 3624 MCFGPD with an SIPC of 1061# and an SIPT of 920#. The committed drilling block upon which this well is located is described as the W/2 of Section 24, Township 23 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on August 23, 1955.

2. The San Juan 28-7 Unit Well #35 is located 1650' from the South line and 990' from the West line of Section 1, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 9, 1955 and completed on July 27, 1955 at a total depth of 5125'. The Cliff House section of the Mesaverde Formation between 4400' and 4610' was treated with a sand-oil fracturing process. The Point Lookout section of the Mesaverde Formation between 4740' and 5125' was also treated with a sand-oil fracturing process. After being shut in for gauge for thirteen (13) days, the well was tested on August 9, 1955, and following a three hour blow-down, gauged an IP of 2020 MCFGPD with a SIPC of 1086# and a SIPT of 1084#. The committed drilling block upon which this well is located is described as the W/2 of Section 1, Township 27 North, Range 7 West, N.M.P.M., and consists of 319.80 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on August 9, 1955.

The inclusion of the San Juan 28-7 Unit #26 Well in the Mesaverde Participating Area creates one intervening drilling block between the San Juan 28-7 Unit #25 Well and the San Juan 28-7 Unit #26 Well. This intervening drilling block is described as the E/2 of Section 23, Township 28 North, Range 7 West, N.M.P.M. and consists of 320.00 acres. Under the terms of the Unit Agreement, this drilling block is admitted to the Mesaverde Participating Area as of September 1, 1955, the same time of the admission of the San Juan 28-7 Unit #26 Well. A well must be commenced on this intervening drilling block by September 1, 1956.

Attached is Schedule XI showing the Tenth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitize tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Tenth Expanded Participating Area will become effective as of September 1, 1955.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin
Manager
Lease Department

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Forrest Daniell
Mr. Robert C. Youngman
Pudco Development, Inc.
Post Office Box 1419
Albuquerque, New Mexico

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald B. Anderson
Malco Refining Company
Post Office Box 660
Roswell, New Mexico

Mr. J. Glenn Turner
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Mr. R. E. Beamon
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Miss Margaret Clark
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Dallas 1, Texas

Mr. W. H. Riddle
Dateland, Arizona

Mr. Alfred E. McLane
1711 Mercantile Bank Building
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Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

El Paso Natural Gas Company

El Paso, Texas

September 12, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

file

Re: San Juan 28-7 Unit
No. 14-08-001-459
Rio Arriba County, New Mexico

Gentlemen:

This is to advise you that the Agreement of Working Interest Owners, dated March 15, 1955, which has the effect of amending Section 11 of the San Juan 28-7 Unit Agreement for the purpose of clarifying the following fractional sections as drilling blocks under the terms and provisions of the San Juan 28-7 Unit Agreement: Sections 7 through 12 inclusive, Township 28 North, Range 7 West, N.M.P.M., and the NW/4 of Section 27, and the N/2 of Section 28, Township 27 North, Range 7 West, N.M.P.M. was approved by the proper Federal and State authorities as follows:

1. Acting Director, United States Geological Survey - approved August 26, 1955.
2. Commissioner of Public Lands of the State of New Mexico - approved August 1, 1955.
3. Oil Conservation Commission of the State of New Mexico - approved August 1, 1955.

A copy of this letter and a xerox copy of the fully executed and approved amendment is being sent to each of the Working Interest Owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By

T. W. Bittick

T. W. Bittick
Area Landman
Lease Department

TWB:GWO:rb
cc: Attached list

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Forrest Daniell
Mr. Robert C. Youngmun
Pubco Development, Inc.
Post Office Box 1419
Albuquerque, New Mexico

Mr. Jack Martin
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Mr. B. G. Martin
San Jacinto Petroleum Corporation
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Mr. Donald B. Anderson
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Miss Margaret Clark
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Dallas 1, Texas

Mr. W. H. Riddle
Dateland, Arizona

Mr. Alfred E. McLane
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Dallas 1, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
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New York, New York

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

El Paso Natural Gas Company

El Paso, Texas

September 9, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: (San Juan 28-7) Unit
Number 14-08-001-459
Rio Arriba County, New Mexico
Sixth Expanded Participating Area
Pictured Cliffs Formation
Effective Date August 1, 1955

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, Number 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below, that one additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation had been completed upon acreage committed to this Unit. The Participating Area for the Pictured Cliffs Formation is expanded accordingly to include this well as follows:

The San Juan 28-7 Unit # 41 Well is located 990' from the North line and 990' from the East line of Section 19, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 9, 1955 and reached a total depth of 3040' in the Pictured Cliffs Formation. The pay section between 2980' and 3040' was treated with a sand-oil fracturing process. After being shut-in for gauge for eleven (11) days, the well was tested on July 6, 1955, and after a three (3) hour blow-down, gauged an IP of 846 MCFGPD with a SIPC of 851# and a SIPT of 850#. The committed drilling block upon which this well is located is described as

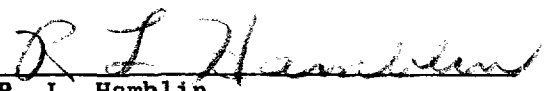
the E/2 of Section 19, Township 27 North, Range 7 West, N.M.P.M. and consists of 320 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on July 6, 1955.

Attached is Schedule VII showing the Sixth Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Sixth Expanded Participating Area will become effective as of August 1, 1955.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
R. L. Hamblin
Manager
Lease Department

RLH:GWO:rb
cc: Attached list

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Forrest Daniell
Mr. Robert C. Youngmun
Pubco Development, Inc.
Post Office Box 1419
Albuquerque, New Mexico

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald B. Anderson
Malco Refining Company
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Roswell, New Mexico

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Miss Margaret Clark
Three States Natural Gas Company
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Mr. W. H. Riddle
Dateland, Arizona

Mr. Alfred E. McLane
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Dallas 1, Texas

Texas National Petroleum Company
902 South Coast Life Building
Houston 2, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

El Paso Natural Gas Company

El Paso, Texas

August 23, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

(file)

Re: (San Juan 28-7 Unit Area
No. 14-08-001-459
Rio Arriba County, New Mexico
Non-Commercial Well
Pictured Cliffs Formation
Determined on July 6, 1955

San

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, Number 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on July 6, 1955, that the following described well is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation.

The San Juan 28-7 Unit # 40 Well located 1650' from the North line and 950' from the East line of Section 18, Township 27 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on June 15, 1955 and reached a total depth of 3065' in the Pictured Cliffs Formation. The pay section between 3001' and 3065' was treated with a sand-oil fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on July 6, 1955, and after a three (3) hour blow-down, gauged an IP of 216 MCFGPD with a SIPC of 974# and a SIPT of 974#. The committed drilling block upon which this well is located is described as the East Half (E/2) of Section 18, Township 27 North, Range 7 West, N.M.P.M. and consists of 320.00 acres.

-2-

Inasmuch as this determination needs no official approval, no provision is made therefor, and in the absence of disapproval this well will continue to be considered non-commercial.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R L Hamblin
R. L. Hamblin
Manager
Lease Department

RLH:GWO:rb
cc: Attached list

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Forrest Daniell
Mr. Robert C. Youngmun
Pubco Development, Inc.
Post Office Box 1419
Albuquerque, New Mexico

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald B. Anderson
Malco Refining Company
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Mr. J. Glenn Turner
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346
Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Miss Margaret Clark
Three States Natural Gas Company
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Dallas 1, Texas

Mr. W. H. Riddle
Dateland, Arizona

Mr. Alfred E. McLane
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Dallas 1, Texas

Mr. L. C. Oldham, Jr.
Johston Oil and Gas Company
1010 South Coast Life Building
Houston 2, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

El Paso Natural Gas Company

El Paso, Texas

August 23, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

file

Re: (San Juan 28-7 Unit Area
No. 14-08-001-459
Rio Arriba County, New Mexico
Non-Commercial Well
Pictured Cliffs Formation
Determined on June 22, 1955

See

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, Number 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on June 22, 1955, that the following described well is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation.

The San Juan 28-7 Unit # 42 Well located 1650' from the North line and 1030' from the West line of Section 17, Township 27 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spudded on June 2, 1955, and reached a total depth of 3165' in the Pictured Cliffs Formation. The pay section between 3088' and 3165' was treated with a sand-oil fracturing process. After being shut-in for gauge for seven (7) days, the well was tested on June 22, 1955, and after a three (3) hour blow-down, gauged an IP of 580 MCFGPD with a SIPC of 904# and a SIPT of 897#. The committed drilling block upon which this well is located is described as the West Half (W/2) of Section 17, Township 27 North, Range 7 West, N.M.P.M. and consists of 320 acres.

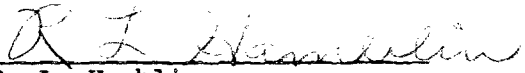
-2-

Inasmuch as this determination needs no official approval, no provision is made therefor, and in the absence of disapproval, this well will continue to be considered non-commercial.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
R. L. Hamblin
Manager
Lease Department

RLH:GWC:rb

cc: Attached list

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Forrest Daniell
Mr. Robert C. Youngmun
Pubco Development, Inc.
Post Office Box 1419
Albuquerque, New Mexico

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Mr. B. G. Martin
San Jacinto Petroleum Corporation
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Houston 2, Texas

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Mr. R. E. Beamon
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Miss Margaret Clark
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17th Floor, Corrigan Tower
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Mr. W. H. Riddle
Dateland, Arizona

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. L. C. Oldham, Jr.
Johston Oil and Gas Company
1010 South Coast Life Building
Houston 2, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

El Paso Natural Gas Company

El Paso, Texas

August 19, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

file

Re: San Juan 28-7 Unit
No. 14-08-001-459
Ninth Expanded Participating Area
Mesaverde Formation
Effective Date August 1, 1955

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement No. 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that three additional wells capable of producing unitized substances in paying quantities from the Mesaverde Formation had been completed upon acreage committed to this unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit # 19 Well located 1650' from the North line and 1650' from the East line of Section 25, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 21, 1955 and completed on July 19, 1955 at a total depth of 5390'. The Cliff House Section of the Mesaverde Formation between 4572' and 4705' was treated with a sand-oil fracturing process. The Point Lookout Section of the Mesaverde Formation between 4572' and 5390' was also treated with a sand-oil fracturing process. After being shut-in for gauge for nine (9) days, the well was tested on July 29, 1955, and following a three (3) hour blow-down gauged an IP of 2684 MCFGPD with a STPC of 1074# and a SIPT of 1065#. The committed drilling block upon which this well is located is described as the E/2 of Section 25, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on July 29, 1955.

2. The San Juan 28-7 Unit # 27 Well is located 990' from the South line and 1650' from the West line of Section 26, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 6, 1955 and completed on June 25, 1955 at a total depth of 5625'. The Cliff House Section of the Mesaverde Formation between 4880' and 5085' was treated with a sand-oil fracturing process. The Point Lookout Section of the Mesaverde Formation between 5205' and 5625' was also treated with a sand-oil fracturing process. After being shut-in for gauge for nineteen (19) days, the well was tested on July 14, 1955, and following a three (3) hour blow-down, gauged an IP of 4071 MCFGPD with a SIPC of 1081# and a SIPT of 1083#. The committed drilling block upon which this well is located is described as the W/2 of Section 26, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on July 14, 1955.
3. The San Juan 28-7 Unit # 31 Well is located 681' from the South line and 2024' from the West line of Section 20, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 16, 1955 and completed on July 4, 1955 at a total depth of 4910'. The Cliff House Section of the Mesaverde Formation between 4159' and 4367' was treated with a sand-oil fracturing process. The Point Lookout Section of the Mesaverde Formation between 4510' and 4910' was also treated with a sand-oil fracturing process. After being shut-in for gauge for ten (10) days, the well was tested on July 14, 1955, and following a three (3) hour blow-down, gauged an IP of 4116 MCFGPD with a SIPC of 1025# and a SIPT of 1046#. The committed drilling block upon which this well is located is described as the W/2 of Section 20, Township 28 North, Range 7 West, N.M.P.M., and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on July 14, 1955.

The inclusion of the San Juan 28-7 Unit # 27 Well in the Mesaverde Participating Area creates two intervening drilling blocks. One intervening drilling block lies between the San Juan 28-7 Unit # 18 Well and the San Juan 28-7 Unit # 27 Well. This intervening drilling block is described as the E/2 of Section 26, Township 28 North, Range 7 West, N.M.P.M. and consists of 320.00 acres. The other intervening drilling block lies between the San Juan 28-7 Unit # 9 Well and the San Juan 28-7 Unit # 27 Well. This intervening drilling block is described as the W/2 of Section 23, Township 28 North, Range 7 West, N.M.P.M. and consists of 320.00 acres.

The inclusion of the San Juan 28-7 Unit # 31 Well in the Mesaverde Participating Area creates one intervening drilling block between the San Juan 28-7 Unit # 31 Well and the San Juan 28-7 Unit # 32 Well. This intervening drilling block is described as the E/2 of Section 19, Township 28 North, Range 7 West, N.M.P.M. and consists of 320.00 acres.

Under the terms of the Unit Agreement, the above described intervening drilling blocks are admitted to the Mesaverde Participating Area as of August 1, 1955 the same time of admission of the San Juan 28-7 Unit # 27 Well and the San Juan 28-7 Unit # 31 Well. A well must be commenced on each of these intervening drilling blocks by August 1, 1956. The San Juan 28-7 Unit # 25 Well is presently being drilled upon the W/2 of Section 23, Township 28 North, Range 7 West, N.M.P.M., one of the above mentioned intervening drilling blocks.

Attached is Schedule X showing the Ninth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Ninth Expanded Participating Area will become effective as of August 1, 1955.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By


R. L. Hamblin

Manager

Lease Department

RLH:GWO:rb

cc: Attached list

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Forrest Daniell
Pubco Development, Inc.
Post Office Box 1419
Albuquerque, New Mexico

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald B. Anderson
Malco Refining Company
Post Office Box 660
Roswell, New Mexico

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

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Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
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Miss Margaret Clark
Three States Natural Gas Company
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Dallas 1, Texas

Mr. W. H. Riddle
Dateland, Arizona

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. L. C. Oldham, Jr.
Johnston Oil and Gas Company
1010 S. Coast Life Building
Houston, Texas

Mr. D. Altman Diehl, Trustee
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115 Broadway
New York, New York

El Paso Natural Gas Company

El Paso, Texas

July 29, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

file

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: (San Juan 28-7 Unit
No. 14-08-001-459
Rio Arriba County, New Mexico
Eighth Expanded Participating Area
Mesaverde Formation
Effective Date July 1, 1955

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement No. 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that two additional wells capable of producing unitized substances in paying quantities from the Mesaverde Formation had been completed upon acreage committed to this unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit # 24 Well located 1500' feet from the North line and 990' from the East line of Section 14, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 13, 1955 and completed on June 3, 1955 at a total depth of 5675'. The Cliff House section of the Mesaverde Formation between 4956' and 5205' was treated with a sand-oil fracturing process. The Point Lookout section of the Mesaverde Formation between 5350' and 5675' was also treated with a sand-oil fracturing process. After being shut-in for gauge for twelve (12) days, the well was tested on June 15, 1955, and following a three hour blow-down, gauged an IP of 3758 MCFGPD with a SIPC of 1046# and a SIPT of 1042#. The committed drilling block upon which this well is located is described

as the E/2 of Section 14, Township 28 North, Range 7 West, N.M.P.M. The determination that this well is capable of producing unitized substances in paying quantities was made on June 15, 1955.

2. The San Juan 28-7 Unit # 30 Well is located 1850' from the South line and 990' from the West line of Section 18, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 22, 1955 and completed on June 12, 1955 at a total depth of 5755'. The Cliff House section of the Mesaverde Formation between 5032' and 5260' was treated with a sand-oil fracturing process. The Point Lookout section of the Mesaverde Formation between 5400' and 5755' was also treated with a sand-oil fracturing process. After being shut-in for gauge for eight (8) days, the well was tested on June 20, 1955, and following a three hour blow-down, gauged an IP of 2595 MCFGPD with a SIPC of 1034# and a SIPT of 1024#. The committed drilling block upon which this well is located is described as the W/2 of Section 18, Township 28 North, Range 7 West, N.M.P.M. and consists of 304.76 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on June 20, 1955.

Attached is Schedule IX showing the Eighth Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Eighth Expanded Participating Area will become effective as of July 1, 1955.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin
Manager
Lease Department

RLH:GWO:rb
cc: Attached list

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Forrest Daniell
Pubco Development, Inc.
Post Office Box 1419
Albuquerque, New Mexico

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald B. Anderson
Malco Refining Company
Post Office Box 660
Roswell, New Mexico

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

Mr. J. Glenn Turner
1711 Mercantile Building
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Miss Margaret Clark
Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. W. H. Riddle
Dateland, Arizona

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. L. C. Oldham, Jr.
Johnston Oil and Gas Company
1010 S. Coast Life Building
Houston, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

El Paso Natural Gas Company

El Paso, Texas

July 28, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

file

Re: (San Juan 28-7) Unit Area
No. 14-08-001-459
Rio Arriba County, New Mexico
Non-Commercial Well
Pictured Cliffs Formation
Determined on June 17, 1955

hu

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, Number 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company as Unit Operator determined on June 17, 1955 that the following described well is not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation.

The San Juan 28-7 Unit # 43 Well located 990 feet from the North line and 990 feet from the West line of Section 20, Township 27 North, Range 7 West, N.M.P.M. This well was spudded on May 27, 1955 and reached a total depth of 2955 feet in the Pictured Cliffs Formation. The pay section between 2900 feet and 2955 feet was treated with a sand-oil fracturing process. After being shut-in for gauge for ten (10) days, the well was tested on June 17, 1955 and after a three hour blow-down gauged an IP of 247 MCFGPD with a SIPC of 855# and a SIPT of 855#. The committed drilling block upon which this well is located is described as the West Half (W/2) of Section 20, Township 27 North, Range 7 West, N.M.P.M. and consists of 320 acres.

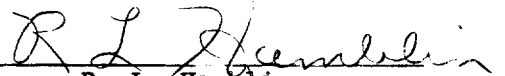
Inasmuch as this determination needs no official approval, no provision is made therefor, and in the absence of disapproval this well will continue to be considered non-commercial.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By



R. L. Hamblin

Manager

Lease Department

RLH:GWO:rb

cc: Attached list

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

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Mr. Paul W. Neuenschwander
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Mr. Forrest Daniell
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San Jacinto Petroleum Corporation
San Jacinto Building
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346 Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Miss Margaret Clark
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17th Floor, Corrigan Tower
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Mr. W. H. Riddle
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Mr. L. C. Oldham, Jr.
Johston Oil and Gas Company
1010 South Coast Life Building
Houston 2, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

Mr. D. J. Simmons
2401 Medford Court East
Fort Worth, Texas

FOSTER MORRELL

PETROLEUM CONSULTANT
NICKSON HOTEL BUILDING
ROSWELL, NEW MEXICO

July 22, 1955

file

Mr. W. B. Macey, Director
Oil Conservation Commission of New Mexico
Box 871
Santa Fe, New Mexico

Re: San Juan 28-7 Unit Agreement
Rio Arriba County, New Mexico

Dear Mr. Macey:

Reference is made to the Unit Agreement for the Development and Operation of the San Juan 28-7 Unit Area, Rio Arriba County, New Mexico. This Unit Agreement was approved by the Oil Conservation Commission on January 9, 1953, by Order No. R-241 in Case No. 445, based on a hearing before the Commission on December 16, 1952. The agreement was approved by the Commissioner of Public Lands of the State of New Mexico on January 12, 1953, and by the Acting Director, U. S. Geological Survey on January 29, 1953, and designated Contract Number 14-08-001-459.

The north tier of sections of T. 28 N., R. 7 W., N.M.P.M., are fractional and each section embraces less than the normal half section of government survey. These fractional sections, as well as the NW/4 section 27 and the N/2 section 28, T. 27 N., R. 7 W., N.M.P.M., do not conform to the Drilling Blocks as defined in Section 11 of the Unit Agreement.

Section 17 of the Unit Agreement states, in part, that "The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement, including wells on adjacent unit areas..."

The San Juan 28-7 unit area is currently offset by gas wells completed to the north on the San Juan 29-7 unit area, to the northwest by wells outside of any unit area, and potentially to the east and south by wells in the Rincon Unit Area. It is necessary, therefore, that wells be drilled and produced on the fractional and partial sections which are the subject of this letter, in order to protect the San Juan 28-7 unit area from drainage.

El Paso Natural Gas Company, as Unit Operator, submits herewith for your approval nine original duplicates of an agreement dated March 15, 1955, executed by all working interest owners in the San Juan 28-7 unit area whereby each of the fractional sections 7 through 12, inclusive, T. 28 N., R. 7 W., and the N/2 section 28, T. 27 N., R. 7 W., N.M.P.M., are considered as acceptable Drilling Blocks for all formations above the base of the Mesaverde formation, and the NW/4 section 27,

com

Mr. W. B. Macey

- 2 -

July 22, 1955

T. 27 N., R. 7 W., N.M.P.M., is considered an acceptable Drilling Block for the Pictured Cliffs and shallower formations, for drilling and production purposes pursuant to the terms and provisions of the San Juan 28-7 Unit Agreement. Allocation of unitized substances to these Drilling Blocks shall be made on an acreage basis.

It is understood that for development of the Mesaverde formation the NW/4 section 27, T. 27 N., R. 7 W., N.M.P.M., will have to be communitized with adjoining lands outside the San Juan 28-7 unit area to form a drilling or well spacing unit pursuant to the rules and regulations of the Oil Conservation Commission. This will be covered by a separate agreement if and when applicable.

In view of the existence of current drainage of gas from the unit area and the necessity for drilling protection wells on the San Juan 28-7 unit area, it is respectfully requested that you approve the attached agreement dated March 15, 1955, as soon as possible.

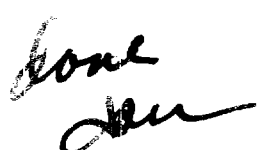
Like approval of the agreement dated March 15, 1955, will be requested of the Commissioner of Public Lands of the State of New Mexico, and the Director of the U. S. Geological Survey, prior to drilling wells on these fractional and partial sections.

After you have approved these instruments on behalf of the Commission, kindly obtain like approval by the Commissioner, and return the nine executed copies to me so that they may be submitted to the U. S. Geological Survey for approval by the Director. Upon final approval you will be furnished a completely executed and approved copy of the agreement for your files.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By Foster Morrell
Its Agent


Foster Morrell/nrd
Encls.

cc: Mr. T. W. Bittick
Area Landman
Lease Department
El Paso Natural Gas Company
El Paso, Texas

El Paso Natural Gas Company

El Paso, Texas

July 15, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

file

Re: (San Juan 28-7 Unit
Number 14-08-001-459
Rio Arriba County, New Mexico
Fifth Expanded Participating Area
Pictured Cliffs Formation
Effective June 1, 1955

San

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, No. 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company as Unit Operator determined on the dates set out below, that three additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation had been completed upon acreage committed to this unit. The Participating Area for the Pictured Cliffs Formation is expanded accordingly to include these wells as follows:

1. The San Juan 28-7 Unit # 36 Well is located 1030' from the South line and 1800' from the West line of Section 31, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on April 18, 1955 and reached a total depth of 2760' in the Pictured Cliffs Formation. The pay section between 2695' and 2760' was treated with a sand-oil fracturing process. After being shut-in for gauge for thirteen days, the well was tested on May 18, 1955, and after a three hour blow-down gauged an IP of 3400 MCFGPD, with an SIPC of 1008# and an SIPT of 1008#. The committed drilling block upon which this well is located is described as the W/2 of Section 31, Township 28 North, Range 7 West, N.M.P.M. and consists of 301.23 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on May 18, 1955.

2. The San Juan 28-7 Unit # 37 Well is located 1190' from the South line and 1700' from the East line of Section 6, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 8, 1955, and reached a total depth of 3322' in the Pictured Cliffs Formation. The pay section between 3246' and 3322' was treated with a sand-oil fracturing process. After being shut-in for gauge for eight days, the well was tested on May 31, 1955, and after a three hour blow-down gauged an IP of 2326 MCFGPD, with an SIPC of 994# and an SIPT of 994#. The committed drilling block upon which this well is located is described as the E/2 of Section 6, Township 27 North, Range 7 West, N.M.P.M. and consists of 320.60 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on May 31, 1955.
3. The San Juan 28-7 Unit # 38 Well is located 1000' from the North line and 990' from the West line of Section 7, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on April 23, 1955 and reached a total depth of 3380' in the Pictured Cliffs Formation. The pay section between 3310' and 3380' was treated with a sand-oil fracturing process. After being shut-in for gauge for eleven days, the well was tested on May 16, 1955, and after a three hour blow-down gauged an IP of 1230 MCFGPD, with an SIPC of 972# and an SIPT of 972#. The committed drilling block upon which this well is located is described as the W/2 of Section 7, Township 27 North, Range 7 West, N.M.P.M. and consists of 320.26 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on May 16, 1955.

The inclusion of the San Juan 28-7 Unit # 38 Well in the Pictured Cliffs Participating Area creates one intervening drilling block between the San Juan 28-7 Unit # 13 Well and the San Juan 28-7 Unit # 38 Well. This intervening drilling block is described as the W/2 of Section 18, Township 27 North, Range 7 West, N.M.P.M. and consists of 320.36 acres. Under the terms of the Unit Agreement, this drilling block is admitted to the Participating Area as of June 1, 1955 the same time of admission of the San Juan 28-7 Unit # 38 Well. A well must be commenced on this intervening drilling block by June 1, 1956. The San Juan 28-7 Unit # 39 Well is presently being drilled upon this intervening drilling block.

Attached is Schedule VI showing the Fifth Expanded Participating Area for the Pictured Cliffs Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in absence of disapproval, this Fifth Expanded Participating Area will become effective as of June 1, 1955.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R L Hamblin
R. L. Hamblin
Manager
Lease Department

RLH:GWO:rb
cc: Attached sheet.

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
Post Office Box 192
Sistersville, West Virginia

Mr. Forrest Daniell
Pubco Development, Inc.
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San Jacinto Petroleum Corporation
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Mr. Donald B. Anderson
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Mr. W. H. Riddle
Dateland, Arizona

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. L. C. Oldham, Jr.
Johnston Oil and Gas Company
1010 S. Coast Life Building
Houston, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

El Paso Natural Gas Company

El Paso, Texas

July 12, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

file

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
No. 14-08-001-459
Rio Arriba County,
New Mexico

Gentlemen:

This is to advise you that the Supplemental Drilling Program for 1955 for the above captioned Unit was approved by the proper Federal and State authorities as follows:

1. Regional Supervisor of United States Geological Survey - Supplemental Drilling Program for 1955- Approved June 27, 1955.
2. Commissioner of Public Lands of the State of New Mexico - Supplemental Drilling Program for 1955- Approved July 8, 1955.
3. Oil Conservation Commission of the State of New Mexico - Supplemental Drilling Program for 1955- Approved July 6, 1955.

Very truly yours,

T. W. Bittick

T. W. Bittick
Area Landman
Lease Department

[Handwritten signature]

TWB:GWO:rb

July 6, 1955

file

El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas

Re: (San Juan 28-7 Unit)
Rio Arriba County, New Mexico
1955 Supplemental Plan of
Development

Gentlemen:

We are enclosing one copy of the above designated plan, which was approved by the Commissioner of Public Lands July 8, 1955. Subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

Chu

Encl.
cc: USGS -Roswell
HMOCC
MER:m

C
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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

file

July 6, 1955

C
O
P
Y

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. R. L. Hamblin

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1955 Supplemental Plan of
Development

Gentlemen:

This is to advise that the supplemental Plan of Development for the San Juan 28-7 Unit, dated May 25, 1955, has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the United States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the Plan is returned herewith.

Very truly yours,

W. B. Macey

W. B. Macey
Secretary-Director

WBM:jh

cc: USGS- Roswell

Commissioner of Public Lands, Santa Fe



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

June 27, 1955

El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas

Gentlemen:

The supplemental plan of development dated May 25, 1955 for the San Juan 26-7 unit area, New Mexico, No. 14-08-001-459 has been approved on this date, subject to like approval by the appropriate State officials. The supplemental plan provides for the drilling of two additional wells, making a total of 18 Mesaverde wells to be drilled in the unit area during the calendar year 1955.

One approved copy of said plan is returned herewith.

Very truly yours,

(Signature)

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Enclosure

Copy to: Cons. Div., each (w/1 copy of plan)
Farmington (w/1 copy of plan)
MOC, Santa Fe (ltr only)✓

El Paso Natural Gas Company

El Paso, Texas

June 17, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

fill

Re: San Juan 28-7 Unit
No. 14-08-001-459

Rio Arriba County, New Mexico
Seventh Expanded Participating
Area
Mesaverde Formation
Effective Date June 1, 1955

Gentlemen:

Pursuant to Section 11(a) of the San Juan 28-7 Unit Agreement No. 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the dates set out below that three additional wells capable of producing unitized substances in paying quantities from the Mesaverde Formation had been completed upon acreage committed to this Unit. The Participating Area for the Mesaverde Formation is expanded accordingly to include these wells as follows:

- JSU*
1. The San Juan 28-7 Unit # 22 Well is located 1879' from the North line and 520' from the East line of Section 17, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on April 24, 1955 and completed on May 10, 1955 at a total depth of 5200'. The Cliff House Section of the Mesaverde Formation between 4440' and 4660' was treated with a sand-oil fracturing process. The Point Lookout Section of the Mesaverde Formation between 4865' and 5200' was also treated with a sand-oil fracturing process. After being shut-in for gauge for nine days, the well was tested on May 19, 1955 and following a three hour blow-down, gauged an IP of 4116 MCFGPD with an SIPC of 1062# and an SIPT of 1048#. The committed drilling block upon which this well is located is described as E/2 of Section 17, Township 28 North, Range 7 West, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on May 19, 1955.

2. The San Juan 28-7 Unit # 23 Well is located 90' from the North line and 990' from the East line of Section 15, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on April 4, 1955 and completed on April 21, 1955 at a total depth of 5200'. The Cliff House Section of the Mesaverde Formation between 4480' and 4740' was treated with a sand-oil fracturing process. The Point Lookout Section of the Mesaverde Formation between 4914' and 5200' was also treated with a sand-oil fracturing process. After being shut-in for gauge for twelve days, the well was tested on May 3, 1955, and following a three hour blow-down gauged an IP of 1948 MCFGPD with an SIPC of 1066# and an SIPT of 1068#. The committed drilling block upon which this well is located is described as the E/2 of Section 15, Township 28 North, Range 7 West, N.M.P.M. and consists of 320.00 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on May 3, 1955.
3. The San Juan 28-7 Unit # 32 Well is located 1680' from the South line and 850' from the West line of Section 19, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on April 30, 1955 and completed on May 20, 1955 at a total depth of 5220'. The Cliff House Section of the Mesaverde Formation between 4482' and 4675' was treated with a sand-oil fracturing process. The Point Lookout Section of the Mesaverde Formation between 4885' and 5220' was also treated with a sand-oil fracturing process. After being shut-in for gauge for seven days, the well was tested on May 27, 1955 and following a three hour blow-down, gauged an IP of 1917 MCFGPD with an SIPC of 1051# and an SIPT of 1048#. The committed drilling block upon which this well is located is described as the W/2 of Section 19, Township 28 North, Range 7 West, N.M.P.M. and consists of 305.44 acres. The determination that this well is capable of producing unitized substances in paying quantities was made on May 27, 1955.

Attached is Schedule VIII showing the Seventh Expanded Participating Area for the Mesaverde Formation of the San Juan 28-7 Unit Area. This describes the Expanded Participating Area and shows the percentage of unitized substances allocated to each unitized tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this Seventh Expanded Participating Area will become effective as of June 1, 1955.

Copies of this letter and Schedule are being sent to the working interest owners shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin
Manager
Lease Department

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
P. O. Box 192
Sistersville, West Virginia

Mr. Forrest Daniell
Pubco Development, Inc.
P. O. Box 1419
Albuquerque, New Mexico

Mr. Jack Martin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
San Jacinto Building
Houston 2, Texas

Mr. Donald B. Anderson
Malco Refining Company
P. O. Box 660
Roswell, New Mexico

Mr. D. J. Simmons
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Ft. Stockton, Texas

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Mr. R. E. Beamon
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17th Floor, Corrigan Tower
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Mr. W. H. Riddle
Dateland, Arizona

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. L. C. Oldham, Jr.
Johnston Oil and Gas Company
1010 S. Coast Life Building
Houston, Texas

Mr. D. Altman Diehl, Trustee
c/o Goodbody and Company
115 Broadway
New York, New York

El Paso Natural Gas Company

El Paso, Texas

June 2, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit Area
No. 14-08-001-459
Rio Arriba County, New Mexico
Non Commercial Well
Mesaverde Formation
Determined on July 29, 1954

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, Number 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company as Unit Operator determined on July 29, 1954, that the following described well is not capable of producing unitized substances in paying quantities from the Mesaverde Formation.

This well is as follows:

The San Juan 28-7 Unit #12 well located 1480 feet from the South line and 1150 feet from the West line of Section 17, Township 28 North, Range 7 West, N.M.P.M. This well was spudded on May 26, 1954, and on July 10 was drilled to a total depth of 7960 feet. The Dakota Formation was found to be non productive, and the well was plugged back to a total depth of 5789 feet and completed on July 17, 1954. The Cliff House section of the Mesaverde Formation between 4917 feet and 5181 feet was treated with a sand oil fracturing process. After being shut in for gauge for twelve (12) days, the well was tested on July 29, 1954, and following a three hour blow-down gauged an IP of 1020 MCFGPD

with an SIPC of 1068# and an SIPT of 1068#. The committed drilling block upon which this well is located is described as the West half (W/2) of Section 17, Township 28 North, Range 7 West, N.M.P.M., and consists of 320 acres.

Inasmuch as this determination needs no official approval no provision is made therefor, and in the absence of disapproval this well will continue to be considered non commercial.

Copies of this letter are being sent to the working interest owners as shown on the attached sheet.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R L Hamblin
R. L. Hamblin, Manager
Lease Department

RLH:GWO:pb
cc: Attached List

Re: San Juan 28-7 Unit

Copies of the foregoing letter have been sent to the following working interest owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
P. O. Box 192
Sistersville, West Virginia

Mr. Forrest Daniell
Pubco Development, Inc.
P. O. Box 1419
Albuquerque, New Mexico

Mr. Aaron L. Colvin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. D. J. Simmons
Stockton Hotel
Ft. Stockton, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
1107 San Jacinto Building
Houston 2, Texas

Mr. Donald B. Anderson
Malco Refining Company
P. O. Box 660
Roswell, New Mexico

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Miss Margaret Clark
Three States Natural Gas Company
17th Floor, Corrigan Tower
Dallas 1, Texas

Mr. W. H. Riddle
Dateland, Arizona

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. W. C. McCord
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. L. C. Oldham, Jr.
Johnston Oil and Gas Company
1453 Esperson Building
Houston 2, Texas

El Paso Natural Gas Company

El Paso, Texas

May 25, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit, #14-08-001-459
Rio Arriba County, New Mexico
SUPPLEMENTAL DRILLING PROGRAM FOR 1955

Gentlemen:

On December 31, 1954, El Paso Natural Gas Company, as Unit Operator, filed a Drilling Program regarding the captioned Unit for the calendar year 1955. This 1955 Drilling Program has been approved by the United States Geological Survey, the Commissioner of Public Lands for the State of New Mexico, and the Oil Conservation Commission for the State of New Mexico.

Pubco Development, Inc. has now advised us that they would like us to drill an additional well to be located in the E/2 of Section 25, Township 28 North, Range 7 West. This proposed well was included in the 1954 Drilling Program for this Unit but at the request of Pubco, was not drilled. Southern Petroleum Exploration, Inc. has also advised us that they would like us to drill a Mesaverde well to be located in the E/2 of Section 2, Township 27 North, Range 7 West. Malco Refineries, Inc. and El Paso Natural Gas Company, the other working interest owners within this drilling block, have consented to the drilling of this well.

All working interest owners have been contacted for the purpose of complying with Pubco and Southern Petroleum's request and El Paso Natural Gas Company, as Unit Operator, herewith submits for your consideration and approval a supplemental drilling program for the calendar year 1955 of two Mesaverde wells. This program is to supplement the original drilling program of sixteen (16) Mesaverde wells filed for your approval on December 31, 1954. These additional Mesaverde wells are to be located as follows:

- (1) E/2 Section 2, Township 27 North, Range 7 West.
- (2) E/2 Section 25, Township 28 North, Range 7 West.

These wells will make a total of eighteen (18) Mesaverde wells to be drilled on this Unit for the calendar year 1955.

As Unit Operator, El Paso Natural Gas Company intends to drill these wells to the base of the Mesaverde formation using rotary tools. Surface casing of 9-5/8" diameter will be set to approximately 180' and then a production string of 7" casing will be set down to the top of the Mesaverde formation. The entire Mesaverde formation will be drilled in with gas. The Cliff House and Point Lookout sands of the Mesaverde formation will be separately treated with a sand-oil fracturing process. Due care will be taken to protect all horizons.

If this supplemental drilling program is acceptable, please signify your approval as required under Section 10 of the Unit Agreement in the space provided below and return an approved copy to El Paso Natural Gas Company, as Unit Operator.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R L Hamblin
R. L. Hamblin, Manager
Lease Department

RLH:JCV:pb

APPROVED: _____
Supervisor, United States Geological Survey

Date: _____

Subject to like approval by the appropriate State officials.

APPROVED: _____
Commissioner of Public Lands

Date: _____

Subject to like approval by the U.S.G.S. and Oil Conservation Commission.

APPROVED: orig. signed WRCM
Oil Conservation Commission

Date: 7/6/55

Subject to like approval by the U.S.G.S. and Commissioner of Public Lands.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 9, 1955

El Paso Natural Gas Co.
P. O. Box 1492
El Paso, Texas

Attention: Mr. R. L. Hamblin

Re: San Juan 28-7 Unit
Rio Arriba County, New Mexico
1955 Drilling Program

Gentlemen:

This is to advise that the Plan of Development for calendar year 1955 for the subject unit, dated December 31, 1954, has this date been approved by the New Mexico Oil Conservation Commission, subject to like approval by the United States Geological Survey and by the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the Plan is herewith returned.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:jh

cc: USGS- Roswell
Commissioner of Public Lands - Santa Fe

*file
case
445*

WBM



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

February 4, 1955

El Paso Natural Gas Company
El Paso Natural Gas Building
El Paso, Texas

Gentlemen:

The plan of development dated December 31, 1954, for the San Juan 28-7 unit area, New Mexico, No. 14-08-001-459, has been approved on this date, subject to like approval by the appropriate State officials.

In addition to the proposed wells listed in the plan of development, adequate offset wells must be drilled to protect the unit area from drainage as provided in the unit agreement.

One approved copy of said plan is returned herewith.

Very truly yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to:
✓ N.M.O.C.C., Santa Fe (1tr only)

El Paso Natural Gas Company

El Paso, Texas

January 17, 1955

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands of
the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission of
the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
No. 14-08-001-459
Rio Arriba County, New Mexico
Sixth Expanded Participating Area
Mesaverde Formation
Effective December 1, 1954

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, No. 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company, as Unit Operator, determined on the date set out below that one additional well capable of producing unitized substances in paying quantities from the Mesaverde Formation had been completed upon acreage committed to this Unit, and the participating area for the Mesaverde Formation is accordingly expanded.

This Well is as follows:

El Paso Natural Gas Company's San Juan 28-7 #18 Well located 990' from the South line and 990' from the West line of Section 25, Township 28 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on October 29, 1954, and reached a total depth of 5268' in the Mesaverde Formation. The Cliff House Pay Formation between 4478' and 4638' was treated on November 13, 1954, with a sand-oil fracturing process. The Point Lookout Pay Formation between 5070' and 5268' was also treated with a sand-oil fracturing process on November 15, 1954. After being shut-in for gauge for fourteen days, the well was tested on November 30, 1954, and after a three hour blow-down gauged an IP of 3042 MCFGPD, with an SIPT of 1102# and an SIPT of 1092#. The committed drilling

block upon which this well is located is described as the W/2 of Section 25, Township 28 North, Range 7 West, N.M.P.M., and consists of 320 acres. The determination that this well was capable of producing unitized substances in paying quantities was made on November 30, 1954.

In comparison with this determination there are three wells with lower initial potentials already included within the Mesaverde Participating Area. One of these wells is the San Juan 28-7 #6 Well with an Initial Potential of 2130 MCF.

Attached is Schedule VII showing the Sixth Expanded Participating Area for the Mesaverde Formation, San Juan 28-7 Unit Area. This describes the expanded participating area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval, no provision is made therefor, and in the absence of disapproval, this expanded participating area will become effective as of December 1, 1954.

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin
Manager
Lease Department

RLH/JCV/mas
cc: Attached List

Re: 28-7 Unit

Copies of the foregoing letter have been sent to the following working interest owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
P. O. Box 192
Sistersville, West Virginia

Mr. Forrest Daniel
Pubco Development, Inc.
P. O. Box 1360
Albuquerque, New Mexico

Mr. Aaron L. Colvin
Delhi Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. D. J. Simmons
Stockton Hotel
Ft. Stockton, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
1107 San Jacinto Building
Houston 2, Texas

Mr. Donald B. Anderson
Malco Refining Company
Box 660
Roswell, New Mexico

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Miss Margaret Clark
Three States Natural Gas Company
1110 Tower Petroleum Building
Dallas, Texas

Mr. W. H. Riddle
Dateland, Arizona

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. W. C. McCord
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. L. C. Oldham, Jr.
Johnston Oil and Gas Company
1453 Esperson Building
Houston, Texas

El Paso Natural Gas Company

El Paso, Texas

December 31, 1954

Mr. John A. Anderson
Regional Supervisor
United States Geological Survey
Department of the Interior
Post Office Building
Roswell, New Mexico

Mr. E. S. Walker
Commissioner of Public Lands
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Mr. W. B. Macey, Secretary
Oil Conservation Commission
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

PLEASE RETURN TO
LEASE DEPARTMENT

Re: San Juan 28-7 Unit
No. 14-08-001-459
Rio Arriba County, New Mexico
1955 Drilling Program

Gentlemen:

By letter dated March 15, 1954, El Paso Natural Gas Company, as Unit Operator, filed a drilling program regarding the captioned Unit for the calendar year 1954. The following wells on this drilling program were completed upon lands committed to this Unit:

Well Name	Drilling Tract	Initial Potential	Tied-In
*San Juan 28-7 #12	SW/4 Sec. 17, T28N, R7W	1020	No
San Juan 28-7 #13	SW/4 Sec. 19, T27N, R7W	5369	12-3-54
San Juan 28-7 #14	NE/4 Sec. 29, T27N, R7W	970	11-29-54
San Juan 28-7 #15	SW/4 Sec. 29, T27N, R7W	869	11-24-54
San Juan 28-7 #16	NE/4 Sec. 30, T27N, R7W	2237	No
San Juan 28-7 #17	SW/4 Sec. 30, T27N, R7W	1343	11-26-54
San Juan 28-7 #18	SW/4 Sec. 25, T28N, R7W	3042	No

*This well was drilled to the Dakota Formation pursuant to the Unit Agreement. It has since been plugged back to the Mesaverde Formation.

The following locations on the 1954 drilling program were not drilled at the request of the working interest owner, Pubco Development, Inc.:

NE/4 Sec. 25, T28N, R7W
SW/4 Sec. 10, T27N, R7W
NE/4 Sec. 16, T27N, R7W

Ten wells have been drilled to the Mesaverde Formation and eight wells have been drilled to the Pictured Cliffs Formation upon lands committed to the Unit. Of the 10 Mesaverde wells, 8 have been determined to be capable of producing unitized substances in paying quantities and have been admitted to the Mesaverde participating area. Eight of these wells are producing into El Paso's gathering system.

All of the 8 Pictured Cliffs wells have been determined to be capable of producing unitized substances in paying quantities and have been admitted to the Pictured Cliffs participating area. Seven of these wells are producing into El Paso's gathering system.

El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests the approval of a drilling program for the calendar year 1955 consisting of sixteen (16) wells to be drilled to the Mesaverde Formation and eight (8) wells to be drilled to the Pictured Cliffs Formation; such drilling program to constitute all of our drilling obligations for such year. These proposed drilling sites are listed below as follows:

Mesaverde Formation

- '1) E/2 Section 1, T-27-N, R-7-W
- W/2 Section 1, T-27-N, R-7-W
- 3/2 Section 7, T-28-N, R-7-W
- '2 Section 8, T-28-N, R-7-W
- Section 9, T-28-N, R-7-W
- Section 13, T-28-N, R-7-W
- E/2 Section 14, T-28-N, R-7-W
- , E/2 Section 15, T-28-N, R-7-W
- (9) E/2 Section 17, T-28-N, R-7-W
- (10) W/2 Section 18, T-28-N, R-7-W
- (11) W/2 Section 19, T-28-N, R-7-W
- (12) W/2 Section 20, T-28-N, R-7-W
- (13) W/2 Section 23, T-28-N, R-7-W
- (14) W/2 Section 24, T-28-N, R-7-W
- (15) E/2 Section 26, T-28-N, R-7-W
- (16) W/2 Section 26, T-28-N, R-7-W

Pictured Cliffs Formation

- (1) SE/4 Section 6, T-27-N, R-7-W
- (2) NW/4 Section 7, T-27-N, R-7-W
- (3) NW/4 Section 17, T-27-N, R-7-W
- (4) NW/4 Section 18, T-27-N, R-7-W
- (5) NE/4 Section 18, T-27-N, R-7-W
- (6) NE/4 Section 19, T-27-N, R-7-W
- (7) NW/4 Section 20, T-27-N, R-7-W
- (8) SW/4 Section 31, T-28-N, R-7-W

As Unit Operator, El Paso Natural Gas Company intends to drill all Mesaverde wells to the base of the Mesaverde Formation using rotary tools. Surface casing of 9 5/8" diameter will be set to approximately 180' and then a production string of 7" casing will be set down to the top of the Mesaverde Formation. The entire Mesaverde Formation will be drilled in with gas. The Cliff House and Point Lookout sands of the Mesaverde Formation will be separately treated with a sand-oil fracturing process. Due care will be taken to protect all horizons.

El Paso Natural Gas Company, as Unit Operator, intends to drill all Pictured Cliffs wells to the base of the Pictured Cliffs Formation. Rotary tools will be used in drilling down to the top of the Pictured Cliffs Formation and cable tools will be used in drilling the pay section. Approximately 100' of 9 5/8" surface casing will be set, and then a production string of 5 1/2" casing will be run down to the top of the Pictured Cliffs Formation. The Pictured Cliffs Formation will be treated with a sand-oil fracturing process. Due care will be taken to protect all horizons.

All of the working interest owners have been contacted and this drilling program reflects, insofar as possible, their requests for additional drilling.

If this drilling program is acceptable, please signify your approval of this drilling program as required under Section 10 of the Unit Agreement in the space provided below and return an approved copy to El Paso Natural Gas Company.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By: _____



R. L. Hamblin

Manager

Lease Department

RLH/JCV/mp

PLEASE RETURN TO
LEASE DEPARTMENT

Re: 28-7 Unit

Copies of the foregoing letter have been sent to the following working interest owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
P. O. Box 192
Sistersville, West Virginia

Mr. Forrest Daniel
Pubco Development, Inc.
P. O. Box 1360
Albuquerque, New Mexico

Mr. Aaron L. Colvin
Delhi Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. D. J. Simmons
Stockton Hotel
Ft. Stockton, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
1107 San Jacinto Building
Houston 2, Texas

Mr. Donald B. Anderson
Malco Refining Company
Box 660
Roswell, New Mexico

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Miss Margaret Clark
Three States Natural Gas Company
1110 Tower Petroleum Building
Dallas, Texas

Mr. W. H. Riddle
Dateland, Arizona

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. W. C. McCord
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. L. C. Oldham, Jr.
Johnston Oil and Gas Company
1453 Esperson Building
Houston, Texas

El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

December 1, 1954

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Oil Conservation Commission of
the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit Area
#14-08-001-459
Notice of Completion of
Additional Well

Gentlemen:

Pursuant to Section 11 (a) to the San Juan 28-7 Unit Agreement #14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company as Unit Operator determined on October 22, 1954, that an additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation had been completed upon acreage committed to this Unit.

This well is the San Juan 28-7 Unit Number 16 Well, located 880' from the North line and 1680' from the East line of Section 30, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on September 19, 1954, and reached a total depth of 2395'. The entire Pictured Cliffs section was treated with a sand-oil fracturing process. After being shut-in for gauge for nineteen days, the well was tested on October 22, 1954, and after a three hour blow-down gauged an IP of 2237 MCFGPD, with an SIPC of 877# and an SIPT of 877#. The committed drilling block upon which this well is located is described as the E/2 of Section 30, Township 27 North, Range 7 West, N.M.P.M. and consists of 320 acres.

This drilling block was included in the Fourth Expanded Participating Area, effective September 1, 1954, as it was an intervening drilling block. Therefore, the participating area is not enlarged and the percentages allocated to the

tracts shown on Schedule V for the Fourth Expanded Participating Area remain the same.

Very truly yours,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick

T. W. Bittick
Area Landman
Lease Department

TWB/JCV/mp
cc: Attached List

El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

September 29, 1954

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit No. 14-08-001-459
Rio Arriba County, New Mexico
Fourth Expanded Participating Area
Pictured Cliffs Formation
Effective September 1, 1954

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, No. 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company as Unit Operator determined on the dates set out below, that three additional wells capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation had been completed upon committed acreage to this Unit and the participating area for Pictured Cliffs Formation is accordingly expanded.

These Wells are as follows:

1. El Paso Natural Gas Company's San Juan 28-7 #13 Well located 1650' from the South line and 1650' from the West line of Section 19, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on June 22, 1954, and reached a total depth of 2940' in the Pictured Cliffs Formation. The pay section between 2858' and 2940' was treated with a sand-oil fracturing process. After being shut-in for gauge for five days, the well was tested on August 5, 1954, and after a three hour blow-down gauged an IP of 5369 MCFGPD, with an SIPC of 829# and an SIPT of 828#. The committed drilling block upon which this well is located is described as the W/2 of Section 19, Township 27 North, Range 7 West, N.M.P.M. and consists of 321.15 acres. The determination that this well was capable of producing unitized substances in paying quantities was made on August 5, 1954.

2. El Paso Natural Gas Company's San Juan 28-7 #14 Well located 1637' from the North line and 935' from the East line of Section 29, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 20, 1954, and reached a total depth of 2925' in the Pictured Cliffs Formation. The pay section between 2850' and 2925' was treated with a sand-oil fracturing process. After being shut-in for gauge for 25 days, the well was tested on August 30, 1954, and after a three hour blow-down gauged an IP of 970 MCFGPD, with an SIPC of 854# and an SIPT of 828#. The committed drilling block upon which this well is located is described as the E/2 of Section 29, Township 27 North, Range 7 West, N.M.P.M. and consists of 320 acres. The determination that this well was capable of producing unitized substances in paying quantities was made on August 30, 1954.
3. El Paso Natural Gas Company's San Juan 28-7 #17 Well located 1686' from the South line and 1662' from the West line of Section 30, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on July 28, 1954, and reached a total depth of 2935' in the Pictured Cliffs Formation. The pay section between 2857' and 2935' was treated with a sand-oil fracturing process. After being shut-in for gauge for 21 days, the well was tested on August 30, 1954, and after a three hour blow-down gauged an IP of 1343 MCFGPD, with an SIPC of 853# and an SIPT of 853#. The committed drilling block upon which this well is located is described as the W/2 of Section 30, Township 27 North, Range 7 West, N.M.P.M. and consists of 321.44 acres. The determination that this well was capable of producing unitized substances in paying quantities was made on August 30, 1954.

In comparison with these three determinations there are three wells with lower initial potentials already included within the Pictured Cliffs Participating Area. These are the San Juan 28-7 #3 Well with an Initial Potential of only 428 MCF, the San Juan 28-7 #5 Well with an Initial Potential of 700 MCF and the San Juan 28-7 #15 Well with an Initial Potential of 869 MCF.

With the completion of these wells an intervening drilling block exists between the San Juan 28-7 #15 Well and the San Juan 28-7 #17 Well. This drilling block is described as the E/2 of Section 30, Township 27 North, Range 7 West, N.M.P.M. and consists of 320 acres. Under the terms of the Unit Agreement this intervening drilling block is admitted to the Participating Area on September 1, 1954, the time of admission of the San Juan 28-7 #17 Well, and a well must be commenced on said intervening drilling block by September 1, 1955. The San Juan 28-7 #16 is presently being drilled upon this intervening drilling block.

Attached is Schedule V showing the Fourth Expanded Participating Area for the Pictured Cliffs Formation for the San Juan 28-7 Unit Area. This describes the expanded participating area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval no provision is made therefor and, in the absence of disapproval, this expanded participating area will become effective as of September 1, 1954.

- 3 -

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

Very truly yours,

EL PASO NATURAL GAS COMPANY

By 
R. L. Hamblin
Manager
Lease Department

RLH/JCV/mas

cc: Attached List

Re: 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
P. O. Box 192
Sistersville, West Virginia

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. Forrest Daniel
Pubco Development, Inc.
P. O. Box 1360
Albuquerque, New Mexico

Miss Margaret Clark
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1110 Tower Petroleum Building
Dallas, Texas

Mr. Aaron L. Colvin
Delhi Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. W. H. Riddle
Dateland, Arizona

Mr. D. J. Simmons
Stockton Hotel
Ft. Stockton, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
1107 San Jacinto Building
Houston 2, Texas

Mr. W. C. McCord
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Donald B. Anderson
Malco Refining Company
Box 660
Roswell, New Mexico

Mr. L. C. Oldham, Jr.
Johnston Oil and Gas Company
1453 Esperson Building
Houston, Texas

446
El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

July 26, 1954

Director
United States Geological Survey
Department of the Interior
Washington, D. C.

Commissioner of Public Lands of
the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission of
the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Re: San Juan 28-7 Unit No. 14-08-001-459
Rio Arriba County, New Mexico
Third Expanded Participating Area
Pictured Cliffs Formation
Effective July 1, 1954

Gentlemen:

Pursuant to Section 11 (a) of the San Juan 28-7 Unit Agreement, No. 14-08-001-459, approved January 29, 1953, El Paso Natural Gas Company as Unit Operator determined on June 23, 1954, that one additional well capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation had been completed upon committed acreage to this Unit and the participating area for the Pictured Cliffs formation is accordingly expanded.

This well is as follows:

El Paso Natural Gas Company's San Juan 28-7 #15 Well located 990' North of the South line and 1650' East of the West line of Section 29, Township 27 North, Range 7 West, Rio Arriba County, New Mexico. This well was spudded on May 17, 1954, and reached a total depth of 2964' in the Pictured Cliffs Formation. The pay section between 2855' and 2964' was treated with a sand-oil fracturing process. The well was tested on June 23, 1954, and after a three hour blow-down gauged an IP of 869 MCFGPD, with an SIPC of 804# and an SIPT of 804#. The committed drilling block upon which this well is located is described as the W/2 of Section 29, Township 27 North, Range 7 West, N.M.P.M. and consists of 320 acres.

- 2 -

Attached is Schedule IV showing the Third Expanded Participating Area for the Pictured Cliffs Formation for the San Juan 28-7 Unit Area. This describes the expanded participating area, shows the percentage of unitized substances allocated to each unitized tract, and the exact breakdown of percentage allocated to each tract according to the various ownerships in said tract. Inasmuch as this needs no official approval no provision is made therefor and, in the absence of disapproval, this expanded participating area will become effective as of July 1, 1954.

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

Yours very truly,

EL PASO NATURAL GAS COMPANY

By T. W. Bittick

T. W. Bittick
Area Landman
Lease Deparement

TWB/ROB/mas
cc: Attached List

Re: 28-7 Unit

Copies of the foregoing letter have been sent to the following Working Interest Owners:

Mr. N. B. Venus
The Bay Petroleum Company
1655 Grant Street
Denver, Colorado

Mr. J. Glenn Turner
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Paul W. Neuenschwander
Southern Petroleum Exploration, Inc.
P. O. Box 192
Sistersville, West Virginia

Mr. R. E. Beamon
346 Esperson Building
Houston 2, Texas

Mr. Forrest Daniel
Pubco Development, Inc.
P. O. Box 1360
Albuquerque, New Mexico

Miss Margaret Clark
Three States Natural Gas Company
1110 Tower Petroleum Building
Dallas, Texas

Mr. Aaron L. Colvin
Delhi Oil Corporation
823 Corrigan Tower
Dallas 1, Texas

Mr. W. H. Riddle
Dateland, Arizona

Mr. D. J. Simmons
Stockton Hotel
Ft. Stockton, Texas

Mr. Alfred E. McLane
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. B. G. Martin
San Jacinto Petroleum Corporation
1107 San Jacinto Building
Houston 2, Texas

Mr. W. C. McCord
1711 Mercantile Bank Building
Dallas 1, Texas

Mr. Donald B. Anderson
Malco Refining Company
Box 660
Roswell, New Mexico

Mr. L. C. Oldham, Jr.
Johnston Oil and Gas Company
1453 Esperson Building
Houston, Texas



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

WASHINGTON 25, D. C.

1954 JUN 21 AM 9:05

JUN 16 1954

Mr. R. R. Spurrier
Secretary and Director
New Mexico Oil Conservation Commission
P. O. Box 371
Santa Fe, New Mexico

My dear Mr. Spurrier:

By letter of May 6, you made reference to a letter filed May 26, 1954, by the Pubco Development, Inc., in which it protested the inclusion of certain land around well No. 9 in the San Juan 28-7 unit into the participating area. You stated that, after a preliminary study of the protest, it should be considered. It was suggested that possibly the operator, the non-operator, and the working interests might suggest a satisfactory solution to the problem. The protest was filed by the attorneys for Pubco but before action could be taken by us, the Solicitor's Office advised that the matter had been settled to the mutual satisfaction of all parties and the appeal withdrawn. Therefore, no action was necessary by the Geological Survey in reporting on the appeal and this is to advise you to that effect.

Sincerely yours,

Thomas A. Nolan

Acting Director

ATTORNEYS AND COUNSELORS AT LAW

17th FLOOR MERCANTILE BANK BUILDING

DALLAS 1, TEXAS

June 7, 1954

Re: San Juan 28-7 Unit Agreement
Rio Arriba County, New Mexico
No. 14-08-001-459

Please find enclosed herewith one copy of Motion to Dismiss Pubco Development, Inc's Appeal in connection with El Paso Natural Gas Company's Determination that the San Juan 28-7 Unit Number 9 Well was deemed capable of producing unitized substances in paying quantities, such Appeal having been filed with the Honorable Secretary of the Interior on May 10, 1954 and a copy of which was forwarded to you by letter dated May 6, 1954 and a copy of the Brief in support thereof having been forwarded to you by letter dated May 29, 1954.

Yours very truly,

TURNER, WHITE, ATWOOD, McLANE
and FRANCIS

By William G. Webb

WGN:mW
Encl.

Registered Letter
Return Receipt Requested

UNITED STATES DEPARTMENT OF THE INTERIOR

UNITED STATES GEOLOGICAL SURVEY

RE: UNIT AGREEMENT FOR THE DEVELOPMENT AND
OPERATION OF THE SAN JUAN 28-7 UNIT AREA
COUNTY OF RIO ARRIBA, STATE OF NEW MEXICO
NUMBER 14-08-001-459, EFFECTIVE AS OF
JANUARY 29, 1953

RE: DETERMINATION BY UNIT OPERATOR OF CAPABILITY
OF PRODUCTIVITY IN PAYING QUANTITIES OF SAN
JUAN 28-7 NUMBER 9 WELL, LOCATED
SW/4 SECTION 14, T-28-N, R-7-W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO
DATED MARCH 11, 1954

MOTION TO DISMISS

Comes now Pubco Development, Inc. (N.S.L.), a New Mexico corporation, whose office and principal place of business is located in Albuquerque, New Mexico, a working interest owner under the captioned Unit Agreement, through its undersigned attorneys and files this its Motion for Dismissal of its Appeal, as filed with the Secretary of the Interior on May 10, 1954, from the Decision of the Director of the United States Geological Survey, dated April 9, 1954, rejecting Appellant's Protest of El Paso Natural Gas Company's Determination, dated March 11, 1954, as Unit Operator under the captioned Unit Agreement, that the San Juan 28-7 Unit Well Number 9 was considered capable of producing unitized substances in paying quantities within the scope of the captioned Unit Agreement, and, for cause, would show the Honorable Secretary of the Interior as follows:

I.

Appellant's Appeal was predicated upon the contention that the San Juan 28-7 Unit Well Number 9 was not a well which might be deemed capable of producing unitized substances in

paying quantities within the meaning of the captioned Unit Agreement.

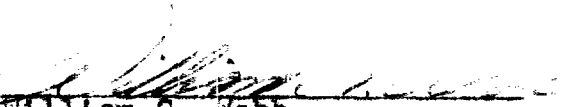
II.

Subsequent to the date of such Appeal and the filing of Appellant's Brief in support thereof, Appellant and the Unit Operator under the subject Unit Agreement, El Paso Natural Gas Company, have reached a mutually satisfactory agreement with reference to all subsequent paying well determinations under the subject Unit Agreement.

WHEREFORE, premises considered, Appellant respectfully prays that its Appeal, as aforesaid, be dismissed as to all matters sought to be determined thereby.

Respectfully submitted,

TURNER, WHITE, ATWOOD, McLANE
and FRANCIS

By 

William G. Webb

Attorneys for Appellant
PUBCO DEVELOPMENT, INC. (N.S.L.)

Copies of the foregoing Motion to Dismiss have been mailed, by registered mail, this 7th day of June, 1954, to the Supervisor of the United States Geological Survey at Roswell, New Mexico, the Commissioner of Public Lands of the State of New Mexico at Santa Fe, New Mexico, the Oil Conservation Commission of the State of New Mexico at Santa Fe, New Mexico, all Working Interest Owners within the captioned Unit Area, and the Unit Operator under the captioned Unit Agreement.

445
El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

May 18, 1954

RECEIVED MAY 18 1954

Mr. John A. Anderson, Regional Supervisor
United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

Mr. E. S. Walker
Commissioner of Public Lands
Box 791
Santa Fe, New Mexico

Mr. R. R. Spurrier, Secretary
Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
1954 Drilling Program

Gentlemen:

El Paso Natural Gas Company has heretofore filed a proposed plan of development for the above unit for the calendar year 1954. Under this plan of development, we proposed to drill seven Pictured Cliffs wells and two Mesaverde wells, as well as a Dakota test which is required under the terms of the Unit. You have advised us that, in addition to this program, we should drill a Mesaverde well to be located in the SW/4 of Section 31, Township 28 North, Range 7 West, to prevent the unit being drained by the Blanco Pool Unit #1 in the NE/4 of Section 36, Township 28 North, Range 8 West, which is a producing offset well just outside the unit boundaries.

Section 17 of the above Unit Agreement provides: "The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement, including wells on adjacent unit areas, or pursuant to applicable regulations pay a fair and reasonable compensatory royalty as determined by the Supervisor for Federal lands or as approved by the Commissioner for State lands."

The working interest owner of the W/2 of Section 31, Township 28 North, Range 7 West, is El Paso Natural Gas Company. The budget and drilling program of the El Paso Natural Gas Company is on a calendar year basis, and our 1954 budget and drilling program do not make any provision for the drilling of such offset well. El Paso Natural Gas Company, as owner of such working interest, hereby requests that it be allowed to pay compensatory royalty in lieu of drilling as long as the Blanco Pool Unit #1 well is producing, or until such time as a well is commenced in the SW/4 of Section 31, T-28-N, R-7-W, within the unit to protect the unit from such producing offset well.

Mr. John A. Anderson
Mr. E. S. Walker
Mr. R. R. Spurrier

-2-

May 18, 1954
Re: 28-7 Unit
Drilling Program

The W/2 of said Section 31 is hereafter referred to as "compensatory royalty drilling block" and the term is used as applicable to any other drilling blocks under identical circumstances. It is suggested that the working interest owner of the compensatory royalty drilling block pay an amount equal to the royalty based upon total production from the offsetting well to the Unit Operator as a payment in lieu of drilling.

The Unit Operator shall receive such payment in lieu of drilling and shall distribute it as follows:

The Unit Operator shall add to the total amount of royalties attributable to the participating area from unit production the total amount received of payments in lieu of drilling and shall allocate the sum among the royalty owners of all drilling blocks in the same proportion as if the compensatory drilling block were within the participating area and producing in commercial quantities.

Such payments in lieu of drilling shall continue until (1) actual drilling operations are commenced upon the compensatory royalty drilling block or (2) the period for the current development program is terminated. In considering the next unit development program, the Unit Operator shall satisfy the Supervisor that further continuation of payments in lieu of drilling is fair and equitable, otherwise the privilege of making such payments in lieu of drilling may be terminated by the Supervisor.

Payment in lieu of drilling shall not create or affect an "intervening drilling block" as defined in the Unit Agreement. No adjustments shall be made as between the owners of the working interest.

This proposal shall become effective when approved by the Supervisor, the Commissioner and the Commission.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By C L Perkins by R L H
Vice President

APPROVED _____ Date: _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate State officials.

APPROVED _____ Date: _____
Commissioner of Public Lands
Subject to like approval by the U.S.G.S. and Oil Conservation Commission.

APPROVED _____ Date: _____
Oil Conservation Commission
Subject to like approval by the U.S.G.S. and Commissioner of Public Lands.

EL PASO NATURAL GAS COMPANY
MAIN OFFICE OCC EL PASO, TEXAS

1954 MAY 13 AM 9:08

April 30, 1954

OK
L.H.K.
5-20

Mr. John A. Anderson
Regional Supervisor
United States Geological Survey
Department of the Interior
Post Office Building
Roswell, New Mexico

Mr. E. S. Walker
Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Mr. R. R. Spurrier
Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: San Juan 28-7 Unit
1954 Drilling Program

Gentlemen:

El Paso Natural Gas Company has heretofore filed a proposed plan of development for the above unit for the calendar year 1954. Under this plan of development, we proposed to drill seven Pictured Cliffs wells and two Mesaverde wells, as well as a Dakota test which is required under the terms of the Unit. You have advised us that in addition to this program we should drill three additional Mesaverde wells at the following locations to prevent the unit being drained from producing offset wells just outside the unit boundaries:

<u>Requested Unit Location</u>	<u>Offset Well</u>
(1) SW/4 Sec. 31 - 27 - 7	Blanco Pool Unit #1 NE/4 36-28-7
(2) SW/4 Sec. 7 - 27 - 7	Marshall #3 SW/4 31-29-7
(3) SW/4 Sec. 9 - 27 - 7	Marshall #4 SW/4 33-29-7

Section 17 of the above Unit Agreement provides: "The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement, including wells on adjacent unit areas, or pursuant to applicable regulations pay a fair and reasonable compensatory royalty as determined by the Supervisor for Federal lands or as approved by the Commissioner for State lands."

C O P Y

Mr. John A. Anderson
Mr. E. S. Walker
Mr. H. R. Spurrier

-2-

April 30, 1954
Re: 28-7 Unit
1954 Drilling

The working interest in the drilling blocks offsetting the three wells is owned by El Paso Natural Gas Company and its 1954 drilling program and budget do not make provision for drilling such offset wells. El Paso Natural Gas Company, as owner of such working interest, requests that it be allowed to pay compensatory royalty in an amount to be determined by the Supervisor based upon the estimated drainage from the affected drilling blocks within the unit area, which shall continue as to each offset well until drainage terminates or an offset well be drilled within the unit area.

Section 17 of the Unit Agreement does not specify the exact method of making such payment. El Paso Natural Gas Company, as Unit Operator, hereby respectfully requests that it be allowed to collect from the working interest owners in the affected drilling blocks the amount of compensatory drainage royalty determined by the Supervisor and credit to the royalty owners in the Mesaverde participating area, as it may exist at the time of such credit, the amount of compensatory drainage royalty so collected.

If such a plan would be acceptable to you, we would appreciate your approving said plan in the space provided below. Upon approval of this plan our original plan of development for the calendar year 1954 would be in order for approval and we would appreciate your approving and returning it at the same time and in the event that this plan is approved.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin

RLH:ms

APPROVED: _____ Date _____
Supervisor, United States Geological Survey
Subject to like approval by the appropriate State officials.

APPROVED: _____ Date _____
Commissioner of Public Lands
Subject to like approval by the U.S.G.S. and Oil Conservation Commission.

APPROVED: H. R. Spurrier Date 24 May 54
Oil Conservation Commission
Subject to like approval by the U.S.G.S. and Commissioner Public Lands.



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

May 12, 1954

El Paso Natural Gas Company
Tenth Floor Bassett Tower
El Paso, Texas

Gentlemen:

The plan of development dated March 15 for the calendar year 1954 for the San Juan 28-7 unit agreement, New Mexico, No. 14-08-001-459, has been approved on this date subject to like approval by the Commissioner of Public Lands, State of New Mexico and the New Mexico Oil Conservation Commission.

In addition to the wells provided for in the plan of development, your attention is invited to the obligation of the unit operator to drill all necessary wells to protect the unit area from drainage or pay compensatory royalty as provided in the unit agreement.

One approved copy of the plan is returned herewith.

Very truly yours,

(Orig. Sgd.) R. E. CANFIELD

R. E. CANFIELD
Acting Regional Oil and Gas Supervisor

Copy to: Cons.Div., Wash.D.C. (w/1 copy of Plan)
N.M.O.C.C., Santa Fe

116-7

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

May 6, 1954

Director
United States Geological Survey
Department of the Interior
Washington 25, D. C.

Commissioner of Public Lands
P. O. Box 791
Santa Fe, New Mexico

El Paso Natural Gas Company
Tenth Floor - Bassett Tower
El Paso, Texas

Re: San Juan 28-7 Unit,
No. 14-08-001459
Rio Arriba Co., N. M.

Gentlemen:

Reference is made to the Notice of Protest letter dated March 26, 1954, written by Pubco Development, Inc., and in regard to the inclusion of the 28-7 #9 well into the participating area of the above captioned unit.

The Oil Conservation Commission staff, after a preliminary study, believes that the protest of Pubco Development is worth of consideration. Therefore, it is suggested that the Operator, Non-Operator and other working interest owners attempt to develop a satisfactory solution for this problem within a thirty (30) day period. If such agreement is not resolved during this period, the Commission will again take this matter into consideration in order to develop all available information relating to the protest.

Very truly yours,

R. R. Spurrier
Secretary and Director

RRS:vc

50-1

114

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

April 28, 1954

C
O
P
Y

Mr. Frank D. Gorham, Jr.
Pubco Development, Inc.
Box 1360
Albuquerque, New Mexico

Dear Frank:

This is in reply to your letter of March 26 on San Juan 28-7 Unit. As you may know, it is my fault that our thirty day limit expired on April 11.

While we feel that 768,000 cubic feet per day is a small Mesa-verde well, we do not know whether it is commercial or not; nor what some type of frac process would accomplish. According to our figures, it will take about ten years @ 25% @ 12¢ to return 80,000 on this size well.

I will consult the Commission on this matter and will advise you of its reaction.

Very truly yours,

R. R. Spurrier
Secretary and Director

RRS:vc

San Juan 28-7 Unit

- 2 -

March 9, 1954

open blow test this well gauged an IP of 487 MCFGPD with an SIPC of 1035#.

Township 27 North Range 7 West

<u>Well</u>	<u>Drilling Block</u>	<u>Acres</u>
San Juan 28-7 #2	W/2 Section 5	320.52

This well is located in the SW/4 of this section. It was completed prior to the effective date of the unit agreement at a total depth of 5700'. On a six-hour open blow test this well gauged an IP of 686 MCFGPD with an SIPC of 1037#.

Attached hereto is our Schedule I legally describing the proposed participating area showing the percentage of unitized substances to be allocated to these unitized tracts and also showing the exact breakdown of the percentages so allocated to each tract according to the various ownerships in said tract. We are also attaching a map, Exhibit "A", showing the location of these wells and the outline of this Initial Participating Area.

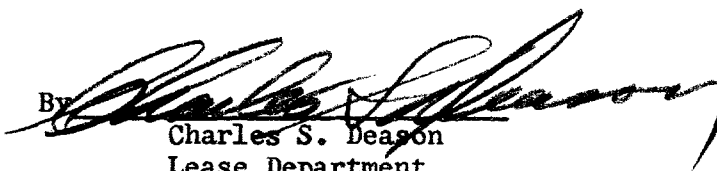
If this Initial Participating Area meets with your approval, please indicate such approval in the space provided on said Schedule I and return an approved copy for our files.

Copies of this letter are being sent to all the working interest owners, as indicated on the attached sheet.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By


Charles S. Deason
Lease Department

CSD:ms

cc: Attached List

Encls.