

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

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

JAN 21 PM 1:50
070 Farmington, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

PHOENIX HYDROCARBONS OPERATING CORP

3a. Address

P O Box 3638, Midland, TX 79702 915 686-9869

3b. Phone No. (include area code)

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

1030' FSL & 920' FEL; P-15-27N-8W

5. Lease Serial No.

SF 078476

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

FEDERAL R #2

9. API Well No.

30-045 -25857

10. Field and Pool, or Exploratory Area

Otero Chacra

11. County or Parish, State

San Juan Co, NM

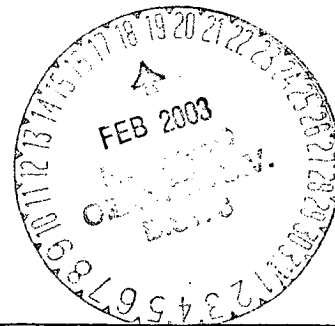
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other application to commingle
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

Attached please find Application to Commingle the Federal R #1A
and R#2.

PC 1086



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Phyllis R. Gunter

Title Agent

Signature

Phyllis R. Gunter

Date

1/16/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Jim Job

Title

Petr. Eng.

Date

1/30/03

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

Office

BLM-AG

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD

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P O Box 3638, Midland, TX 79702

3b. Phone No. (include area code)

915 686-9869

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790' FSL & 860' FEL; P-15-27N-8W

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FEDERAL R #1A

9. API Well No.

30-045-25856

10. Field and Pool, or Exploratory Area

Blanco Mesav

11. County or Parish, State

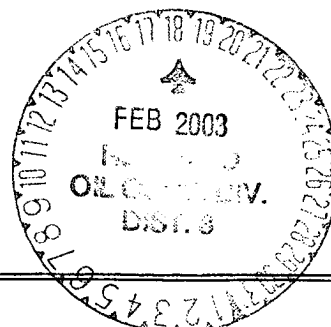
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and R#2.



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Name (Printed/Typed)

Phyllis R. Gunter

Title Agent

Signature

Phyllis R. Gunter

Date

1/16/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Jim J. [Signature]

Title Petr. Eng.

Date 1/30/03

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

Office BLM-PR

PHOENIX HYDROCARBONS OPERATING CORPORATION

415 WEST WALL, SUITE 703
MIDLAND, TX 79701

P. O. BOX 3638
Midland, Texas 79702

Phone 915 686-9869
FAX 915 686-7798

January 16, 2003

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

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

RE: APPLICATION TO COMMINGLE
FEDERAL R-#1A NMSF078476
FEDERAL R-#2 NMSF078476
SAN JUAN, NM

Dear Sirs:

Phoenix is submitting (in triplicate) the attached Applications to Commingle the above referenced wells. This application is tentatively following the outline set forth in the new proposed Oil Conservation Division's "Application for Surface Commingling".

The commingling of these two wells would constitute a Pool and Lease Commingling Application. The Federal R#1A and Federal R#2 are located on the same well pad approximately 240' apart.

WELL NAME:	FEDERAL R#1A	FEDERAL R#2
POOL CODE:	72319	82329
POOL NAME:	BLANCO MESAVERDE	OTERO CHACRA
U-S-T-R:	P-15-27N-08W	
LOCATION OF WELL:	790' FSL & 860' FEL	1030' FSL & 920' FEL
OGRID:	188483	
PROP CODE:	26853	26853
API:	30-045-25856	30-045-25857
LEASE TYPE:	GAS (FLOWING)	
MCF PER MONTH:	988	988
BTU:	1.371	1.171
COMMINGLED BTU:	1.271	
VALUE NON-COMM:	\$4,447.39 (NOV SALES)	\$3,791.22 (NOV SALES)
CAL COMM VALUE:	\$22,399.00	
LEASE USE:	NO	NO
WATER PRODUCTION:	NO	NO
CONDENSATE PROD:	±.15	NO
WORKING INTEREST:	SAME	
ROYALTY INTEREST:	SAME	
OVERRIDING ROY:	SAME	
MEASUREMENT TYPE:	WELL TEST	
DISTRIBUTION:	COMMINGLING ORDER PC-1063	

The commercial value is greater commingled than sold individually. Alone either of these wells barely produces enough gas to warrant an individual El Paso sales meter. A compressor will be added to the Federal R#1A that will increase production 100 MCF per day (50 MCF per well). Neither well currently produces at top allowables.

- Compressor fuel will be allocated in proportion to each well's production

January 16, 2003

Please find attached Exhibits 1 through 8 for both wells.

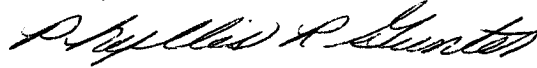
1. Owner Information (Both Well's ownership the same)
2. Plat (C-107)
3. Schematic diagram of facility
4. Orifice Meter Station Inspection Report
5. Pumper Drawing of the Area
6. Pumper Gauge Sheet for November, 2001
7. Tri-Star's November, 2002 Monthly Summary of Gas Sales
8. El Paso's breakdown of Gas Produced

The sound mechanical integrity of the surface commingling system is dependent upon physical monitoring of the wells. Physically monitoring and verifying that both wells are producing test the surface commingled system's integrity daily.

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

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

Sincerely,



Phyllis R. Gunter

Prg

Enclosures

APPLICATION TO COMMINGLE
FED R #1A and FED R #2

PHOENIX HYDROCARBONS OPERATING CORP
DIVISION OF INTEREST BY PROPERTY
FEDERAL R-1A AND FEDERAL R2

INTERST OWNER	TYPE	OIL REV	GAS REV	OTHER REV
BURK C. MURCHISON (BCM TRUST)	WORKING	0.005130	0.005130	0.005130
W. R. BEAVERS, MD	WORKING	0.120234	0.120234	0.120234
BLACK HOLE RANCH CORP	WORKING	0.064125	0.064125	0.064125
BPAMERICA PROD CO	RERRIDING	0.085000	0.085000	0.085000
E B BROOKS, JR	WORKING	0.088750	0.088750	0.088750
E B BROOKS, JR	RERRIDING	0.020000	0.020000	0.020000
BURCK C. MURCHISON (CAM TRUST)	WORKING	0.005130	0.005130	0.005130
BURCK C MURCHISON (CEM TRUST)	WORKING	0.005130	0.005130	0.005130
JESSICA ANN CORTEZ TRUST	RERRIDING	0.002500	0.002500	0.002500
DAWSON FAMILY TRUST	RERRIDING	0.010000	0.010000	0.010000
DEALEY FAMILY LTD	WORKING	0.040078	0.040078	0.040078
BURCK C MURCHISON (DLM TRUST)	WORKING	0.005130	0.005130	0.005130
ENERGEN RESOURCES CORP	RERRIDING	0.017500	0.017500	0.017500
GFB ACQUISITIONS-I, LLP	WORKING	0.153835	0.153835	0.153835
HEARN CAPITAL, LTD	WORKING	0.128250	0.128250	0.128250
MMS	MINERAL	0.125000	0.125000	0.125000
PURE RESOURCES, LP	RERRIDING	0.007500	0.007500	0.007500
MURCHISON CAPITAL PTNRS LLC	WORKING	0.102600	0.102600	0.102600
THE A WILLIAM RUTTER TRUST	RERRIDING	0.001250	0.001250	0.001250
THE DOROTHY T RUTTER TRUST	RERRIDING	0.001250	0.001250	0.001250
TRANSREPUBLIC RESOURCES, LTD	WORKING	0.006477	0.006477	0.006477
BURK C. MURCHISON (WKM TRUST)	WORKING	0.005130	0.005130	0.005130
NO. OF OWNERS 22		1.000000	1.000000	1.000000

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

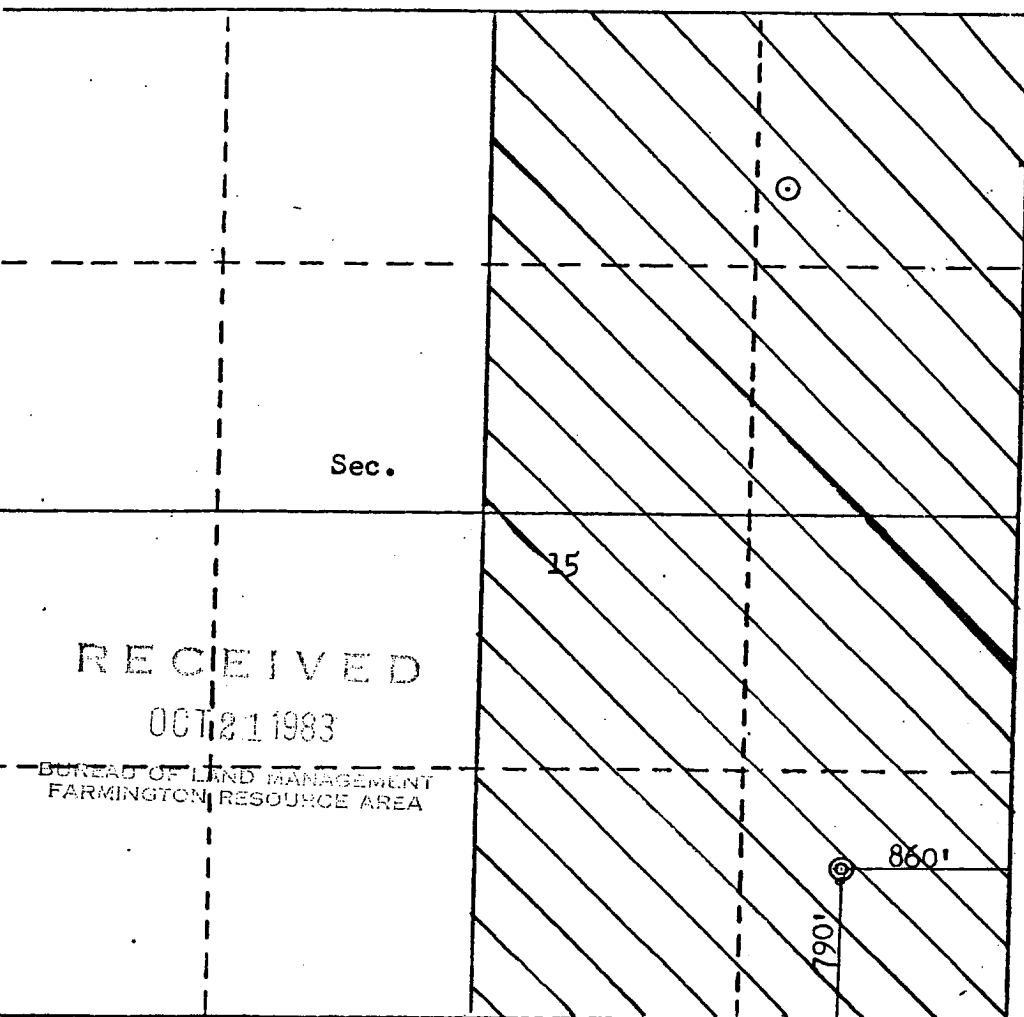
Operator AAA OPERATING COMPANY, INC.			Lease FEDERAL "R"		Well No. 1A
Letter P	Section 15	Township 27N	Range 8W	County San Juan	
Well Location of Well: 790 feet from the South line and 860 feet from the East line					
Initial Level Elev. 5911	Producing Formation Mesa Verde		Pool		Dedicated Acreage: 320 Acres

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

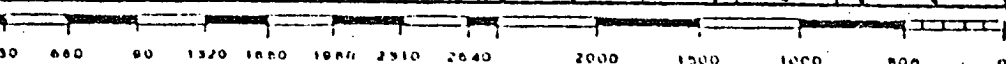
☐ Yes ☐ No If answer is "yes," type of consolidation _____

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

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



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



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

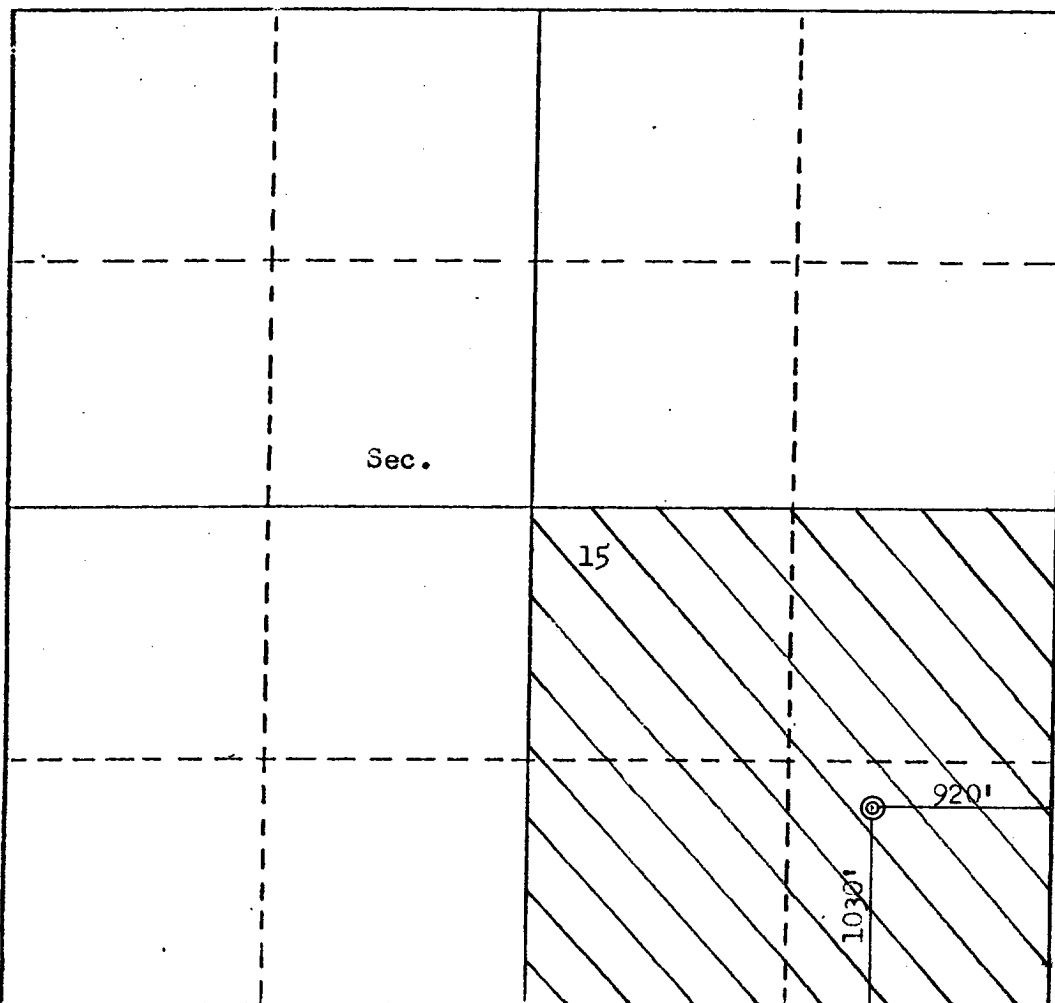
Operator AAA OPERATING COMPANY, INC.		Lease FEDERAL "R"		Well No. 2
Unit Letter P	Section 15	Township 27N	Range 8W	County San Juan
Actual Footage Location of Well: 1030 feet from the South line and 920 feet from the East line				
Ground Level Elev. 5912	Producing Formation Chacra	Pool	Dedicated Acreage: 160 Acres	

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

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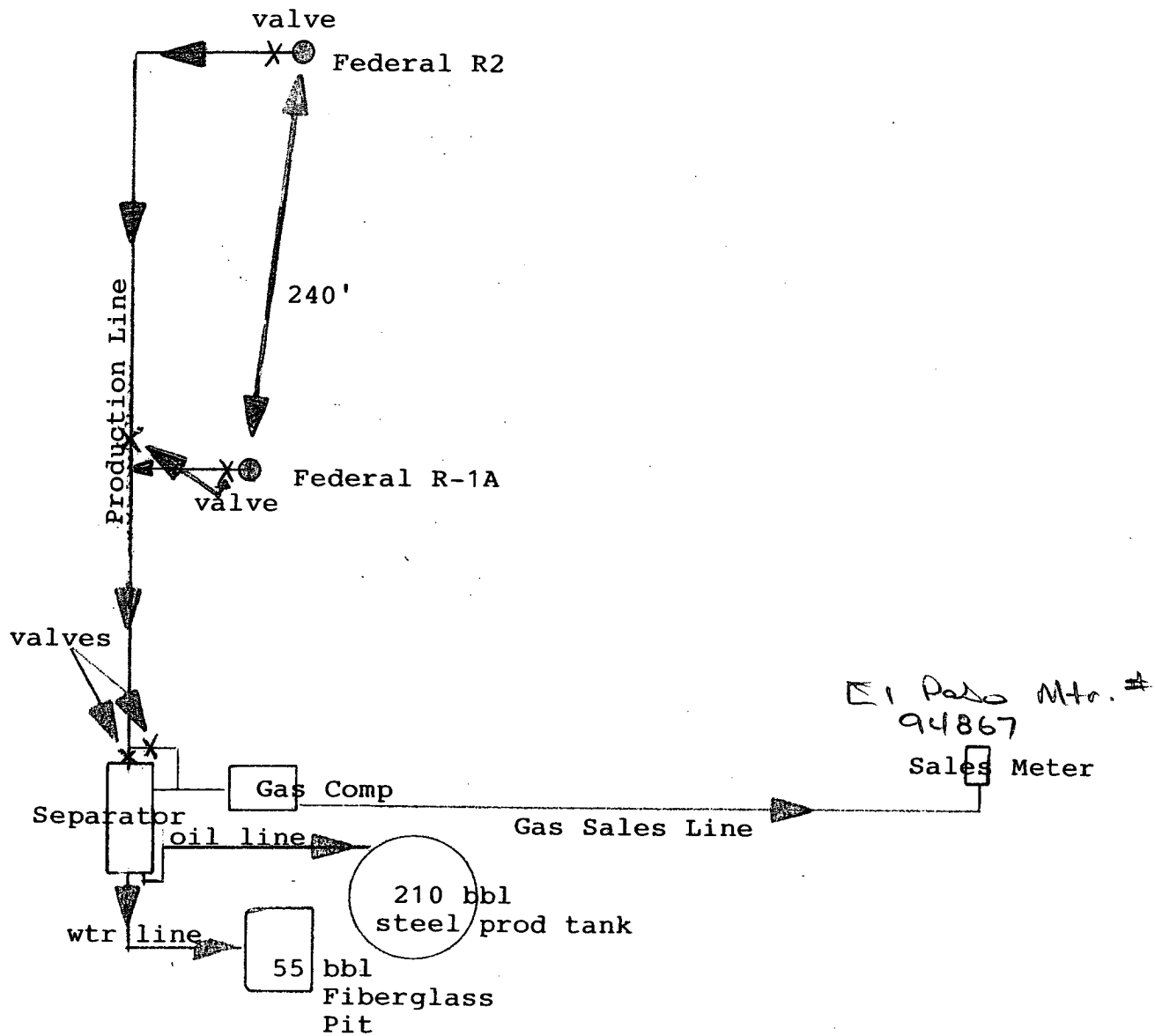
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

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

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

Date Surveyed
June 7, 1983
Registered Professional Engineer
on and/or Land Surveyor
Fred B. Kerr, Jr.
Certificate No.
3950

APPLICATION TO COMMINGLE
FED R #1A and Fed R #2



FED R #1A AND FED R #2
PROPOSED SCHEMATIC OF COMMINGLED FACILITY

SOUTH / EAST



EXHIBIT 3



APPLICATION TO COMMINGLE
FED R #1A and FED R #2

ORIFICE METER STATION INSPECTION/REPAIR

Name <i>Fed. #12</i>										Division <i>5</i>		Area <i>0</i>		Location <i>6</i>		Chart Run No./District <i>66</i>													
Customer/Operator/Producer <i>Blended sop Petro corp.</i>										Customer/Operator No. <i>10151</i>		Fed./Indian Lease No. <i>SF 078476</i>																	
METER STATION		RUN NO.		CK DG		INSPECTION DATE				ORIFICE PLATE		STATIC RANGE		DIFF. RANGE		LINE/SIZE ID		CHT. ROT./HRS.											
<i>9492501</i>		<i>01</i>		<i>05</i>		<i>0713</i>				<i>00500</i>		<i>0500</i>		<i>150</i>		<i>0208</i>		<i>9029</i>											
STATION FLOW READING				DIFFERENTIAL FOUND		LEFT		STATIC PRESSURE FOUND		LEFT		EFM ZERO @ LINE PRESSURE		SAMPLE CAUGHT ☒ YES ☐ NO															
				<i>25.0</i>		<i>25.0</i>		<i>145</i> ☐ PSIG ☒ PSIA		<i>145</i> ☐ PSIG ☒ PSIA																			
ORIFICE PLATE		CLEAN? ☒ YES ☐ NO		BEVEL DOWNSTREAM? ☒ YES ☐ NO		☒ GASKET ☐ SEAL ☐ OK ☐ BAD ☐ REPLACE																							
		EDGES SHARP? ☒ YES ☐ NO		WAS PLATE CENTERED? ☒ YES ☐ NO		PLATE CENTERED BY: ☒ BOLTS ☐ SPACERS ☐ DOWELS ☐ CARRIER																							
METER TUBE		INSPECTED? ☐ YES ☐ NO		STATIC CONNECTION? ☐ UPSTREAM ☐ DOWNSTREAM																									
		CLEANED? ☐ YES ☐ NO		☐ OFU ☐ JR. FTG. ☐ SR. FTG. ☐ ANSI 300# ☐ ANSI 600# ☐ OTHER																									
DIFFERENTIAL PRESS. CALIBRATION ☐ MERCURY ☐ DRY ☒ EFM										TIME LAG ☐ CHECKED ☐ DIFF. PEN ☐ ARC CHECKED																			
"AS FOUND"										"AS LEFT"																			
TEST VALUE		<i>0</i>		<i>75</i>		<i>150</i>		<i>125</i>		<i>25</i>		<i>0</i>		<i>0</i>		<i>75</i>		<i>150</i>		<i>125</i>		<i>25</i>		<i>0</i>					
LOW BIAS (TIMES-1)																													
+HHDT READING																													
= INST. READING		<i>-0.0</i>		<i>75.1</i>		<i>149.0</i>		<i>125.1</i>		<i>25.1</i>		<i>-0.0</i>		<i>-0.0</i>		<i>75.1</i>		<i>150.0</i>		<i>125.1</i>		<i>25.1</i>		<i>-0.0</i>					
STATIC ELEMENT CALIBRATION EFM RECORDER IN UNITS OF: ☐ PSIG ☐ PSIA										NOTE: FOR CHART RECORDERS, ADD <i>119</i> P.S.I.A. ATMOSPHERIC PRESSURE TO GAGE PRESSURE VALUES AND REPORT IN UNITS OF P.S.I.A.										THERMOMETER CALIBRATION									
"AS FOUND"					"AS LEFT"					"AS FOUND"										"AS LEFT"									
TEST VALUE		INST. READ'G		TEST VALUE		INST. READ'G		TEST VALUE		INST. READ'G		TEST VALUE		INST. READ'G		TEST VALUE		INST. READ'G		TEST VALUE		INST. READ'G		TEST VALUE		INST. READ'G			
<i>0</i>		<i>0.0</i>		<i>0</i>		<i>0.0</i>		<i>500</i>		<i>500.2</i>		<i>500</i>		<i>500.2</i>		<i>70.0</i>		<i>19.8</i>		<i>70.0</i>		<i>19.8</i>		<i>70.0</i>		<i>19.8</i>			
<i>250</i>		<i>250.2</i>		<i>250</i>		<i>250.2</i>		<i>250</i>		<i>250.2</i>		<i>250</i>		<i>250.2</i>															
<i>0</i>		<i>0.0</i>		<i>0</i>		<i>0.0</i>																							
Remarks: (Fully explain all found and left conditions of all equipment including orifice plate.) <i>check Insulate unit OK</i>										☐ GAS QUALITY REPORT COMPLETED																			

Witnessed By:
Representing:

Charts integrated by El Paso Natural Gas Company—El Paso, Texas

EPNG Employee *Tony Mastey*

[illegible][illegible]

PHOENIX HYDROCARBONS PRODUCTION REPORT LARGO LEASE

Well	Dated-on	Total	Mo. total	Eng. hrs.	Hrs. down.	H2O, bbls.	Tk. pug.
Fed R#1	10-30-02	4120				9'6" 3'4 1/4	
	11-16-02	4151	531			9'6" 3'4 1/4	
	11-30-02	185	1062	(EPYK CHARGED METERS) DRAIN		8'0" 3'4 1/4	
Fed D#1	10-30-02	41086				5'4" 1'6 1/4	
	11-16-02	41835	749			5'6" 1'8 1/4	
	11-30-02	42490	1401			5'8" 1'10 1/4	
Fed D#1-A	10-30-02	60645				2'8" 0" 1/4	
	11-16-02	62926	2281			2'8" 0" 1/4	
	11-30-02	64596	3951	11367	185	2'9" 0" 1/4	
Fed R#1-A	10-30-02	45847				2'9" 0" 1/4	
	11-16-02	46442	595			2'4" 0" 1/4	
	11-30-02	46070	1023		SOLD SPLIT LOG OF OIL	2'4" 0" 1/4	
Fed R#2	10-30-02	37127				N/A	
	11-16-02	37697	570			N/A	
	11-30-02	38150	1623			N/A	
Fed R#3	10-30-02	14141				N/A	
	11-16-02	14535	394			N/A	
	11-30-02	14586	445		Flow line to meter phase	N/A	
Fed R#1	10-30-02	53255				5'9" 3'4 1/4	
	11-16-02	54031	776			3'8" 1'8 1/4	
	11-30-02	54036	781		Split for test on block	3'8" 1'8 1/4	

1-16 Nov 2002

APPLICATION TO COMINGLE
FED R #1A and Fed R #2

PHOENIX HYDROCARBONS PRODUCTION REPORT LARGO LEASE

Well	Date/d-on	Total	Mo total	Enk.hrs.	Hrs.dwn.	H2O.bbls.	TH.ENG.
Fed R#1	11-30-02	165				8'10" 3'1" H ₂ O	
	12-14-02	328	143			9'9" 3'1" H ₂ O	
Fed R#1	11-30-02	42490				5'8" 1'4" H ₂ O	
	12-14-02	43145	655			5'11" 1'2" H ₂ O	
Fed D#1	11-30-02	64596			11367		
	12-14-02	66185	1589			7'9" 0" H ₂ O	
Fed D#1-A	11-30-02	46870				2'4" 0" H ₂ O	
	12-14-02	47310	440			2'4" 0" H ₂ O	
Fed R#1-A	11-30-02	38150				N/A	
	12-14-02	38661	511			N/A	
Fed R#2	11-30-02	14586				N/A	
	12-14-02	15176	590			N/A	
Fed R#3	11-30-02	54036				N/A	
	12-14-02	54680	644			3'8" 1'8" H ₂ O	
Fed R#1	11-30-02					3'9" 1'9" H ₂ O	
	12-14-02						

177.47 / 60.42

113.93 / 20

155.13 /

46.99

73.80 / 33.57

EXHIBIT 6

17.30m Nov 2002

APPLICATION TO COMMINGLE
FED R #1A and FED R #2

Generated On: 12/27/02 10:36 AM

Accounting Month: 2002 / 11

Tristar Gas Marketing

1420

Production Detail

PHOENIX HYDROCARBONS OPERATING CORP

Fax #: (191) 568 6779 8...

Ref #	Pipe	Oper Agmt.	POI Num	POI Desc.	Start	Stop	Rep		
				Explanation	MCF	MMBTU	Avg Price	Amount	
260792	EPFS	1616	90986	FEDERAL E #6	11/1/2002	11/30/2002	PM		
				PENTANE-PLUS	20	20	\$0.5961	\$11.92	
				PROPANE	80	80	\$0.4353	\$34.82	
				PROCESSOR TAX	52	52	(\$0.0157)	(\$0.82)	
				FIELD LOSS	-1	-2	\$3.3140	(\$6.63)	
				PLANT FUEL	-1	-1	\$3.3140	(\$3.31)	
				LIQUID SHRINK	-17	-24	\$3.3140	(\$79.54)	
				Total for meter 90986 :	19	28		\$159.01	
260793	EPFS	1616	90987	FEDERAL E # 3A	11/1/2002	11/30/2002	PM		
				NATURAL GAS	3,199	4,462	\$3.3140	\$14,787.07	
				PLANT DEHYDRATION	3,501	3,501	(\$0.0048)	(\$16.80)	
				ELECTRICAL COMPRESS	749	749	(\$0.0905)	(\$67.78)	
				FIELD DEHYDRATION	4,270	4,270	(\$0.0302)	(\$128.95)	
				FIELD TRANSPORT	4,270	4,270	(\$0.2950)	(\$1,259.65)	
				PLANT PRODUCT EXTRA	3,501	3,501	(\$0.2750)	(\$962.78)	
				NORMAL-BUTANE	2,094	2,094	\$0.5559	\$1,164.05	
				ETHANE	10,227	10,227	\$0.2448	\$2,503.57	
				ISO-BUTANE	1,275	1,275	\$0.5469	\$697.30	
				PENTANE-PLUS	1,706	1,706	\$0.5961	\$1,016.95	
				PROPANE	6,876	6,876	\$0.4353	\$2,993.12	
				PROCESSOR TAX	4,201	4,201	(\$0.0157)	(\$65.96)	
				FIELD LOSS	-138	-192	\$3.3140	(\$636.29)	
				PLANT FUEL	-49	-69	\$3.3140	(\$228.67)	
				LIQUID SHRINK	-1,471	-2,052	\$3.3140	(\$6,800.33)	
				Total for meter 90987 :	1541	2149		\$12,994.85	
260794	EPFS	1616	94867	FEDERAL R # 1A	11/1/2002	11/30/2002	PM		
				NATURAL GAS	982	1,342	\$3.3140	\$4,447.39	
				PLANT DEHYDRATION	1,053	1,053	(\$0.0048)	(\$5.05)	
				ELECTRICAL COMPRESS	230	230	(\$0.0905)	(\$20.82)	
				FIELD DEHYDRATION	1,284	1,284	(\$0.0302)	(\$38.78)	
				GLOBAL COMPRESSION	1,342	1,342	(\$0.0630)	(\$84.55)	
				FIELD TRANSPORT	1,284	1,284	(\$0.2950)	(\$378.78)	
				PLANT PRODUCT EXTRA	1,053	1,053	(\$0.2750)	(\$289.58)	
				NORMAL-BUTANE	601	601	\$0.5559	\$334.10	
				ETHANE	3,184	3,184	\$0.2448	\$779.44	
				ISO-BUTANE	351	351	\$0.5469	\$191.96	
				PENTANE-PLUS	430	430	\$0.5961	\$256.32	
				PROPANE	2,006	2,006	\$0.4353	\$873.21	
				PROCESSOR TAX	1,264	1,264	(\$0.0157)	(\$19.84)	
				FIELD LOSS	-42	-58	\$3.3140	(\$192.21)	
				PLANT FUEL	-15	-20	\$3.3140	(\$66.28)	
				LIQUID SHRINK	-441	-602	\$3.3140	(\$1,995.03)	
				Total for meter 94867 :	484	662		\$3,791.51	
260795	EPFS	1616	94922	FEDERAL R #3	11/1/2002	11/30/2002	PM		
				NATURAL GAS	688	805	\$3.3140	\$2,667.77	
				PLANT DEHYDRATION	632	632	(\$0.0048)	(\$3.03)	
				ELECTRICAL COMPRESS	161	161	(\$0.0905)	(\$14.57)	
				FIELD DEHYDRATION	770	770	(\$0.0302)	(\$23.25)	
				FIELD TRANSPORT	770	770	(\$0.2950)	(\$227.15)	
				PLANT PRODUCT EXTRA	632	632	(\$0.2750)	(\$173.80)	
				NORMAL-BUTANE	152	152	\$0.5559	\$84.50	

EXHIBIT 7

APPLICATION TO COMMINGLE
FED R #1A and FED R #2

Generated On: 12/27/02 10:36 AM

Accounting Month: 2002 / 11

Tristar Gas Marketing

1420

Production Detail

PHOENIX HYDROCARBONS OPERATING CORP

Fax #: (191) 568 6779 8,,

Ref #	Pipe	Oper Agmt.	POI Num	POI Desc.	Start	Stop	Rep	Amount
			Explanation		MCF	MMBTU	Avg Price	
260795	EPFS	1616	94922	FEDERAL R #3	11/1/2002	11/30/2002	PM	
			ETHANE		982	982	\$0.2448	\$240.39
			ISO-BUTANE		109	109	\$0.5469	\$59.61
			PENTANE-PLUS		192	192	\$0.5961	\$114.45
			PROPANE		526	526	\$0.4353	\$228.97
			PROCESSOR TAX		758	758	(\$0.0157)	(\$11.90)
			FIELD LOSS		-30	-35	\$3.3140	(\$115.99)
			PLANT FUEL		-11	-13	\$3.3140	(\$43.08)
			LIQUID SHRINK		-153	-179	\$3.3140	(\$593.21)
			Total for meter 94922 :		494	578		\$2,189.70
260796	EPFS	1616	94925	FEDERAL R # 2	11/1/2002	11/30/2002	PM	
			NATURAL GAS		982	1,144	\$3.3140	\$3,791.22
			PLANT DEHYDRATION		898	898	(\$0.0048)	(\$4.31)
			ELECTRICAL COMPRESS		230	230	(\$0.0905)	(\$20.82)
			FIELD DEHYDRATION		1,095	1,095	(\$0.0302)	(\$33.07)
			FIELD TRANSPORT		1,095	1,095	(\$0.2950)	(\$323.03)
			PLANT PRODUCT EXTRA		898	898	(\$0.2750)	(\$246.95)
			NORMAL-BUTANE		217	217	\$0.5559	\$120.63
			ETHANE		1,402	1,402	\$0.2448	\$343.21
			ISO-BUTANE		152	152	\$0.5469	\$83.13
			PENTANE-PLUS		235	235	\$0.5961	\$140.08
			PROPANE		766	766	\$0.4353	\$333.44
			PROCESSOR TAX		1,077	1,077	(\$0.0157)	(\$16.91)
			FIELD LOSS		-42	-49	\$3.3140	(\$162.39)
			PLANT FUEL		-15	-18	\$3.3140	(\$59.65)
			LIQUID SHRINK		-217	-253	\$3.3140	(\$838.44)
			Total for meter 94925 :		708	824		\$3,106.15
260797	EPFS	1616	97559	FEDERAL M #1A CPD	11/1/2002	11/30/2002	PM	
			NATURAL GAS		3,427	4,509	\$3.3140	\$14,942.83
			PLANT DEHYDRATION		3,538	3,538	(\$0.0048)	(\$16.98)
			ELECTRICAL COMPRESS		802	802	(\$0.0905)	(\$72.58)
			FIELD DEHYDRATION		4,315	4,315	(\$0.0302)	(\$130.31)
			GLOBAL COMPRESSION		4,509	4,509	(\$0.0630)	(\$284.07)
			FIELD TRANSPORT		4,315	4,315	(\$0.2950)	(\$1,272.93)
			PLANT PRODUCT EXTRA		3,538	3,538	(\$0.2750)	(\$972.95)
			NORMAL-BUTANE		1,732	1,732	\$0.5559	\$962.82
			ETHANE		9,654	9,654	\$0.2448	\$2,363.30
			ISO-BUTANE		973	973	\$0.5469	\$532.13
			PENTANE-PLUS		1,397	1,397	\$0.5961	\$832.75
			PROPANE		5,644	5,644	\$0.4353	\$2,456.83
			PROCESSOR TAX		4,246	4,246	(\$0.0157)	(\$66.66)
			FIELD LOSS		-147	-194	\$3.3140	(\$642.92)
			PLANT FUEL		-52	-69	\$3.3140	(\$228.67)
			LIQUID SHRINK		-1,346	-1,771	\$3.3140	(\$5,869.09)
			Total for meter 97559 :		1882	2475		\$12,533.51
260798	EPFS	1616	97560	FEDERAL M #1 CPD	11/1/2002	11/30/2002	PM	
			NATURAL GAS		1,398	1,863	\$3.3140	\$6,173.98
			PLANT DEHYDRATION		1,462	1,462	(\$0.0048)	(\$7.02)
			ELECTRICAL COMPRESS		327	327	(\$0.0905)	(\$29.59)
			FIELD DEHYDRATION		1,783	1,783	(\$0.0302)	(\$53.85)
			GLOBAL COMPRESSION		1,863	1,863	(\$0.0630)	(\$117.37)

APPLICATION TO COMMINGLE FED R #1A and FED R #2

Accounting/Production Period: 2002/11

FIELD SERVICES--SAN JUAN
Preparer Code: 837495894
Statement Title: Monthly Summary Statement
Contact: JUAN DESANTIAGO (832)676-7958
Statement Type: Original

PHOENIX HYDROCARBONS OPERATING CORP
Recipient Code: 0
Location Code: NA
Report Date/Time: 11/13/2002 07:26

Reporting Basis: MCF @ 14.730

Analysis Id: 90986 FEDERAL E #6
Effective Date: 08/12/2002 1387 1363 0.8080
Type: Sample Date Dry BTU Wet BTU Gravity
Device: (No spec equip)
GPA Version: GPAEP97

Methane	Ethane	Propane	Butane	Iso Butane	Pentane	Iso Pentane	Neo Pentane	Hexane	Heptane	Octane	H2S	CO2	Nitrogen	Total
Mole %	71.26	14.05	8.21	2.16	1.30	0.50	0.66	0.00	0.85	0.00	0.00	0.60	0.41	100.00
GPM	3.7577	2.2623	0.6810	0.4253	0.1811	0.2415	0.0000	0.3709						7.9198

Analysis Id: 90987 FEDERAL E #3A
Effective Date: 08/27/2002 1396 1371 0.8137
Type: Sample Date Dry BTU Wet BTU Gravity
Device: (No spec equip)
GPA Version: GPAEP97

Methane	Ethane	Propane	Butane	Iso Butane	Pentane	Iso Pentane	Neo Pentane	Hexane	Heptane	Octane	H2S	CO2	Nitrogen	Total
Mole %	70.73	14.15	8.43	2.28	1.36	0.52	0.69	0.00	0.82	0.00	0.00	0.61	0.41	100.00
GPM	3.7845	2.3229	0.7189	0.4449	0.1883	0.2525	0.0000	0.3578						8.0697

Analysis Id: 94867 FEDERAL R #1A
Effective Date: 04/16/2002 1371 1347 0.7970
Type: Sample Date Dry BTU Wet BTU Gravity
Device: (No spec equip)
GPA Version: GPAEP97

Methane	Ethane	Propane	Butane	Iso Butane	Pentane	Iso Pentane	Neo Pentane	Hexane	Heptane	Octane	H2S	CO2	Nitrogen	Total
Mole %	71.63	14.35	8.01	2.13	1.22	0.48	0.64	0.00	0.57	0.00	0.00	0.53	0.44	100.00
GPM	3.8380	2.2072	0.6716	0.3991	0.1738	0.2342	0.0000	0.2487						7.7725

FIELD SERVICES--SAN JUAN
Preparer Code: 837495894
Statement Title: Monthly Summary Statement
Contact: JUAN DESANTIAGO (832)676-7958
Statement Type: Original

APPLICATION TO COMINGLE
FED R #1A and FED R #2
Accounting/Production Period: 2002/11

PHOENIX HYDROCARBONS OPERATING CORP
Recipient Code: 0
Location Code: NA
Report Date/Time: 11/13/2002 07:26

Reporting Basis: MCF @ 14.730

Analysis Id: 94922 FEDERAL R #3
Effective Date Type Sample Date Dry BTU Wet BTU Gravity
Device: (No spec equip)
GPA Version: GPAEP97

10/01/2002 07:00 SPOT 09/04/2002 1170 1149 0.6635
Methane Ethane Propane Butane Iso Butane Pentane Hexane Heptane Octane H2S CO2 Nitrogen Total
Mole %- 87.69 6.32 3.00 0.77 0.54 0.18 0.26 0.00 0.59 0.00 0.00 0.36 0.29 100.00
GPM- 1.6903 0.8267 0.2428 0.1767 0.0652 0.0951 0.0000 0.2574 3.3541

Analysis Id: 94925 FEDERAL R #2
Effective Date Type Sample Date Dry BTU Wet BTU Gravity
Device: (No spec equip)
GPA Version: GPAEP97

06/01/2002 07:00 SPOT 05/13/2002 1165 1145 0.6600
Methane Ethane Propane Butane Iso Butane Pentane Hexane Heptane Octane H2S CO2 Nitrogen Total
Mole %- 87.79 6.32 3.06 0.77 0.53 0.17 0.24 0.00 0.48 0.00 0.00 0.34 0.30 100.00
GPM- 1.6903 0.8432 0.2428 0.1734 0.0616 0.0878 0.0000 0.2094 3.3085

Analysis Id: 97559 FEDERAL M #1A CPD
Effective Date Type Sample Date Dry BTU Wet BTU Gravity
Device: (No spec equip)
GPA Version: GPAEP97

07/01/2002 07:00 SPOT 06/24/2002 1315 1292 0.7620
Methane Ethane Propane Butane Iso Butane Pentane Hexane Heptane Octane H2S CO2 Nitrogen Total
Mole %- 75.81 12.47 6.46 1.76 0.97 0.40 0.52 0.00 0.63 0.00 0.00 0.64 0.34 100.00
GPM- 3.3352 1.7801 0.5549 0.3173 0.1449 0.1903 0.0000 0.2749 6.5975