



August 11, 2014

Bureau of Land Management  
Farmington Resource Area  
Mr. Jim Lovato  
6251 College Blvd., Suite A  
Farmington, NM 87402

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

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

**RE: San Juan 32-7 Unit 17B  
#14-08-001-441  
San Juan County, New Mexico  
MANCOS PARTICIPATING AREA  
INITIAL EXPANSION: Effective November 3, 2010**

Dear Sir or Madam:

Pursuant to Section 11(a) of the Unit Agreement for the referenced Unit, approved September 8, 1952, ConocoPhillips Company, as Unit Operator, has determined that the following well is capable of producing unitized substances in paying quantities from the Mancos formation and establishes the initial expansion of the Mancos Participating Area. Pursuant to the attached letter dated September 26, 2013, the BLM has concurred with the commercial determination.

**INITIAL EXPANSION - EFFECTIVE NOVEMBER 3, 2010**

<u>Well Name</u>	<u>Tract/Acres</u>	<u>Tract Description</u>	<u>Completion Date</u>
San Juan 32-7 Unit 17B	Tract 11 / 320 acres	E/2, Sec. 17-T31N-R7W	November 3, 2010

Enclosed please find the initial expansion schedule which describes the Participating Area and shows the percentage of unitized substances allocated to the tracts according to ownership within the tract. Copies of this letter and attachments are being furnished to the working interest owners on the attached list.

ConocoPhillips Company would appreciate consideration of this Expansion by written response. Please contact the undersigned at 505-326-9801 if there are any questions regarding this matter.

Sincerely,

Valerie Wells,  
Land Analyst

enclosures  
File: San Juan 32-7 Unit, 4.6

SAN JUAN 32-7 UNIT  
INITIAL EXPANSION- MANCOS

**SAN JUAN 32-7 UNIT**  
**WORKING INTEREST OWNERS**

BURLINGTON RESOURCES O&G CO LP

CONOCOPHILLIPS COMPANY

ELIZABETH TURNER CALLOWAY

ENERGEN RESOURCES CORPORATION

FRED E. TURNER

J GLENN TURNER JR

JOHN L TURNER

MARY FRANCES TURNER TR #6743

PHILLIPS NEW MEXICO PARTNERS LP

PHILLIPS SAN JUAN LTD PARTNERSHIP

SAN JUAN BASIN PARTNERSHIP

WPX ENERGY INC



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
6251 College Boulevard - Suite A  
Farmington, New Mexico 87402  
www.blm.gov/nm



IN REPLY REFER TO:  
San Juan 32-7 Unit Mancos  
3162.7 (F0111)

September 26, 2013

Ms. Valerie Wells  
ConocoPhillips Company  
P.O. Box 4289  
Farmington, NM 87499-4289

RE: San Juan 32-7 Unit  
Commerciality Determination  
Mancos Formation  
San Juan County, NM

Dear Ms. Wells:

In response to your letter dated August 27, 2013 and your revised determination letter dated September 24, 2013, the Farmington Field Office has reviewed the data you submitted for a commerciality determination for the following well completed in the Mancos formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 32-7 Unit #17B	E/2 Sec. 17, T31N, R7W	NMSF078998	11/3/2010	Commercial

After completing our economic evaluation, we are in concurrence with the above determination.

The well was determined to be commercial in the Mancos formation and it is to be included in a Mancos participating area. It is required that the initial participating area be submitted for the Mancos formation in the San Juan 32-7 Unit.

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

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

Sincerely,

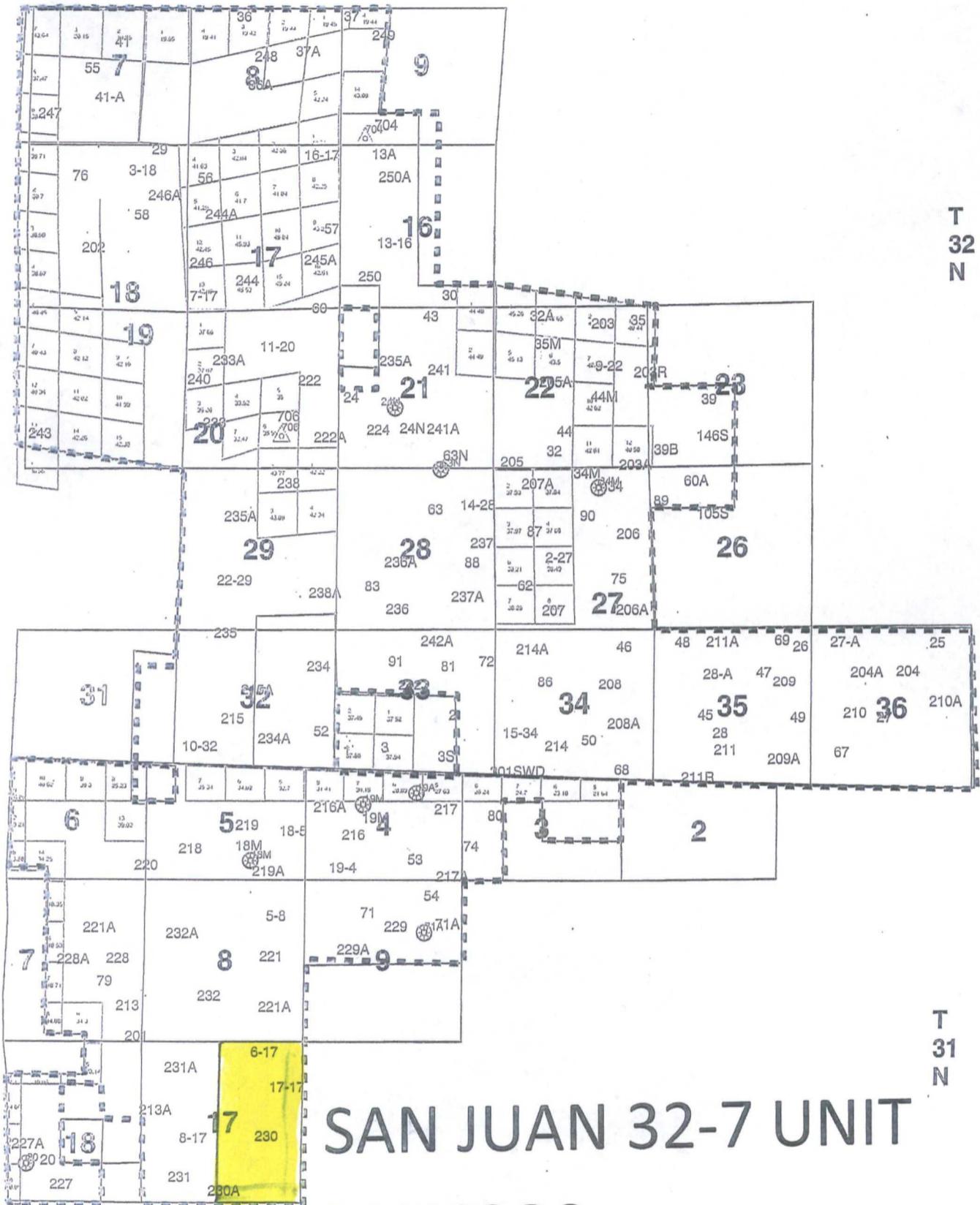
Wayne Townsend  
Petroleum Engineer  
Branch of Petroleum Management

CONOCOPHILLIPS COMPANY - OPERATOR  
 000 EXPANDED PARTICIPATING AREA FOR MANCOS FORMATION  
 SAN JUAN 32-7 UNIT  
 SAN JUAN COUNTY, NEW MEXICO  
 EFFECTIVE 01/12/2011

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	GWI PERCENTAGE	NRI PERCENTAGE	PARTICIPATION FACTOR
SF-078998	T-031N R-007W ----- Sec. 17 E/2  Tract Remarks: San Juan 32-7 Unit 17B	320.00		TRACT 11			100.000000%
			ORRI:		0.000000	5.000000	
			ROYALTY:		0.000000	12.500000	
			WORKING INTEREST:				
			CONOCOPHILLIPS COMPANY		100.000000	82.500000	
			TOTAL		100.000000	100.000000	

R7W

T 32 N



T 31 N

# SAN JUAN 32-7 UNIT MANCOS



PROPOSED INITIAL EXPANSION EFFECTIVE 01/12/2011



Land Department

San Juan Business Unit

Farmington, New Mexico