



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

April 22, 2002

Bureau of Land Management (3 copies)
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

Commissioner of Public Lands (2 copies)
State of New Mexico
Attn: Mr. Ray Powell
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Oil Conservation Division (2 copies)
State of New Mexico
Attn: Ms. Lori Wrotenberry
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505-4004

RE: SAN JUAN 30-5 UNIT
#14-08-001-346
EIGHTEENTH EXPANSION-EFFECTIVE AUGUST 1, 2000
DAKOTA FORMATION PARTICIPATING AREA
RIO ARRIBA COUNTY, NEW MEXICO
C40454, LCN 650402

Ladies and Gentlemen:

Pursuant to Section 11(a) of the San Juan 30-5 Unit Agreement #14-08-001-346, approved November 7, 1952, Phillips Petroleum Company, as Unit Operator, determined on the dates indicated below that the well listed below is capable of producing unitized substances in paying quantities from the Dakota Formation. Therefore, this application for the Eighteenth Expansion of the Participating Area established for the Dakota Formation is respectfully submitted for your approval as follows:

EIGHTEENTH EXPANDED PARTICIPATING AREA
EFFECTIVE AUGUST 1, 2000

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well No.</u>
W/2 Section 11-30N-5W	320.00	113

The San Juan 30-5 Unit #113 Well was completed July 20, 2000, with cumulative gas production of 110,166 mcf through December 31, 2001. The spacing unit for this well is described as the W/2 of Section 11-30N-5W, Rio Arriba County, New Mexico.

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This well was deemed commercial per letter dated April 3, 2002, from the Bureau of land Management.

Enclosed herewith are Schedule XIX for the Eighteenth Expanded Participating Area for the Dakota Formation. These schedules describe the participating areas and indicate the percentages of unitized substances allocated to the unit tracts according to the Dakota Formation ownership of such tracts. Also included is a map reflecting the boundaries of the Unit, existing Participating Area and the proposed Eighteenth Expansion of the San Juan 30-5 Unit Dakota Formation Participating Area.

Unless this application is disapproved or contested, the Eighteenth Expanded participating Area is effective as of August 1, 2000. Copies of this application are being provided to the Unit Working Interest Owners.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Skip Fraker", with a long horizontal line extending to the right.

Skip Fraker
San Juan Area-Land Dept.
(505) 599-3428

cc: San Juan 30-5 Unit Owners
W. D. Jaap (r) Supervisors

The signatory approvals below are for the Eighteenth Expanded Participating Areas of the Dakota Formation in the San Juan 30-5 Unit #14-08-001-346

Approved _____
Assistant District Manager-Minerals
Bureau of Land Management
Subject to like approval by the
Commissioner of Public Lands
and the Oil Conservation Division

Approved _____
Commissioner of Public Lands
Subject to like approval by the
Bureau of Land Management and
the Oil Conservation Division

Approved _____
Oil Conservation Division
Subject to like approval by the
Bureau of Land Management and
the Commissioner of Public Lands