



Jim Penney
Staff Landman
ConocoPhillips Company
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February 13, 2006

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

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

Oil Conservation Division (2 copies)
State of New Mexico
1220 S. Saint Francis Dr.
Santa Fe, New Mexico 87505-4000

RE: **SAN JUAN 32-8 UNIT**
#14-08-001-446
SAN JUAN COUNTY, NEW MEXICO
2006 PLAN OF DEVELOPMENT
Contract C40464

Gentlemen:

By letter dated February 4, 2005, ConocoPhillips, as Unit Operator, filed the 2005 Plan of Development (POD). The POD indicated twenty-six (26) wells were planned for 2005. The 2005 status is shown below.

The following wells were drilled in 2005:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	
San Juan 32-8 Unit #213A	W/2 Sec 22-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #249R	E/2 Sec 3-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #254A	W/2 Sec 23-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #260A	S/2 Sec 18-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #261A	W/2 Sec 17-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #262A	E/2 Sec 17-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #263A	E/2 Sec 15-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #264A	NSP Sec 9-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #265	W/2 Sec 14-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #266A	E/2 Sec 14-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #267A	E/2 Sec 23-32N-8W	Fruitland Coal	Drill

The San Juan 32-8 #263A, 265 and 266A were drilled to the Fruitland Coal on a drill block basis and the remaining Fruitland Coal wells were drilled in the Fruitland Coal Participating Area. The 7M, 11M, 12F, 26B, 28B, 32, 206A, 207A, 258A, 259, and 267 wells will be carried over into the 2006 drilling program.

2005 Summary - There were eleven (11) wells drilled in 2005. Eleven (11) wells will be carried over to the 2006 drilling program. All operations were conducted in accordance with existing regulatory parameters.

Attached to this letter are unit production plats for each producing formation. The Participating Areas which have been established in the San Juan 32-8 Unit are listed below:

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Thirty-first	10/1/02
Pictured Cliffs	First	1/1/83
Mesaverde	Nineteenth	7/1/83
Dakota	Initial	2/10/82

Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, ConocoPhillips, as Unit Operator hereby submits the following wells for the 2006 POD:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-8 Unit #206A	E/2 Sec 24-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #207A	W/2 Sec 22-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #258A	W/2 Sec 15-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #259	E/2 Sec 22-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #263	E/2 Sec 22-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #265A	E/2 Sec 22-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #266	E/2 Sec 22-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #267	E/2 Sec 23-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #11M	E/2 Sec 21-31N-8W	Mesaverde/Dakota	Drill
San Juan 32-8 Unit #12F	W/2 Sec 21-31N-8W	Mesaverde/Dakota	Drill
San Juan 32-8 Unit #7M	W/2 Sec 22-31N-8W	Mesaverde/Dakota	Drill
San Juan 32-8 Unit #26B	W2 Sec 16-31N-8W	Mesaverde/Dakota	Drill
San Juan 32-8 Unit #28B	E/2 Sec 16-31N-8W	Mesaverde/Dakota	Drill
San Juan 32-8 Unit #32	E/2 Sec 16-31N-8W	Mesaverde/Dakota	Drill
San Juan 32-8 Unit #16M	W/2 Sec 15-31N-8W	Mesaverde/Dakota	Drill
San Juan 32-8 Unit #21B	E/2 Sec 15-31N-8W	Mesaverde/Dakota	Drill
San Juan 32-8 Unit #15M	W/2 Sec 24-31N-8W	Mesaverde/Dakota	Drill

The San Juan 32-8 Unit working interest owners are being provided with a copy of this letter. ConocoPhillips, as Unit Operator, will drill any wells that may be required to prevent drainage and any other wells deemed necessary or requested by the Unit working interest owners under the terms and provisions of the Unit Operating Agreement.

Per Section 10 of the Unit Agreement, please confirm your approval of this POD by signing in the appropriate space below and returning an executed copy to my attention.

Respectfully yours,

Jim Penney

**SAN JUAN 32-8 UNIT #14-08-001-446
 2006 PLAN OF DEVELOPMENT**

 Bureau of Land Management

 Date

 New Mexico Commissioner of Public Lands

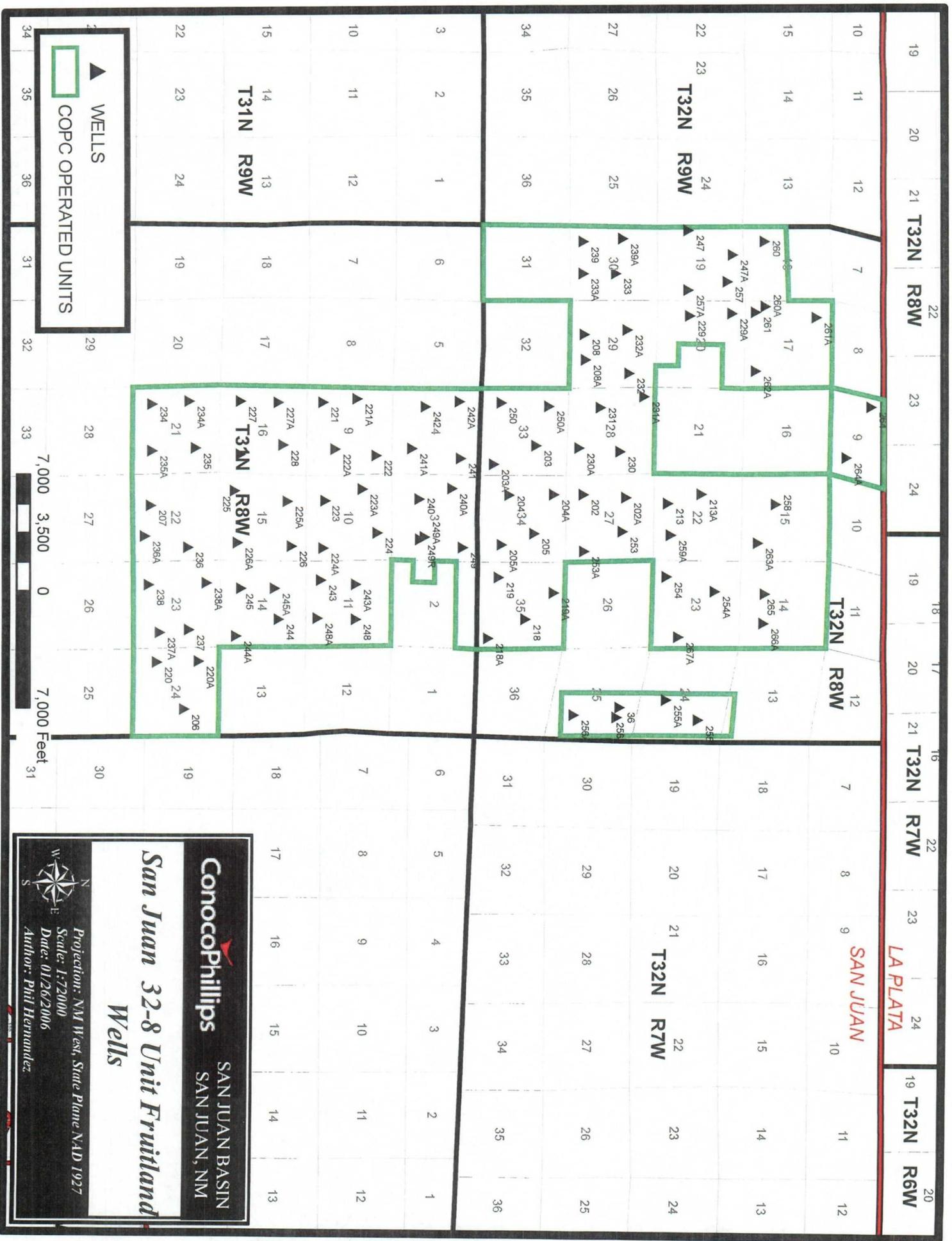
 Date

Dr. Martin

 New Mexico Oil Conservation Division

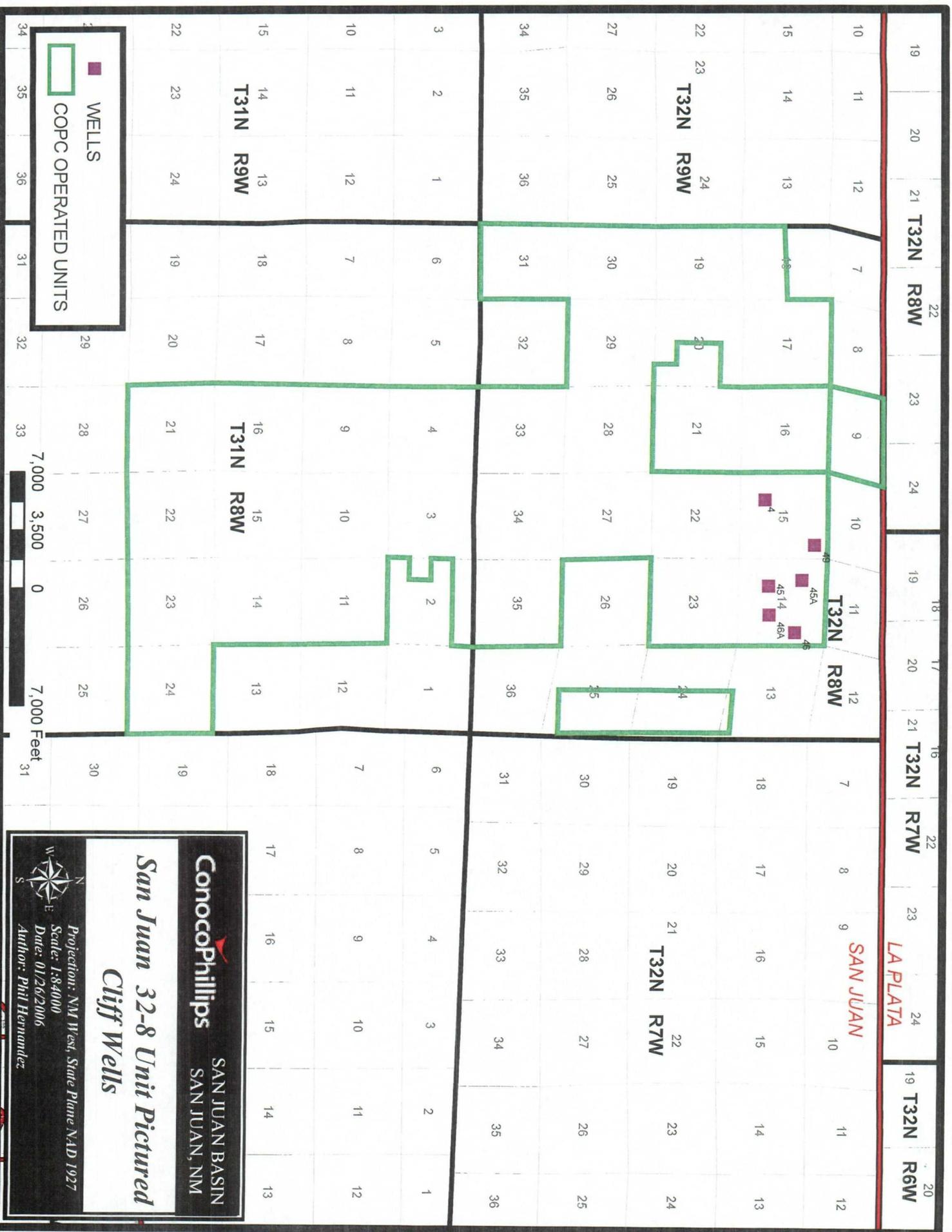
6-26-06

 Date



ConocoPhillips
San Juan 32-8 Unit Fruitland Wells
 SAN JUAN BASIN
 SAN JUAN, NM

Projection: NM West, State Plane NAD 1927
 Scale: 1:72000
 Date: 01/26/2006
 Author: Phil Hernandez



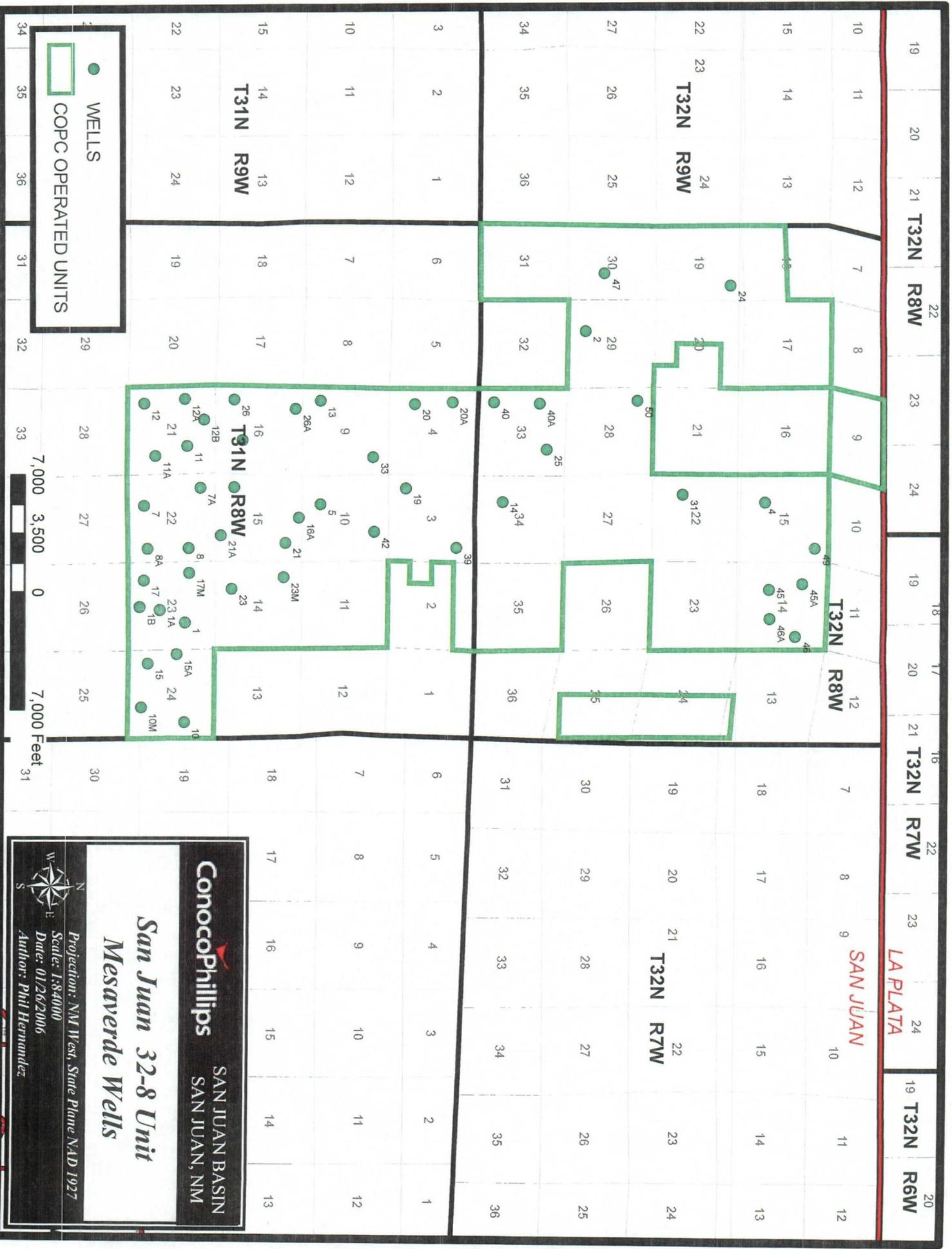
■ WELLS
 COPC OPERATED UNITS

7,000 3,500 0 7,000 Feet

ConocoPhillips
 SAN JUAN BASIN
 SAN JUAN, NM

**San Juan 32-8 Unit Pictured
 Cliff Wells**

Projection: NAD 83, State Plane NAD 1983
 Scale: 1:84000
 Date: 01/26/2006
 Author: Phil Hernandez



19 20 21 T32N R8W 22 23 24 18 17 16 T32N R7W 22 23 24 LA PLATA 19 T32N R6W 20

T32N R8W

SAN JUAN

T32N R9W

T32N R7W

T31N R9W

T31N R8W

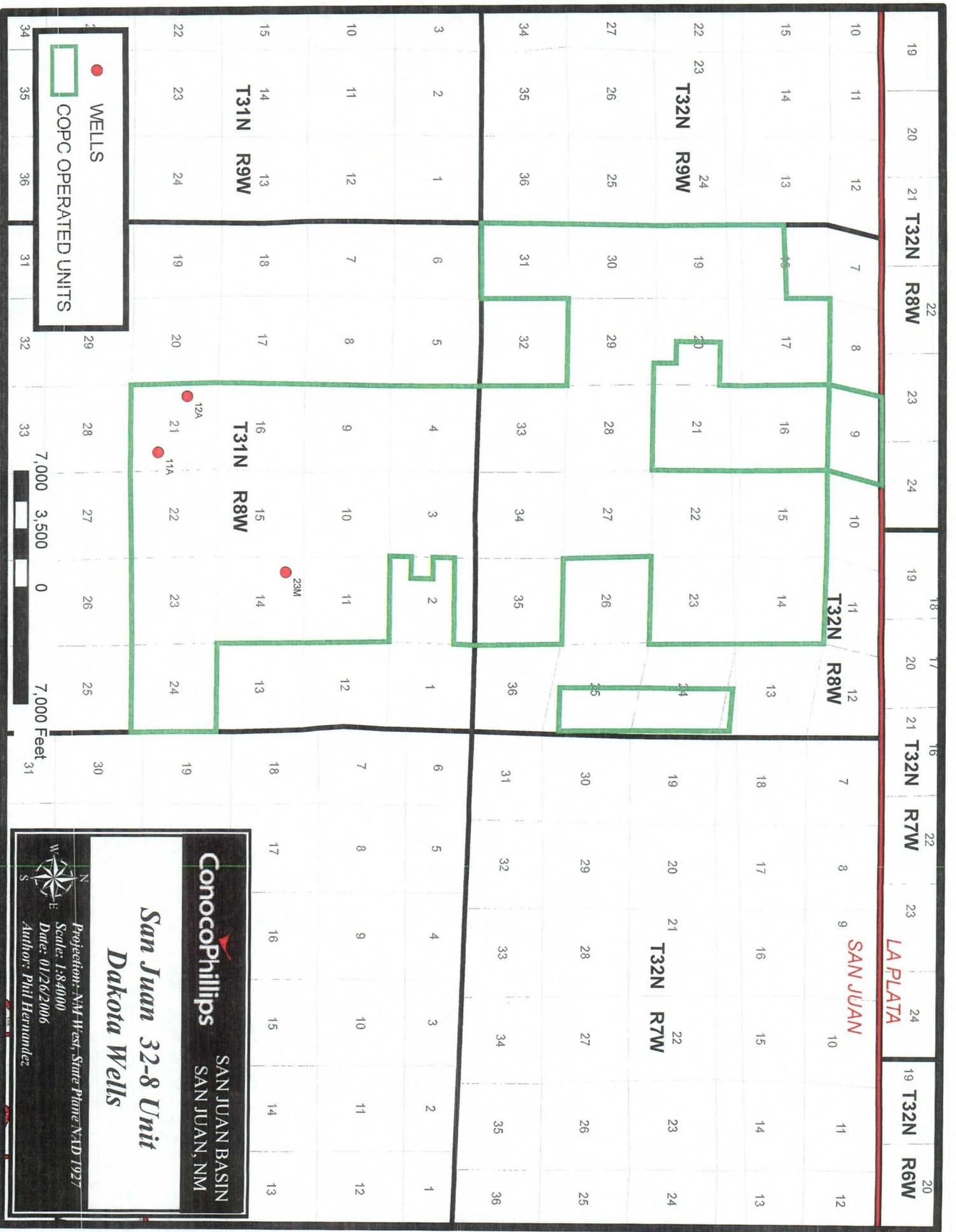
ConocoPhillips
SAN JUAN BASIN
SAN JUAN, NM

San Juan 32-8 Unit
Mesaverde Wells

WELLS
COPC OPERATED UNITS

7,000 3,500 0 7,000 Feet

Projection: NM West, State Plane NAD 1927
Scale: 1:84000
Date: 01/26/2006
Author: Phil Hernandez



LA PLATA

SAN JUAN

ConocoPhillips

SAN JUAN BASIN
SAN JUAN, NM

San Juan 32-8 Unit
Dakota Wells



Projection: NAD West, State Plane NAD 1927
Scale: 1:84000
Date: 01/26/2006
Author: Phil Hernandez



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

March 24, 2004

Phillips Petroleum Company
5525 HWY. 64 NBU 3004
Farmington, New Mexico 87401

Attn: Mr. Skip Fraker

Re: 2003 Plan of Development
San Juan 32-8 Unit
San Juan County, New Mexico

RECEIVED

MAR 26 2004

**Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505**

Dear Mr. Fraker:

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

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State of New Mexico
Commissioner of Public Lands

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PATRICK H. LYONS
COMMISSIONER

COMMISSIONER'S OFFICE

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Fax (505) 827-5766

www.nmstatelands.org

March 24, 2004

ConocoPhillips Company
P.O. Box 2197
Three WestLake Park - 3 WL 5051
Houston, Texas 77252-2197

Attn: Mr. Skip Fraker

Re: 2003 Plan of Development
First Amendment
San Juan 32-8 Unit
San Juan County, New Mexico

RECEIVED

MAR 26 2004

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

Dear Mr. Fraker:

The Commissioner of Public Lands has, of this date, approved the above-captioned First 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

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Commissioner of Public Lands

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March 24, 2004

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MAR 26 2004

ConocoPhillips Company
P.O. Box 2197
Three WestLake Park – 3 WL 5051
Houston, Texas 77252-2197

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

Attn: Mr. Skip Fraker

Re: 2003 Plan of Development
Second Amendment
San Juan 32-8 Unit
San Juan County, New Mexico

Dear Mr. Fraker:

The Commissioner of Public Lands has, of this date, approved the above-captioned Second 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



BLM

RECEIVED



MAR 26 2004

PATRICK H. LYONS

COMMISSIONER

Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
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www.nmstatelands.org

March 24, 2004

ConocoPhillips Company
P.O. Box 2197
Three WestLake Park – 3 WL 5051
Houston, Texas 77252-2197

Attn: Mr. Skip Fraker

Re: 2003 Plan of Development
Third Amendment
San Juan 32-8 Unit
San Juan County, New Mexico

Dear Mr. Fraker:

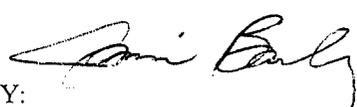
The Commissioner of Public Lands has, of this date, approved the above-captioned Third Amended Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

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,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS


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

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JCD

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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

April 6, 2004

ConocoPhillips Company
P.O. Box 2197
Three WestLake Park – 3 WL 5051
Houston, Texas 77252-2197

Attn: Mr. Skip Fraker

Re: 2004 Plan of Development
San Juan 32-8 Unit
San Juan County, New Mexico

Dear Mr. Fraker:

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
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JAMI BAILEY, Director
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