



446  
November 15, 2010

ConocoPhillips  
San Juan Business Unit  
P.O. Box 4289  
Farmington, NM 87499-4289

Bureau of Land Management (3)  
Attn: Mr. Jim Lovato  
1235 La Plata Highway  
Farmington, NM 87401

State of New Mexico (2)  
Commissioner of Public Lands  
Attn: Mr. Pete Martinez  
P.O. Box 1148  
Santa Fe, NM 87501-1148

State of New Mexico (2)  
Oil Conservation Division  
Energy & Minerals Department  
Attn: Ms. Lori Wrotenbery  
1220 S. Saint Francis Drive  
Santa Fe, NM 87505-4000

RE: San Juan 32-8 Unit #**14-08-001-446**  
**Dakota Participating Area**  
1st Expansion effective 12-1-06  
2nd Expansion, effective 8-1-07  
3rd Expansion, effective 10-1-07  
4th Expansion, effective 11-1-07  
5th Expansion, effective 9-1-08  
San Juan County, New Mexico  
Contract: 255185 Prop. Code: A650277

RECEIVED OOD  
200 NOV 17 P 4: 01

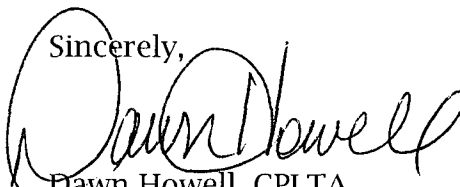
Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-8 Unit Agreement, #**14-08-001-446**, approved October 21, 1952, ConocoPhillips Company as Operator, has determined that the following wells are capable of producing unitized substances in paying quantities from the Dakota formation, thereby should be admitted to the Dakota Participating Area. Pursuant to the attached BLM letters, the wells listed on the attached sheet have been deemed commercial.

The Expansion Schedules for the First through Fifth Expansions are enclosed. The schedules describe the Participating Area and shows the percentage of unitized substances allocated to the tracts according to the ownership within the tracts.

ConocoPhillips would appreciate consideration of these Expansions, by written response. Please contact the undersigned at (505) 599-4030 if there are any questions regarding this matter. Copies of this letter and attachments are being furnished to the working interest owners on the attached list.

Sincerely,



Dawn Howell, CPLTA  
Land Analyst

File: Huerfano Unit 4.3

SJ 32-8 Unit 1<sup>st</sup> - 5<sup>th</sup> DK Expansions  
November 15, 2010  
Attachment

**FIRST EXPANSION - EFFECTIVE 12/1/06**

<b><u>Well Name</u></b>	<b><u>Tract/Acres</u></b>	<b><u>Tr. Description</u></b>	<b><u>Compl. Date</u></b>
<b>SJ 32-8 Unit #12F</b>	Tr. 3 / 160.00	N/2NW/4, N/2SW/4	11/29/2006
Sec. 21-T31N-R8W	Tr. 7 / 160.00	S/2NW/4, S/2SW/4	
W/2 - 320.00 acres			
<b>SJ 32-8 Unit #32</b>	Tr. 24 / 160.00	NW/4NE/4, SE/4NE/4,	11/11/06
Sec. 16-T31N-R8W		N/2SE/4	
E/2 - 320.00 acres	Tr. 26 / 40.00	SW/4SE/4	
	Tr. 28 / 40.00	SW/4NE/4	
	Tr. 34 / 40.00	NE/4NE/4	
	Tr. 38A / 40.00	SE/4SE/4	
<b>SJ 32-8 Unit #34M</b>	Tr. 21 / 320.00	E/2	11/17/06
Sec. 22-T31N-R8W			
E/2 - 320.00 acres			

**SECOND EXPANSION - EFFECTIVE 8/1/07**

<b>SJ 32-8 Unit #18</b>	Tr. 8 / 240.00	S/2NW/4, SW/4	7/16/07
Sec. 11-T31N-R8W	Tr. 19 / 80.00	N/2NW/4	
W/2 - 320.00 acres			
<b>SJ 32-8 Unit #15M</b>	Tr. 13 / 77.55	Lot 3 and Lot 6	7/27/07
Sec. 24-T31N-R8W	Tr. 19 / 232.76	Lots 4-5, 17-32, 49-64,	
W/2 - 310.31 acres		81-96, 113-128	

**THIRD EXPANSION - EFFECTIVE 10/1/07**

<b>SJ 32-8 Unit #7M</b>	Tr. 21 / 320.00	W/2	9/26/07
Sec. 22-T31N-R8W			
W/2 - 320.00 acres			

**FOURTH EXPANSION - EFFECTIVE 11/1/07**

<b>SJ 32-8 Unit #29M</b>	Tr. 19 / 320.00	E/2	10/15/07
Sec. 11-T31N-R8W			
E/2 - 320.00 acres			

**FIFTH EXPANSION - EFFECTIVE 9/1/08**

<b>SJ 32-8 Unit #30M</b>	Tr. 19 / 320.00	E/2	8/14/08
Sec. 14-T31N-R8W			
E/2 - 320.00 acres			

**WORKING INTEREST OWNERS**  
**DAKOTA FORMATION**  
**SAN JUAN 32-8 UNIT**

CONOCOPHILLIPS COMPANY

FOUR STAR OIL & GAS COMPANY

WILLIAMS PRODUCTION COMPANY

**CONOCOPHILLIPS - OPERATOR**  
**RECAPITULATION**  
**THE 1ST EXPANDED PARTICIPATING AREA FOR DAKOTA**  
**SAN JUAN 32-8 UNIT AREA**  
**EFFECTIVE 12-1-2006**

Description of Committed Lands in PA						Description of Non-Committed Lands in PA					
Township	Range	Section	Description	Lot	Acreage	Township	Range	Section	Description	Lot	Acreage
031N	008W	SEC. 016	E/2 (320.00)			Total Acres Non-Committed:					
031N	008W	SEC. 021	ALL (640.00)								
031N	008W	SEC. 022	E/2 (320.00)								
Total Acres Committed:					1280.00000						

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
NM-013364	T31N R8W SEC. 21 N/2N/2, N/2S/2, SE/4SE/4	360.00	TRACT: 003 ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY WILLIAMS PRODUCTION COMPANY TOTAL			28.125000%
SF-079029	T31N R8W SEC. 21 S/2N/2, S/2SW/4, SW/4SE/4	280.00	TRACT: 007 ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY TOTAL			21.875000%
NM 03402	T31N R8W SEC. 22 E/2	320.00	TRACT: 021 ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY TOTAL			25.000000%
E-1204-3	T31N R8W SEC. 16 NW/4NE/4, SE/4NE/4, N/2SE/4	160.00	TRACT: 024 ORRI: ROYALTY: WORKING INTEREST: FOUR STAR TOTAL			12.500000%

CONOCOPHILLIPS COMPANY- OPERATOR  
1ST EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION  
SAN JUAN 32 8 UNIT AREA  
SAN JUAN COUNTY, NEW MEXICO  
EFFECTIVE 12/1/2006

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
E-3704-4	T31N R8W SEC. 16 SW/4SE/4	40.00	TRACT: 026		3.125000%
Remarks:	SJ 32-8 Unit #32				
	ORRI:	5.000000		5.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		82.500000	
	TOTAL	100.000000		100.000000	
E-3868-4	T31N R8W SEC. 16 SW/4NE/4	40.00	TRACT: 028		3.125000%
Remarks:	SJ 32-8 Unit #32				
	ORRI:	5.000000		5.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		82.500000	
	TOTAL	100.000000		100.000000	
E-5382	T31N R8W SEC. 16 NE/4NE/4	40.00	TRACT: 034		3.125000%
Remarks:	SJ 32-8 Unit #32				
	ORRI:	0.000000		0.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	FOUR STAR	100.000000		87.500000	
	TOTAL	100.000000		100.000000	
B-11240	T31N R8W SEC. 16 SE/4SE/4	40.00	TRACT: 038A		3.125000%
Remarks:	SJ 32-8 Unit #32				
	ORRI:	0.000000		0.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		87.500000	
	TOTAL	100.000000		100.000000	

**CONOCOPHILLIPS - OPERATOR**  
**RECAPITULATION**  
**THE 2ND EXPANDED PARTICIPATING AREA FOR DAKOTA**  
**SAN JUAN 32-8 UNIT AREA**  
**EFFECTIVE 8-1-2007**

Description of Committed Lands in PA						Description of Non-Committed Lands in PA					
Township	Range	Section	Description	Lot	Acreage	Township	Range	Section	Description	Lot	Acreage
031N	008W	SEC. 011	W/2 (320.00)								
031N	008W	SEC. 016	E/2 (320.00)								
031N	008W	SEC. 021	ALL (640.00)								
031N	008W	SEC. 022	E/2 (320.00)								
031N	008W	SEC. 024	LOTS 3-6, 17-32, 49-64, 81-96, 113-128 (ADA W/2)								
Total Acres Committed:											1910.31000

CONOCOPHILLIPS COMPANY- OPERATOR  
2ND EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION  
SAN JUAN 32 8 UNIT AREA  
SAN JUAN COUNTY, NEW MEXICO  
EFFECTIVE 8/1/2007

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
NM-013364	T31N R8W SEC. 21 N/2N/2, N/2S/2, SE/4SE/4	360.00	TRACT: 003		18.845109%
	ORRI:	5.000000		5.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	50.000000		41.250000	
	WILLIAMS PRODUCTION COMPANY	50.000000		41.250000	
	TOTAL	100.000000		100.000000	
	Remarks: SJ 32-8 Unit #12F				
SF-079029	T31N R8W SEC. 21 S/2N/2, S/2SW/4, SW/4SE/4	280.00	TRACT: 007		14.657307%
	ORRI:	5.000000		5.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		82.500000	
	TOTAL	100.000000		100.000000	
	Remarks: SJ 32-8 Unit #12F				
SF-079047	T31N R8W SEC. 11 S/2NW/4, SW/4	240.00	TRACT: 008		12.563406%
	ORRI:	5.000000		5.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		82.500000	
	TOTAL	100.000000		100.000000	
	Remarks: SJ 32-8 Unit #18				
SF-079351	T31N R8W SEC. 24 Lot 3 (38.78), Lot 6 (38.77)	77.55	TRACT: 013		4.059551%
	ORRI:	5.000000		2.500000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		85.000000	
	TOTAL	100.000000		100.000000	
	Remarks: SJ 32-8 Unit #15M				



CONOCOPHILLIPS COMPANY- OPERATOR  
2ND EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION  
SAN JUAN 32.8 UNIT AREA  
SAN JUAN COUNTY, NEW MEXICO  
EFFECTIVE 8/1/2007

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
SF-080854						
	T31N R8W	312.76		TRACT: 019		16.372211%
	SEC. 11 N/2NW/4		ORRI:		5.000000	5.000000
	SEC. 24 Lots 4-5, (ADA W/2NW/4)		ROYALTY:		12.500000	12.500000
	LOTS 17-32, 49-64, 81-96, 113-128		WORKING INTEREST:			
	ADA (SW/4)		CONOCOPHILLIPS COMPANY		100.000000	82.500000
			TOTAL		100.000000	100.000000
	Remarks: SJ 32-8 Unit #18 SJ 32-8 Unit #15M					
NM 03402						
	T31N R8W	320.00		TRACT: 021		16.751208%
	SEC. 22 E/2		ORRI:		5.000000	5.000000
			ROYALTY:		12.500000	12.500000
			WORKING INTEREST:			
			CONOCOPHILLIPS COMPANY		100.000000	82.500000
			TOTAL		100.000000	100.000000
	Remarks: SJ 32-8 Unit #34M					
E-1204-3						
	T31N R8W	160.00		TRACT: 024		8.375604%
	SEC. 16 NW/4NE/4, SE/4NE/4, N/2SE/4		ORRI:		5.000000	5.000000
			ROYALTY:		12.500000	12.500000
			WORKING INTEREST:			
			FOUR STAR		100.000000	82.500000
			TOTAL		100.000000	100.000000
	Remarks: SJ 32-8 Unit #32					

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
E-3704-4	T31N R8W	40.00		TRACT: 026		2.093901%
	SEC. 16 SW/4SE/4		ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY		5.000000 12.500000 100.000000 82.500000	
	Remarks: SJ 32-8 Unit #32		TOTAL		100.000000 100.000000	
E-3868-4	T31N R8W	40.00		TRACT: 028		2.093901%
	SEC. 16 SW/4NE/4		ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY		5.000000 12.500000 100.000000 82.500000	
	Remarks: SJ 32-8 Unit #32		TOTAL		100.000000 100.000000	
E-5382	T31N R8W	40.00		TRACT: 034		2.093901%
	SEC. 16 NE/4NE/4		ORRI: ROYALTY: WORKING INTEREST: FOUR STAR		0.000000 12.500000 100.000000 87.500000	
	Remarks: SJ 32-8 Unit #32		TOTAL		100.000000 100.000000	
B-11240	T31N R8W	40.00		TRACT: 038A		2.093901%
	SEC. 16 SE/4SE/4		ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY		0.000000 12.500000 100.000000 87.500000	
	Remarks: SJ 32-8 Unit #32		TOTAL		100.000000 100.000000	

**CONOCOPHILLIPS - OPERATOR**  
**RECAPITULATION**  
**THE 3RD EXPANDED PARTICIPATING AREA FOR DAKOTA**  
**SAN JUAN 32-8 UNIT AREA**  
**EFFECTIVE 10-1-2007**

Description of Committed Lands in PA						Description of Non-Committed Lands in PA					
Township	Range	Section	Description	Lot	Acreage	Township	Range	Section	Description	Lot	Acreage
031N	008W	SEC. 011	W/2 (320.00)								
031N	008W	SEC. 016	E/2 (320.00)								
031N	008W	SEC. 021	ALL (640.00)								
031N	008W	SEC. 022	ALL 640.00)								
031N	008W	SEC. 024	LOTS 3-6, 17-32, 49-64, 81-96, 113-128 (ADA W/2)								
Total Acres Committed:						2230.31000					

CONOCOPHILLIPS COMPANY- OPERATOR  
3RD EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION  
SAN JUAN 32 8 UNIT AREA  
SAN JUAN COUNTY, NEW MEXICO  
EFFECTIVE 10/1/2007

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
NM-013364	T31N R8W SEC. 21 N/2N/2, N/2S/2, SE/4SE/4	360.00		TRACT: 003			16.141254%
	ORRI:		5.000000		5.000000		
	ROYALTY:		12.500000		12.500000		
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY		50.000000		41.250000		
	WILLIAMS PRODUCTION COMPANY		50.000000		41.250000		
	TOTAL		100.000000		100.000000		
	Remarks: SJ 32-8 Unit #12F						
SF-079029	T31N R8W SEC. 21 S/2N/2, S/2SW/4, SW/4SE/4	280.00		TRACT: 007			12.554309%
	ORRI:		5.000000		5.000000		
	ROYALTY:		12.500000		12.500000		
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY		100.000000		82.500000		
	TOTAL		100.000000		100.000000		
	Remarks: SJ 32-8 Unit #12F						
SF-079047	T31N R8W SEC. 11 S/2NW/4, SW/4	240.00		TRACT: 008			10.760836%
	ORRI:		5.000000		5.000000		
	ROYALTY:		12.500000		12.500000		
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY		100.000000		82.500000		
	TOTAL		100.000000		100.000000		
	Remarks: SJ 32-8 Unit #18						
SF-079351	T31N R8W SEC. 24 Lot 3 (38.78), Lot 6 (38.77)	77.55		TRACT: 013			3.477094%
	ORRI:		5.000000		2.500000		
	ROYALTY:		12.500000		12.500000		
	WORKING INTEREST:						
	CONOCOPHILLIPS COMPANY		100.000000		85.000000		
	TOTAL		100.000000		100.000000		
	Remarks: SJ 32-8 Unit #15M						

CONOCOPHILLIPS COMPANY- OPERATOR  
3RD EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION  
SAN JUAN 32 8 UNIT AREA  
SAN JUAN COUNTY, NEW MEXICO  
EFFECTIVE 10/1/2007

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
<b>SF-080854</b>						
	T31N R8W	312.76	TRACT: 019			14.023161%
SEC. 11	N/2NW/4			5.000000	5.000000	
SEC. 24	Lots 4-5, (ADA W/2NW/4) LOTS 17-32, 49-64, 81-96, 113-128 ADA (SW/4)			12.500000	12.500000	
Remarks:	SJ 32-8 Unit #18 SJ 32-8 Unit #15M			100.000000 100.000000	82.500000 100.000000	
	TOTAL					
<b>NM 03402</b>						
	T31N R8W	640.00	TRACT: 021			28.69563%
SEC. 22	ALL			5.000000	5.000000	
ROYALTY:				12.500000	12.500000	
WORKING INTEREST:				100.000000	82.500000	
Remarks:	SJ 32-8 Unit #34M SJ 32-8 Unit #7M			100.000000 100.000000	82.500000 100.000000	
	TOTAL					
<b>E-1204-3</b>						
	T31N R8W	160.00	TRACT: 024			7.173891%
SEC. 16	NW/4NE/4, SE/4NE/4, N/2SE/4			5.000000	5.000000	
ROYALTY:				12.500000	12.500000	
WORKING INTEREST:				100.000000	82.500000	
Remarks:	SJ 32-8 Unit #32			100.000000 100.000000	82.500000 100.000000	
	TOTAL					

CONOCOPHILLIPS COMPANY- OPERATOR  
3RD EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION  
SAN JUAN 32 8 UNIT AREA  
SAN JUAN COUNTY, NEW MEXICO  
EFFECTIVE 10/1/2007

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
E-3704-4	T31N R8W SEC. 16 SW/4SE/4	40.00	TRACT: 026	5.000000 12.500000	5.000000 12.500000	1.793473%
	ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY TOTAL			100.000000 100.000000	82.500000 100.000000	
Remarks:	SJ 32-8 Unit #32					
E-3868-4	T31N R8W SEC. 16 SW/4NE/4	40.00	TRACT: 028	5.000000 12.500000	5.000000 12.500000	1.793473%
	ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY TOTAL			100.000000 100.000000	82.500000 100.000000	
Remarks:	SJ 32-8 Unit #32					
E-5382	T31N R8W SEC. 16 NE/4NE/4	40.00	TRACT: 034	0.000000 12.500000	0.000000 12.500000	1.793473%
	ORRI: ROYALTY: WORKING INTEREST: FOUR STAR TOTAL			100.000000 100.000000	87.500000 100.000000	
Remarks:	SJ 32-8 Unit #32					
B-11240	T31N R8W SEC. 16 SE/4SE/4	40.00	TRACT: 038A	0.000000 12.500000	0.000000 12.500000	1.793473%
	ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY TOTAL			100.000000 100.000000	87.500000 100.000000	
Remarks:	SJ 32-8 Unit #32					

**CONOCOPHILLIPS - OPERATOR**  
**RECAPITULATION**  
**THE 4TH EXPANDED PARTICIPATING AREA FOR DAKOTA**  
**SAN JUAN 32-8 UNIT AREA**  
**EFFECTIVE 11-1-2007**

Description of Committed Lands in PA						Description of Non-Committed Lands in PA					
Township	Range	Section	Description	Lot	Acreage	Township	Range	Section	Description	Lot	Acreage
031N	008W	SEC. 011	ALL (640.00)								
031N	008W	SEC. 016	E/2 (320.00)								
031N	008W	SEC. 021	ALL (640.00)								
031N	008W	SEC. 022	ALL 640.00)								
031N	008W	SEC. 024	LOTS 3-6, 17-32, 49-64, 81-96, 113-128 (ADA W/2)								
Total Acres Committed:						2550.31000					

CONOCOPHILLIPS COMPANY- OPERATOR  
4TH EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION

8910004460

SAN JUAN 32 8 UNIT AREA  
SAN JUAN COUNTY, NEW MEXICO  
EFFECTIVE 11/1/2007

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
NM-013364	T31N R8W SEC. 21 N/2N/2, N/2S/2, SE/4SE/4	360.00	TRACT: 003		14.115931%
	ORRI:	5.000000		5.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	50.000000		41.250000	
	WILLIAMS PRODUCTION COMPANY	50.000000		41.250000	
	TOTAL	100.000000		100.000000	
	Remarks: SJ 32-8 Unit #12F				
SF-079029	T31N R8W SEC. 21 S/2N/2, S/2SW/4, SW/4SE/4	280.00	TRACT: 007		10.979057%
	ORRI:	5.000000		5.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		82.500000	
	TOTAL	100.000000		100.000000	
	Remarks: SJ 32-8 Unit #12F				
SF-079047	T31N R8W SEC. 11 S/2NW/4, SW/4	240.00	TRACT: 008		9.410621%
	ORRI:	5.000000		5.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		82.500000	
	TOTAL	100.000000		100.000000	
	Remarks: SJ 32-8 Unit #18				
SF-079351	T31N R8W SEC. 24 Lot 3 (38.78), Lot 6 (38.77)	77.55	TRACT: 013		3.040807%
	ORRI:	5.000000		2.500000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		85.000000	
	TOTAL	100.000000		100.000000	
	Remarks: SJ 32-8 Unit #15M				



CONOCOPHILLIPS COMPANY- OPERATOR  
 4TH EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION  
 SAN JUAN 32 8 UNIT AREA  
 SAN JUAN COUNTY, NEW MEXICO  
 EFFECTIVE 11/1/2007

8910004460

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
SF-080854	T31N R8W	632.76	TRACT: 019			24.811101%
	SEC. 11 N/2NW/4, E/2	ORRI:	5.000000	5.000000		
	SEC. 24 Lots 4-5, (ADA W/2NW/4)	ROYALTY:	12.500000	12.500000		
	LOTS 17-32, 49-64, 81-96, 113-128	WORKING INTEREST:				
	ADA (SW/4)	CONOCOPHILLIPS COMPANY	100.000000	82.500000		
	TOTAL		100.000000	100.000000		
	Remarks: SJ 32-8 Unit #18					
	SJ 32-8 Unit #15M					
	SJ 32-8 Unit #29M					
NM 03402	T31N R8W	640.00	TRACT: 021			25.094988%
	SEC. 22 ALL	ORRI:	5.000000	5.000000		
		ROYALTY:	12.500000	12.500000		
		WORKING INTEREST:				
	Remarks: SJ 32-8 Unit #34M	CONOCOPHILLIPS COMPANY	100.000000	82.500000		
	SJ 32-8 Unit #7M	TOTAL	100.000000	100.000000		
E-1204-3	T31N R8W	160.00	TRACT: 024			6.273747%
	SEC. 16 NW/4NE/4, SE/4NE/4, N/2SE/4	ORRI:	5.000000	5.000000		
		ROYALTY:	12.500000	12.500000		
		WORKING INTEREST:				
	Remarks: SJ 32-8 Unit #32	FOUR STAR	100.000000	82.500000		
		TOTAL	100.000000	100.000000		

CONOCOPHILLIPS COMPANY- OPERATOR

8910004460

4TH EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION

SAN JUAN 32 8 UNIT AREA  
SAN JUAN COUNTY, NEW MEXICO  
EFFECTIVE 11/1/2007

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
E-3704-4	T31N R8W SEC. 16 SW/4SE/4	40.00	TRACT: 026		1.568437%
	ORRI:	5.000000		5.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		82.500000	
	TOTAL	100.000000		100.000000	
Remarks:	SJ 32-8 Unit #32				
E-3868-4	T31N R8W SEC. 16 SW/4NE/4	40.00	TRACT: 028		1.568437%
	ORRI:	5.000000		5.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		82.500000	
	TOTAL	100.000000		100.000000	
Remarks:	SJ 32-8 Unit #32				
E-5382	T31N R8W SEC. 16 NE/4NE/4	40.00	TRACT: 034		1.568437%
	ORRI:	0.000000		0.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	FOUR STAR	100.000000		87.500000	
	TOTAL	100.000000		100.000000	
Remarks:	SJ 32-8 Unit #32				
B-11240	T31N R8W SEC. 16 SE/4SE/4	40.00	TRACT: 038A		1.568437%
	ORRI:	0.000000		0.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		87.500000	
	TOTAL	100.000000		100.000000	
Remarks:	SJ 32-8 Unit #32				

**CONOCOPHILLIPS - OPERATOR**  
**RECAPITULATION**  
**THE 5TH EXPANDED PARTICIPATING AREA FOR DAKOTA**  
**SAN JUAN 32-8 UNIT AREA**  
**EFFECTIVE 9-1-2008**

Description of Committed Lands in PA						Description of Non-Committed Lands in PA					
Township	Range	Section	Description	Lot	Acreage	Township	Range	Section	Description	Lot	Acreage
031N	008W	SEC. 011	ALL (640.00)								
031N	008W	SEC. 014	E/2 (320.00)								
031N	008W	SEC. 016	E/2 (320.00)								
031N	008W	SEC. 021	ALL (640.00)								
031N	008W	SEC. 022	ALL 640.00)								
031N	008W	SEC. 024	LOTS 3-6, 17-32, 49-64, 81-96, 113-128 (ADA W/2)								
Total Acres Committed:						Total Acres Non-Committed:					
2870.31000						0.000000					

CONOCOPHILLIPS COMPANY- OPERATOR  
5TH EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION  
SAN JUAN 32 8 UNIT AREA  
SAN JUAN COUNTY, NEW MEXICO  
EFFECTIVE 9/1/2008

8910004460

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
NM-013364	T31N R8W SEC. 21 N/2N/2, N/2S/2, SE/4SE/4	360.00	TRACT: 003		12.542199%
	ORRI:	5.000000		5.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	50.000000		41.250000	
	WILLIAMS PRODUCTION COMPANY	50.000000		41.250000	
	TOTAL	100.000000		100.000000	
	Remarks: SJ 32-8 Unit #12F				
SF-079029	T31N R8W SEC. 21 S/2N/2, S/2SW/4, SW/4SE/4	280.00	TRACT: 007		9.755044%
	ORRI:	5.000000		5.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		82.500000	
	TOTAL	100.000000		100.000000	
	Remarks: SJ 32-8 Unit #12F				
SF-079047	T31N R8W SEC. 11 S/2NW/4, SW/4	240.00	TRACT: 008		8.361466%
	ORRI:	5.000000		5.000000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		82.500000	
	TOTAL	100.000000		100.000000	
	Remarks: SJ 32-8 Unit #18				
SF-079351	T31N R8W SEC. 24 Lot 3 (38.78), Lot 6 (38.77)	77.55	TRACT: 013		2.701798%
	ORRI:	5.000000		2.500000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	100.000000		85.000000	
	TOTAL	100.000000		100.000000	
	Remarks: SJ 32-8 Unit #15M				

CONOCOPHILLIPS COMPANY- OPERATOR  
 5TH EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION  
 SAN JUAN 32 8 UNIT AREA  
 SAN JUAN COUNTY, NEW MEXICO  
 EFFECTIVE 9/1/2008

8910004460

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
SF-080854						
	T31N R8W	952.76	TRACT: 019			33.193627%
	SEC. 11 N/2NW/4, E/2	ORRI:		5.000000	5.000000	
	SEC. 14 E/2	ROYALTY:		12.500000	12.500000	
	SEC. 24 Lots 4-5, (ADA W/2NW/4)	WORKING INTEREST:				
	LOTS 17-32, 49-64, 81-96, 113-128	CONOCOPHILLIPS COMPANY		100.000000	82.500000	
	ADA (SW/4)	TOTAL		100.000000	100.000000	
	Remarks: SJ 32-8 Unit #18					
	SJ 32-8 Unit #15M					
	SJ 32-8 Unit #29M					
	SJ 32-8 Unit #30M					
NM 03402						
	T31N R8W	640.00	TRACT: 021			22.297243%
	SEC. 22 ALL	ORRI:		5.000000	5.000000	
		ROYALTY:		12.500000	12.500000	
	Remarks: SJ 32-8 Unit #34M	WORKING INTEREST:				
	SJ 32-8 Unit #7M	CONOCOPHILLIPS COMPANY		100.000000	82.500000	
		TOTAL		100.000000	100.000000	
E-1204-3						
	T31N R8W	160.00	TRACT: 024			5.574311%
	SEC. 16 NW/4NE/4, SE/4NE/4, N/2SE/4	ORRI:		5.000000	5.000000	
		ROYALTY:		12.500000	12.500000	
	Remarks: SJ 32-8 Unit #32	WORKING INTEREST:				
		FOUR STAR		100.000000	82.500000	
		TOTAL		100.000000	100.000000	

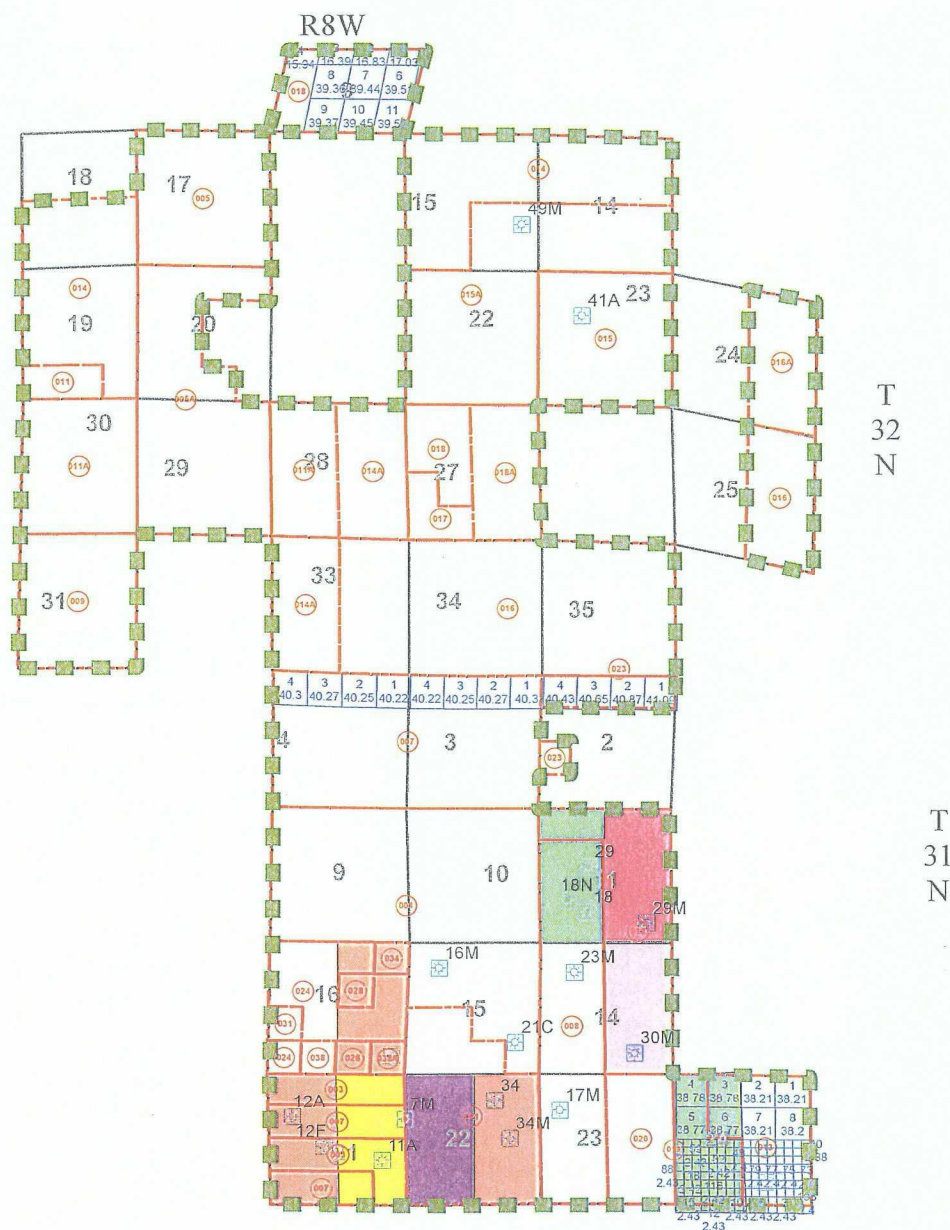
CONOCOPHILLIPS COMPANY- OPERATOR

8910004460

5TH EXPANDED PARTICIPATING AREA FOR DAKOTA FORMATION  
SAN JUAN 32 8 UNIT AREA  
SAN JUAN COUNTY, NEW MEXICO  
EFFECTIVE 9/1/2008

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
E-3704-4	T31N R8W SEC. 16 SW/4SE/4	40.00	TRACT: 026	5.000000 12.500000	5.000000 12.500000	1.393578%
	ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY TOTAL			100.000000 100.000000	82.500000 100.000000	
	Remarks: SJ 32-8 Unit #32					
E-3866-4	T31N R8W SEC. 16 SW/4NE/4	40.00	TRACT: 028	5.000000 12.500000	5.000000 12.500000	1.393578%
	ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY TOTAL			100.000000 100.000000	82.500000 100.000000	
	Remarks: SJ 32-8 Unit #32					
E-5382	T31N R8W SEC. 16 NE/4NE/4	40.00	TRACT: 034	0.000000 12.500000	0.000000 12.500000	1.393578%
	ORRI: ROYALTY: WORKING INTEREST: FOUR STAR TOTAL			100.000000 100.000000	87.500000 100.000000	
	Remarks: SJ 32-8 Unit #32					
B-11240	T31N R8W SEC. 16 SE/4SE/4	40.00	TRACT: 038A	0.000000 12.500000	0.000000 12.500000	1.393578%
	ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY TOTAL			100.000000 100.000000	87.500000 100.000000	
	Remarks: SJ 32-8 Unit #32					

# SAN JUAN 32-8 UNIT DAKOTA PARTICIPATING AREA



- DAKOTA
- Dakota PA
- Approved Initial Expan., Effective 2/10/1982
  - Proposed 1st Expansion, Effective 12/1/2006
  - Proposed 2nd Expansion, Effective 8/1/2007
  - Proposed 3rd Expansion, Effective 10/1/2007
  - Proposed 4th Expansion, Effective 11/1/2007
  - Proposed 5th Expansion, Effective 9/1/2008

**ConocoPhillips**

L48 Land Dept.  
San Juan Business Unit  
2010



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
1235 La Plata Highway - Suite A  
Farmington, New Mexico 87401  
[www.blm.gov/nm](http://www.blm.gov/nm)



IN REPLY REFER TO:  
San Juan 32-8 Unit DK PA  
3162.7 (21110)

March 13, 2008

Ms. Dawn Howell  
ConocoPhillips Company  
P.O. Box 4289  
Farmington, NM 87499-4289

RE: San Juan 32-8 Unit  
Commerciality Determinations  
Dakota Formation  
San Juan County, NM

Dear Ms. Howell:

In response to your letter dated February 22, 2008, the Farmington Field Office has reviewed the data you submitted for a commerciality determination for the following wells completed in the Dakota formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 32-8 Unit #12F	W/2 Sec. 21, T31N, R8W	NMNM013364	11/29/2006	Commercial
San Juan 32-8 Unit #32	E/2 Sec. 16, T31N, R8W	STATE	11/11/2006	Commercial
San Juan 32-8 Unit #34M	E/2 Sec. 22, T31N, R8W	NMNM03402	11/17/2006	Commercial

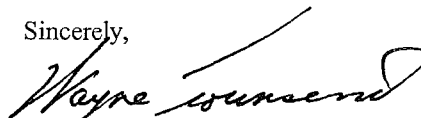
After completing our economic evaluations, we are in concurrence with the above determinations.

The wells were determined to be commercial in the Dakota formation and are to be included in the Dakota participating area. It is required that a revision be submitted to include these wells in the San Juan 32-8 Unit Dakota 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 (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





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
1235 La Plata Highway - Suite A  
Farmington, New Mexico 87401  
[www.blm.gov/nm](http://www.blm.gov/nm)



IN REPLY REFER TO:

San Juan 32-8 Unit DK PA  
3162.7 (21110)

December 12, 2008

Ms. Dawn Howell  
ConocoPhillips Company  
P.O. Box 4289  
Farmington, NM 87499-4289

RE: San Juan 32-8 Unit  
Commerciality Determinations  
Dakota Formation  
San Juan County, NM

Dear Ms. Howell:

In response to your letter dated December 5, 2008, the Farmington Field Office has reviewed the data you submitted for a commerciality determination for the following wells completed in the Dakota formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 32-8 Unit #18	W/2 Sec. 11, T31N, R8W	NMSF079047	7/16/2007	Commercial
San Juan 32-8 Unit #15M	W/2 Sec. 24, T31N, R8W	NMSF079351	7/27/2007	Commercial
San Juan 32-8 Unit #29M	E/2 Sec. 11, T31N, R8W	NMSF080854	10/15/2007	Commercial
San Juan 32-8 Unit #16M	W/2 Sec. 15, T31N, R8W	NMSF079004	9/12/2007	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 Dakota formation are to be included in the Dakota participating area. It is required that revisions be submitted to include these wells in the San Juan 32-8 Unit Dakota Participating Area. The well that was determined non-commercial is to report its Dakota production to the lease or communitization 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 (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



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
1235 La Plata Highway - Suite A  
Farmington, New Mexico 87401  
www.blm.gov/nm



IN REPLY REFER TO:

San Juan 32-8 Unit DK PA  
3162.7 (21110)

March 12, 2009

Ms. Dawn Howell  
ConocoPhillips Company  
P.O. Box 4289  
Farmington, NM 87499-4289

RE: San Juan 32-8 Unit  
Commerciality Determination  
Dakota Formation  
San Juan County, NM

Dear Ms. Howell:

In response to your letter dated December 9, 2008, the Farmington Field Office has reviewed the data you submitted for a commerciality determination for the following well completed in the Dakota formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 32-8 Unit #7M	W/2 Sec. 22, T31N, R8W	NMNM03402	9/26/2007	Commercial

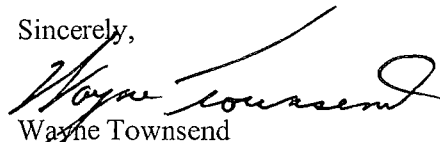
After completing our economic evaluation, we are in concurrence with the above determination.

The well was determined to be commercial in the Dakota formation and is to be included in the Dakota participating area. It is required that a revision be submitted to include this well in the San Juan 32-8 Unit Dakota 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 (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



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
1235 La Plata Highway - Suite A  
Farmington, New Mexico 87401  
[www.blm.gov/nm](http://www.blm.gov/nm)



IN REPLY REFER TO:  
San Juan 32-8 Unit DK PA  
3162.7 (F0111)

December 8, 2009

Ms. Dawn Howell  
ConocoPhillips Company  
P.O. Box 4289  
Farmington, NM 87499-4289

RE: San Juan 32-8 Unit  
Commerciality Determination  
Dakota Formation  
San Juan County, NM

Dear Ms. Howell:

In response to your letter dated November 30, 2009, the Farmington Field Office has reviewed the data you submitted for a commerciality determination for the following well completed in the Dakota formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 32-8 Unit #30M	E/2 Sec. 14, T31N, R8W	NMSF080854	8/14/2008	Commercial

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

The well was determined to be commercial in the Dakota formation and is to be included in the Dakota participating area. It is required that a revision be submitted to include this well in the San Juan 32-8 Unit Dakota 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 (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