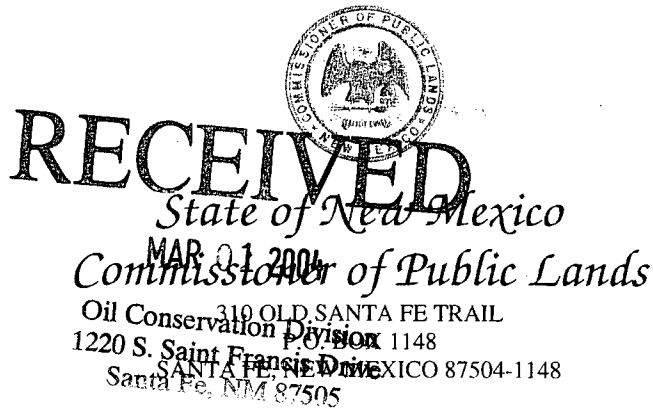


#420

PATRICK H. LYONS  
COMMISSIONER



COMMISSIONER'S OFFICE

Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

February 27, 2004

ConocoPhillips  
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 32-7 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  
COMMISSIONER OF PUBLIC LANDS

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

PL/JB/cpm  
xc: Reader File

OCD

BLM



Skip Fraker, Land Analyst  
Mid-America Land Department  
Three Westlake Park - 3WL 5051  
P.O. Box 2197  
Houston, Texas 77252-2197

February 5, 2004

RECEIVED

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

FEB 17 2004

OIL CONSERVATION  
DIVISION

Commissioner of Public Lands (2 copies)  
State of New Mexico  
PO Box 1148  
Santa Fe, NM 87504-1148

Oil Conservation Division (2 copies)  
State of New Mexico  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505-4000

RE: SAN JUAN 32-7 UNIT  
#14-08-001-441  
San Juan County, New Mexico  
2004 Plan of Development  
Contract C40463

Ladies and Gentlemen:

By letter dated November 26, 2002, Phillips Petroleum Company (Phillips) as Unit Operator filed the 2003 Plan of Development (POD) and indicated ten (10) wells were planned to be drilled, and by Letter dated March 7, ConocoPhillips filed the first amended POD, adding one (1) well and by Letter dated May 13, 2003 ConocoPhillips filed the second amend POD adding nine (9) wells. The 2003 status is shown below:

1. Attached is a unit production map.
2. The following wells were drilled in 2003.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-7 Unit #203A	E/2 Section 22-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #205A	W/2 Section 22-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #206A	E/2 Section 27-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #208A	E/2 Section 34-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #209A	E/2 Section 35-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #211A	W/2 Section 35-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #215A	W/2 Section 32-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #217A	NSP Section 4-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #218A	NSP Section 7-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #221A	E/2 Section 8-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #224A	W/2 Section 21-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #229A	N/2 Section 9-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #231A	W/2 Section 17-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #232A	W/2 Section 8-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #234A	E/2 Section 32-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #238A	E/2 Section 29-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #242A	N/2 Section 33-32N-7W	Fruitland Coal	Drill

The following wells were recompleted on in 2003:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
None			

2003 Summary-There was no drilling or recompletions activity. All of the new wells are infill wells. The #208 well was drilled as drillblock basis and the remaining wells were drilled as participating area wells. There were no approved expansions in the San Juan 32-7 Participating Areas. All downhole commingle, dualled and recompletion operations were conducted in accordance with existing regulatory parameters.

The Participating Areas which have been established in the 32-7 Unit are:

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Twentieth	12/1/98
Pictured Cliffs	Twelfth	10/1/01
Mesaverde	Twenty-Third	1/1/82
Dakota	Third	5/1/81

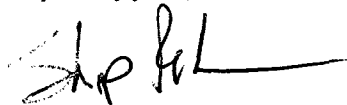
Pursuant to Section 10 of the San Juan 32-7 Unit Agreement, Phillips, as Unit Operator, hereby submits the following wells for the 2004 POD:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-7 Unit #204A	E/2 Section 36-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #207A	W/2 Section 27-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #210A	W/2 Section 36-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #214A	W/2 Section 34-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #216A	NSP Section 4-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #219A	NSP Section 5-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #222A	E/2 Section 20-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #230A	E/2 Section 17-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #233A	W/2 Section 20-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #236A	W/2 Section 28-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #237A	E/2 Section 28-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #241A	E/2 Section 21-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #245A	E/2 Section 17-32N-7W	Fruitland Coal	Drill

The San Juan 32-7 Unit working interest owners have been contacted with respect to this POD and are being provided with a copy of this letter. Phillips, 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,



Skip Fraker  
Coalbed Methane Asset Team  
(832) 486-2392  
(832) 486-3291 Fax

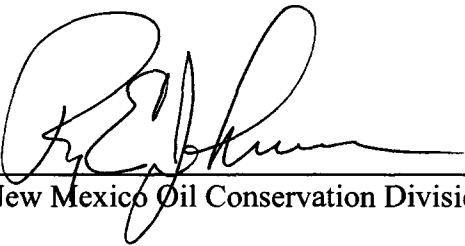
**SAN JUAN 32-7 UNIT #14-08-001-441  
2004 INITIAL PLAN OF DEVELOPMENT**

\_\_\_\_\_  
Bureau of Land Management

\_\_\_\_\_  
Date

\_\_\_\_\_  
New Mexico Commissioner of Public Lands

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
New Mexico Oil Conservation Division

2/23/04  
\_\_\_\_\_  
Date

**San Juan 32-7 Unit Owners**

ConocoPhillips Company

Williams Production Company  
One Williams Center  
PO Box 3202, MS 37-5  
Tulsa, OK 74101

Energen Resources Corp  
2198 Bloomfield Hwy  
Farmington, NM, 87401

San Juan Basin Partnership  
Co: en Vantage, Inc  
1415 North Loop West, Ste 1180  
Houston, TX 77008



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](http://www.nmstatelands.org)

December 19, 2003

ConocoPhillips Company  
P.O. Box 2197  
Houston, Texas 77252-2197

Attn: Mr. Skip Fraker

Re: 2003 Plan of Development  
1<sup>st</sup> Amendment  
San Juan 32-7 Unit  
San Juan County, New Mexico

**RECEIVED**

DEC 31 2003

Oil Conservation Division  
1220 S. St. 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*  
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

PL/JB/cpm

xc: Reader File

OCD

BLM



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

December 19, 2003

ConocoPhillips Company  
P.O. Box 2197  
Houston, Texas 77252-2197

Attn: Mr. Skip Fraker

Re: 2003 Plan of Development  
2nd Amendment  
San Juan 32-7 Unit  
San Juan County, New Mexico

**RECEIVED**

DEC 31 2003

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

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.

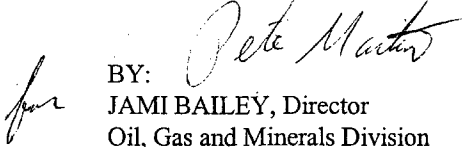
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Very truly yours,

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

OCD

BLM