



#446

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

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www.nmstatelands.org

RECEIVED

January 30, 2004

FEB 04 2004

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

OIL CONSERVATION
DIVISION

Attention: Mr. Skip Fraker

Re: San Juan 32-8 Unit
San Juan County, NM
Fruitland Participating Area
Twenty-Sixth Expansion – Effective 9/1/2001
Twenty-Seventh Expansion – Effective 10/1/2001

Dear Mr. Fraker:

We are in receipt of your letter of November 18, 2002 together with your application for approval of the Twenty-Sixth and Twenty-Seventh expansions to the Fruitland participating area for the San Juan 32-8 Unit, San Juan County, New Mexico.

The Bureau of Land Management approved the above referenced expansions by their letter of August 7, 2003.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced Fruitland participating area expansions.

Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

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/pm

pc: Reader File,
~~QCD-Attention: Mr. Roy Johnson~~
BLM-Farmington Attn: Mr. Wayne Townsend
TRD-Attention: Mr. Valdean Severson
RMD-Attention: Ms. Linda Vieira



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

January 8, 2004

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
2004 PLAN OF DEVELOPMENT-CORRECTED
Contract C40464

Gentlemen:

By letter dated November 18, 2002, Phillips Petroleum Company (Phillips) as Unit Operator filed the 2003 Plan of Development (POD). The POD indicated fourteen (14) wells were planned for 2003, by letter dated May 13, 2003 filed the First Amended Plan of Development adding six (6) wells, by letter dated July 23, 2003 filed the Second Amended Plan of Development adding seven (7) wells and by letter dated November 20, 2003 filed the Third Amended Plan of Development added two (2) wells. The 2003 status is shown below.

Attached are maps for each participating area.
The following wells were drilled in 2002.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
San Juan 32-8 Unit #202A	W/2 Sec 27-32N-8W	Fruitland Coal
San Juan 32-8 Unit #203A	E/2 Sec 33-32N-8W	Fruitland Coal
San Juan 32-8 Unit #204A	W/2 Sec 34-32N-8W	Fruitland Coal
San Juan 32-8 Unit #205A	E/2 Sec 34-32N-8W	Fruitland Coal
San Juan 32-8 Unit #208A	S/2 Sec 29-32N-8W	Fruitland Coal
San Juan 32-8 Unit #218A	E/2 Sec 35-32N-8W	Fruitland Coal
San Juan 32-8 Unit #219A	W/2 Sec 35-32N-8W	Fruitland Coal
San Juan 32-8 Unit #229A	W/2 Sec 20-32N-8W	Fruitland Coal
San Juan 32-8 Unit #230A	E/2 Sec 28-32N-8W	Fruitland Coal
San Juan 32-8 Unit #231A	W/2 Sec 28-32N-8W	Fruitland Coal
San Juan 32-8 Unit #232A	N/2 Sec 29-32N-8W	Fruitland Coal
San Juan 32-8 Unit #243A	W/2 Sec 11-31N-8W	Fruitland Coal
San Juan 32-8 Unit #248A	E/2 Sec 11-31N-8W	Fruitland Coal
San Juan 32-8 Unit #249A	E/2 Sec 3-31N-8W	Fruitland Coal
San Juan 32-8 Unit #250A	W/2 Sec 33-32N-8W	Fruitland Coal
San Juan 32-8 Unit #253A	E/2 Sec 27-32N-8W	Fruitland Coal
San Juan 32-8 Unit #255A	E/2 Sec 24-32N-8W	Fruitland Coal
San Juan 32-8 Unit #256A	E/2 Sec 25-32N-8W	Fruitland Coal
San Juan 32-8 Unit #259A	E/2 Sec 22-32N-8W	Fruitland Coal

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

2003 Summary- The #255A and 259A Fruitland Coal wells were drilled on a drillblock basis within the Unit Boundaries. The remaining wells were drilled as infill wells located within in the current Fruitland Coal participating area.

The Participating Areas which have been established in the San Juan 32-8 Unit are:

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Twenty-seventh	10/1/01
Pictured Cliffs	First	1/1/83
Mesaverde	Nineteenth	7/1/83
Dakota	Initial	2/10/82

Pursuant to Sec 10 of the San Juan 32-8 Unit Agreement, Phillips, as Unit Operator hereby submits the following wells for the 2004 POD:

<u>Well Name</u>	<u>Location</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 #220A	W/2 Sec 24-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #221A	W/2 Sec 9-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #222A	E/2 Sec 9-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #223A	W/2 Sec 10-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #224A	E/2 Sec 10-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #225A	W/2 Sec 15-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #226A	E/2 Sec 15-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #227A	W/2 Sec 16-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #228A	E/2 Sec 16-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #233A	E/2 Sec 30-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #234A	W/2 Sec 21-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #235A	E/2 Sec 21-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #236A	E/2 Sec 22-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #237A	E/2 Sec 23-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #238A	W/2 Sec 23-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #239A	W/2 Sec 30-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #240A	W/2 Sec 3-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #241A	E/2 Sec 4-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #242A	W/2 Sec 4-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #244A	E/2 Sec 14-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #245A	W/2 Sec 14-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #247A	W/2 Sec 19-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #257A	E/2 Sec 19-32N-8W	Fruitland Coal	Drill

The San Juan 32-8 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 Sec 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
ConocoPhillips
San Juan CBM Team
(832) 486-2392

**SAN JUAN 32-8 UNIT #14-08-001-446
2004 INITIAL PLAN OF DEVELOPMENT**

Bureau of Land Management

Date

New Mexico
Commissioner of Public Lands

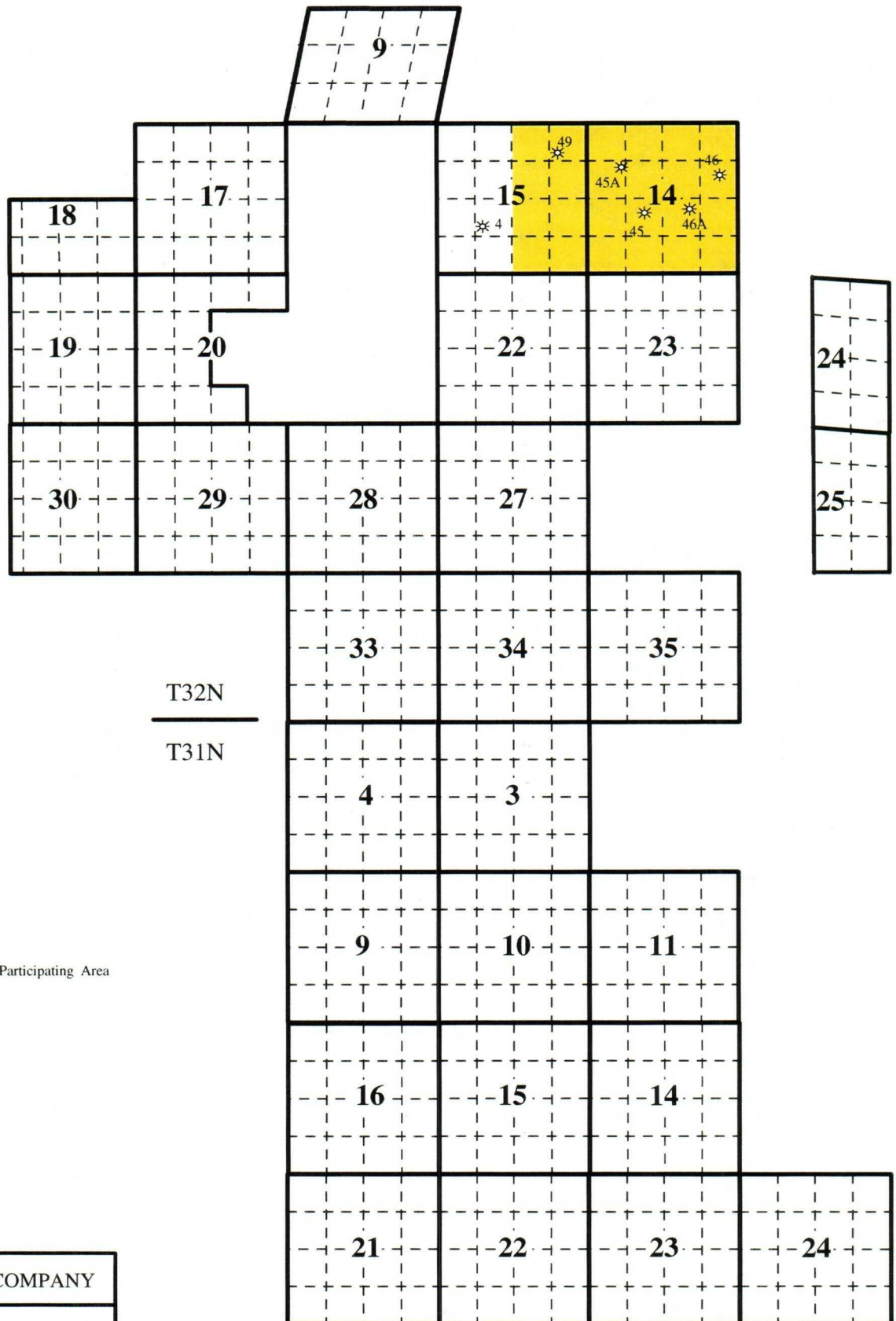
Date

New Mexico
Oil Conservation Division

Date

1/23/04

T 32 N, R 8 W



Pictured Cliffs Well



First Pictured Cliffs Participating Area

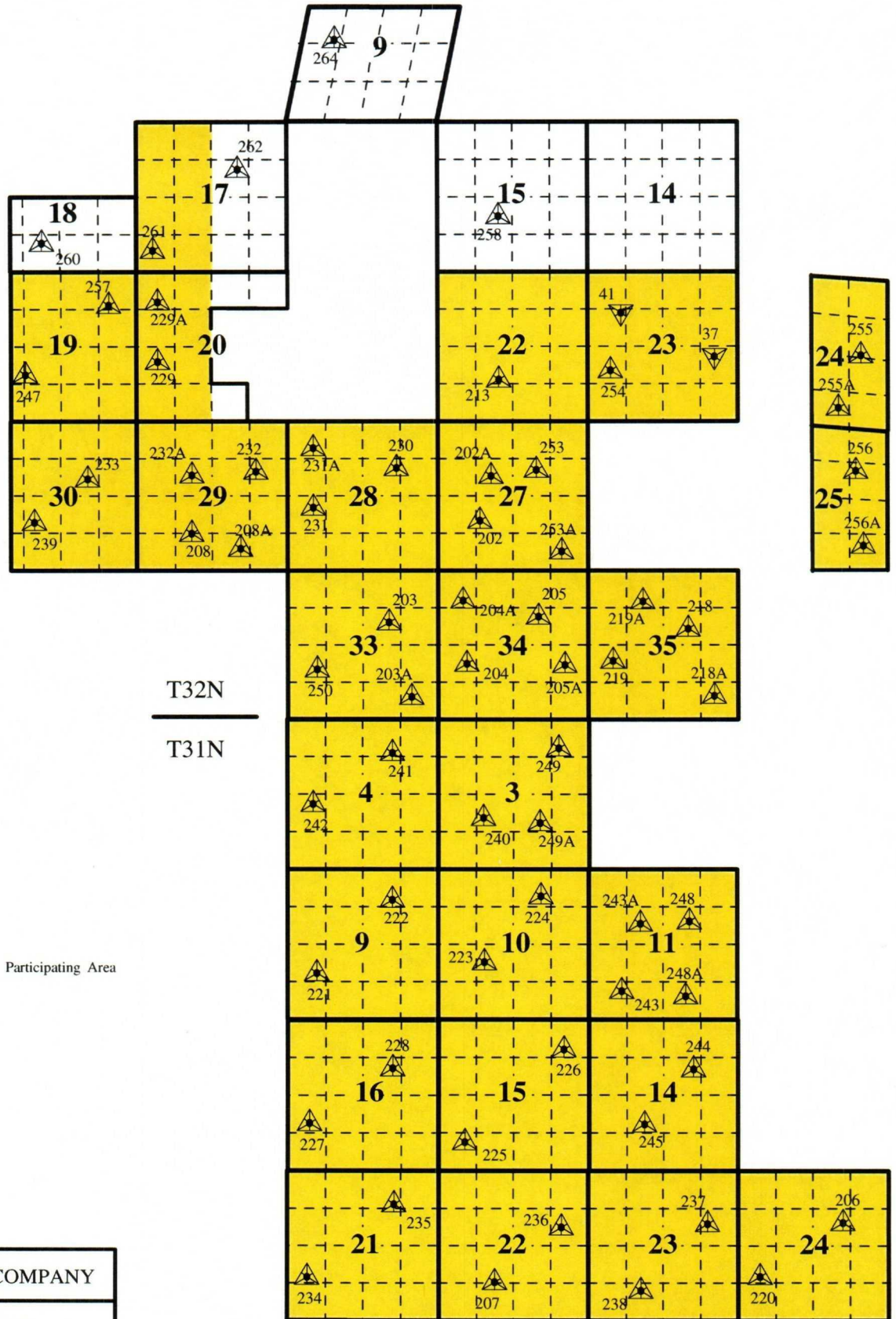
PHILLIP PETROLEUM COMPANY

SAN JUAN 32-8 UNIT
Pictured Cliffs Wells

SAN JUAN COUNTY, NEW MEXICO

R - 8 - W

T 32 N, R 8 W



PHILLIP PETROLEUM COMPANY

SAN JUAN 32-8 UNIT
FRUITLAND COAL
SAN JUAN COUNTY, NEW MEXICO

T 32 N, R 8 W



⊗ Mesaverde Well

19TH Mesaverde Participating Area

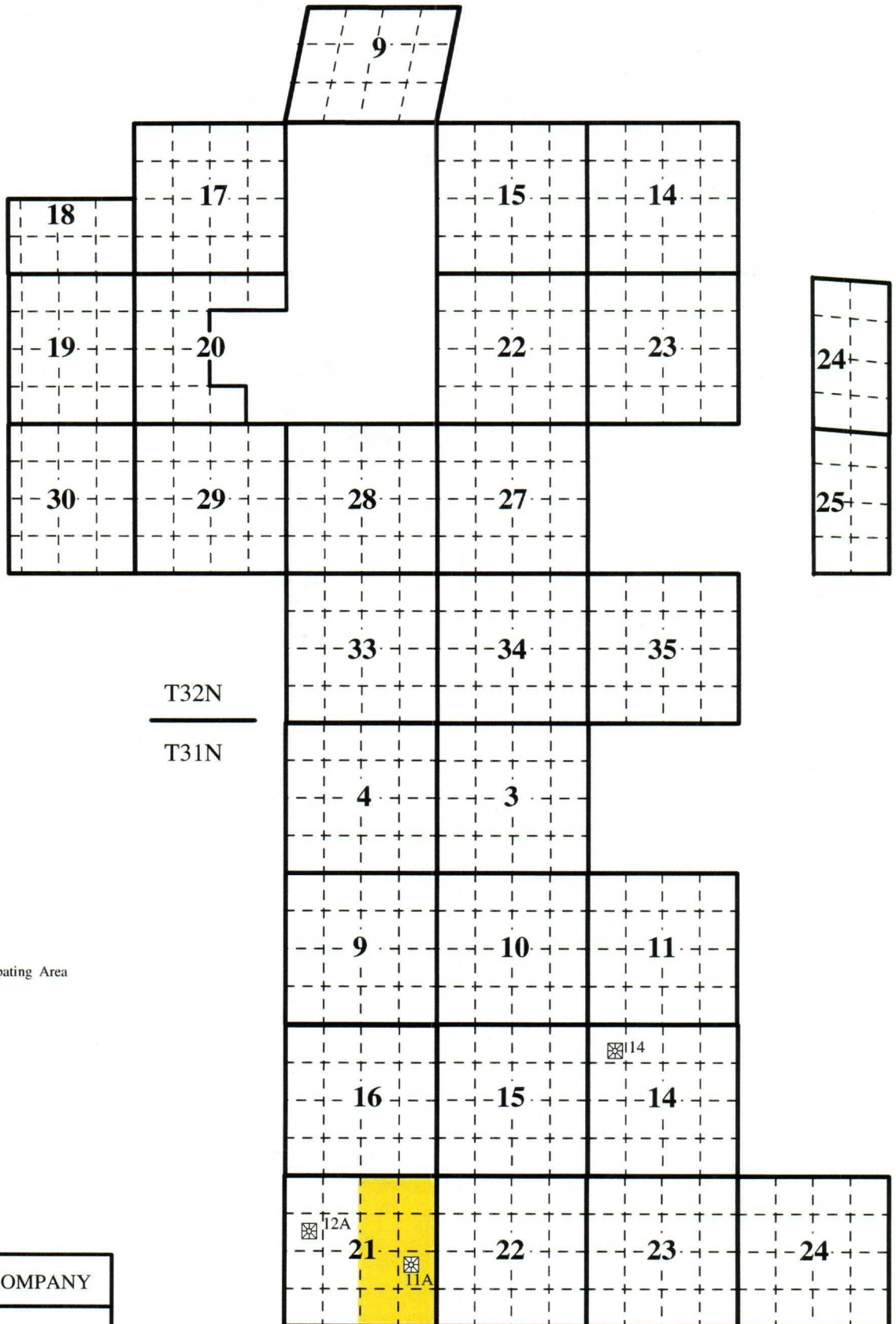
PHILLIP PETROLEUM COMPANY

SAN JUAN 32-8 UNIT
Mesaverde Wells

SAN JUAN COUNTY, NEW MEXICO

R - 8 - W

T 32 N, R 8 W



Dakota Well



Initial Dakota Participating Area

PHILLIP PETROLEUM COMPANY

SAN JUAN 32-8 UNIT
Dakota Wells

SAN JUAN COUNTY, NEW MEXICO



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OIL CONSERVATION
DIVISION

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

November 20, 2003

Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, NM 87401

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

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

RE: **SAN JUAN 32-8 UNIT**
#14-08-001-446
SAN JUAN COUNTY, NEW MEXICO
THIRD AMENDED 2003 PLAN OF DEVELOPMENT
Contract C40464

Ladies and Gentlemen:

By letter dated November 18, 2002 Philips Petroleum Company (Phillips), as Unit Operator, filed the 2003 Initial Plan of Development (POD) and by letter dated May 13, 2003 filed the 2003 First Amended Plan of Development and by letter dated July 23, 2003 filed the 2003 Second Amended Plan of Development.

It is now proposed that the POD be amended to include the addition of two (2) wells to be drilled, which were not included in the Initial POD.

The proposed wells to be drilled are as follows:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
<u>Operation</u>		
San Juan 32-8 Unit #232A	E/2 Sec 29-32N-8W	Fruitland Coal Drill
San Juan 32-8 Unit #249A	E/2 Sec 3-31N-8W	Fruitland Coal Drill

These wells are located within the Fruitland Coal Participating Area and the ownership is reflected by the latest expansion ownership.

Phillips Petroleum Company, as Unit Operator, will drill any wells that may be required to prevent drainage and any others wells deemed necessary or requested by the Unit Working Interest Owners under the terms and provisions of the Unit Operating Agreement.

Please confirm your approval of this First Amendment to the POD by executing in the appropriate space and returning one (1) copy of this letter to the attention of the undersigned.

Respectfully yours,

Skip Fraker, Land Analyst
ConocoPhillips
San Juan CBM Team
(832) 486-2392
(832) 486-3291 Fax

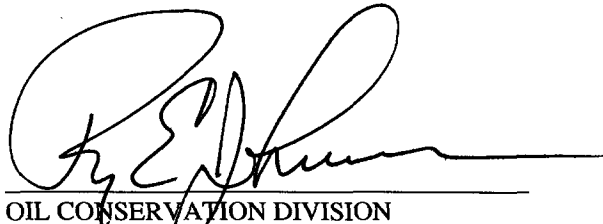
SAN JUAN 32-8 UNIT #14-08-001-446
THIRD AMENDED 2003 PLAN OF DEVELOPMENT

BUREAU OF LAND MANAGEMENT

DATE

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

DATE



OIL CONSERVATION DIVISION
STATE OF NEW MEXICO

12/5/03

DATE