



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

October 3, 2002

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

Commissioner of Public Lands
State of New Mexico
Attn: Mr. Ray Powell
PO Box 1148
Santa Fe, NM 87504-1148

Oil Conservation Division
State of New Mexico
Attn: Ms. Lori Wrotenberry
1220 Saint Francis Drive
Santa Fe, NM 87505-4000

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
COMMERCIALITY DETERMINATION
SAN JUAN 29-6 UNIT #94M
W/2 SECTION 16, T29N, R6W
RIO ARRIBA COUNTY, NEW MEXICO
C40453

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-6 Unit Agreement, #14-08-001-439, Phillips Petroleum Company (Phillips) has determined that the San Juan 29-6 Unit #94M well is capable of producing unitized substances in paying quantities from the Dakota formation. Phillips requests confirmation of this paying well determination. A summary of production and economic data is enclosed for the well.

Upon receipt of approval from the Bureau of Land Management and concurring responses from the New Mexico Commissioner of Public Lands and New Mexico Oil Conservation Division, the formal Participating Area schedules will be prepared and submitted.

Copies of this submittal and enclosures are being sent to the New Mexico Commissioner of Public Lands, the New Mexico Oil Conservation Divisions and all owners on the attached listing. Please contact the undersigned, should you have any questions.

Respectfully yours,

Skip Fraker
San Juan Area – Land Department
(505)599-3428

**SAN JUAN 29-6 UNIT
DAKOTA PARTICIPATING AREA OWNERS
& DAKOTA DRILL BLOCK OWNERS**

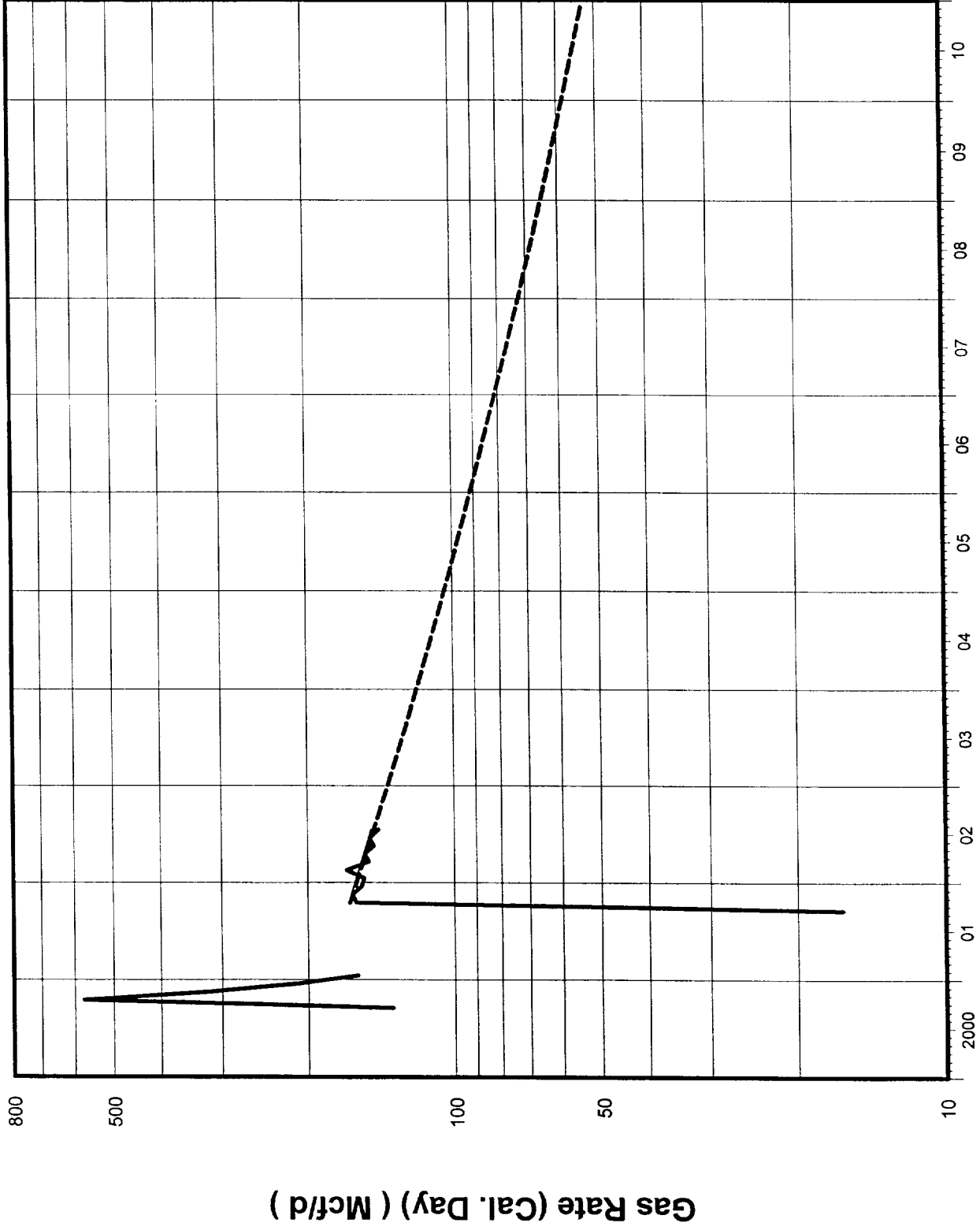
BURLINGTON RESOURCES OIL & GAS, INC.
CONOCO, INC.
CHARLES GAY
VEVA JEAN GIBBARD
LORRAYN GAY HACKER
BETTY T JOHNSTON MARITAL TRUST
EULA MAY JOHNSTON ESTATE
V A JOHNSTON FAMILY TRUST
MAYDELL MILLER MAST TRUST
CARL McELVAIN ESTATE
PINTAIL PRODUCTION COMPANY
J & M RAYMOND, LTD
SABLE ENERGY, LTD
T H McELVAIN OIL & GAS LIMITED PARTNERSHIP
VAUGHAN-McELVAIN ENERGY, INC.
WISER OIL COMPANY

Cum. Gas Production : 122.8 MMcf

BASIN - DAKOTA

000094M SAN JUAN 29-6 UNIT #94M

Cum. Oil Production : 0.0 Mbbl



Phase : Gas
Case Name : RMS2003
b : 0.4
Di : 0.013 M.n.
qi : 165 Mcf/d
ti : 09/30/2001
te : 11/30/2034
Econ. Limit : 10 Mcf/d
Final Rate : 10 Mcf/d
Cum. Prod. : 76.132 MMcf
Cum. Date : 09/30/2001
Reserves : 524.433 MMcf
EUR : 600.565 MMcf
Forecast Limit: Economic
Forecast Date : 07/05/2002

Gas Rate (Cal. Day) (Mcf/d)

SAN JUAN 29-b # 94VI LN 0000244

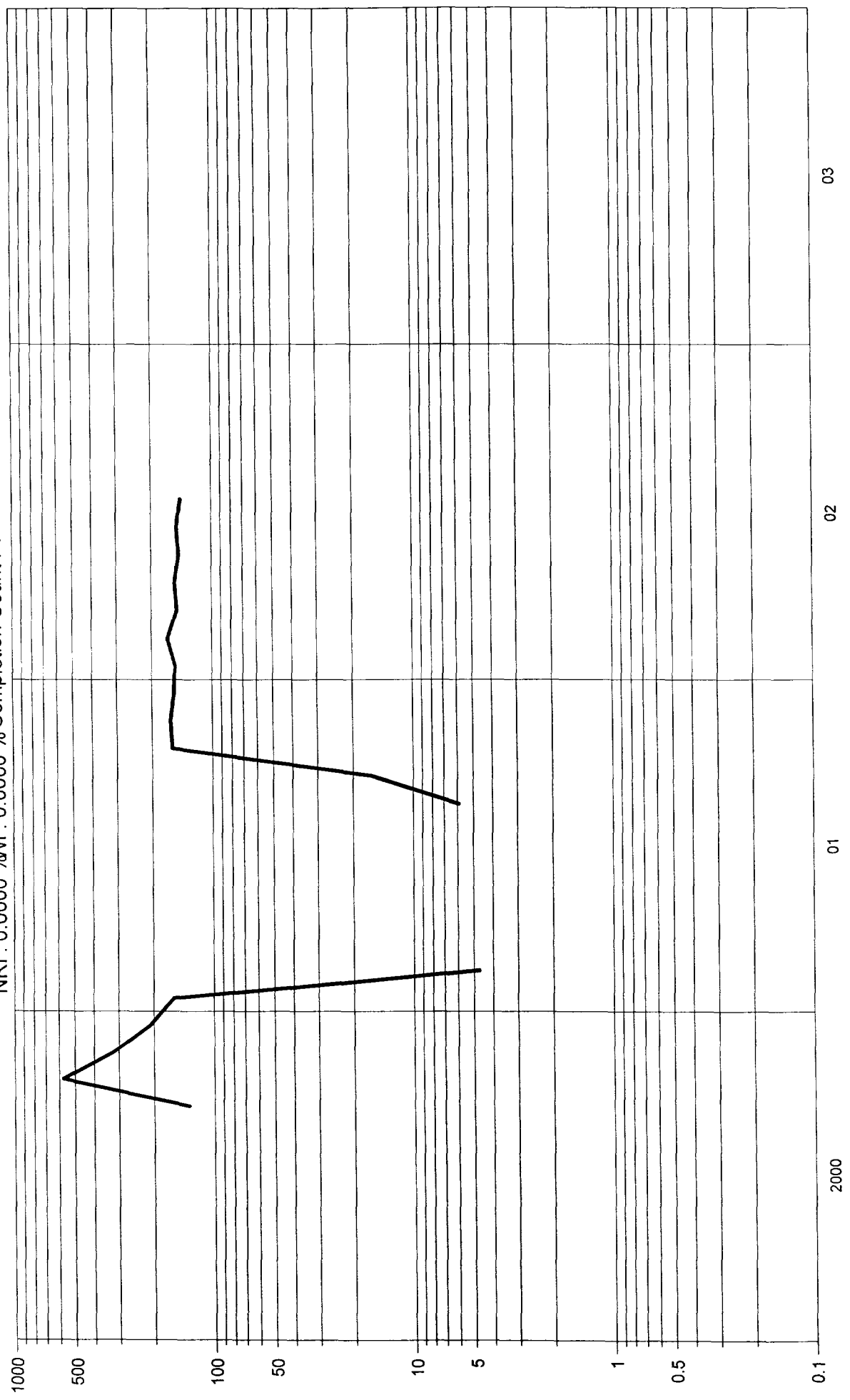
Cum. Gas Production : 122.8 MMcf
Cum. Oil Production : 0.0 Mbbl

API - 3003926339 Last Prod Date: 2002-0

WILLIAMS G G-6

94M(2)

NRI : 0.0000 %VI : 0.0000 % Completion Count : 1



03

02

01

2000



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

RECEIVED

OCT 29 2002

OIL CONSERVATION
DIVISION

October 25, 2002

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
Attn: Mr. Ray Powell
PO Box 1148
Santa Fe, NM 87504-1148

Oil Conservation Division (2 copies)
State of New Mexico
Attn: Ms. Lori Wrotenberry
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
FIFTH EXPANSION - EFFECTIVE 1-1-01
RIO ARRIBA COUNTY, NEW MEXICO
C40453, LCN 650109

Ladies and Gentlemen:

Pursuant to Section 11(a) of the San Juan 29-6 Unit Agreement #14-08-001-439, approved September 9, 1952, Phillips Petroleum Company, as Unit Operator, determined on the dates indicated below that the wells listed below were capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation. Therefore, this application for the Fifth Expansion of the Participating Area established for the Pictured Cliffs Formation is respectfully submitted for your approval as follows:

Fifth Expanded Participating Area
Effective January 1, 2001

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well No.</u>
E/2, Section 32, T29N, R6W	320.00	25
W/2, Section 23, T29N, R6W	320.00	76

The San Juan 29-6 Unit #25 was recompleted from the Mesaverde Formation into the Pictured Cliffs Formation on December 9, 2000 with cumulative gas production of 22,611 mcf through April 30, 2002. The drillblock unit for this well is described as the E/2 of Section 32-29N-6W, Rio Arriba County, New Mexico.

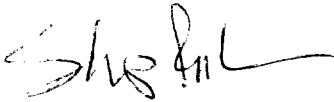
The San Juan 29-6 Unit #76 was recompleted from the Dakota Formation into the Pictured Cliffs Formation on December 14, 2000 with cumulative gas production of 28,975 mcf through March 31, 2002. The drillblock unit for this well is described as the W/2 of Section 23-29N-6W, Rio Arriba County, New Mexico.

These wells were deemed commercial per letter dated August 30, 2002, from the Bureau of Land Management.

Enclosed herewith is Schedule VI for the Fifth Expanded Participating Area for the Pictured Cliffs Formation. This schedule describes the participating area and indicates the percentage of unitized substances allocated to the unit tracts according to the Pictured Cliffs Formation ownership of such tracts. Also included is a map reflection the existing Participating Area and the Proposed Fifth Expansion of the San Juan 29-6 Unit Pictured Cliffs Formation Participating Area.

Unless this application is disapproved or contested, the Fifth Expanded Participating Area is effective as of January 1, 2001. Copies of this application are being provided to the Unit Working Interest Owners.

Respectfully your,

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

Skip Fraker
Southwestern Region-Land Dept.
(505) 599-3428

The signatory approvals below are for the Fifth Expanded Participating Area of the Pictured Cliffs Formation in the San Juan 29-6 Unit #14-08-001-439.

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

**SAN JUAN 29-6 UNIT
PICTURED CLIFFS
PARTICIPATING AREA OWNERS**

PHILLIPS PETROLEUM COMPANY
BURLINGTON RESOURCES OIL & GAS COMPANY
VASTAR RESOURCES, INC.
WILLIAMS PRODUCTION COMPANY

**SAN JUAN 29-6 UNIT #25
PICTURED CLIFFS
DRILLBLOCK OWNERS**

PHILLIPS PETROLEUM COMPANY
WILLIAMS PRODUCTION COMPANY
WISER OIL COMPANY

**SAN JUAN 29-6 UNIT #76
PICTURED CLIFFS
DRILLBLOCK OWNERS**

PHILLIPS PETROLEUM COMPANY
WILLIAMS PRODUCTION COMPANY

SCHEDULE VI

FIFTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

DRILLING BLOCK

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
USA NM-012698	<u>Township 29 North, Range 6 West</u> Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)	550.54	Royalty: Working Interest: Phillip Petroleum Company Williams Production Company Overriding Royalty Interest	12.500000	12.500000	25.600082
<u>Tract 1</u>						
USA SF-078284	<u>Township 29 North, Range 6 West</u> Section 23: W/2	320.00	Royalty: Working Interest: Phillip Petroleum Company Williams Production Company Overriding Royalty Interest	12.500000	12.500000	14.879984
<u>Tract 3</u>						
USA SF-078426	<u>Township 29 North, Range 6 West</u> Section 31: NW/4, NE/4, N/2SE/4	400.00	Royalty: Working Interest: Burlington Resources Oil & Gas Co. Vastar Resources, Inc. Overriding Royalty Interest	12.500000	12.500000	18.599979
<u>Tract 5</u>						

SCHEDULE VI
 FIFTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
 SAN JUAN 29-6 UNIT

USA NM-03040A	<u>Township 29 North, Range 6 West</u> Section 31: SW/4, S/2SE/4	240.00	Royalty: Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	12.500000 67.650000 14.850000 5.000000 100.000000	12.500000 67.650000 14.850000 5.000000 100.000000	11.159988
				<u>Tract 14A</u>		
STATE OF NM E-289-3	<u>Township 29 North, Range 6 West</u> Section 32: NE/4	160.00	Royalty: Working Interest: Wiser Oil Company Overriding Royalty Interest	12.500000 87.500000 0.000000 100.000000	12.500000 87.500000 0.000000 100.000000	7.439992
				<u>Tract 17</u>		
STATE OF NM E-289-52	<u>Township 29 North, Range 6 West</u> Section 32: E/2NW/4, SW/4, SE/4	400.00	Royalty: Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	12.500000 71.750000 15.750000 0.000000 100.000000	12.500000 71.750000 15.750000 0.000000 100.000000	18.599979
				<u>Tract 17C</u>		

SCHEDULE VI
 FIFTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
 SAN JUAN 29-6 UNIT

		<u>Tract 17D</u>				
STATE OF NM E-289-50	<u>Township 29 North, Range 6 West</u>	80.00	Royalty:	12.500000	12.500000	3.719996
	Section 32: W/2NW/4		Working Interest:			
			Phillip Petroleum Company	67.650000	67.650000	
			William Production Company	14.850000	14.850000	
			Overriding Royalty Interest	<u>5.000000</u>	<u>5.000000</u>	
				100.000000	100.000000	

Effective January 1, 2001















SCHEDULE VI
FIFTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
SAN JUAN 29-6 UNIT

RECAPITULATION

TOWNSHIP 29 NORTH, RANGE 6 WEST

SECTION 1:	ALL
SECTION 23:	W/2
SECTION 31:	ALL
SECTION 32:	ALL

<u>Total Number of acres to Participating Area</u>	2150.54
<u>Total Number of acres committed to Participating Area</u>	2150.54

6	5	4	3	2	1   
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23  	24
30	29	28	27	26	25
    31	  32	   33	34	35	36

 EXISTING PICTURED CLIFFS PARTICIPATING AREA
(INCLUDING THE 4th EXPANSION, WAITING APPROVAL)

 5th EXPANSION - PICTURED CLIFFS
PARTICIPATING AREA Effective 1-1-2001

PHILLIPS PETROLEUM COMPANY

SAN JUAN 29-6 UNIT
Rio Arriba County, New Mexico

October 25, 2002



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

July 25, 2002

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

Commissioner of Public Lands
State of New Mexico
Attn: Mr. Ray Powell
PO Box 1148
Santa Fe, NM 87504-1148

Oil Conservation Division
State of New Mexico
Attn: Ms. Lori Wrotenberry
1220 Saint Francis Drive
Santa Fe, NM 87505-4000

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
COMMERCIALITY DETERMINATION
SAN JUAN 29-6 UNIT #25
E/2 SECTION 32, T29N, R6W
SAN JUAN 29-6 UNIT #76
W/2 SECTION 23, T29N, R6W
RIO ARRIBA COUNTY, NEW MEXICO
C40453

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-6 Unit Agreement, #14-08-001-439, Phillips Petroleum Company (Phillips) has determined that the San Juan 29-6 Unit #25 and 76 well are capable of producing unitized substances in paying quantities from the Pictured Cliffs formation. Phillips requests confirmation of these paying well determinations. A summary of production and economic data is enclosed for the well.

Upon receipt of approval from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and Oil Conservation Division, the formal Participating Area schedules will be prepared and submitted.

Copies of this submittal and enclosures are being sent to all owners on the attached listing. Please contact the undersigned, should you have any questions.

Respectfully yours,

Skip Fraker
San Juan Area – Land Department
(505)599-3428

**SAN JUAN 29-6 UNIT
PICTURED CLIFFS PARTICIPATING AREA OWNERS
& PICTURED CLIFFS DRILL BLOCK OWNERS**

PHILLIPS PETROLEUM COMPANY
WILLIAMS PRODUCTION COMPANY
WISER OIL COMPANY

Phillips Petroleum Company

Commerciality Determination

**San Juan 29-6 Unit #25
Pictured Cliffs
NE/4 Section 32, 29N-6W
Rio Arriba Co., NM**

This well was recompleted in the Pictured Cliffs in December 2000 by Phillips Petroleum Company.

Actual costs for this well were used in this determination.

Average operating expenses for year 2001 & 1st Qtr 2002 for this well were used in this determination.

Average gas price for this well from 4/01 to 12/01, with transportation costs removed was used in this determination.

Recommend that this well be determined commercial.

Actual Production

Month	Production
Dec-00	4,410 MCF
Jan-01	2,211 MCF
Feb-01	2,273 MCF
Mar-01	1,976 MCF
Apr-01	448 MCF
May-01	304 MCF
Jun-01	1,775 MCF
Jul-01	359 MCF
Aug-01	1,011 MCF
Sep-01	1,000 MCF
Oct-01	998 MCF
Nov-01	988 MCF
Dec-01	986 MCF
Jan-02	979 MCF
Feb-02	960 MCF
Mar-02	966 MCF
Apr-02	957 MCF

Phillips Petroleum Company
Commerciality Determination

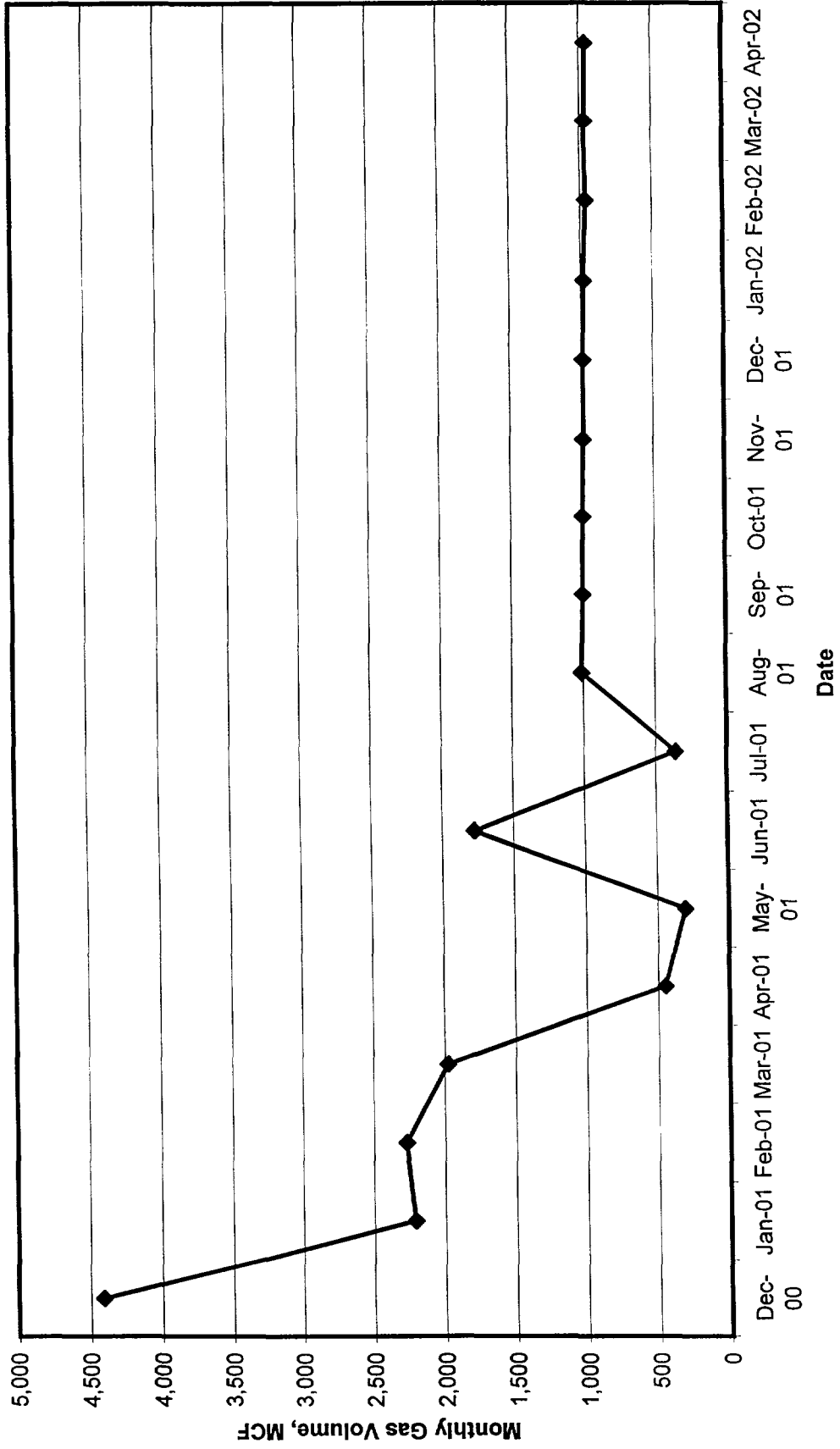
San Juan 29-6 Unit #25
Pictured Cliffs
NE/4 Section 32, 29N-6W
Rio Arriba Co., NM

Date of First Delivery:	<u>12/11/00</u>
Total Well Costs:	<u>\$162,608</u>
2001 Avg. Gas Price (\$/mcf):	<u>\$3.02</u>
BLM Royalty:	<u>12.5%</u>
Production Taxes:	<u>9.14%</u>

**Estimated Gross Annual Production
and Operating Expenses**

Period	Year	Gas MCF	Operating Expense, \$
1	2000	4,410	360
2	2001	14,329	4,320
3	2002	11,750	4,320
4	2003	11,190	4,320
5	2004	10,690	4,320
6	2005	10,170	4,320
7	2006	9,710	4,320
8	2007	9,280	4,320
9	2008	8,900	4,320
10	2009	8,490	4,320
11	2010	8,130	4,320
12	2011	7,800	4,320
13	2012	7,500	4,320
14	2013	7,180	4,320
15	2014	6,900	4,320
16	2015	6,630	4,320
17	2016	6,390	4,320
18	2017	6,130	4,320
19	2018	5,900	4,320
20	2019	5,690	4,320
Remaining		59,238	
	Total	<u>226,407</u>	

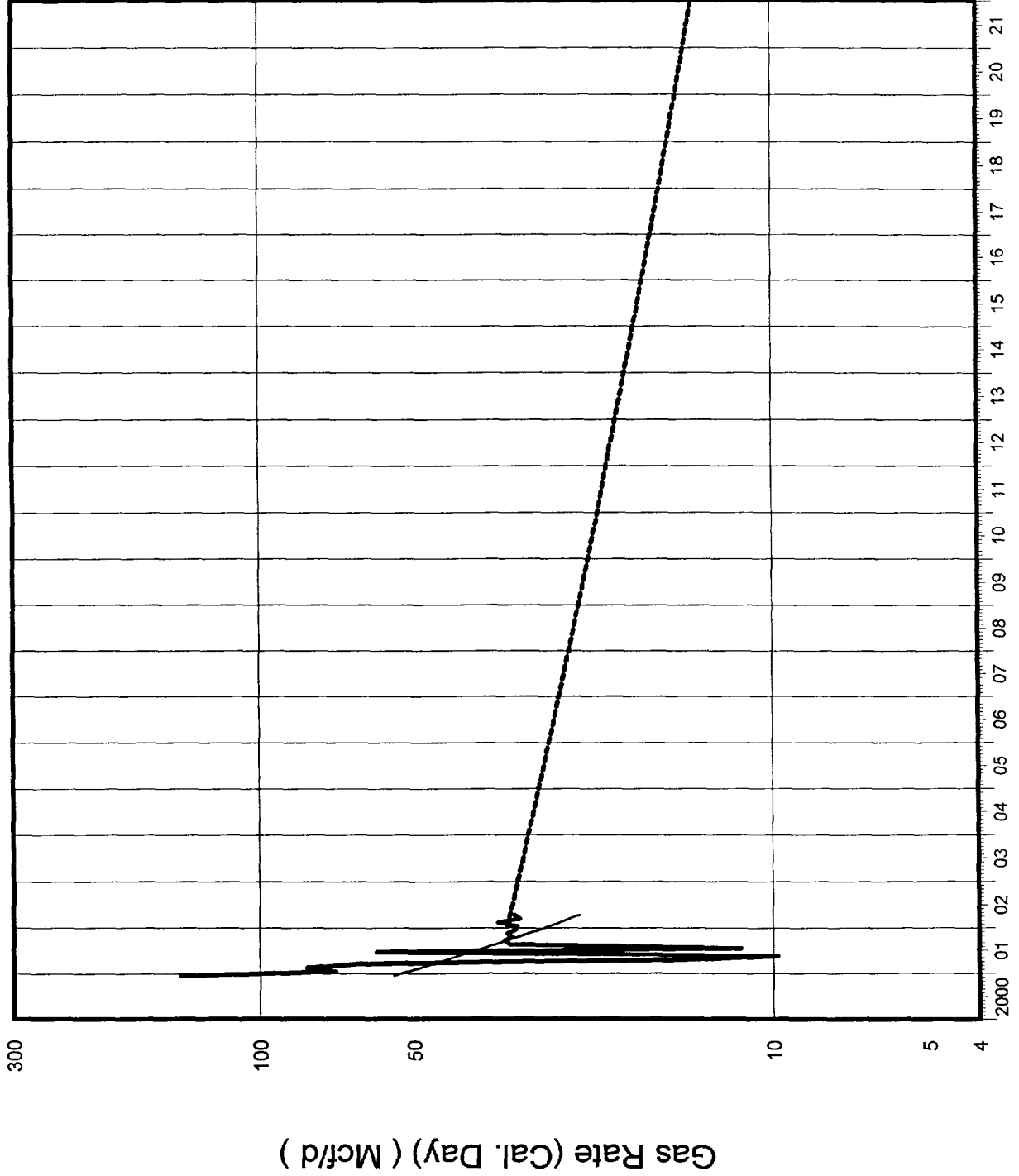
San Juan 29-6 Unit #25
Pictured Cliffs
NE/4, Sec. 32, T29N, R6W



3003907500(2)

Cum. Gas Production : 24.6 MMcf

Cum. Oil Production : 0.0 Mbbl



Phase : Gas
Case Name : RMS2002
b : 0.4
Di : 0.05 A.n.
qi : 33 Mcf/d
ti : 12/31/2001
te : 07/31/2032
Econ. Limit : 10 Mcf/d
Final Rate : 10 Mcf/d
Cum. Prod. : 20.715 MMcf
Cum. Date : 12/31/2001
Reserves : 205.692 MMcf
EUR : 226.407 MMcf
Forecast Limit : Economic
Forecast Date : 07/10/2002

Phillips Petroleum Company

Commerciality Determination

**San Juan 29-6 Unit #76
Pictured Cliffs
SW/4 Section 23, 29N-6W
Rio Arriba Co., NM**

This well was recompleted in the Pictured Cliffs in December 2000 by Phillips Petroleum Company.

Actual costs for this well were used in this determination.

Average operating expenses for year 2001 & 1st Qtr 2002 for this well were used in this determination.

Year 2001 gas price for this well, with transportation costs removed was used in this determination.

Recommend that this well be determined commercial.

Actual Production

Month	Production
Jan-01	3,687 MCF
Feb-01	4,670 MCF
Mar-01	2,880 MCF
Apr-01	2,267 MCF
May-01	1,964 MCF
Jun-01	1,742 MCF
Jul-01	1,276 MCF
Aug-01	1,473 MCF
Sep-01	1,192 MCF
Oct-01	1,576 MCF
Nov-01	1,342 MCF
Dec-01	1,432 MCF
Jan-02	1,263 MCF
Feb-02	1,051 MCF
Mar-02	1,160 MCF

Phillips Petroleum Company
Commerciality Determination

San Juan 29-6 Unit #76
Pictured Cliffs
SW/4 Section 23, 29N-6W
Rio Arriba Co., NM

Date of First Delivery: 01/16/01

Total Well Costs: \$160,229

2001 Avg. Gas Price (\$/mcf): \$3.31

BLM Royalty: 12.5%

Production Taxes: 9.14%

**Estimated Gross Annual Production
and Operating Expenses**

Period	Year	Gas MCF	Condensate BBLs	Operating Expense, \$
1	2001	25,501	26.1	3,900
2	2002	12,604	17.3	3,900
3	2003	10,030	11.3	3,900
4	2004	8,680	9.8	3,900
5	2005	7,750	8.7	3,900
6	2006	7,100	8.0	3,900
7	2007	6,590	7.4	3,900
8	2008	6,220	7.0	3,900
9	2009	5,880	6.6	3,900
10	2010	5,600	6.3	3,900
11	2011	5,350	6.0	3,900
12	2012	5,160	5.8	3,900
13	2013	4,970	5.6	3,900
14	2014	4,800	5.4	3,900
15	2015	4,640	5.2	3,900
16	2016	4,530	5.1	3,900
17	2017	4,390	4.9	3,900
18	2018	4,280	4.8	3,900
19	2019	4,180	4.7	3,900
20	2020	4,110	4.6	3,900
Remaining		19,240	21.7	
	Total	<u>161,605</u>	<u>182.3</u>	

30039075570000(2)

SAN JUAN 29 6 UNIT - 76

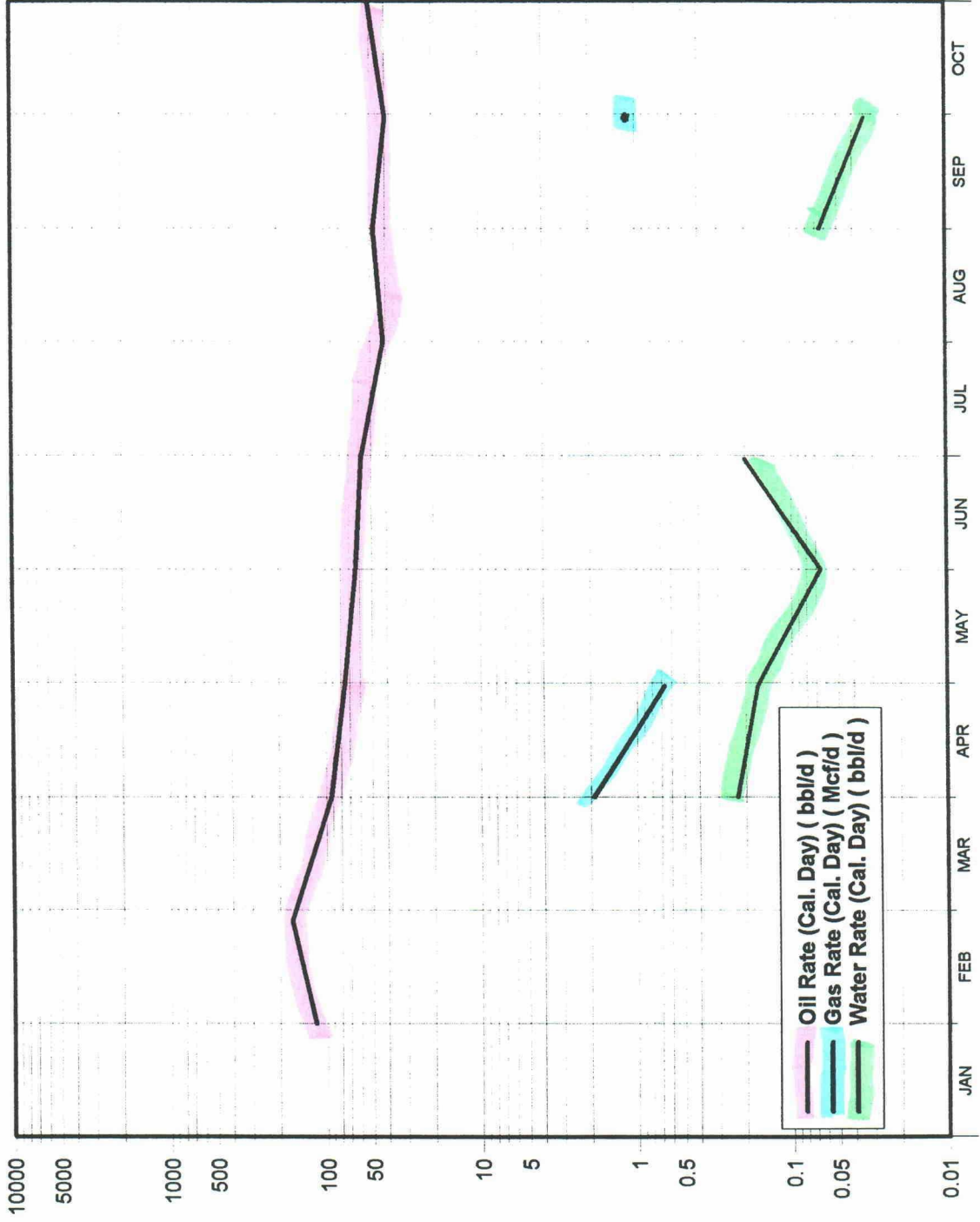
API - 30039075570000

BLANCO SOUTH - PICTURED CLIFFS

PHILLIPS PETROLEUM COMPANY

Cum. Gas Production : 22.7 MMcf

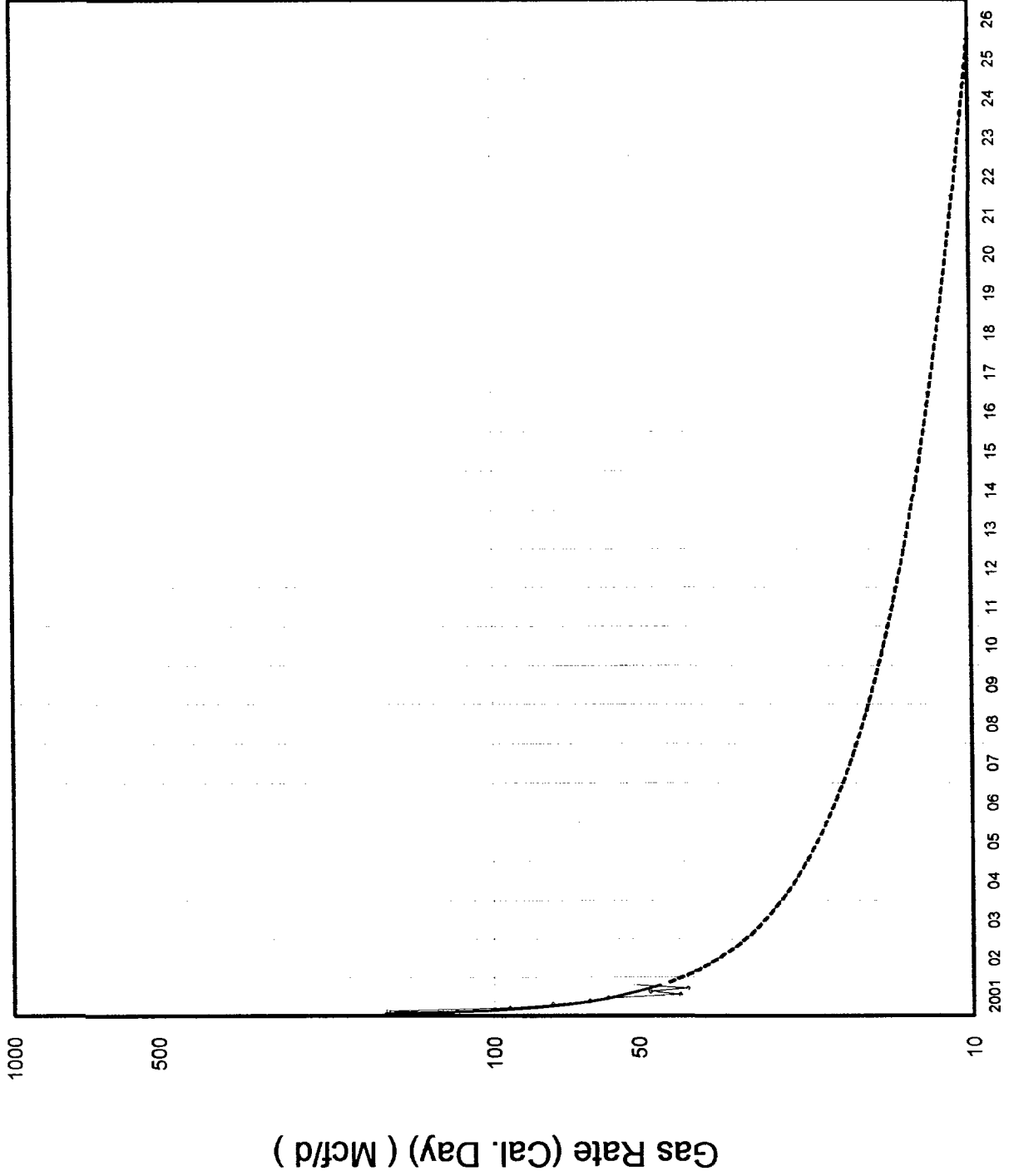
Cum. Oil Production : 0.0 Mbbl



30039075570000(2)
SAN JUAN 29 6 UNIT - 76
API - 30039075570000

BLANCO SOUTH - PICTURED CLIFFS
PHILLIPS PETROLEUM COMPANY

Cum. Gas Production : 22.7 MMcf
Cum. Oil Production : 0.0 Mbbl



Phase	: Gas
Case Name	: Case1
b	: 2.3
Di	: 0.523944 A.n.
qi	: 44.1848 Mcf/d
ti	: 10/31/2001
te	: 04/30/2026
Econ. Limit	: 10 Mcf/d
Final Rate	: 10 Mcf/d
Cum. Prod.	: 22.724 MMcf
Cum. Date	: 10/31/2001
Reserves	: 140.257 MMcf
EUR	: 162.981 MMcf
Forecast Limit	: Economic
Forecast Date	:



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

July 25, 2002

Bureau of Land Management
Farmington Resource Area
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RE: SAN JUAN 29-6 UNIT
#14-08-001-439
COMMERCIALITY DETERMINATION
SAN JUAN 29-6 UNIT #25
E/2 SECTION 32, T29N, R6W
SAN JUAN 29-6 UNIT #76
W/2 SECTION 23, T29N, R6W
RIO ARRIBA COUNTY, NEW MEXICO
C40453

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-6 Unit Agreement, #14-08-001-439, Phillips Petroleum Company (Phillips) has determined that the San Juan 29-6 Unit #25 and 76 well are capable of producing unitized substances in paying quantities from the Pictured Cliffs formation. Phillips requests confirmation of these paying well determinations. A summary of production and economic data is enclosed for the well.

Upon receipt of approval from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and Oil Conservation Division, the formal Participating Area schedules will be prepared and submitted.

Copies of this submittal and enclosures are being sent to all owners on the attached listing. Please contact the undersigned, should you have any questions.

Respectfully yours,

Skip Fraker
San Juan Area – Land Department
(505)599-3428

**SAN JUAN 29-6 UNIT
PICTURED CLIFFS PARTICIPATING AREA OWNERS
& PICTURED CLIFFS DRILL BLOCK OWNERS**

PHILLIPS PETROLEUM COMPANY
WILLIAMS PRODUCTION COMPANY
WISER OIL COMPANY

Phillips Petroleum Company

Commerciality Determination

San Juan 29-6 Unit #25
Pictured Cliffs
NE/4 Section 32, 29N-6W
Rio Arriba Co., NM

This well was recompleted in the Pictured Cliffs in December 2000 by Phillips Petroleum Company.

Actual costs for this well were used in this determination.

Average operating expenses for year 2001 & 1st Qtr 2002 for this well were used in this determination.

Average gas price for this well from 4/01 to 12/01, with transportation costs removed was used in this determination.

Recommend that this well be determined commercial.

Actual Production

Month	Production
Dec-00	4,410 MCF
Jan-01	2,211 MCF
Feb-01	2,273 MCF
Mar-01	1,976 MCF
Apr-01	448 MCF
May-01	304 MCF
Jun-01	1,775 MCF
Jul-01	359 MCF
Aug-01	1,011 MCF
Sep-01	1,000 MCF
Oct-01	998 MCF
Nov-01	988 MCF
Dec-01	986 MCF
Jan-02	979 MCF
Feb-02	960 MCF
Mar-02	966 MCF
Apr-02	957 MCF

Phillips Petroleum Company
Commerciality Determination

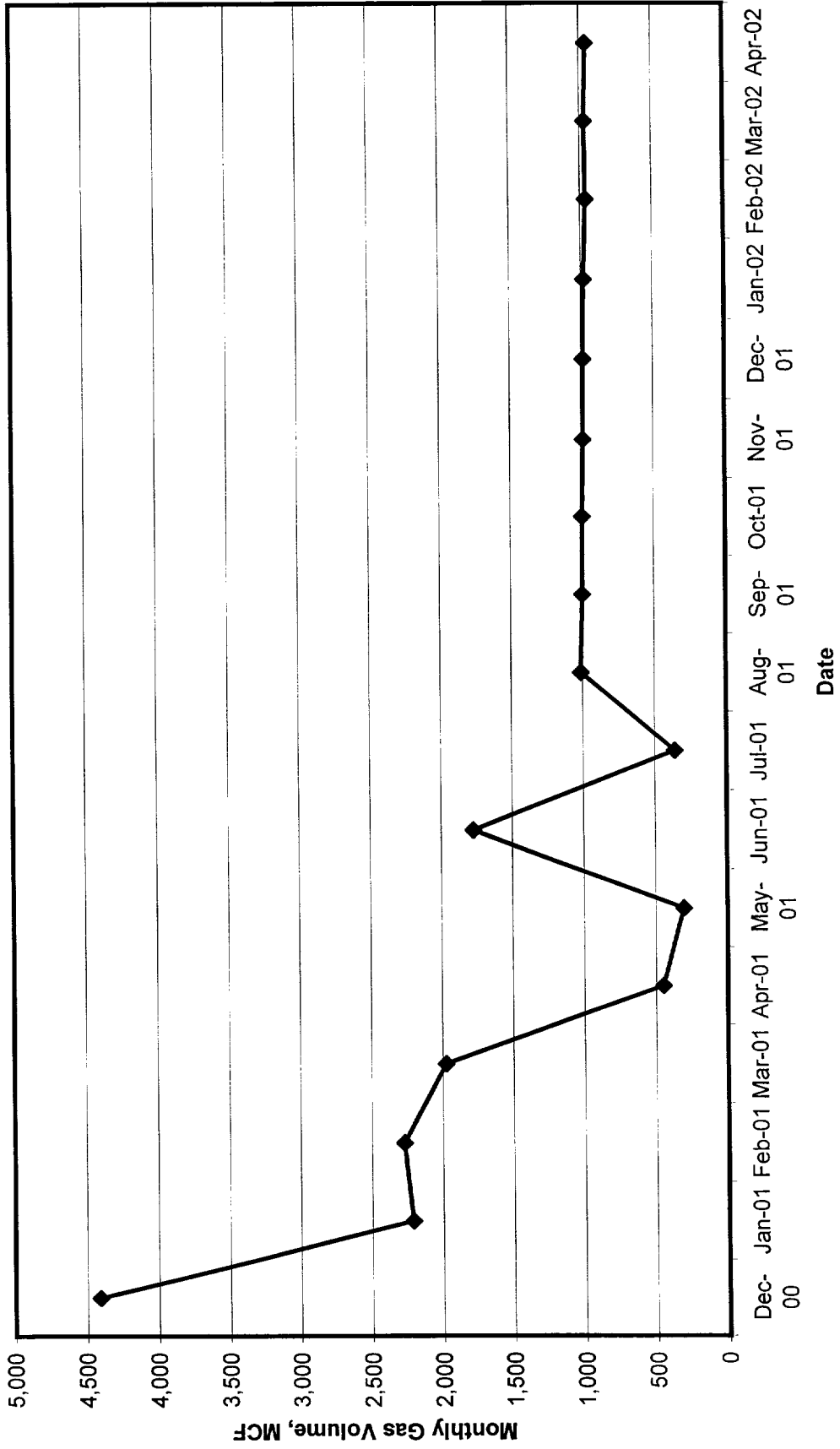
San Juan 29-6 Unit #25
Pictured Cliffs
NE/4 Section 32, 29N-6W
Rio Arriba Co., NM

Date of First Delivery:	<u>12/11/00</u>
Total Well Costs:	<u>\$162,608</u>
2001 Avg. Gas Price (\$/mcf):	<u>\$3.02</u>
BLM Royalty:	<u>12.5%</u>
Production Taxes:	<u>9.14%</u>

**Estimated Gross Annual Production
and Operating Expenses**

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	2000	4,410	360
2	2001	14,329	4,320
3	2002	11,750	4,320
4	2003	11,190	4,320
5	2004	10,690	4,320
6	2005	10,170	4,320
7	2006	9,710	4,320
8	2007	9,280	4,320
9	2008	8,900	4,320
10	2009	8,490	4,320
11	2010	8,130	4,320
12	2011	7,800	4,320
13	2012	7,500	4,320
14	2013	7,180	4,320
15	2014	6,900	4,320
16	2015	6,630	4,320
17	2016	6,390	4,320
18	2017	6,130	4,320
19	2018	5,900	4,320
20	2019	5,690	4,320
Remaining		59,238	
	Total	<u>226,407</u>	

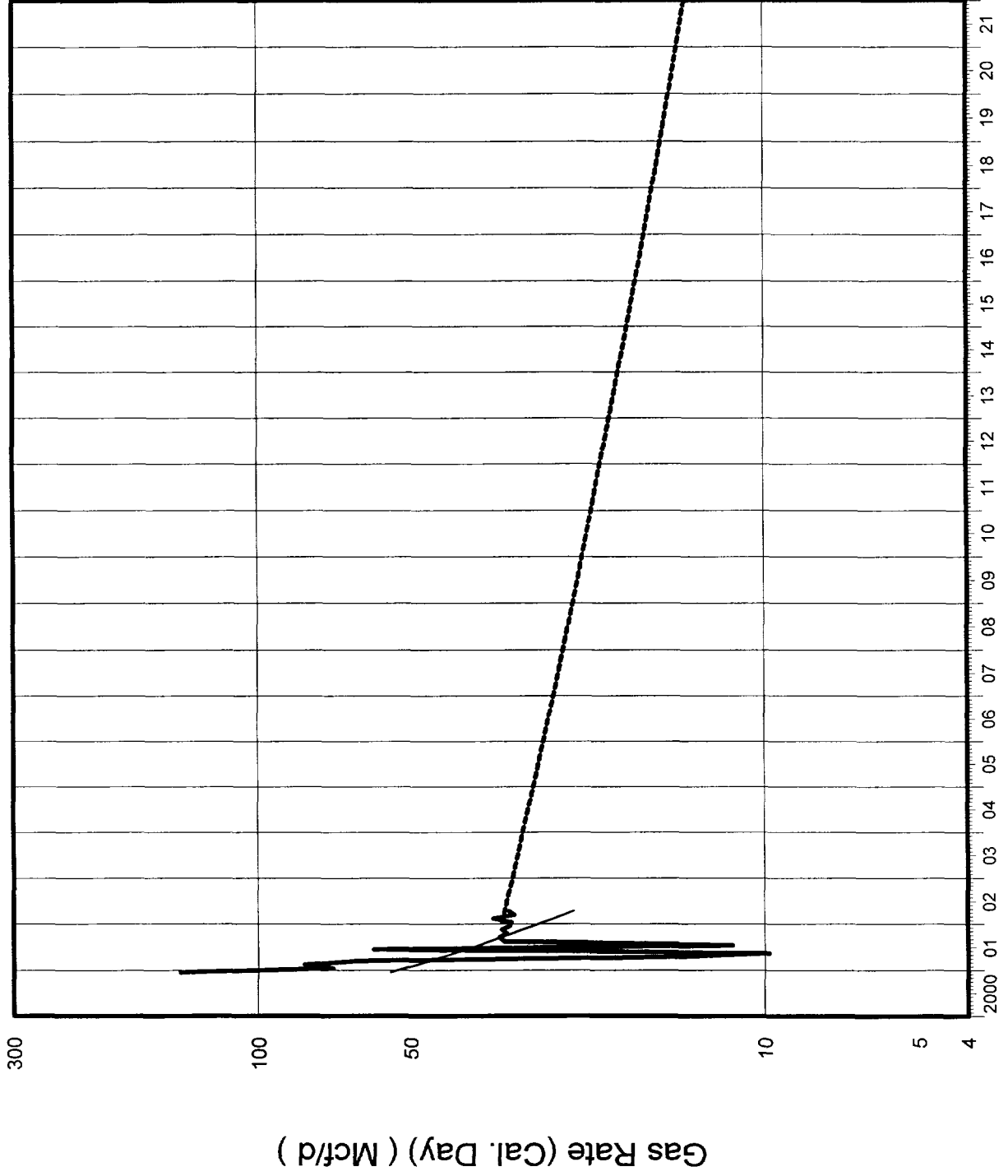
San Juan 29-6 Unit #25
Pictured Cliffs
NE/4, Sec. 32, T29N, R6W



3003907500(2)

Cum. Gas Production : 24.6 MMcf

Cum. Oil Production : 0.0 Mbbl



Phase	: Gas
Case Name	: RMS2002
b	: 0.4
Di	: 0.05 A.n.
qi	: 33 Mcf/d
ti	: 12/31/2001
te	: 07/31/2032
Econ. Limit	: 10 Mcf/d
Final Rate	: 10 Mcf/d
Cum. Prod.	: 20.715 MMcf
Cum. Date	: 12/31/2001
Reserves	: 205.692 MMcf
EUR	: 226.407 MMcf
Forecast Limit	: Economic
Forecast Date	: 07/10/2002

Phillips Petroleum Company

Commerciality Determination

San Juan 29-6 Unit #76

Pictured Cliffs

SW/4 Section 23, 29N-6W

Rio Arriba Co., NM

This well was recompleted in the Pictured Cliffs in December 2000 by Phillips Petroleum Company.

Actual costs for this well were used in this determination.

Average operating expenses for year 2001 & 1st Qtr 2002 for this well were used in this determination.

Year 2001 gas price for this well, with transportation costs removed was used in this determination.

Recommend that this well be determined commercial.

Actual Production

Month	Production
Jan-01	3,687 MCF
Feb-01	4,670 MCF
Mar-01	2,880 MCF
Apr-01	2,267 MCF
May-01	1,964 MCF
Jun-01	1,742 MCF
Jul-01	1,276 MCF
Aug-01	1,473 MCF
Sep-01	1,192 MCF
Oct-01	1,576 MCF
Nov-01	1,342 MCF
Dec-01	1,432 MCF
Jan-02	1,263 MCF
Feb-02	1,051 MCF
Mar-02	1,160 MCF

30039075570000(2)

SAN JUAN 29 6 UNIT - 76

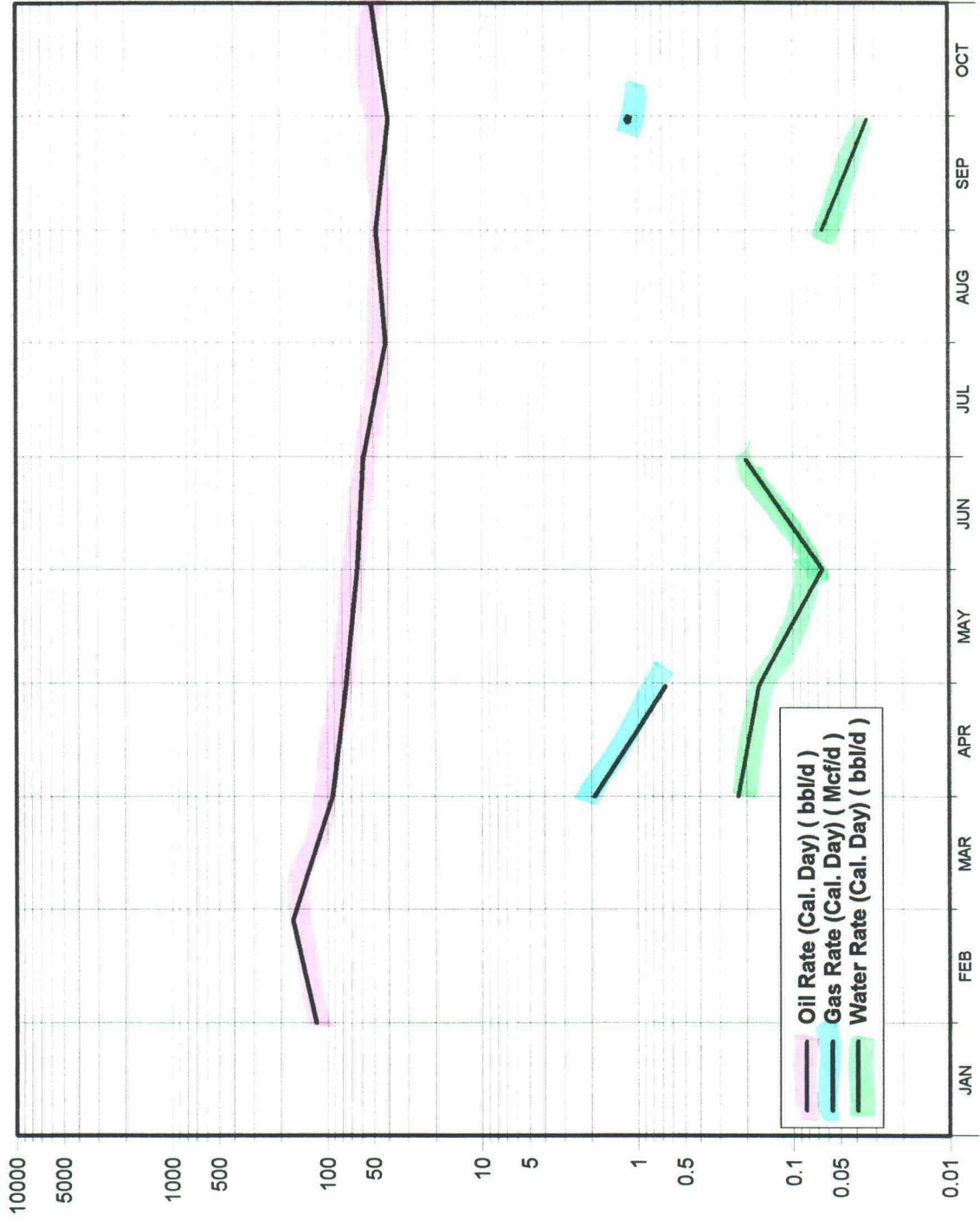
API - 30039075570000

BLANCO SOUTH - PICTURED CLIFFS

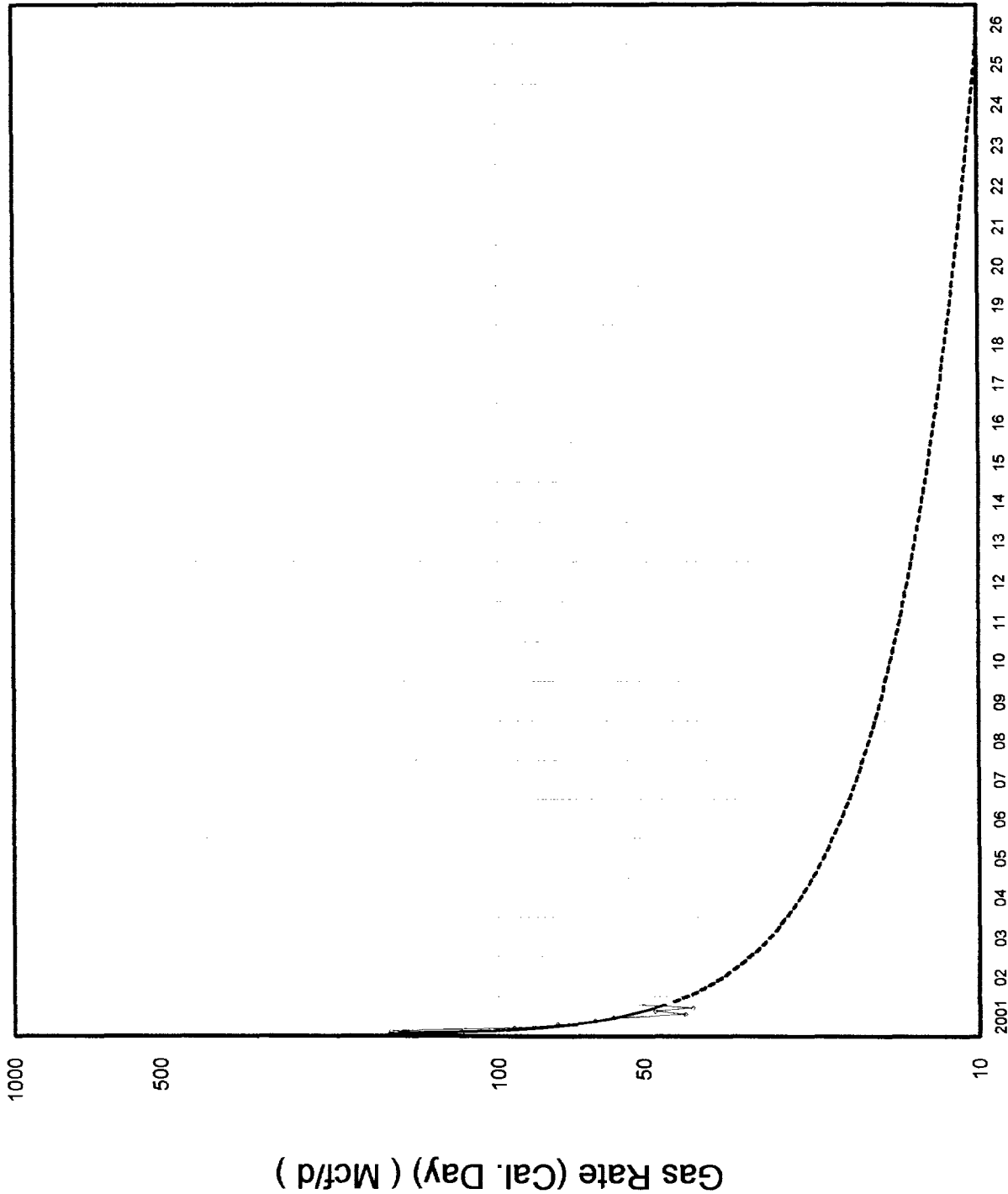
PHILLIPS PETROLEUM COMPANY

Cum. Gas Production : 22.7 MMcf

Cum. Oil Production : 0.0 Mbbl



30039075570000(2) BLANCO SOUTH - PICTURED CLIFFS Cum. Gas Production : 22.7 MMcf
 SAN JUAN 29 6 UNIT - 76 PHILLIPS PETROLEUM COMPANY Cum. Oil Production : 0.0 Mbbl
 API - 30039075570000



Phase	: Gas
Case Name	: Case1
b	: 2.3
Di	: 0.523944 A.n.
qi	: 44.1848 Mcf/d
ti	: 10/31/2001
te	: 04/30/2026
Econ. Limit	: 10 Mcf/d
Final Rate	: 10 Mcf/d
Cum. Prod.	: 22.724 MMcf
Cum. Date	: 10/31/2001
Reserves	: 140.257 MMcf
EUR	: 162.981 MMcf
Forecast Limit	: Economic
Forecast Date	:

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

February 25, 2003

Phillips Petroleum Company
5525 Hwy. 64 NBU 3004
Farmington, NM 87401

Attention: Mr. Skip Fraker

Re: San Juan 29-6 Unit
Commercial Determination
Dakota Formation
San Juan 29-6 Unit Well No. 94M, W/2 Sec. 16-29N-6W
Rio Arriba County, New Mexico

Dear Mr. Fraker:

We are in receipt of your letter of October 3, 2002 and a copy of the Bureau of Land Management's letter of November 6, 2002 regarding the referenced commercial determination for the San Juan 29-6 Unit Well No. 94M.


We concur with the Bureau of Land Management's determination that the San Juan 29-6 Unit Well No. 94M is a commercial well in the Dakota formation and should be included in the Dakota participating area.

Please submit an application for the appropriate expansion of the Dakota participating area to this office for approval.

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
BLM-Farmington Attn: Mr. Wayne Townsend
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson
RMD-Linda Vieira

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

February 24, 2003

Phillips Petroleum Company
5525 Hwy. 64 NBU 3004
Farmington, NM 87401

Attention: Mr. Skip Fraker

Re: San Juan 29-6 Unit
Commercial Determination
Dakota Formation
San Juan 29-6 Unit Well No. 105R, W/2 Sec. 28-29N-6W
Rio Arriba County, New Mexico

Dear Mr. Fraker:

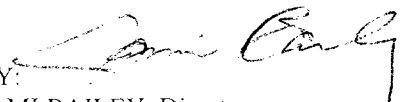
We are in receipt of your letter of July 25, 2002 and a copy of the Bureau of Land Management's letter of August 20, 2002 regarding the referenced commercial determination for the San Juan 29-6 Unit Well No. 105R.

We concur with the Bureau of Land Management that the San Juan 29-6 Unit Well No. 105R is a non-commercial well in the Dakota formation and should be produced on a lease basis.

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
BLM-Farmington Attn: Mr. Wayne Townsend
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson
RMD-Linda Vieira



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

January 16, 2003

Phillips Petroleum Company
5525 Hwy. 64 NBU 3004
Farmington, NM 87401

Attention: Mr. Skip Fraker

Re: San Juan 29-6 Unit
Commercial Determinations
Pictured Cliffs Formation
San Juan 29-6 Unit Well No. 25, E/2 Sec. 32-29N-6W
San Juan 29-6 Unit Well No. 76, W/2 Sec. 23-29N-6W
Rio Arriba County, New Mexico

Dear Mr. Fraker:

We are in receipt of your letter of July 25, 2002 and a copy of the Bureau of Land Management's letter of August 30, 2002 regarding the referenced commercial determinations for the San Juan 29-6 Unit Well Nos. 25 and 76.

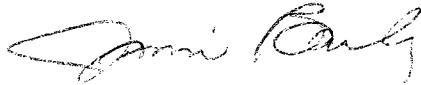
We concur with the Bureau of Land Management that the San Juan 29-6 Unit Well Nos. 25 and 76 are commercial wells in the Pictured Cliffs formation and should be included in the Pictured Cliffs participating area.

Please submit an application for the appropriate expansion of the Pictured Cliffs participating area to this office for approval.

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
BLM-Farmington Attn: Mr. Wayne Townsend
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson
RMD-Linda Vieira



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

September 15, 2000

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

RECEIVED
SEP 19 2000
CONSERVATION DIVISION

Oil Conservation Division (2 copies)
State of New Mexico
Attn: Ms. Lori Wrotenberry
2040 South Pacheco
Santa Fe, NM 87505

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
SECOND EXPANSION - EFFECTIVE 8-1-99
THIRD EXPANSION - EFFECTIVE 9-1-99

Rio Arriba County, NEW MEXICO
C40453, LCN 650109

Ladies and Gentlemen:

Phillips Petroleum applied for approval of the 2nd and 3rd expansions in March and in expectation of approval of these expansions I sent the 4th expansion in for approval in June, however, due to delays in approving the 2nd and 3rd expansions, the BLM had all of the approval requests in hand. As a result, the BLM has requested that I combine the 3rd and 4th expansions. It appears this would be prudent to do. Therefore, enclosed is the amended expansions, eliminating the 4th expansion.

All interests and lands have remained the same.

Should you have further clarification please feel free to contact me.

Respectfully yours,

Skip Fraker
Southwestern Region-Land Dept.
(505) 599-3428



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

April 11, 2000

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
Attn: Mr. Ray Powell
PO Box 1148
Santa Fe, NM 87504-1148

Oil Conservation Division (2 copies)
State of New Mexico
Attn: Ms. Lori Wrotenberry
2040 South Pacheco
Santa Fe, NM 87505

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
SECOND EXPANSION - EFFECTIVE 8-1-99
THIRD EXPANSION - EFFECTIVE 9-1-99
RIO ARRIBA COUNTY, NEW MEXICO
C40453, LCN 650109

Ladies and Gentlemen:

Pursuant to Section 11(a) of the San Juan 29-6 Unit Agreement #14-08-001-439, approved September 9, 1952, Phillips Petroleum Company, as Unit Operator, determined on the dates indicated below that the wells listed below were capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation. Therefore, this application for the Second and Third Expansions of the Participating Area established for the Pictured Cliffs Formation is respectfully submitted for your approval as follows:

Second Expanded Participating Area
Effective August 1, 1999

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well No.</u>
E/2, Section 31, T29N, R6W	320.00	53A

The San Juan 29-6 Unit #53A was recompleted from the Mesaverde Formation into the Pictured Cliffs Formation on October 3, 1999 with cumulative gas production of 70,207 mcf through January 31, 2000. The drillblock unit for this well is described as the E/2 of Section 31-29N-6W, Rio Arriba County, New Mexico.

This well was deemed commercial per letter dated March 20, 2000, from the Bureau of Land Management.

SAN JUAN 29-6 UNIT
SECOND EXPANSION - EFFECTIVE 8-1-99
THIRD EXPANSION - EFFECTIVE 9-1-9
Page 2

Third Expanded Participating Area
Effective September 1, 1999

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well No.</u>
W/2, Section 31, T29N, R6W	320.00	51A
W/2, Section 32, T29N, R6W	320.00	16

The San Juan 29-6 Unit #51A was recompleted from the Mesaverde Formation into the Pictured Cliffs Formation on October 23, 1999 with cumulative gas production of 28,149 mcf through January 31, 2000. The drillblock unit for this well is described as the W/2 of Section 31-29N-6W, Rio Arriba County, New Mexico.

This well was deemed commercial per letter dated March 20, 2000, from the Bureau of Land Management.

The San Juan 29-6 Unit #16 was recompleted from the Mesaverde Formation into the Pictured Cliffs Formation on December 1, 1999 with cumulative gas production of 33,396 mcf through March 31, 2000. The drillblock unit for this well is described as the W/2 of Section 32-29N-6W, Rio Arriba County, New Mexico.

This well was deemed commercial per letter dated June 1, 2000, from the Bureau of Land Management.

Enclosed herewith is Schedule III for the Second Expanded Participating Area and Schedule IV for the Third Expanded Participating Area for the Pictured Cliffs Formation. These schedules describe the participating area and indicates the percentage of unitized substances allocated to the unit tracts according to the Pictured Cliffs Formation ownership of such tracts. Also included is a map reflection the existing Participating Area and the Proposed Second and Third Expansions of the San Juan 29-6 Unit Pictured Cliffs Formation Participating Area.

Unless this application is disapproved or contested, the Second Expanded Participating Area is effective as of September 1, 1999 and the Third Expanded Participating Area is effective as of October 1, 1999. Copies of this application are being provided to the Unit Working Interest Owners.

Respectfully your,



Skip Fraker
Southwestern Region-Land Dept.
(505) 599-3428

SAN JUAN 29-6 UNIT
SECOND EXPANSION - EFFECTIVE 8-1-99
THIRD EXPANSION - EFFECTIVE 9-1-99
Page 3

The signatory approvals below are for the Second and Third Expanded Participating Areas of the Pictured Cliffs Formation in the San Juan 29-6 Unit #14-08-001-439.

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

cc: San Juan 29-6 Unit Owners
W. D. Japp (r) Supervisors
J. L. Mathis (r) C40453

SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

DRILLING BLOCK

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
USA NM-012698	<u>Township 29 North, Range 6 West</u>	550.54		12.500000	12.500000	63.241207
	Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)		Working Interest: Phillip Petroleum Company Williams Production Company Overriding Royalty Interest	68.470000 15.030000 4.000000 100.000000	68.470000 15.030000 4.000000 100.000000	
			<u>Tract 1</u>			
USA SF-078426	<u>Township 29 North, Range 6 West</u>	240.00		12.500000	12.500000	27.569095
	Section 31: NE/4, N/2SE/4		Royalty: Working Interest: Burlington Resources Oil & Gas Co. Vastar Resources, Inc. Overriding Royalty Interest	62.625000 20.875000 4.000000 100.000000	62.625000 20.875000 4.000000 100.000000	
			<u>Tract 5</u>			
USA NM-03040A	<u>Township 29 North, Range 6 West</u>	80.00		12.500000	12.500000	9.189698
	Section 31: S/2SE/4		Royalty: Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	67.650000 14.850000 5.000000 100.000000	67.650000 14.850000 5.000000 100.000000	
			<u>Tract 14A</u>			

Effective August 1, 1999

RECAPITULATION

TOWNSHIP 29 NORTH, RANGE 6 WEST

SECTION 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)

SECTION 31: E/2

Total Number of acres to Participating Area

870.54

Total Number of acres committed to Participating Area

870.54

Total Number of acres not committed to Participating Area

0.00

Effective August 1, 1999

SCHEDULE IV

THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK		PRESENT ACTUAL
				PERCENTAGE	PERCENTAGE COMMITTED	
USA NM-012698	<u>Township 29 North, Range 6 West</u>	550.54	Royalty:	12.500000	12.500000	36.446569
	Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)		Working Interest: Phillip Petroleum Company Williams Production Company Overriding Royalty Interest	68.470000 15.030000 <u>4.000000</u> 100.000000	68.470000 15.030000 <u>4.000000</u> 100.000000	
			<u>Tract 1</u>			
USA SF-078426	<u>Township 29 North, Range 6 West</u>	400	Royalty:	12.500000	12.500000	26.480596
	Section 31: NW/4, NE/4, N/2SE/4		Working Interest: Burlington Resources Oil & Gas Co. Vastar Resources, Inc. Overriding Royalty Interest	62.625000 20.875000 <u>4.000000</u> 100.000000	62.625000 20.875000 <u>4.000000</u> 100.000000	
			<u>Tract 5</u>			
USA NM-03040A	<u>Township 29 North, Range 6 West</u>	240	Royalty:	12.500000	12.500000	15.888358
	Section 31: SW/4, S/2SE/4		Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	67.650000 14.850000 <u>5.000000</u> 100.000000	67.650000 14.850000 <u>5.000000</u> 100.000000	
			<u>Tract 14A</u>			
STATE OF NM E-289-52	<u>Township 29 North, Range 6 West</u>	240	Royalty:	12.500000	12.500000	15.888358
	Section 32: E/2NW/4, SW/4		Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	71.750000 15.750000 <u>0.000000</u> 100.000000	71.750000 15.750000 <u>0.000000</u> 100.000000	
			<u>Tract 17C</u>			

UNIT AREA EXPANSION SCHEDULE

THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK		PRESENT ACTUAL
				PERCENTAGE COMMITTED	PERCENTAGE	
STATE OF NM E-289-50	Township 29 North, Range 6 West	80	Royalty:	12.500000	12.500000	5.296119
	Section 32: W/2NW/4		Working Interest:			
			Tract 17D			
			Phillip Petroleum Company	67.650000	67.650000	
			William Production Company	14.850000	14.850000	
			Overriding Royalty Interest	5.000000	5.000000	
				100.000000	100.000000	

Effective September 1, 1999

FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SCHEDULE V

SAN JUAN 29-6 UNIT



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

July 21, 2000

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
Attn: Mr. Ray Powell
PO Box 1148
Santa Fe, NM 87504-1148

Oil Conservation Division (2 copies)
State of New Mexico
Attn: Ms. Lori Wrotenberry
2040 South Pacheco
Santa Fe, NM 87505

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
SECOND EXPANSION - EFFECTIVE 9-1-99
THIRD EXPANSION - EFFECTIVE 10-1-99
FOURTH EXPANSION - EFFECTIVE 9-1-99

Rio Arriba County, NEW MEXICO
C40453, LCN 650109

Ladies and Gentlemen:

There is an error on page one of 'Schedule III' of the above captioned expansions. Tract 5 overriding royalty should be 4.000000%, thereby, affecting the net working interest correspondingly. This correction does not affect the participating interest in the unit.

Enclosed are replacement copies of page one of the 'Schedule III' for these expansions.

I apologize any inconvenience this error may have caused you.

Respectfully yours,

Skip Fraker
Southwestern Region-Land Dept.
(505) 599-3428

SCHEDULE III

SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

DRILLING BLOCK

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
USA NM-012698	Township 29 North, Range 6 West	550.54	Royalty:	12.500000	12.500000	63.241207
	Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)		Working Interest: Phillip Petroleum Company Williams Production Company Overriding Royalty Interest	68.470000 15.030000 <u>4.000000</u>	68.470000 15.030000 <u>4.000000</u>	
				100.000000	100.000000	
						27.569095
USA SF-078426	Township 29 North, Range 6 West	240.00	Royalty:	12.500000	12.500000	
	Section 31: NE/4, N/2SE/4		Working Interest: Burlington Resources Oil & Gas Co. Vastar Resources, Inc. Overriding Royalty Interest	62.625000 20.875000 <u>4.000000</u>	62.625000 20.875000 <u>4.000000</u>	
				100.000000	100.000000	
						9.189698
USA NM-03040A	Township 29 North, Range 6 West	80.00	Royalty:	12.500000	12.500000	
	Section 31: S/2SE/4		Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	67.650000 14.850000 <u>5.000000</u>	67.650000 14.850000 <u>5.000000</u>	
				100.000000	100.000000	

Effective September 1, 1999

SCHEDULE IV
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

DRILLING BLOCK

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
<u>Tract 1</u>						
USA NM-012698	Township 29 North, Range 6 West Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)	550.54	Royalty: Working Interest: Phillip Petroleum Company Williams Production Company Overriding Royalty Interest	12.500000 68.470000 15.030000 4.000000	12.500000 68.470000 15.030000 4.000000	46.242881
<u>Tract 5</u>						
USA SF-078426	Township 29 North, Range 6 West Section 31: NW/4, NE/4, N/2SE/4	400.00	Royalty: Working Interest: Burlington Resources Oil & Gas Co. Vastar Resources, Inc. Overriding Royalty Interest	12.500000 62.625000 20.875000 4.000000	12.500000 62.625000 20.875000 4.000000	33.598199
<u>Tract 14A</u>						
USA NM-03040A	Township 29 North, Range 6 West Section 31: SW/4, S/2SE/4	240.00	Royalty: Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	12.500000 67.650000 14.850000 5.000000	12.500000 67.650000 14.850000 5.000000	20.158920

Effective October 1, 1999

SCHEDULE V

FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

DRILLING BLOCK

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	ACTUAL PARTICIPATION
USA NM-012698	Township 29 North, Range 6 West Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)	550.54	Royalty:	12.500000	12.500000	36.446569
			Working Interest:			
			Phillip Petroleum Company	68.470000	68.470000	
			Williams Production Company	15.030000	15.030000	
			Overriding Royalty Interest	4.000000	4.000000	
		100.000000		100.000000	100.000000	
			Tract 1			
USA SF-078426	Township 29 North, Range 6 West Section 31: NW/4, NE/4, N/2SE/4	400	Royalty:	12.500000	12.500000	26.480596
			Working Interest:			
			Burlington Resources Oil & Gas Co.	62.625000	62.625000	
			Vastar Resources, Inc.	20.875000	20.875000	
			Overriding Royalty Interest	4.000000	4.000000	
		100.000000		100.000000	100.000000	
			Tract 5			
USA NM-03040A	Township 29 North, Range 6 West Section 31: SW/4, S/2SE/4	240	Royalty:	12.500000	12.500000	15.888358
			Working Interest:			
			Phillip Petroleum Company	67.650000	67.650000	
			William Production Company	14.850000	14.850000	
			Overriding Royalty Interest	5.000000	5.000000	
		100.000000		100.000000	100.000000	
			Tract 14A			
STATE OF NM E-289-52	Township 29 North, Range 6 West Section 32: E/2NW/4, SW/4	240	Royalty:	12.500000	12.500000	15.888358
			Working Interest:			
			Phillip Petroleum Company	71.750000	71.750000	
			William Production Company	15.750000	15.750000	
			Overriding Royalty Interest	0.000000	0.000000	
		100.000000		100.000000	100.000000	
			Tract 17C			

SCHEDULE III

SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
			OWNERSHIP	PERCENTAGE		
USA NM-012698	Township 29 North, Range 6 West Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)	550.54	Royalty:	12.500000	12.500000	63.241207
			Working Interest:			
			Phillip Petroleum Company	68.470000	68.470000	
			Williams Production Company	15.030000	15.030000	
			Overriding Royalty Interest	<u>4.000000</u>	<u>4.000000</u>	
				100.000000	100.000000	
						27.569095
USA SF-078426	Township 29 North, Range 6 West Section 31: NE/4, N/2SE/4	240.00	Royalty:	12.500000	12.500000	9.189698
			Working Interest:			
			Burlington Resources Oil & Gas Co.	62.625000	62.625000	
			Vastar Resources, Inc.	20.875000	20.875000	
			Overriding Royalty Interest	<u>4.000000</u>	<u>4.000000</u>	
				100.000000	100.000000	
						27.569095
USA NM-03040A	Township 29 North, Range 6 West Section 31: S/2SE/4	80.00	Royalty:	12.500000	12.500000	9.189698
			Working Interest:			
			Phillip Petroleum Company	67.650000	67.650000	
			William Production Company	14.850000	14.850000	
			Overriding Royalty Interest	<u>5.000000</u>	<u>5.000000</u>	
				100.000000	100.000000	
						9.189698

Effective September 1, 1999

SCHEDULE IV

THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	PERCENTAGE	PERCENTAGE		PRESENT ACTUAL PARTICIPATION							
					COMMITTED	COMMITTED								
<u>DRILLING BLOCK</u>														
<u>Tract 1</u>														
USA NM-012698	Township 29 North, Range 6 West Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)	550.54	Royalty: Working Interest: Phillip Petroleum Company Williams Production Company Overriding Royalty Interest	12.500000	12.500000	68.470000	68.470000	15.030000	15.030000	4.000000	4.000000	100.000000	100.000000	46.242881
<u>Tract 5</u>														
USA SF-078426	Township 29 North, Range 6 West Section 31: NW/4, NE/4, N/2SE/4	400.00	Royalty: Working Interest: Burlington Resources Oil & Gas Co. Vastar Resources, Inc. Overriding Royalty Interest	12.500000	12.500000	62.625000	62.625000	20.875000	20.875000	4.000000	4.000000	100.000000	100.000000	33.598199
<u>Tract 14A</u>														
USA NM-03040A	Township 29 North, Range 6 West Section 31: SW/4, S/2SE/4	240.00	Royalty: Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	12.500000	12.500000	67.650000	67.650000	14.850000	14.850000	5.000000	5.000000	100.000000	100.000000	20.158920

Effective October 1, 1999

SCHEDULE V

FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	PERCENTAGE	DRILLING BLOCK		ACTUAL PARTICIPATION					
					PERCENTAGE COMMITTED	PERCENTAGE COMMITTED						
USA NM-012698	<u>Township 29 North, Range 6 West</u> Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)	550.54	Royalty: Working Interest: Phillip Petroleum Company Williams Production Company Overriding Royalty Interest	12.500000	68.470000	15.030000	100.000000	12.500000	68.470000	15.030000	100.000000	36.446569
					<u>Tract 1</u>							
USA SF-078426	<u>Township 29 North, Range 6 West</u> Section 31: NW/4, NE/4, N/2SE/4	400	Royalty: Working Interest: Burlington Resources Oil & Gas Co. Vastar Resources, Inc. Overriding Royalty Interest	12.500000	62.625000	20.875000	100.000000	12.500000	62.625000	20.875000	100.000000	26.480596
					<u>Tract 5</u>							
USA NM-03040A	<u>Township 29 North, Range 6 West</u> Section 31: SW/4, S/2SE/4	240	Royalty: Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	12.500000	67.650000	14.850000	100.000000	12.500000	67.650000	14.850000	100.000000	15.888358
					<u>Tract 14A</u>							
STATE OF NM E-289-52	<u>Township 29 North, Range 6 West</u> Section 32: E/2NW/4, SW/4	240	Royalty: Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	12.500000	71.750000	15.750000	100.000000	12.500000	71.750000	15.750000	100.000000	15.888358
					<u>Tract 17C</u>							



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

July 10, 2000

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
Attn: Mr. Ray Powell
PO Box 1148
Santa Fe, NM 87504-1148

Oil Conservation Division (2 copies)
State of New Mexico
Attn: Ms. Lori Wrotenberry
2040 South Pacheco
Santa Fe, NM 87505

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
FOURTH EXPANSION - EFFECTIVE 9-1-99
RIO ARRIBA COUNTY, NEW MEXICO
C40453, LCN 650109

Ladies and Gentlemen:

Pursuant to Section 11(a) of the San Juan 29-6 Unit Agreement #14-08-001-439, approved September 9, 1952, Phillips Petroleum Company, as Unit Operator, determined on the dates indicated below that the wells listed below were capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation. Therefore, this application for the Fourth Expansion of the Participating Area established for the Pictured Cliffs Formation is respectfully submitted for your approval as follows:

Fourth Expanded Participating Area
Effective September 1, 1999

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well No.</u>
W/2, Section 32, T29N, R6W	320.00	16

The San Juan 29-6 Unit #16 was recompleted from the Mesaverde Formation into the Pictured Cliffs Formation on December 1, 1999 with cumulative gas production of 33,396 mcf through March 31, 2000. The drillblock unit for this well is described as the W/2 of Section 32-29N-6W, Rio Arriba County, New Mexico.


This well was deemed commercial per letter dated June 1, 2000, from the Bureau of Land Management.

SAN JUAN 29-6 UNIT
Fourth EXPANSION - EFFECTIVE 9-1-99
Page 2

Enclosed herewith is Schedule V for the Fourth Expanded Participating Area for the Pictured Cliffs Formation. These schedules describe the participating area and indicates the percentage of unitized substances allocated to the unit tracts according to the Pictured Cliffs Formation ownership of such tracts. Also included is a map reflection the existing Participating Area and the Proposed Fourth Expansion of the San Juan 29-6 Unit Pictured Cliffs Formation Participating Area.

Unless this application is disapproved or contested, the Fourth Expanded Participating Area is effective as of September 1, 1999. Copies of this application are being provided to the Unit Working Interest Owners.

Respectfully your,

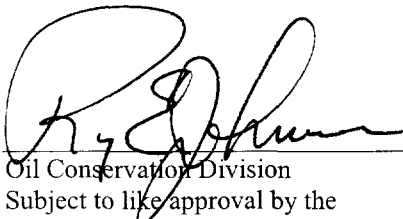
A handwritten signature in black ink, appearing to read "Skip Fraker", with a long horizontal flourish extending to the right.

Skip Fraker
Southwestern Region-Land Dept.
(505) 599-3428

The signatory approvals below are for the Fourth Expanded Participating Areas of the Pictured Cliffs Formation in the San Juan 29-6 Unit #14-08-001-439.

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  _____ 7/21/00
Oil Conservation Division
Subject to like approval by the
Bureau of Land Management
And the Commissioner of Public Lands

cc: San Juan 29-6 Unit Owners
W. D. Japp (r) Supervisors
J. L. Mathis (r) C40453

UNIT AREA EXPANSION SCHEDULE

SCHEDULE V

FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

DRILLING BLOCK

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	ACTUAL PARTICIPATION
USA NM-012698	<u>Township 29 North, Range 6 West</u> Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)	550.54	Royalty: Working Interest: Phillip Petroleum Company Williams Production Company Overriding Royalty Interest	12.500000 68.470000 15.030000 4.000000 100.000000	12.500000 68.470000 15.030000 4.000000 100.000000	36.446569
	<u>Tract 1</u>					
USA SF-078426	<u>Township 29 North, Range 6 West</u> Section 31: NW/4, NE/4, N/2SE/4	400	Royalty: Working Interest: Burlington Resources Oil & Gas Co. Vastar Resources, Inc. Overriding Royalty Interest	12.500000 61.875000 20.625000 5.000000 100.000000	12.500000 61.875000 20.625000 5.000000 100.000000	26.480596
	<u>Tract 5</u>					
USA NM-03040A	<u>Township 29 North, Range 6 West</u> Section 31: SW/4, S/2SE/4	240	Royalty: Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	12.500000 67.650000 14.850000 5.000000 100.000000	12.500000 67.650000 14.850000 5.000000 100.000000	15.888358
	<u>Tract 14A</u>					
STATE OF NM E-289-52	<u>Township 29 North, Range 6 West</u> Section 32: E/2NW/4, SW/4	240	Royalty: Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	12.500000 71.750000 15.750000 0.000000 100.000000	12.500000 71.750000 15.750000 0.000000 100.000000	15.888358
	<u>Tract 17C</u>					

UNIT AREA EXPANSION SCHEDULE

SCHEDULE V
 FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
 SAN JUAN 29-6 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	ACTUAL PARTICIPATION
	DRILLING BLOCK					
STATE OF NM E-289-50	Township 29 North, Range 6 West	80				
	Section 32: W/2NW/4					
			Traet 17D			
	Royalty:			12.500000	12.500000	5.296119
	Working Interest:					
	Phillip Petroleum Company			67.650000	67.650000	
	William Production Company			14.850000	14.850000	
	Overriding Royalty Interest			<u>5.000000</u>	<u>5.000000</u>	
				100.000000	100.000000	

Effective September 1, 1999

SCHEDULE V
FOURTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
SAN JUAN 29-6 UNIT

RECAPITULATION

TOWNSHIP 29 NORTH, RANGE 6 WEST

SECTION 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)

SECTION 31: ALL

SECTION 32: W/2

Total Number of acres to Participating Area

1510.54

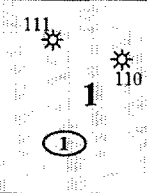
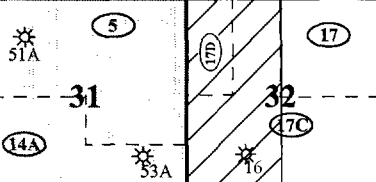
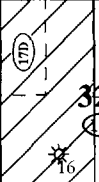
Total Number of acres committed to Participating Area

1510.54

Total Number of acres not committed to Participating Area

0.00

Effective September 1, 1999

6	5	4	3	2	1 
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
 31	 32	33	34	35	36



EXISTING PICTURED CLIFFS PARTICIPATING AREA



4th EXPANSION - PICTURED CLIFFS PARTICIPATING AREA Effective 9-1-1999

PHILLIPS PETROLEUM COMPANY

SAN JUAN 29-6 UNIT
 Rio Arriba County, New Mexico

June 30, 2000



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

June 16, 2000

JUN 21

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
Attn: Mr. Ray Powell
PO Box 1148
Santa Fe, NM 87504-1148

Oil Conservation Division (2 copies)
State of New Mexico
Attn: Ms. Lori Wrotenberry
2040 South Pacheco
Santa Fe, NM 87505

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
SECOND EXPANSION - EFFECTIVE 9-1-99
THIRD EXPANSION - EFFECTIVE 10-1-99
Rio Arriba County, NEW MEXICO
C40453, LCN 650109

Ladies and Gentlemen:

Enclosed for your review and approval are corrected exhibits for the above captioned expansions.

If you have further questions please contact me at your convenience.

Respectfully yours,

Skip Fraker
Southwestern Region-Land Dept.
(505) 599-3428

UNIT AREA EXPANSION SCHEDULE

SCHEDULE III

SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION
				PERCENTAGE	PERCENTAGE COMMITTED	
USA NM-012698	<u>Township 29 North, Range 6 West</u>	550.54	Royalty:	12.500000	12.500000	63.241207
	Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)		Working Interest: Phillip Petroleum Company Williams Production Company Overriding Royalty Interest	68.470000 15.030000 <u>4.000000</u>	68.470000 15.030000 <u>4.000000</u>	
				100.000000	100.000000	
						27.569095
USA SF-078426	<u>Township 29 North, Range 6 West</u>	240.00	Royalty: Working Interest: Burlington Resources Oil & Gas Co. Vastar Resources, Inc. Overriding Royalty Interest	12.500000 61.875000 20.625000 <u>5.000000</u>	12.500000 61.875000 20.625000 <u>5.000000</u>	
	Section 31: NE/4, N/2SE/4			100.000000	100.000000	
						9.189698
USA NM-03040A	<u>Township 29 North, Range 6 West</u>	80.00	Royalty: Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	12.500000 67.650000 14.850000 <u>5.000000</u>	12.500000 67.650000 14.850000 <u>5.000000</u>	
	Section 31: S/2SE/4			100.000000	100.000000	

Effective September 1, 1999

SCHEDULE III
SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
SAN JUAN 29-6 UNIT

RECAPITULATION

TOWNSHIP 29 NORTH, RANGE 6 WEST

SECTION 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)

SECTION 31: E/2

Total Number of acres to Participating Area

870.54

Total Number of acres committed to Participating Area

870.54

Total Number of acres not committed to Participating Area

0.00

Effective September 1, 1999

**SAN JUAN 29-6 UNIT
WORKING INTEREST
SECOND EXPANDED PICTURED CLIFFS PARTICIPATING AREA**

<u>WORKING INTEREST OWNER</u>	<u>WORKING INTEREST</u>	<u>WELLS ADDED</u>
Phillips Petroleum Co.	59.393342%	#53A (eff 9-1-99)
Williams Production Co.	13.037563%	
Burlington Resources Oil & Gas Co.	20.676821%	
Vastar Resources, Inc.	6.892274%	

UNIT AREA EXPANSION SCHEDULE

SCHEDULE IV

THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

DRILLING BLOCK

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
USA NM-012698	<u>Township 29 North, Range 6 West</u> Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)	550.54	Royalty: Working Interest: Phillip Petroleum Company Williams Production Company Overriding Royalty Interest	12.500000 68.470000 15.030000 <u>4.000000</u>	12.500000 68.470000 15.030000 <u>4.000000</u>	46.242881
	<u>Tract 1</u>			100.000000	100.000000	
USA SF-078426	<u>Township 29 North, Range 6 West</u> Section 31: NW/4, NE/4, N/2SE/4	400.00	Royalty: Working Interest: Burlington Resources Oil & Gas Co. Vastar Resources, Inc. Overriding Royalty Interest	12.500000 61.875000 20.625000 <u>5.000000</u>	12.500000 61.875000 20.625000 <u>5.000000</u>	33.598199
	<u>Tract 5</u>			100.000000	100.000000	
USA NM-03040A	<u>Township 29 North, Range 6 West</u> Section 31: SW/4, S/2SE/4	240.00	Royalty: Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	12.500000 67.650000 14.850000 <u>5.000000</u>	12.500000 67.650000 14.850000 <u>5.000000</u>	20.158920
	<u>Tract 14A</u>			100.000000	100.000000	

Effective October 1, 1999

SCHEDULE IV
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
SAN JUAN 29-6 UNIT

RECAPITULATION

TOWNSHIP 29 NORTH, RANGE 6 WEST

SECTION 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)

SECTION 31: ALL

Total Number of acres to Participating Area

1190.54

Total Number of acres committed to Participating Area

1190.54

Total Number of acres not committed to Participating Area

0.00

Effective October 1, 1999

**SAN JUAN 29-6 UNIT
WORKING INTEREST
THIRD EXPANDED PICTURED CLIFFS PARTICIPATING AREA**

<u>WORKING INTEREST OWNER</u>	<u>WORKING INTEREST</u>	<u>WELLS ADDED</u>
Phillips Petroleum Co.	54.449477%	#51A (eff 10-1-99)
Williams Production Co.	11.952324%	
Burlington Resources Oil & Gas Co.	25.198649%	
Vastar Resources, Inc.	8.399550%	



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

May 15, 2000

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

Commissioner of Public Lands
State of New Mexico
Attn: Mr. Ray Powell
PO Box 1148
Santa Fe, NM 87504-1148

Oil Conservation Division
State of New Mexico
Attn: Ms. Lori Wrottenberry
2040 South Pacheco
Santa Fe, NM 87505

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
COMMERCIALITY DETERMINATION
SAN JUAN 29-6 UNIT #16
W/2 SECTION 32, T29N, R6W
RIO ARRIBA COUNTY, NEW MEXICO
C40453

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-6 Unit Agreement, #14-08-001-439, Phillips Petroleum Company (Phillips) has determined that the San Juan 29-6 Unit #16 well is capable of producing unitized substances in paying quantities from the Pictured Cliffs formation. Phillips requests confirmation of this paying well determination. A summary of production and economic data is enclosed for the well.

Upon receipt of approval from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and Oil Conservation Division, the formal Participating Area schedules will be prepared and submitted.

Copies of this submittal and enclosures are being sent to all owners on the attached listing. Please contact the undersigned, should you have any questions.

Very truly yours,

S. Scott Prather, CPL
Senior Landman
San Juan Area
(505) 599-3410

CC: J.L. Mathis (r) C40453

**SAN JUAN 29-6 UNIT
PICTURED CLIFFS PARTICIPATING AREA OWNERS
& PICTURED CLIFFS DRILL BLOCK OWNERS**

PHILLIPS PETROLEUM COMPANY
WILLIAMS PRODUCTION COMPANY

Phillips Petroleum Company
Commerciality Determination

San Juan 29-6 Unit #16
Pictured Cliffs
W/2 Section 32, 29N-6W
Rio Arriba Co., NM

Date of First Delivery:	<u>12/01/99</u>												
Total Well Costs:	<u>\$234,193</u>												
1999 Avg. Gas Price (\$/mcf):	<u>\$1.71</u>												
BLM Royalty:	<u>17.5%</u>												
% Production Taxes:	<table border="0"> <tr> <td>3.75000</td> <td>Severance</td> </tr> <tr> <td>4.00000</td> <td>School</td> </tr> <tr> <td>1.17325</td> <td>Ad Valorem</td> </tr> <tr> <td>0.19000</td> <td>Conservation</td> </tr> <tr> <td><u>0.78138</u></td> <td>Prod Equip</td> </tr> <tr> <td>9.89463</td> <td></td> </tr> </table>	3.75000	Severance	4.00000	School	1.17325	Ad Valorem	0.19000	Conservation	<u>0.78138</u>	Prod Equip	9.89463	
3.75000	Severance												
4.00000	School												
1.17325	Ad Valorem												
0.19000	Conservation												
<u>0.78138</u>	Prod Equip												
9.89463													

**Estimated Gross Annual Production
and Operating Expenses**

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	1999	11,316 (actual)	232
2	2000	66,298	6,000
3	2001	54,940	6,000
4	2002	46,030	6,000
5	2003	38,945	6,000
6	2004	33,239	6,000
7	2005	28,594	6,000
8	2006	24,774	6,000
9	2007	21,604	6,000
10	2008	18,952	6,000
11	2009	16,715	6,000
12	2010	14,817	6,000
13	2011	13,195	6,000
14	2012	11,801	6,000
15	2013	10,596	6,000
Total		<u>411,816</u>	

Phillips Petroleum Company
Commerciality Determination

San Juan 29-6 Unit #16
Pictured Cliffs
W/2 Section 32, 29N-6W
Rio Arriba Co., NM

This well was a Mesaverde producer. The PC was completed August 1999.

Average drilling and completion costs for a slimhole PC well were used in this determination.

The operating costs and production for 1999 are actual.

Future operating costs were determined from offset Mesaverde wells in the 29-6 Unit.

The gas price is actual netback for this well in 1999, with transportation costs removed.

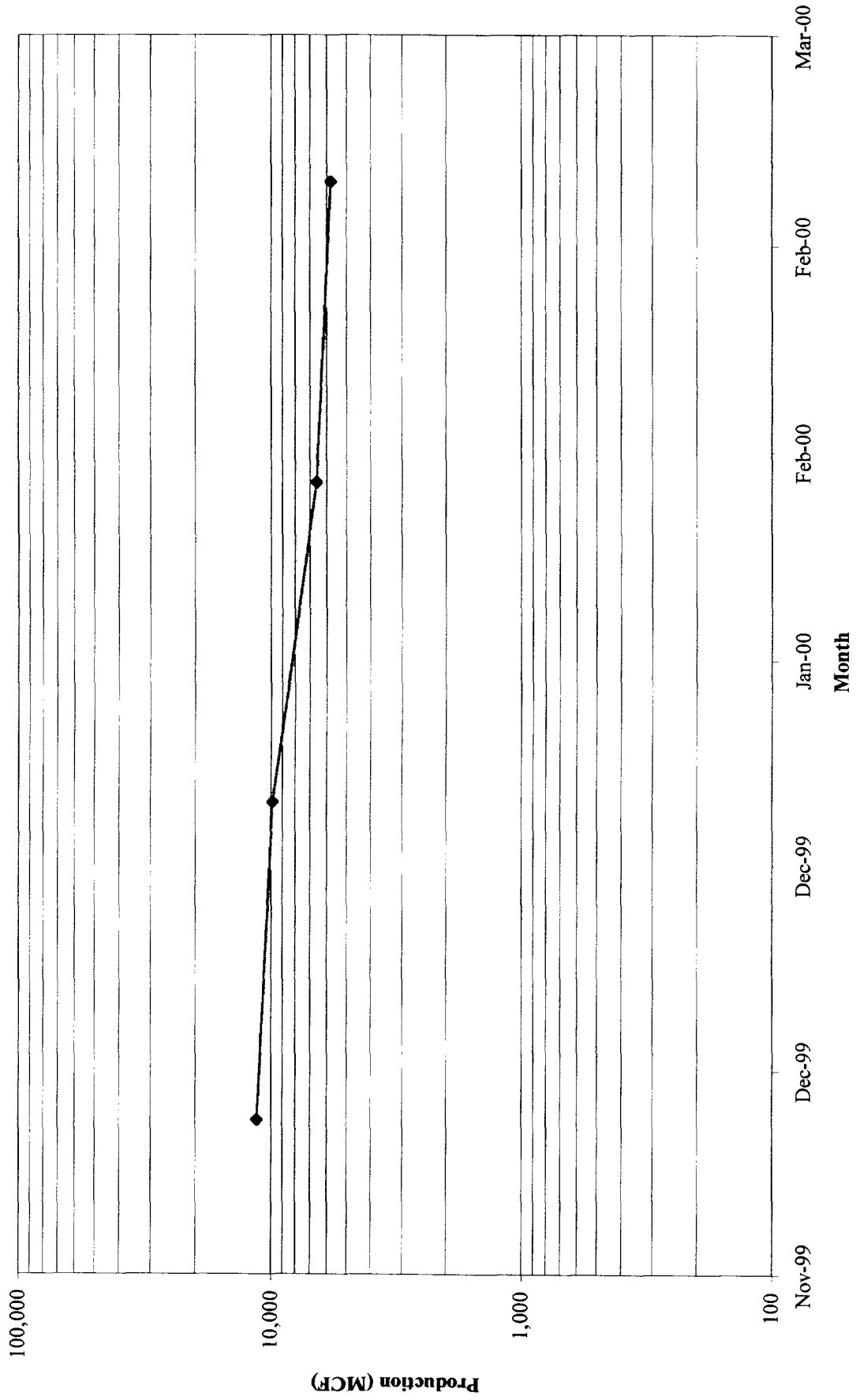
Recommend that this well be determined commercial.

#16 Actual Production

Month	Production
Dec-99	11,316 MCF
Jan-00	9,786 MCF
Feb-00	6,552 MCF
Mar-00	5,742 MCF

33,396 MCF

San Juan 29-6 Unit #16 Pictured Cliffs Production



Phillips Petroleum Company
Commerciality Determination

San Juan 29-6 Unit #16
Pictured Cliffs
W/2 Section 32, 29N-6W
Rio Arriba Co., NM

The Lease Operating Statement contains the following data for 29-6 #16:

Total Gross lifting costs (1999) =	\$232 for 1 month
Total producing wells (1999) =	1 well
	<hr/>
	\$232 /well/1 month
	* 12
	<hr/>

Average annual well lifting costs = **\$2,784 /year**

Average gas price received for 29-6 Unit #16 gas = \$2.49 /MCF (1999)
Adjusted for transportation and gathering fees = **\$1.71 /MCF**

Drilling and completion costs for a PC slimhole well =	\$198,193
Facilities costs for a PC slimhole well =	\$36,000
	<hr/>

Total well costs for a Pictured Cliffs slimhole well = **\$234,193**

CASE : 29-6#16PCCD ** ECONOMICS CASE SUMMARY **
 DESCRIPTION: 29-6 #16 PC COMMERCIALITY DETERMINATION WORKING INT : 100.000%
 CASE REVENUE INT : 82.500% OIL REV INT : 82.500% GAS REV INT : 82.500%
 CASE LIFE -FIRST MO-YR : 11-1999 PROD MO-YR : 12-1999 LAST YEAR : 2013

MEASURES OF MERIT

AARR (%) : 14.3
 BREAKEVEN POINT (YRS.) : 4.0
 PAYOUT (YRS.) : 3.9
 NTER : 1.5
 ECONOMIC LIFE (YRS.) : 14.1

NET CASH FLOW SUMMARY (M\$)

CAPITAL OUTLAY : 234.2
 TOTAL REVENUE : 581.0
 TOTAL EXPENSES : 168.7
 IBRT : 412.3
 CURRENT INCOME TAX : 71.9
 SALVAGE :
 CASH RETURNED : 340.4
 CASH FLOW : 106.2
 NET PRESENT VALUE (M\$) P.I.
 @ 13.0 %: 6.7 1.03
 @ 14.3 %: -.0 1.00
 @ 6.0 %: 51.6 1.22
 @ 8.0 %: 37.0 1.16

RESERVES SUMMARY

OIL-GROSS MBBLS :
 NET MBBLS :
 NET REVENUE (M\$) :
 BBL/DAY TO PAYOUT:
 GAS_GROSS MMCF : 411.8
 NET MMCF : 339.7
 NET REVENUE (M\$) : 581.0
 MCF/DAY TO PAYOUT: 147.5

PRESS "ENTER" TO CONTINUE...

GOWEE_CASE_SUM

#419



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

April 14, 2000

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
Attn: Mr. Ray Powell
PO Box 1148
Santa Fe, NM 87504-1148

Oil Conservation Division (2 copies)
State of New Mexico
Attn: Ms. Lori Wrotenberry
2040 South Pacheco
Santa Fe, NM 87505

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
SECOND EXPANSION - EFFECTIVE 9-1-99
THIRD EXPANSION - EFFECTIVE 10-1-99
Rio Arriba County, NEW MEXICO
C40453, LCN 650109

Ladies and Gentlemen:

It appears that in my previous correspondence concerning the above captioned expansions may have two (2) copies of instead of one copy of 'Schedule III' of the Second Expansion and one copy of 'Schedule IV'.

Enclosed are replacement copies of 'Schedule III' of the Second Expansion to replace the extra copy of 'Schedule IV' of the Third Expansion.

I apologize any inconvenience this error may have caused you.

Respectfully your,

Skip Fraker
Southwestern Region-Land Dept.
(505) 599-3428

SCHEDULE III

SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION
				PERCENTAGE COMMITTED	PERCENTAGE	
USA NM-012698	Township 29 North, Range 6 West	550.54	Royalty:	12.500000	12.500000	63.241207
	Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)		Working Interest:			
			Phillip Petroleum Company	68.470000	68.470000	
			Williams Production Company	15.030000	15.030000	
			Overriding Royalty Interest	<u>4.000000</u>	<u>4.000000</u>	
				100.000000	100.000000	
						18.379397
USA SF-078426	Township 29 North, Range 6 West		Royalty:	12.500000	12.500000	
	Section 31: NE/4, N/2SE/4	240.00	Working Interest:			
			Burlington Resources Oil & Gas Co.	61.875000	67.650000	
			Vastar Resources, Inc.	20.625000	14.850000	
			Overriding Royalty Interest	<u>5.000000</u>	<u>5.000000</u>	
				100.000000	100.000000	
						18.379396
USA NM-03040A	Township 29 North, Range 6 West		Royalty:	12.500000	12.500000	
	Section 31: S/2SE/4	80.00	Working Interest:			
			Phillip Petroleum Company	67.650000	61.875000	
			William Production Company	14.850000	20.625000	
			Overriding Royalty Interest	<u>5.000000</u>	<u>5.000000</u>	
				100.000000	100.000000	
						18.379396

Effective September 1, 1999

SCHEDULE III
SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
SAN JUAN 29-6 UNIT

RECAPITULATION

TOWNSHIP 29 NORTH, RANGE 6 WEST

SECTION 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)

SECTION 31: E/2

Total Number of acres to Participating Area

870.54

Total Number of acres committed to Participating Area

870.54

Total Number of acres not committed to Participating Area

0.00

Effective September 1, 1999

SCHEDULE III

SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

DRILLING BLOCK

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	PERCENTAGE	PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
<u>Tract 1</u>						
USA NM-012698	Township 29 North, Range 6 West	550.54	Royalty:	12.500000	12.500000	
	Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)		Working Interest:			
			Phillip Petroleum Company	68.470000	68.470000	
			Williams Production Company	15.030000	15.030000	
			Overriding Royalty Interest	<u>4.000000</u>	<u>4.000000</u>	
				100.000000	100.000000	
						63.241207
<u>Tract 5</u>						
USA SF-078426	Township 29 North, Range 6 West		Royalty:	12.500000	12.500000	
	Section 31: NE/4, N/2SE/4	240.00	Working Interest:			
			Burlington Resources Oil & Gas Co.	61.875000	67.650000	
			Vastar Resources, Inc.	20.625000	14.850000	
			Overriding Royalty Interest	<u>5.000000</u>	<u>5.000000</u>	
				100.000000	100.000000	
						18.379397
<u>Tract 14A</u>						
USA NM-03040A	Township 29 North, Range 6 West		Royalty:	12.500000	12.500000	
	Section 31: S/2SE/4	80.00	Working Interest:			
			Phillip Petroleum Company	67.650000	61.875000	
			William Production Company	14.850000	20.625000	
			Overriding Royalty Interest	<u>5.000000</u>	<u>5.000000</u>	
				100.000000	100.000000	
						18.379396

Effective September 1, 1999

SCHEDULE III
SECOND EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
SAN JUAN 29-6 UNIT

RECAPITULATION

TOWNSHIP 29 NORTH, RANGE 6 WEST

SECTION 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)

SECTION 31: E/2

Total Number of acres to Participating Area

870.54

Total Number of acres committed to Participating Area

870.54

Total Number of acres not committed to Participating Area

0.00

Effective September 1, 1999



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

April 11, 2000

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
Attn: Mr. Ray Powell
PO Box 1148
Santa Fe, NM 87504-1148

Oil Conservation Division (2 copies)
State of New Mexico
Attn: Ms. Lori Wrotenberry
2040 South Pacheco
Santa Fe, NM 87505

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
SECOND EXPANSION - EFFECTIVE 9-1-99
THIRD EXPANSION - EFFECTIVE 10-1-99
Rio Arriba County, NEW MEXICO
C40453, LCN 650109

Ladies and Gentlemen:

Pursuant to Section 11(a) of the San Juan 29-6 Unit Agreement #14-08-001-439, approved September 9 1952, Phillips Petroleum Company, as Unit Operator, determined on the dates indicated below that the wells listed below were capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation. Therefore, this application for the Second and Third Expansions of the Participating Area established for the Pictured Cliffs Formation is respectfully submitted for your approval as follows:

Second Expanded Participating Area
Effective September 1, 1999

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well No.</u>
E/2, Section 31, T29N, R6W	320.00	53A

The San Juan 29-6 Unit #53A was recompleted from the Mesaverde Formation into the Pictured Cliffs Formation on October 3, 1999 with cumulative gas production of 70,207 mcf through January 31, 2000. The drillblock unit for this well is described as the E/2 of Section 31-29N-6W, Rio Arriba County, New Mexico.

This well was deemed commercial per letter dated March 20, 2000, from the Bureau of Land Management.

SAN JUAN 29-6 UNIT
SECOND EXPANSION - EFFECTIVE 9-1-99
THIRD EXPANSION - EFFECTIVE 10-1-9
Page 2

Third Expanded Participating Area
Effective September 1, 1999

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well No.</u>
W/2, Section 31, T29N, R6W	320.00	51A

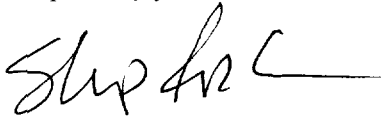
The San Juan 29-6 Unit #51A was recompleted from the Mesaverde Formation into the Pictured Cliffs Formation on October 23, 1999 with cumulative gas production of 28,149 mcf through January 31, 2000. The drillblock unit for this well is described as the W/2 of Section 31-29N-6W, Rio Arriba County, New Mexico.

This well was deemed commercial per letter dated March 20, 2000, from the Bureau of Land Management.

Enclosed herewith is Schedule III for the Second Expanded Participating Area and Schedule IV for the Third Expanded Participating Area for the Pictured Cliffs Formation. These schedules describe the participating area and indicates the percentage of unitized substances allocated to the unit tracts according to the Pictured Cliffs Formation ownership of such tracts. Also included is a map reflection the existing Participating Area and the Proposed Second and Third Expansions of the San Juan 29-6 Unit Pictured Cliffs Formation Participating Area.

Unless this application is disapproved or contested, the Second Expanded Participating Area is effective as of September 1, 1999 and the Third Expanded Participating Area is effective as of October 1, 1999. Copies of this application are being provided to the Unit Working Interest Owners.

Respectfully your,



Skip Fraker
Southwestern Region-Land Dept.
(505) 599-3428

SAN JUAN 29-6 UNIT
SECOND EXPANSION - EFFECTIVE 9-1-99
THIRD EXPANSION – EFFECTIVE 10-1-9
Page 3

The signatory approvals below are for the Second and Third Expanded Participating Areas of the Pictured Cliffs Formation in the San Juan 29-6 Unit #14-08-001-439.

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

cc: San Juan 29-6 Unit Owners
W. D. Japp (r) Supervisors
J. L. Mathis (r) C40453

SCHEDULE IV

THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK		PRESENT ACTUAL PARTICIPATION
				PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	
USA NM-012698	Township 29 North, Range 6 West Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)	550.54	Royalty: Working Interest: Phillip Petroleum Company Williams Production Company Overriding Royalty Interest	Tract 1 12.500000 68.470000 15.030000 4.000000 100.000000	12.500000 68.470000 15.030000 4.000000 100.000000	46.242881
USA SF-078426	Township 29 North, Range 6 West Section 31: NW/4, NE/4, N/2SE/4	400.00	Royalty: Working Interest: Burlington Resources Oil & Gas Co. Vastar Resources, Inc. Overriding Royalty Interest	Tract 5 12.500000 61.875000 20.625000 5.000000 100.000000	12.500000 67.650000 14.850000 5.000000 100.000000	33.598199
USA NM-03040A	Township 29 North, Range 6 West Section 31: SW/4, S/2SE/4	240.00	Royalty: Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	Tract 14A 12.500000 67.650000 14.850000 5.000000 100.000000	12.500000 61.875000 20.625000 5.000000 100.000000	20.158920

Effective October 1, 1999

SCHEDULE IV
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
SAN JUAN 29-6 UNIT

RECAPITULATION

TOWNSHIP 29 NORTH, RANGE 6 WEST

SECTION 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)

SECTION 31: ALL

Total Number of acres to Participating Area

1190.54

Total Number of acres committed to Participating Area

1190.54

Total Number of acres not committed to Participating Area

0.00

Effective October 1, 1999

**SAN JUAN 29-6 UNIT
WORKING INTEREST
SECOND EXPANDED PICTURED CLIFFS PARTICIPATING AREA**

<u>WORKING INTEREST OWNER</u>	<u>WORKING INTEREST</u>	<u>WELLS ADDED</u>
Phillips Petroleum Co.	66.928894%	#53A (eff 9-1-99)
Williams Production Co.	14.691709%	
Burlington Resources Oil & Gas Co.	13.784548%	
Vastar Resources, Inc.	4.594849%	

SCHEDULE IV

THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-6 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK		PERCENTAGE COMMITTED	PERCENTAGE COMPLETED	PRESENT PARTICIPATION	ACTUAL PARTICIPATION	
			OWNERSHIP	PERCENTAGE					
USA NM-012698	<u>Township 29 North, Range 6 West</u> Section 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)	550.54	Royalty: Working Interest: Phillip Petroleum Company Williams Production Company Overriding Royalty Interest	<u>Tract J</u>	12.500000	12.500000	68.470000	15.030000	46.242881
USA SF-078426	<u>Township 29 North, Range 6 West</u> Section 31: NW/4, NE/4, N/2SE/4	400.00	Royalty: Working Interest: Burlington Resources Oil & Gas Co. Vastar Resources, Inc. Overriding Royalty Interest	<u>Tract 5</u>	12.500000	12.500000	61.875000	14.850000	33.598199
USA NM-03040A	<u>Township 29 North, Range 6 West</u> Section 31: SW/4, S/2SE/4	240.00	Royalty: Working Interest: Phillip Petroleum Company William Production Company Overriding Royalty Interest	<u>Tract 14A</u>	12.500000	12.500000	67.650000	20.625000	20.158920

Effective October 1, 1999

SCHEDULE IV
THIRD EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
SAN JUAN 29-6 UNIT

RECAPITULATION

TOWNSHIP 29 NORTH, RANGE 6 WEST

SECTION 1: Lots 5 thru 15, SW/4NE/4, S/2NW/4, W/2SW/4, all that part of Tract 37 lying in Section 1 (ALL)

SECTION 31: ALL

Total Number of acres to Participating Area

1190.54

Total Number of acres committed to Participating Area

1190.54

Total Number of acres not committed to Participating Area


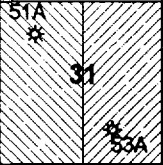
0.00

Effective October 1, 1999

**SAN JUAN 29-6 UNIT
WORKING INTEREST
THIRD EXPANDED PICTURED CLIFFS PARTICIPATING AREA**

<u>WORKING INTEREST OWNER</u>	<u>WORKING INTEREST</u>	<u>WELLS ADDED</u>
Phillips Petroleum Co.	54.449477%	#51A (eff 10-1-99)
Williams Production Co.	11.952324%	
Burlington Resources Oil & Gas Co.	25.198649%	
Vastar Resources, Inc.	8.399550%	

R6W

6	5	4	3	2	
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
 51A 31 53A	32	33	34	35	36

T
29
N



EXISTING PICTURED CLIFFS
PARTICIPATING AREA



2nd Expansion Pictured Cliffs
Participating Area - Effective 9-01-2000



3rd Expansion Pictured Cliffs
Participating Area - Effective 10-01-2000

PHILLIPS PETROLEUM COMPANY

SAN JUAN 29-6 UNIT

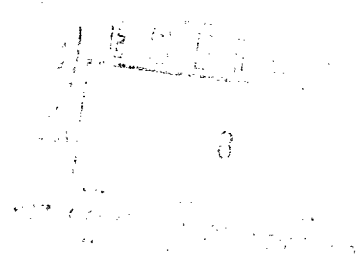
RIO ARRIBA CO. NM

April 3, 2000



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004



March 7, 2000

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

State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501-1148

State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
COMMERCIALITY DETERMINATION
SAN JUAN 29-6 UNIT #51A WELL
W/2 SECTION 31-29N-6W
SAN JUAN 29-6 UNIT #53A WELL
E/2 SECTION 31-29N-6W
RIO ARRIBA COUNTY, NEW MEXICO
C40453

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-6 Unit Agreement, #14-08-001-439, Phillips Petroleum Company (Phillips) has determined that the San Juan 29-6 Unit #51A and #53A Wells are capable of producing unitized substances in paying quantities from the Pictured Cliffs formation. Phillips requests confirmation of these paying well determinations. A summary of production and economic data is enclosed for each well.

Upon receipt of approval from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and Oil Conservation Division, the formal Participating Area schedules will be prepared and submitted.

Copies of this submittal and enclosures are being sent to all owners on the attached listing. Please contact the undersigned, should you have any questions.

Very truly yours,

S. Scott Prather, CPL
Senior Landman
San Juan Area
(505) 599-3410

cc: J. L. Mathis (r) C40453

VASTAR RESOURCES
WILLIAMS PRODUCTION COMPANY
BURLINGTON RESOURCES OIL & GAS COMPANY

Phillips Petroleum Company

Commerciality Determination

San Juan 29-6 Unit #51A
Pictured Cliffs
W/2 Section 31, 29N-6W
Rio Arriba Co., NM

This well was a Mesaverde producer. The PC was completed August 1999.

Average drilling and completion costs for a slimhole PC well were used in this determination.

The operating costs and production for 1999 are actual.

Future operating costs were determined from offset Mesaverde wells in the 29-6 Unit.

The gas price is actual netback for this well in 1999, with transportation costs removed.

Recommend that this well be determined commercial.

#51A Actual Production

Month	Production
Aug-99	5,685 MCF
Sep-99	7,564 MCF
Oct-99	4,809 MCF
Nov-99	3,941 MCF
Dec-99	3,007 MCF
Jan-00	3,143 MCF

28,149 MCF

Phillips Petroleum Company

Commerciality Determination

San Juan 29-6 Unit #51A

Pictured Cliffs

W/2 Section 31, 29N-6W

Rio Arriba Co., NM

Date of First Delivery: 08/23/99

Total Well Costs: \$234,193

1999 Avg. Gas Price (\$/mcf): \$2.67

BLM Royalty: 17.5%

% Production Taxes:

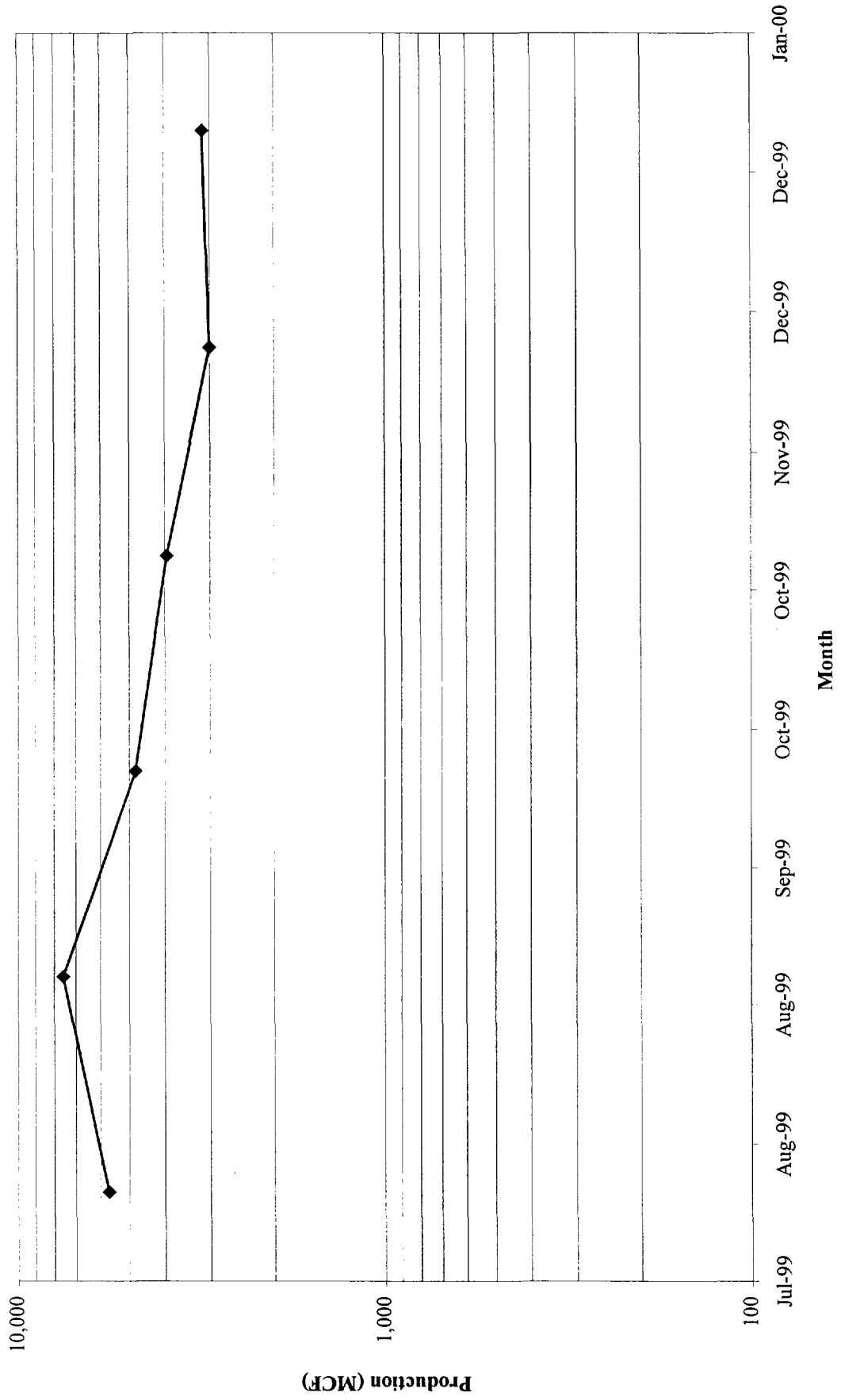
3.75000	Severance
4.00000	School
1.17325	Ad Valorem
0.19000	Conservation
<u>0.78138</u>	Prod Equip
9.89463	

Estimated Gross Annual Production and Operating Expenses

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	1999	25,006 (actual)	1,600
2	2000	34,454	6,000
3	2001	30,753	6,000
4	2002	27,563	6,000
5	2003	24,798	6,000
6	2004	22,390	6,000
7	2005	20,283	6,000
8	2006	18,433	6,000
9	2007	16,800	6,000
10	2008	15,354	6,000
11	2009	14,069	6,000
12	2010	12,923	6,000
13	2011	11,898	6,000
14	2012	10,978	6,000
15	2013	10,151	6,000

Total 295,853

San Juan 29-6 Unit #51A Pictured Cliffs Production



CASE : 29-6#51APCCD ** ECONOMICS CASE SUMMARY **
 DESCRIPTION: 29-6 #51A PC COMMERCIALITY DETERMINATION WORKING INT : 100.000%
 CASE REVENUE INT : 82.500% OIL REV INT : 82.500% GAS REV INT : 82.500%
 CASE LIFE -FIRST MO-YR : 7-1999 PROD MO-YR : 8-1999 LAST YEAR : 2013

MEASURES OF MERIT		NET CASH FLOW SUMMARY (M\$)	
AARR (%)	: 14.9	CAPITAL OUTLAY	: 234.2
BREAKEVEN POINT (YRS.)	: 4.4	TOTAL REVENUE	: 651.7
PAYOUT (YRS.)	: 4.3	TOTAL EXPENSES	: 183.6
NTER	: 1.6	IBRT	: 468.1
ECONOMIC LIFE (YRS.)	: 14.4	CURRENT INCOME TAX	: 91.2
RESERVES SUMMARY		SALVAGE	:
OIL-GROSS MBBLS	:	CASH RETURNED	: 376.9
NET MBBLS	:	CASH FLOW	: 142.7
NET REVENUE (M\$)	:	NET PRESENT VALUE (M\$)	P.I.
BBL/DAY TO PAYOUT:		@ 13.0 %:	11.6
GAS_GROSS MMCF	: 295.9	@ %:	142.7
NET MMCF	: 244.1	@ 6.0 %:	68.0
NET REVENUE (M\$)	: 651.7	@ 8.0 %:	49.2
MCF/DAY TO PAYOUT:	89.1		

PRESS "ENTER" TO CONTINUE...

GOWEE_CASE_SUM

Phillips Petroleum Company
Commerciality Determination

San Juan 29-6 Unit #53A
Pictured Cliffs
E/2 Section 31, 29N-6W
Rio Arriba Co., NM

This well was a Mesaverde producer. The PC was completed July 1999.

Average drilling and completion costs for a slimhole PC well were used in this determination.

The operating costs and production for 1999 are actual.

Future operating costs were determined from offset Mesaverde wells in the 29-6 Unit.

The gas price is actual netback for this well in 1999, with transportation costs removed.

Recommend that this well be determined commercial.

#53A Actual Production

Month	Production
Aug-99	18,988 MCF
Sep-99	13,891 MCF
Oct-99	9,567 MCF
Nov-99	8,447 MCF
Dec-99	8,256 MCF
Jan-00	11,058 MCF

70,207 MCF

Phillips Petroleum Company

Commerciality Determination

San Juan 29-6 Unit #53A

Pictured Cliffs

E/2 Section 31, 29N-6W

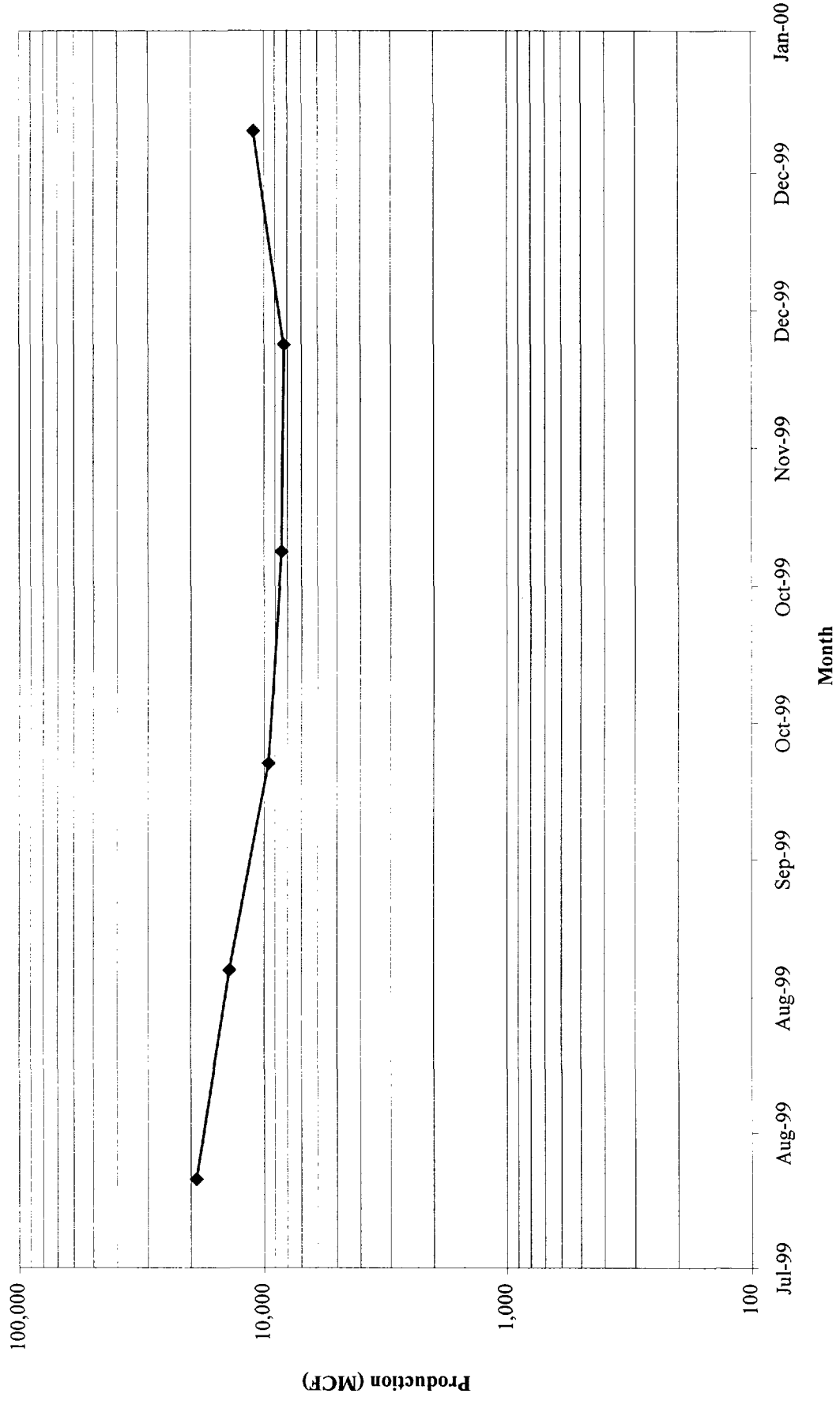
Rio Arriba Co., NM

Date of First Delivery:	<u>08/03/99</u>
Total Well Costs:	<u>\$234,193</u>
1999 Avg. Gas Price (\$/mcf):	<u>\$2.23</u>
BLM Royalty:	<u>17.5%</u>
% Production Taxes:	
	3.75000 Severance
	4.00000 School
	1.17325 Ad Valorem
	0.19000 Conservation
	<u>0.78138</u> Prod Equip
	9.89463

Estimated Gross Annual Production and Operating Expenses

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	1999	59,149 (actual)	1,648
2	2000	80,141	6,000
3	2001	62,332	6,000
4	2002	49,425	6,000
5	2003	39,844	6,000
6	2004	32,584	6,000
7	2005	26,983	6,000
8	2006	22,593	6,000
9	2007	19,105	6,000
10	2008	16,298	6,000
11	2009	14,014	6,000
12	2010	12,137	6,000
13	2011	10,580	6,000
14	2012	9,278	6,000
15	2013	8,181	6,000
	Total	<u>462,644</u>	

San Juan 29-6 Unit #53A Pictured Cliffs Production



CASE : 29-6#53APCCD ** ECONOMICS CASE SUMMARY **
 DESCRIPTION: 29-6 #53A PC COMMERCIALITY DETERMINATION WORKING INT : 100.000%
 CASE REVENUE INT : 82.500% OIL REV INT : 82.500% GAS REV INT : 82.500%
 CASE LIFE -FIRST MO-YR : 7-1999 PROD MO-YR : 8-1999 LAST YEAR : 2013

MEASURES OF MERIT		NET CASH FLOW SUMMARY (M\$)	
AARR (%)	: 41.6	CAPITAL OUTLAY	: 234.2
BREAKEVEN POINT (YRS.)	: 2.0	TOTAL REVENUE	: 851.1
PAYOUT (YRS.)	: 1.9	TOTAL EXPENSES	: 203.3
NTER	: 2.1	IBRT	: 647.8
ECONOMIC LIFE (YRS.)	: 14.4	CURRENT INCOME TAX	: 163.6
RESERVES SUMMARY		SALVAGE	:
OIL-GROSS MBBLS	:	CASH RETURNED	: 484.3
NET MBBLS	:	CASH FLOW	: 250.1
NET REVENUE (M\$)	:	NET PRESENT VALUE (M\$)	P.I.
BBL/DAY TO PAYOUT:		@ 13.0 %:	117.8
GAS_GROSS MMCF	: 462.6	@ %:	250.1
NET MMCF	: 381.7	@ 6.0 %:	177.1
NET REVENUE (M\$)	: 851.1	@ 8.0 %:	157.9
MCF/DAY TO PAYOUT:	242.9		

PRESS "ENTER" TO CONTINUE...

GOWEE_CASE_SUM



RECEIVED
1995 SEP 11 8 52

State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

(505) 827-5760
FAX (505) 827-5766

SANTA FE, NEW MEXICO 87504-1148

August 31, 1995

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

Attention: Mr. Patrick H. Noah

Re: San Juan 29-6 Unit
Fruitland Participating Area
Fifteenth thru the Seventeenth Expansions
1,280 Additional Acres
Rio Arriba County, New Mexico

Dear Mr. Noah:

This office is in receipt of your letter of July 20, 1995, requesting our approval to amend the Fifteenth through the Seventeenth Expansions to the Fruitland Participating Area for the San Juan 29-6 Unit, Rio Arriba County, New Mexico.

The Bureau of Land Management has advised this office of their approval to these expansions by their letter of August 1, 1995.

Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the expansion of the above-mentioned participating areas effective as follows:


The Fifteenth Expansion containing 320.00 acres is effective September 1, 1993.
The Sixteenth Expansion containing 640.00 acres is effective January 1, 1995.
The Seventeenth Expansion containing 320.00 acres is effective February 1, 1995.

Phillips Petroleum Company
Page 2
August 31, 1995

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Deputy Director
Oil/Gas and Minerals Division
(505) 827-5745

RP/JB/cpm

Enclosure

cc: Reader File

OCD--Attention: Mr. Roy Johnson

TRD--Attention: Mr. Valdean Severson

BLM--Attention: Mr. Duane Spencer



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

August 1, 1995

100-214931-1000
8/1/95
1995 8 1 10 52

IN REPLY REFER TO:

San Juan 29-6 Unit (FR PA)
3186.1 (07327)

Patrick H Noah
Phillips Petroleum Company
5525 Highway 64 3004
Farmington, New Mexico 87401

Dear Mr. Noah:

We have reviewed your application for the 15th, 16th, and 17th expansion to the Fruitland Participating Area (PA) in the San Juan 29-6 Unit. The application, is supported by production from the wells listed in the chart below. All of the supporting wells were previously submitted to this office for paying well determination. Our correspondence, dated June 13, 1995 and June 26, 1995 indicates that we concur with your determination that the supporting wells are capable of producing unitized substances in paying quantities. The effective date for each expansion is in accordance with terms set forth in the unit agreement.

EXPANSION NUMBER	EFFECTIVE DATE	TOTAL ACRES	LOCATION			ALLOCATED DRILL BLOCK	WELL NUMBER
			SEC	T	R		
15	9-1-93	320.00	13	29N	6W	W/2	225R
16	1-1-95	320.00	9	29N	6W	W/2	257R
16	1-1-95	320.00	10	29N	6W	W/2	247R
17	2-1-95	320.00	14	29N	6W	W/2	227

Your Application for the 15th, 16th, and 17th expansion of the Fruitland Participating Area in the San Juan 29-6 Unit is hereby approved with the effective dates indicated above.

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, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request 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 regarding this correspondence, please contact Ray Hager at (505) 599-6366.

Sincerely,

/s/ Duane Spencer

Duane Spencer
Chief, Branch of Reservoir Management

Enclosure:1 Exhibit B's

MMS, RMP, MS-3240, Denver, CO (w/enclosure)
Commissioner of Public Lands, Santa Fe, NM
New Mexico Oil Conservation Division, Santa Fe, NM

bcc:

Unit PA File (w/application & Geological report)

3180

AIRS

DOM Reader

Geneva (070)

Suspense: RHager (070)

07327:RHager:date 07/31/95:x366: phillipsexp.ltr



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

35 JUN 21 11 08 52
RAY POWELL, M.S., D.V.M.
COMMISSIONER

July 24, 1995

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

Attention: Mr. Patrick H. Noah

Re: San Juan 29-6 Unit
Fruitland Participating Area
Fourteenth Expansion
Rio Arriba County, New Mexico

Dear Mr. Noah:

This office is in receipt of your letter of June 22, 1995, requesting our approval to amend the Fourteenth Expansion of the Fruitland Participating Area for the San Juan 29-6 Unit, Rio Arriba County, New Mexico.

The Bureau of Land Management has advised this office of their approval to this amendment by their letter of June 28, 1995.

Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the addition of the E/2 of Section 27-29N-06W to the above-mentioned participating area effective December 1, 1992.

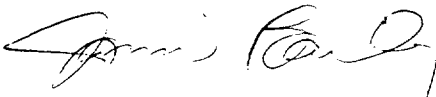
Your revised Exhibits "A" and "B" for the Fourteenth Revision of the San Juan 29-6 Unit Fruitland Participating area, have been accepted and filed for record in our unit file.

Phillips Petroleum Company
Page 2
July 24, 1995

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Deputy Director
Oil/Gas and Minerals Division
(505) 827-5745

RP/JB/cpm

Enclosure

cc: Reader File

OCD--Attention: Mr. Roy Johnson

TRD--Attention: Mr. Mike Holden

BLM--Attention: Mr. Duane Spencer



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

RAY POWELL, M.S., D.V.M.
COMMISSIONER

July 21, 1995

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

Attention: Mr. Patrick H. Noah

Re: San Juan 29-6 Unit
Commerciality Determinations
W/2, Section 14-29N-06W
Fruitland Formation
Rio Arriba County, New Mexico

Dear Mr. Noah:

This office is in receipt of your letter of June 20, 1995, together with data that supports your commercial determinations regarding the San Juan 29-6 Unit Well No. 227.

The Bureau of Land Management, by their letter of June 26, 1995, has advised this office that they have concurred with your determination that the San Juan 29-6 Unit Well No. 227 is capable of producing unitized substances in paying quantities from the Fruitland formation.

Please be advised that the Commissioner of Public Lands concurs with Phillips Petroleum Company and the Bureau of Land Management's determinations that the San Juan 29-6 Unit Well No. 227 is commercial in the Fruitland formation and entitled to participate in the Fruitland Participating Area.

Please submit an application for the appropriate expansion of the Fruitland Participating Area to this office for approval.

Phillips Petroleum Company

Page 2

July 21, 1995

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Deputy Director
Oil/Gas and Minerals Division
(505) 827-5745

RP/JB/cpm

Enclosure

cc: Reader File

OCD--Attention: Mr. Roy Johnson

TRD--Attention: Mr. Mike Holden

BLM--Attention: Mr. Duane Spencer



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

RECEIVED
OIL CONSERVATION DIVISION
1995 JUL 20 11 08 52

July 20, 1995

United States Department of Interior
Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

State of New Mexico
Commissioner of Public Lands
Attn: Mr. Floyd O. Prando
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. Lemay
State Land Office Building
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: SAN JUAN 29-6 UNIT
#14-08-001-439, OGRID NO. 099208, 017654
FRUITLAND PARTICIPATING AREA APPLICATION
FIFTEENTH EXPANSION - EFFECTIVE 09/01/93
SIXTEENTH EXPANSION - EFFECTIVE 01/01/95
SEVENTEENTH EXPANSION - EFFECTIVE 02/01/95
RIO ARRIBA COUNTY, NEW MEXICO
GF-5396

Gentlemen:

Pursuant to Section 11(a) of the San Juan 29-6 Unit Agreement, #14-08-001-437, approved December 5, 1952, Phillips Petroleum as Unit Operator, determined on the dates listed below that the wells listed below are capable of producing unitized substances in paying quantities from the Fruitland Formation. Therefore, application for the Fifteenth Expansion, Sixteenth Expansion and Seventeenth Expansion of the Fruitland Formation is submitted for your review as follows:

FIFTEENTH EXPANDED PARTICIPATING AREA - EFFECTIVE SEPTEMBER 1, 1993

<u>DRILLING BLOCK</u>	<u>NEW ACRES</u>	<u>WELL NUMBER</u>
W/2 Section 13-T29N-R6W	320.00	225R

The San Juan 29-6 Unit #225R well was completed September 2, 1993. The Fruitland Coal Formation was tested on August 31, 1993, with cumulative gas production of 35,809 MCF through May 1995. The spacing unit for this well is W/2 Section 13-T29N-R6W, containing 320.00 acres.

San Juan 29-6 Unit
#14-08-001-439
Fruitland Participating Area Application
July 20, 1995
Page 2

SIXTEENTH EXPANDED PARTICIPATING AREA - EFFECTIVE JANUARY 1, 1995

<u>DRILLING BLOCK</u>	<u>NEW ACRES</u>	<u>WELL NUMBER</u>
W/2 Section 9-T29N-R6W	320.00	257R
W/2 Section 10-T29N-R6W	320.00	247R

The San Juan 29-6 Unit #257R well was completed December 5, 1994. The Fruitland Coal Formation was tested on December 2, 1994, with cumulative gas production of 309,056 MCF through May, 1995. The spacing unit for this well is W/2 Section 9-T29N-R6W, containing 320.00 acres.

The San Juan 29-6 Unit #247R well was completed December 22, 1994. The Fruitland Coal Formation was tested on December 19, 1994, with cumulative gas production of 169,556 MCF through May, 1995. The spacing unit for this well is W/2 Section 10-T29N-R6W, containing 320.00 acres.

SEVENTEENTH EXPANDED PARTICIPATING AREA - EFFECTIVE FEBRUARY 1, 1995

<u>DRILLING BLOCK</u>	<u>NEW ACRES</u>	<u>WELL NUMBER</u>
W/2 Section 14-T29N-R6W	320.00	227

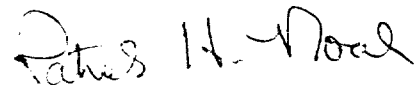
The San Juan 29-6 Unit #227 was completed January 28, 1992. The Fruitland Coal Formation was tested on January 26, 1992, with cumulative gas production of 78,146 MCF through May, 1995. While originally deemed a non-commercial well, the well's status was recently re-considered by the BLM and has been deemed commercial effective January 1, 1995 per BLM letter dated June 26, 1995. The spacing unit for this well is W/2 Section 10-T29N-R6W, containing 320.00 acres.

Enclosed herewith are Schedules XVI, XVII and XVIII for the Fifteenth through Seventeenth Expanded Participating Areas for the Fruitland Coal Formation of the San Juan 29-6 Unit Area. These schedules describe the Participating Area and indicate the percentages of unitized substances allocated to the unit tracts according to the Fruitland ownership of such tracts.

Unless this application is disapproved in whole or in part, the Fifteenth Expanded, Sixteenth Expanded and Seventeenth Expanded Participating Areas are effective September 1, 1993, January 1, 1995 and February 1, 1995, respectively. Copies of the application, with enclosures, are being sent to the working interest owners described on the attached sheet.

Very truly yours,

PHILLIPS PETROLEUM COMPANY



Patrick H. Noah
Senior Land Specialist
San Juan Basin
(505) 599-3410

cc: w/o attachments
C. D. Richard (r) Supervisors
J. L. Mathis (r) GF-5396

San Juan 29-6 Unit
#14-08-001-439
Fruitland Participating Area Application
July 20, 1995
Page 3

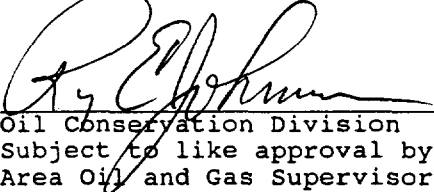
The signatory approval below are for the Fifteenth, Sixteenth and Seventeenth expanded participating areas of the Fruitland Formation in the San Juan 29-6 Unit #14-08-001-439.

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

DATE _____

APPROVED _____
Commissioner of Public Lands
Subject to like approval by the
Area Oil and Gas Supervisor and the
Oil Conservation Division

DATE _____

APPROVED  _____
Oil Conservation Division
Subject to like approval by the
Area Oil and Gas Supervisor and the
Commissioner of Public Lands

DATE 8/2/95

**SAN JUAN 29-6 UNIT
WORKING INTEREST OWNERS**

American West Gas - 1993 L.L.C.
Bolack Minerals Company
Central Resources, Inc.
Mrs. Veva Jean Gibbard
First National Bank of Fort Worth
Trustee - Eula M. Johnston
James J. Johnston
V. A. Johnston Family Trust
Koch Exploration Company
T.H. McElvain Oil & Gas
Meridian Oil Production Inc.
Phillips Petroleum Company
Phillips-San Juan Partners, L.P.
Petrox, Inc.
RKC, Inc.
James M. Raymond
Maydell Miller Mast Trust
Corinne Miller Gay Trust
San Juan Basin Partnership
Tipperary Oil & Gas Corporation
Vastar Resources, Inc.
Vaughan-McElvain Energy
Williams Production Company
The Wiser Oil Company



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

July 3, 1995

United States Department of Interior
Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

State of New Mexico
Commissioner of Public Lands
Attn: Mr. Floyd O. Prando
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

State of New Mexico
Oil Conservation Division
Attn: Mr. William J. Lemay
State Land Office Building
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: San Juan 29-6 Unit
#14-08-001-439
Fruitland Participating Area
Fourteenth Expansion - Effective 12/01/92
Rio Arriba County, New Mexico
GF-5396

Gentlemen:

Further to the application for the San Juan 29-6 Unit Fourteenth Expansion of the Fruitland Formation, enclosed are maps depicting the intervening drillblock acreage as described in Pat Noah's letter of June 22, 1995.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

A handwritten signature in cursive script that reads "Kathryn D. Burleson".

Kathryn D. Burleson
Sr. Land Aide
Farmington Area