



P.O. Box 2197
Houston, TX 77252-2197

July 23, 2003

RECEIVED

JUL 28 2003

**OIL CONSERVATION
DIVISION**

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

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

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

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

Ladies and Gentlemen:

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

It is now proposed that the POD be amended to include the addition of seven (7) well to be drilled which was not included in the Initial POD.

The proposed well to be drilled is as follows:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-8 Unit #204A	W/2 Sec 34-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #206A	E/2 Sec 24-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #227A	W/2 Sec 16-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #228A	E/2 Sec 16-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #234A	W/2 Sec 21-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #235A	E/2 Sec 21-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #242A	W/2 Sec 4-31N-8W (NSP)	Fruitland Coal	Drill

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

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

Per Section 10 of the San Juan 32-8 Unit Agreement, please confirm your approval of this First Amendment to the POD by executing in the appropriate space and returning one (1) copy of this letter to the attention of the undersigned.

Respectfully yours,

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

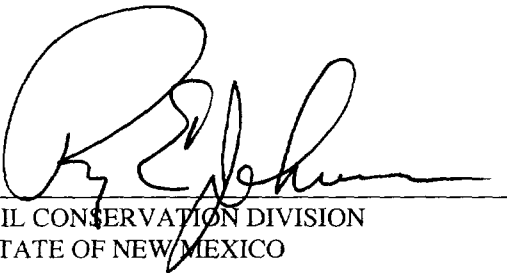
SAN JUAN 32-8 UNIT #14-08-001-446
SECOND AMENDED 2003 PLAN OF DEVELOPMENT

BUREAU OF LAND MANAGEMENT

DATE

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

DATE



OIL CONSERVATION DIVISION
STATE OF NEW MEXICO

8/4/03

DATE



P.O. Box 2197
Houston, TX 77252-2197

May 13, 2003

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

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

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

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

Ladies and Gentlemen:

By letter dated November 18, 2002 Phillips Petroleum Company (Phillips), as Unit Operator, filed the 2003 Initial Plan of Development (POD).

It is now proposed that the POD be amended to include the addition of six (6) well to be drilled which was not included in the Initial POD.

The proposed well to be drilled is as follows:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-8 Unit #208A	E/2 Sec 29-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #240A	W/2 Sec 3-31N-8W	Mesaverde	Drill
San Juan 32-8 Unit #248A	E/2 Sec 11-31N-8W	Mesaverde	Drill
San Juan 32-8 Unit #250A	W/2 Sec 33-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #259A	E/2 Sec 22-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #260A	E/2 Sec 18-32N-8W	Mesaverde	Drill

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

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

Per Section 10 of the San Juan 32-8 Unit Agreement, please confirm your approval of this First Amendment to the POD by executing in the appropriate space and returning one (1) copy of this letter to the attention of the undersigned.

Respectfully yours,

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

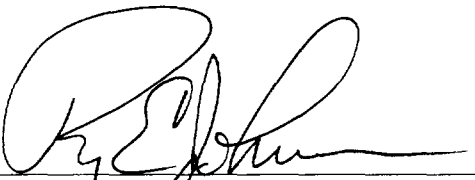
**SAN JUAN 32-8 UNIT #14-08-001-446
FIRST AMENDED 2003 PLAN OF DEVELOPMENT**

BUREAU OF LAND MANAGEMENT

DATE

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

DATE



OIL CONSERVATION DIVISION
STATE OF NEW MEXICO

5/29/03

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

446
LIMITED
OIL & GAS
COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

March 17, 2003

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

Attention: Mr. Skip Fraker

Re: San Juan 32-8 Unit
San Juan County, NM
Fruitland Participating Area
Twenty-Fourth Expansion – Effective 9/1/1999
Twenty-Fifth Expansion – Effective 1/1/2001

Dear Mr. Fraker:

We are in receipt of your letter of March 14, 2002 together with your application for approval of the Twenty-Fourth and Twenty-Fifth expansions to the Fruitland participating area for the San Juan 32-8 Unit, San Juan County, New Mexico.

The Bureau of Land Management approved the above referenced expansions by their letter of December 12, 2002.

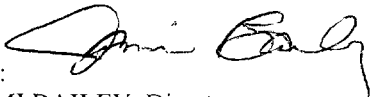
The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced Fruitland participating area expansions.

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

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

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

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

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



P.O. Box 2197
Houston, TX 77252-2197

March 7, 2003

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

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

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

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

Gentlemen:

By letter dated November 18, 2002, Phillips Petroleum Company (Phillips) as Unit Operator filed the 2003 Plan of Development (POD).

The letter proposed the following wells to be drilled:

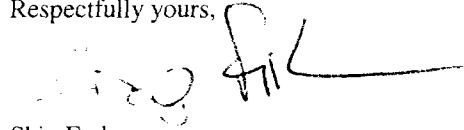
<u>Well Name</u>	<u>Location</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-8 Unit #202A	W/2 Sec 27-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #203A	E/2 Sec 33-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #205A	E/2 Sec 34-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #208A	W/2 Sec 29-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #218A	E/2 Sec 25-32N-8W	Mesaverde/Pictured Cliffs	Drill
San Juan 32-8 Unit #219A	W/2 Sec 35-32N-8W	Mesaverde/Pictured Cliffs	Drill
San Juan 32-8 Unit #229A	W/2 Sec 20-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #230A	E/2 Sec 28-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #231A	W/2 Sec 28-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #243A	W/2 Sec 11-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #249A	E/2 Sec 3-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #253A	E/2 Sec 27-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #255A	E/2 Sec 24-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #256A	E/2 Sec 25-32N-8W	Fruitland Coal	Drill

This list indicated that some wells were to be drilled as Mesaverde and Mesaverde/Pictured Cliffs wells. This is incorrect, as all of the proposed wells will be drilled as Fruitland Coal wells and the above well list should be reflected as follows:

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

I apologize any inconveniences this error may have caused. If you have further questions, please contact me.

Respectfully yours,



Skip Fraker
Coalbed Methane Land Analyst
ConocoPhillips
San Juan/Rockies Business Unit
(832) 486-2392

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 32-8 Unit
Commercial Determinations
Fruitland Coal Formation
San Juan 32-8 Unit Well No. 255, E/2 Sec.24-32N-8W
San Juan 32-8 Unit Well No. 261, W/2 Sec. 17-32N-8W
San Juan County, New Mexico

Dear Mr. Fraker:

We are in receipt of your letter of September 27, 2002 and a copy of the Bureau of Land Management's letter of November 5, 2002 regarding the referenced commercial determination for the San Juan 32-8 Unit Well Nos. 255 and 261.

We concur with the Bureau of Land Management that the San Juan 32-8 Unit Well Nos. 255 and 261 are commercial wells in the Fruitland Coal formation and should be included in the Fruitland Coal participating area.

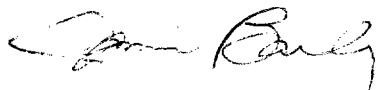
Please submit an application for the appropriate expansion of the Fruitland Coal participating area to this office for approval.

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

November 18, 2002

OIL CONSERVATION
DIVISION

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

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

Oil Conservation Division (2 copies)
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

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

Gentlemen:

By letter dated February 4, 2002, Phillips Petroleum Company (Phillips) as Unit Operator filed the 2002 Plan of Development (POD). The POD indicated thirteen (13) wells were planned for 2002. The 2002 status is shown below.

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

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
San Juan 32-8 Unit #264	W/2 Sec 9-32N-8W	Fruitland Coal
San Juan 32-8 Unit #262	E/2 Sec 17-32N-8W	Fruitland Coal
San Juan 32-8 Unit #258	W/2 Sec 15-32N-8W	Fruitland Coal
San Juan 32-8 Unit #260	S/2 Sec 18-32N-8W	Fruitland Coal
San Juan 32-8 Unit #17M	W/2 (MV&DK) Sec 23-31N-8W	Mesaverde/Dakota
San Juan 32-8 Unit #23M	W/2 (MV&DK) Sec 14-31N-8W	Mesaverde/Dakota
San Juan 32-8 Unit #10M	E/2 (MV&DK) Sec 24-31N-8W	Mesaverde/Dakota
San Juan 32-8 Unit #1B	E/2 Sec 23-31N-8W	Mesaverde
San Juan 32-8 Unit #21A	E/2 Sec 15-31N-8W	Mesaverde
San Juan 32-8 Unit #12B	E/2 Sec 21-31N-8W	Mesaverde
San Juan 32-8 Unit #28A	E/2 Sec 16-31N-8W	Mesaverde

The following wells were recompleted in 2002.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
San Juan 32-8 Unit #45A	W/2 Sec 14-32N-8W	Pictured Cliffs
San Juan 32-8 Unit #46A	E/2 Sec 14-32N-8W	Pictured Cliffs

2002 Summary- The #258, 260, 262 & 264 Fruitland Coal wells were drilled on a drillblock basis within the Unit Boundaries. The #1B, 12B, 21A, 28A, 10M, 17M & 23M wells were completed in the Mesaverde Participating Area. The #10M, 17M & 23M Dakota wells were completed on a drillblock basis within the Unit Boundaries. The #10M, 17M & 23M wells were commingled. The #45A & 46A wells were recompleted in the Pictured Cliffs formations in existing Mesaverde wells located within the Pictured Cliffs Participating Area. The #22, 37 & 41 wells were plugged and abandoned. The #259 and 263 wells will be carried over into 2003. All downhole commingle operations were conducted in accordance to existing regulatory parameters.

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

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Twenty-Third	7/1/97
Pictured Cliffs	First	1/1/83
Mesaverde	Nineteenth	7/1/83
Dakota	Initial	2/10/82

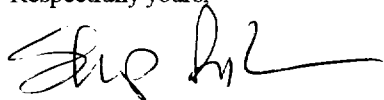
Pursuant to Sec 10 of the San Juan 32-8 Unit Agreement, Phillips, as Unit Operator hereby submits the following wells for the 2003 POD:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-8 Unit #202A	W/2 Sec 27-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #203A	E/2 Sec 33-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #205A	E/2 Sec 34-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #208A	W/2 Sec 29-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #218A	E/2 Sec 25-32N-8W	Mesaverde/Pictured Cliffs	Drill
San Juan 32-8 Unit #219A	W/2 Sec 35-32N-8W	Mesaverde/Pictured Cliffs	Drill
San Juan 32-8 Unit #229A	W/2 Sec 20-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #230A	E/2 Sec 28-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #231A	W/2 Sec 28-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #243A	W/2 Sec 11-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #249A	E/2 Sec 3-31N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #253A	E/2 Sec 27-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #255A	E/2 Sec 24-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #256A	E/2 Sec 25-32N-8W	Fruitland Coal	Drill

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

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

Respectfully yours,



Skip Fraker
Phillips Petroleum Company
San Juan Area-Land Dept.
(505) 599-3428

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

Bureau of Land Management

Date

New Mexico
Commissioner of Public Lands

Date



New Mexico
Oil Conservation Division

12/9/02
Date

PHILLIPS PETROLEUM COMPANY



FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

RECEIVED

DECEMBER 17, 2002

OIL CONSERVATION

UNIT

November 18, 2002

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

Commissioner of Public Lands (2 copies)
State of New Mexico
Attn: Mr. Ray Powell
P. O. Box 1145
Santa Fe, New Mexico 87504-1148

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

RE: SAN JUAN 32-8 UNIT
#14-08-001-446
TWENTY-SIXTH EXPANSION – EFFECTIVE 9-1-01
TWENTY-SEVENTH EXPANSION – EFFECTIVE 10-1-01
FRUITLAND PARTICIPATING AREA
SAN JUAN COUNTY, NEW MEXICO
C40464, LCN 650251, 651251

Ladies & Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-8 Unit Agreement, #14-08-001-446, approved January 13, 1953, Phillips Petroleum Company, as Unit Operator determined on the dates indicated below that the wells listed below are capable of producing unitized substances in paying quantities from the Fruitland Formation. Therefore, this application for the Twenty-sixth and Twenty-seventh Expansions of the Participating Area established for the Fruitland Formation is respectfully submitted for your approval as follows:

TWENTY-SIXTH EXPANDED PARTICIPATING AREA
EFFECTIVE SEPTEMBER 1, 2001

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
W/2 Section 17-32N-8W	320.00	261

The San Juan 32-8 Unit #261 Well was completed August 13, 2001, with cumulative gas production of 38,603 MCF through July 31, 2002. The spacing unit for this well is described as the W/2 Section 17-32N-8W.

This well was deemed commercial per letter dated November 5, 2002 from the Bureau of Land Management.

TWENTY-SEVENTH EXPANDED PARTICIPATING AREA
EFFECTIVE OCTOBER 1, 2001

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
E/2 Section 24-32N-8W	320.00	#255

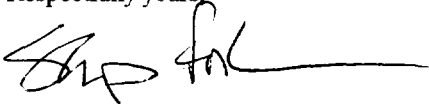
The San Juan 32-8 Unit #255 Well was completed September 30, 2001 with cumulative gas production of 82,799 MCF through July 31, 2001. The spacing unit for this well is described as the E/2 Section 24-32N-8W.

This well was deemed commercial per letter dated November 5, 2002.

Enclosed herewith are Schedule XXVII for the Twenty-sixth Expanded Participating Area and Schedule XXVIII for the Twenty-seventh Expanded Participating Area for the Fruitland Formation. These schedules describe the participating areas and indicate the percentages of unitized substances allocated to the unit tracts according to the Fruitland Formation ownership of such tracts. Also included is a map reflecting the boundaries of the Unit, and the proposed Twenty-sixth and Twenty-seventh Expansions of the San Juan 32-8 Unit Fruitland Participating Area.

Unless this application is disapproved or contested, the Twenty-sixth Expanded Participating Area is effective as of September 1, 2001, and the Twenty-seventh Expansion Participating Area is effect as of October 1, 2001. Copies of this application are being sent to the Unit working interest owners.

Respectfully yours,



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

SAN JUAN 32-8 UNIT
FRUITLAND COAL PARTICIPATING AREA OWNERS

PHILLIPS PETROLEUM COMPANY
PHILLIPS – NEW MEXICO PARTNERS, L.P.
PHILLIPS – SAN JUAN LIMITED PARTNERSHIP
BURLINGTON RESOURCES OIL & GAS COMPANY
CBP SAN JUAN LIMITED PARTNERSHIP
CINCO GENERAL PARTNERSHIP
FOUR STAR OIL & GAS COMPANY
ANDREW B. KELLY, JR.
CHARLES E. KELLY
SUSANNA P. KELLY
SUSANNA P. KELLY, JR.
WILLIAMS PRODUCTION COMPANY
WINTERGREEN ENERGY CORPORATION

SAN JUAN 32-8 #255
FRUITLAND COAL DRILLBLOCK OWNERS

PHILLIPS PETROLEUM COMPANY
CBP SAN JUAN LIMITED PARTNERSHIP
WILLIAMS PRODUCTION COMPANY

SAN JUAN 32-8 #261
FRUITLAND COAL DRILLBLOCK OWNERS

PHILLIPS PETROLEUM COMPANY
WILLIAMS PRODUCTION COMPANY

The signatory approvals below are for the Twenty-sixth and Twenty-seventh Expanded Participating area of the Fruitland Formation in the San Juan 32-8 Unit #14-08-001-446.

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

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVII
THE 26TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-013364	T31N R8W	360.00		TRACT: 003			2.428604
SEC. 21	N/2 N/2, N/2 S/2, SE/4 SE/4		ORRI:		1.294640 *	1.294640 *	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		17.871093	17.871093	
			WILLIAMS PRODUCTION COMPANY		53.783485	53.783485	
			WINTERGREEN ENERGY CORP		10.253906	10.253906	
	*BORNE SOLELY BY		SUSANNA PHILLIPS KELLY		1.562500	1.562500	
	WILLIAMS PRODUCTION CO.		ANDREW B KELLY, JR.		1.025391	1.025391	
			CHARLES E. KELLY		1.025391	1.025391	
			SUSANNA PHILLIPS KELLY, JR.		0.683594	0.683594	
REMARKS:	SAN JUAN 32-8 UNIT #234		TOTAL		100.000000	100.000000	
	SAN JUAN 32-8 UNIT #235						
SF-079004	T31N R8W	1720.00		TRACT: 004			11.603331
SEC. 9	ALL		ORRI:		5.000000	5.000000	
SEC. 10	ALL		ROYALTY:		12.500000	12.500000	
SEC. 15	NE/4, E/2 SE/4, NW/4 SE/4, NW/4		WORKING INTEREST:				
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			FOUR STAR OIL & GAS COMPANY		67.650000	67.650000	
REMARKS:	SAN JUAN 32-8 UNIT #221		TOTAL		100.000000	100.000000	
	SAN JUAN 32-8 UNIT #222						
	SAN JUAN 32-8 UNIT #223						
	SAN JUAN 32-8 UNIT #224						
	SAN JUAN 32-8 UNIT #225						
	SAN JUAN 32-8 UNIT #226						

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVII
THE 26TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	DRILLING BLOCK	OWNERSHIP	PERCENTAGE COMMITTED	PERCENT PARTICIPATION
SF-079013	T32N R8W	1280.00	TRACT: 005			8.635037
	SEC. 17 W/2			ORRI:	5.000000	
	SEC. 20 W/2			ROYALTY:	12.500000	
	SEC. 29 ALL			WORKING INTEREST:		
	REMARKS: SAN JUAN 32-8 UNIT #208			PHILLIPS-SAN JUAN PARTNERS, L. P.	67.650000	
	SAN JUAN 32-8 UNIT #232			WILLIAMS PRODUCTION COMPANY	14.850000	
	SAN JUAN 32-8 UNIT #229			TOTAL	100.000000	
	SAN JUAN 32-8 UNIT #261					
SF-079029	T31N R8W	1562.08	TRACT: 007			10.537983
	SEC. 3 LOTS 1, 2, 3, 4, S/2 N/2, S/2			ORRI:	5.000000	
	SEC. 4 LOTS 1, 2, 3, 4, S/2 N/2, S/2			ROYALTY:	12.500000	
	SEC. 21 S/2 N/2, S/2 SW/4, SW/4 SE/4			WORKING INTEREST:		
	REMARKS: SAN JUAN 32-8 UNIT #234			PHILLIPS-SAN JUAN PARTNERS, L. P.	67.650000	
	SAN JUAN 32-8 UNIT #235			WILLIAMS PRODUCTION COMPANY	14.850000	
	SAN JUAN 32-8 UNIT #240			TOTAL	100.000000	
	SAN JUAN 32-8 UNIT #241					
	SAN JUAN 32-8 UNIT #242					
	SAN JUAN 32-8 UNIT #249					
SF-079047	T31N R8W	880.00	TRACT: 008			5.936588
	SEC. 11 S/2 NW/4, SW/4			ORRI:	5.000000	
	SEC. 14 W/2			ROYALTY:	12.500000	
	SEC. 23 W/2			WORKING INTEREST:		
	REMARKS: SAN JUAN 32-8 UNIT #238			PHILLIPS-SAN JUAN PARTNERS, L. P.	67.650000	
	SAN JUAN 32-8 UNIT #243			WILLIAMS PRODUCTION COMPANY	14.850000	
	SAN JUAN 32-8 UNIT #245			TOTAL	100.000000	

PHILLIPS PETROLEUM COMPANY

SCHEDULE XXVII

THE 26TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION

SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079341-A	T32N R8W	956.34		TRACT: 011			6.451587
SEC. 19	LOT 4, SE/4 SW/4, SW/4SE/4		ORRI:		5.000000	5.000000	
SEC. 28	W/2		ROYALTY:		12.500000	12.500000	
SEC. 30	LOTS 1, 2, 3, 4, E/2 W/2, E/2		WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
REMARKS:	SAN JUAN 32-8 UNIT #231		TOTAL		100.000000	100.000000	
	SAN JUAN 32-8 UNIT #233						
	SAN JUAN 32-8 UNIT #239						
	SAN JUAN 32-8 UNIT #247						
	SAN JUAN 32-8 UNIT #257						
SF-079351	T31N R8W	383.89		TRACT: 013			2.589769
SEC. 24	LOTS 1-3, 6-16, 33-48, 65-80, 97-112, 129-136		ORRI:		2.500000	2.500000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
REMARKS:	SAN JUAN 32-8 UNIT #220		PHILLIPS-NEW MEXICO PARTNERS, L.P.		85.000000	85.000000	
	SAN JUAN 32-8 UNIT #206		TOTAL		100.000000	100.000000	
SF-079353	T32N R8W	1088.26		TRACT: 014			7.341535
SEC. 19	LOTS 1-3, E/2 NW/4, NE/4 SW/4, E/2E/2, NW/4SE/4, W/2NE/4		ORRI:		5.000000	5.000000	
SEC. 28	E/2		ROYALTY:		12.500000	12.500000	
SEC. 33	W/2		WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
REMARKS:	SAN JUAN 32-8 UNIT #230		TOTAL		100.000000	100.000000	
	SAN JUAN 32-8 UNIT #250						
	SAN JUAN 32-8 UNIT #247						
	SAN JUAN 32-8 UNIT #257						

PHILLIPS PETROLEUM COMPANY

SCHEDULE XXVII

THE 26TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION

SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079380	T32N R8W SEC. 23 ALL	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L.P. BURLINGTON RESOURCES O&G CO CBP SAN JUAN LIMITED PARTNERSHIP TOTAL	TRACT: 015	5.000000 12.500000 55.000688 15.465614 12.033698 100.000000	5.000000 12.500000 55.000688 15.465614 12.033698 100.000000	4.317518
	REMARKS: SAN JUAN 32-8 UNIT #37 SAN JUAN 32-8 UNIT #41						
SF-079380	T32N R8W SEC. 22 W/2 E/2 (IDB)	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY BURLINGTON RESOURCES O&G CO CINCO GENERAL PARTNERSHIP TOTAL	TRACT: 015A	5.000000 12.500000 55.000688 15.465614 12.033698 100.000000	5.000000 12.500000 55.000688 15.465614 12.033698 100.000000	4.317518
	REMARKS: SAN JUAN 32-8 UNIT #213						
SF-079381	T32N R8W SEC. 25 E/2 SEC. 33 E/2 SEC. 34 ALL SEC. 35 ALL	1920.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L. P. BURLINGTON RESOURCES O&G CO CBP SAN JUAN LIMITED PARTNERSHIP TOTAL	TRACT: 016	5.000000 12.500000 55.000688 15.465614 12.033698 100.000000	5.000000 12.500000 55.000688 15.465614 12.033698 100.000000	12.952555
	REMARKS: SAN JUAN 32-8 UNIT #36 SAN JUAN 32-8 UNIT #203 SAN JUAN 32-8 UNIT #204 SAN JUAN 32-8 UNIT #205 SAN JUAN 32-8 UNIT #218 SAN JUAN 32-8 UNIT #219						

PHILLIPS PETROLEUM COMPANY

SCHEDULE XXVII

THE 26TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION

SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079717	T32N R8W SEC. 27 W/2 SW/4, SE/4 SW/4	120.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 017	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	0.809535
REMARKS: SAN JUAN 32-8 UNIT #202							
NM-84809	T32N R8W SEC. 27 NW/4, NE/4 SW/4	200.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L.P. TOTAL	TRACT: 018	2.500000 12.500000 85.000000 100.000000	2.500000 12.500000 85.000000 100.000000	1.349224
REMARKS: SAN JUAN 32-8 UNIT #202							
SF-080412-A	T32N R8W SEC. 27 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY TOTAL	TRACT: 018A	2.500000 12.500000 85.000000 100.000000	2.500000 12.500000 85.000000 100.000000	2.158759
REMARKS: SAN JUAN 32-8 UNIT #253							

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVII
THE 26TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-080854	T31N R8W	952.76		TRACT: 019			6.427436
	SEC. 11 N/2 NW/4, E/2		ORRI:		5.000000	5.000000	
	SEC. 14 E/2		ROYALTY:		12.500000	12.500000	
	SEC. 24 LOTS 4, 5, 17-32, 49-64, 81-96, 113-128		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000 100.000000	67.650000 14.850000 100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #220 SAN JUAN 32-8 UNIT #243 SAN JUAN 32-8 UNIT #244 SAN JUAN 32-8 UNIT #248		TOTAL				
SF-081089	T31N R8W	320.00		TRACT: 020			2.158759
	SEC. 23 E/2		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000 100.000000	67.650000 14.850000 100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #237		TOTAL				
NM-03402	T31N R8W	840.00		TRACT: 021			5.666743
	SEC. 15 SW/4, SW/4 SE/4		ORRI:		5.000000	5.000000	
	SEC. 22 ALL		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000 100.000000	67.650000 14.850000 100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #207 SAN JUAN 32-8 UNIT #225 SAN JUAN 32-8 UNIT #226 SAN JUAN 32-8 UNIT #236		TOTAL				

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVII
THE 26TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-1204-3	T31N R8W SEC. 16 NW/4 NE/4, SE/4 NE/4, N/2 SE/4 NW/4, NE/4 SW/4, SW/4 SW/4	400.00	ORRI: ROYALTY: WORKING INTEREST: FOUR STAR OIL & GAS COMPANY WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 024	5.000000 12.500000 67.650000 14.850000 100.000000	2.698449
E-3704-2	T31N R8W SEC. 16 SW/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 026	5.000000 12.500000 67.650000 14.850000 100.000000	0.269845
E-3868-3	T31N R8W SEC. 16 SW/4 NE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 028	5.000000 12.500000 67.650000 14.850000 100.000000	0.269845
E-5113-70	T31N R8W SEC. 16 NW/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 031	6.000000 12.500000 66.830000 14.670000 100.000000	0.269845

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVII
THE 26TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-5382	T31N R8W SEC. 16 NE/4 NE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: FOUR STAR OIL & GAS COMPANY TOTAL	TRACT: 034	0.000000 12.500000 87.500000 100.000000	0.000000 12.500000 87.500000 100.000000	0.269845
REMARKS: SAN JUAN 32-8 UNIT #228							
B-11240-71	T31N R8W SEC. 16 SE/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 038	2.500000 12.500000 69.700000 15.300000 100.000000	2.500000 12.500000 69.700000 15.300000 100.000000	0.269845
REMARKS: SAN JUAN 32-8 UNIT #227							
B-11240-70	T31N R8W SEC. 16 SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 038A	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	0.269845
REMARKS: SAN JUAN 32-8 UNIT #228							

EFFECTIVE SEPTEMBER 1, 2001

TOTAL 14823.33 100.000000

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XXVII
 THE 26TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31 NORTH, RANGE 8 WEST	
SECTION 3	LOTS 1, 2, 3, 4, S/2 N/2, S/2
SECTION 4	LOTS 1, 2, 3, 4, S/2 N/2, S/2
SECTION 9	ALL
SECTION 10	ALL
SECTION 11	ALL
SECTION 14	ALL
SECTION 15	ALL
SECTION 16	ALL
SECTION 21	ALL
SECTION 22	ALL
SECTION 23	ALL
SECTION 24	ALL

TOWNSHIP 32 NORTH, RANGE 8 WEST	
SECTION 17	W/2
SECTION 19	LOTS 1, 2, 3, 4, E/2 W/2, E/2
SECTION 20	W/2
SECTION 22	ALL
SECTION 23	ALL
SECTION 25	E/2
SECTION 27	ALL
SECTION 28	ALL
SECTION 29	ALL
SECTION 30	LOTS 1, 2, 3, 4, E/2 W/2, E/2
SECTION 33	ALL
SECTION 34	ALL
SECTION 35	ALL

TOTAL ACRES COMMITTED: 14823.33

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVIII
THE 27TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-013364	T31N R8W	360.00		TRACT: 003			2.377284
SEC. 21	N/2 N/2, N/2 S/2, SE/4 SE/4		ORRI:		1.294640 *	1.294640 *	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		17.871093	17.871093	
			WILLIAMS PRODUCTION COMPANY		53.783485	53.783485	
			WINTERGREEN ENERGY CORP		10.253906	10.253906	
	*BORNE SOLELY BY		SUSANNA PHILLIPS KELLY		1.562500	1.562500	
	WILLIAMS PRODUCTION CO.		ANDREW B KELLY, JR.		1.025391	1.025391	
			CHARLES E. KELLY		1.025391	1.025391	
			SUSANNA PHILLIPS KELLY, JR.		0.683594	0.683594	
	REMARKS: SAN JUAN 32-8 UNIT #234		TOTAL		100.000000	100.000000	
	SAN JUAN 32-8 UNIT #235						
SF-079004	T31N R8W	1720.00		TRACT: 004			11.358136
SEC. 9	ALL		ORRI:		5.000000	5.000000	
SEC. 10	ALL		ROYALTY:		12.500000	12.500000	
SEC. 15	NE/4, E/2 SE/4, NW/4 SE/4, NW/4		WORKING INTEREST:				
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			FOUR STAR OIL & GAS COMPANY		67.650000	67.650000	
			TOTAL		100.000000	100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #221						
	SAN JUAN 32-8 UNIT #222						
	SAN JUAN 32-8 UNIT #223						
	SAN JUAN 32-8 UNIT #224						
	SAN JUAN 32-8 UNIT #225						
	SAN JUAN 32-8 UNIT #226						

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVIII
THE 27TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079013	T32N R8W	1280.00		TRACT: 005			8.452566
	SEC. 17 W/2		ORRI:		5.000000	5.000000	
	SEC. 20 W/2		ROYALTY:		12.500000	12.500000	
	SEC. 29 ALL		WORKING INTEREST:				
	REMARKS: SAN JUAN 32-8 UNIT #208		PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	67.650000	
	SAN JUAN 32-8 UNIT #232		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	SAN JUAN 32-8 UNIT #229		TOTAL		100.000000	100.000000	
	SAN JUAN 32-8 UNIT #261						
SF-079029	T31N R8W	1562.08		TRACT: 007			10.315301
	SEC. 3 LOTS 1, 2, 3, 4, S/2 N/2, S/2		ORRI:		5.000000	5.000000	
	SEC. 4 LOTS 1, 2, 3, 4, S/2 N/2, S/2		ROYALTY:		12.500000	12.500000	
	SEC. 21 S/2 N/2, S/2 SW/4, SW/4 SE/4		WORKING INTEREST:				
	REMARKS: SAN JUAN 32-8 UNIT #234		PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	67.650000	
	SAN JUAN 32-8 UNIT #235		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	SAN JUAN 32-8 UNIT #240		TOTAL		100.000000	100.000000	
	SAN JUAN 32-8 UNIT #241						
	SAN JUAN 32-8 UNIT #242						
	SAN JUAN 32-8 UNIT #249						
SF-079047	T31N R8W	880.00		TRACT: 008			5.811139
	SEC. 11 S/2 NW/4, SW/4		ORRI:		5.000000	5.000000	
	SEC. 14 W/2		ROYALTY:		12.500000	12.500000	
	SEC. 23 W/2		WORKING INTEREST:				
	REMARKS: SAN JUAN 32-8 UNIT #238		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
	SAN JUAN 32-8 UNIT #243		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	SAN JUAN 32-8 UNIT #245		TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVIII
THE 27TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079341-A	T32N R8W	956.34		TRACT: 011			6.315256
SEC. 19	LOT 4, SE/4 SW/4, SW/4SE/4		ORRI:		5.000000	5.000000	
SEC. 28	W/2		ROYALTY:		12.500000	12.500000	
SEC. 30	LOTS 1, 2, 3, 4, E/2 W/2, E/2		WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
REMARKS:	SAN JUAN 32-8 UNIT #231		TOTAL		100.000000	100.000000	
	SAN JUAN 32-8 UNIT #233						
	SAN JUAN 32-8 UNIT #239						
	SAN JUAN 32-8 UNIT #247						
	SAN JUAN 32-8 UNIT #257						
SF-079351	T31N R8W	383.89		TRACT: 013			2.535043
SEC. 24	LOTS 1-3, 6-16, 33-48, 65-80, 97-112, 129-136		ORRI:		2.500000	2.500000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
REMARKS:	SAN JUAN 32-8 UNIT #220		PHILLIPS-NEW MEXICO PARTNERS, L.P.		85.000000	85.000000	
	SAN JUAN 32-8 UNIT #206		TOTAL		100.000000	100.000000	
SF-079353	T32N R8W	1088.26		TRACT: 014			7.186398
SEC. 19	LOTS 1-3, E/2 NW/4, NE/4 SW/4, E/2E/2, NW/4SE/4, W/2NE/4		ORRI:		5.000000	5.000000	
SEC. 28	E/2		ROYALTY:		12.500000	12.500000	
SEC. 33	W/2		WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
REMARKS:	SAN JUAN 32-8 UNIT #230		TOTAL		100.000000	100.000000	
	SAN JUAN 32-8 UNIT #250						
	SAN JUAN 32-8 UNIT #247						
	SAN JUAN 32-8 UNIT #257						

PHILLIPS PETROLEUM COMPANY

SCHEDULE XXVIII

THE 27TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION

SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079380	T32N R8W SEC. 23 ALL	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L.P. BURLINGTON RESOURCES O&G CO CBP SAN JUAN LIMITED PARTNERSHIP TOTAL	TRACT: 015	5.000000 12.500000 55.000688 15.463614 12.033698 100.000000	5.000000 12.500000 55.000688 15.463614 12.033698 100.000000	4.226283
	REMARKS: SAN JUAN 32-8 UNIT #37 SAN JUAN 32-8 UNIT #41						
SF-079380	T32N R8W SEC. 22 W/2 E/2 (IDB)	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY BURLINGTON RESOURCES O&G CO CINCO GENERAL PARTNERSHIP TOTAL	TRACT: 015A	5.000000 12.500000 55.000688 15.463614 12.033698 100.000000	5.000000 12.500000 55.000688 15.463614 12.033698 100.000000	4.226283
	REMARKS: SAN JUAN 32-8 UNIT #213						
SF-079381	T32N R8W SEC. 25 E/2 SEC. 33 E/2 SEC. 34 ALL SEC. 35 ALL	1920.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L. P. BURLINGTON RESOURCES O&G CO CBP SAN JUAN LIMITED PARTNERSHIP TOTAL	TRACT: 016	5.000000 12.500000 55.000688 15.463614 12.033698 100.000000	5.000000 12.500000 55.000688 15.463614 12.033698 100.000000	12.678849
	REMARKS: SAN JUAN 32-8 UNIT #36 SAN JUAN 32-8 UNIT #203 SAN JUAN 32-8 UNIT #204 SAN JUAN 32-8 UNIT #205 SAN JUAN 32-8 UNIT #218 SAN JUAN 32-8 UNIT #219						

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVIII

THE 27TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-080854	T31N R8W	952.76		TRACT: 019			6.291615
	SEC. 11 N/2 NW/4, E/2		ORRI:		5.000000	5.000000	
	SEC. 14 E/2		ROYALTY:		12.500000	12.500000	
	SEC. 24 LOTS 4, 5, 17-32, 49-64, 81-96, 113-128		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000 100.000000	67.650000 14.850000 100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #220 SAN JUAN 32-8 UNIT #243 SAN JUAN 32-8 UNIT #244 SAN JUAN 32-8 UNIT #248		TOTAL				
SF-081089	T31N R8W	320.00		TRACT: 020			2.113141
	SEC. 23 E/2		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000 100.000000	67.650000 14.850000 100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #237		TOTAL				
NM-03402	T31N R8W	840.00		TRACT: 021			5.546997
	SEC. 15 SW/4, SW/4 SE/4		ORRI:		5.000000	5.000000	
	SEC. 22 ALL		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000 100.000000	67.650000 14.850000 100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #207 SAN JUAN 32-8 UNIT #225 SAN JUAN 32-8 UNIT #226 SAN JUAN 32-8 UNIT #236		TOTAL				

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVIII
THE 27TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-1204-3	T31N R8W SEC. 16 NW/4 NE/4, SE/4 NE/4, N/2 SE/4 NW/4, NE/4 SW/4, SW/4 SW/4	400.00	ORRI: ROYALTY: WORKING INTEREST: FOUR STAR OIL & GAS COMPANY WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 024	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	2.641427
E-3704-2	T31N R8W SEC. 16 SW/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 026	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	0.264143
E-3868-3	T31N R8W SEC. 16 SW/4 NE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 028	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	0.264143
E-5113-70	T31N R8W SEC. 16 NW/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 031	6.000000 12.500000 66.830000 14.670000 100.000000	6.000000 12.500000 66.830000 14.670000 100.000000	0.264143

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVIII
THE 27TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-5382	T31N R8W NE/4 NE/4	40.00		TRACT: 034			0.264143
	SEC. 16		ORRI:		0.000000	0.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			FOUR STAR OIL & GAS COMPANY		87.500000	87.500000	
	REMARKS: SAN JUAN 32-8 UNIT #228		TOTAL		100.000000	100.000000	
B-11240-71	T31N R8W SE/4 SW/4	40.00		TRACT: 038			0.264143
	SEC. 16		ORRI:		2.500000	2.500000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L. P.		69.700000	69.700000	
			WILLIAMS PRODUCTION COMPANY		15.300000	15.300000	
	REMARKS: SAN JUAN 32-8 UNIT #227		TOTAL		100.000000	100.000000	
B-11240-70	T31N R8W SE/4 SE/4	40.00		TRACT: 038A			0.264143
	SEC. 16		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	REMARKS: SAN JUAN 32-8 UNIT #228		TOTAL		100.000000	100.000000	

EFFECTIVE OCTOBER 1, 2001

TOTAL 15143.33 100.000000

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XXVIII
 THE 27TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

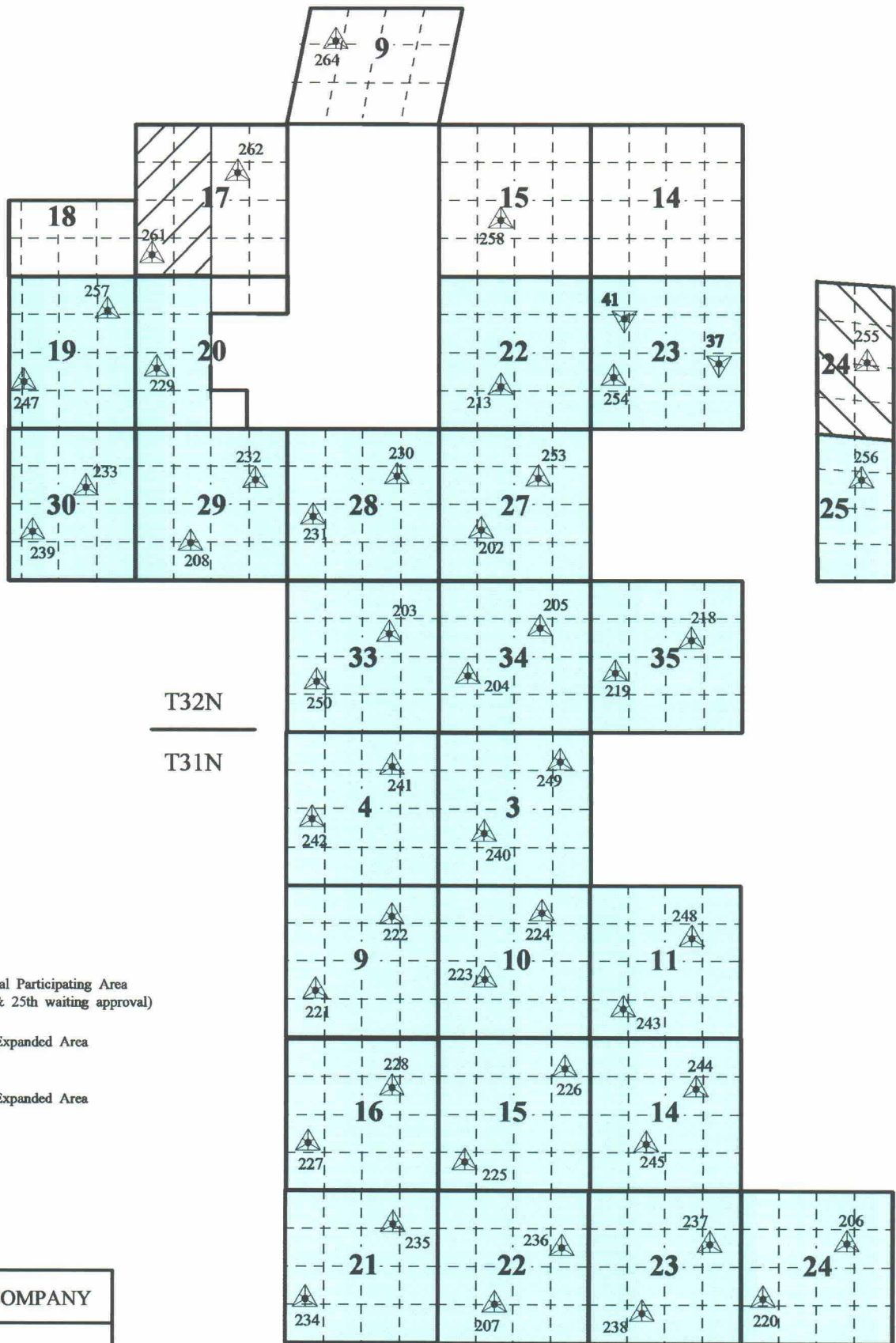
TOWNSHIP 31 NORTH, RANGE 8 WEST	
SECTION 3	LOTS 1, 2, 3, 4, S/2 N/2, S/2
SECTION 4	LOTS 1, 2, 3, 4, S/2 N/2, S/2
SECTION 9	ALL
SECTION 10	ALL
SECTION 11	ALL
SECTION 14	ALL
SECTION 15	ALL
SECTION 16	ALL
SECTION 21	ALL
SECTION 22	ALL
SECTION 23	ALL
SECTION 24	ALL

TOWNSHIP 32 NORTH, RANGE 8 WEST	
SECTION 17	W/2
SECTION 19	LOTS 1, 2, 3, 4, E/2 W/2, E/2
SECTION 20	W/2
SECTION 22	ALL
SECTION 23	ALL
SECTION 24	E/2
SECTION 25	E/2
SECTION 27	ALL
SECTION 28	ALL
SECTION 29	ALL
SECTION 30	LOTS 1, 2, 3, 4, E/2 W/2, E/2
SECTION 33	ALL
SECTION 34	ALL
SECTION 35	ALL

TOTAL ACRES COMMITTED:

15143.33

T 32 N, R 8 W



T32N

T31N

PHILLIP PETROLEUM COMPANY

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

R - 8 - W



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

September 27, 2002

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
1220 Saint Francis Drive 4000
Santa Fe, New Mexico 87505

RE: SAN JUAN 32-8 UNIT
#14-08-001-446
COMMERCIALITY DETERMINATION
SAN JUAN 32-8 UNIT #255 WELL
SAN JUAN 32-8 UNIT #261 WELL
SAN JUAN COUNTY, NEW MEXICO
C40464

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-8 Unit Agreement, #14-08-001-446, approved January 13, 1953, Phillips Petroleum Company (Phillips) has determined that the San Juan 32-8 Unit #255 and #261 wells are capable of producing unitized substances in paying quantities from the Fruitland 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.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Skip Fraker".

Skip Fraker
San Juan Area-Land Dept.
(505) 599-3428

**SAN JUAN 32-8 UNIT
FRUITLAND COAL OWNERS**

PHILLIPS PETROLEUM COMPANY
PHILLIPS – NEW MEXICO PARTNERS, L.P.
PHILLIPS – SAN JUAN LIMITED PARTNERSHIP
BURLINGTON RESOURCES OIL & GAS COMPANY
CBP SAN JUAN LIMITED PARTNERSHIP
CINCO GENERAL PARTNERSHIP
FOUR STAR OIL & GAS COMPANY
ANDREW B. KELLY, JR.
CHARLES E. KELLY
SUSANNA P. KELLY
SUSANNA P. KELLY, JR.
WILLIAMS PRODUCTION COMPANY
WINTERGREEN ENERGY CORPORATION

**SAN JUAN 32-8 #255
FRUITLAND COAL DRILLBLOCK OWNERS**

PHILLIPS PETROLEUM COMPANY
CBP SAN JUAN LIMITED PARTNERSHIP
WILLIAMS PRODUCTION COMPANY

**SAN JUAN 32-8 #255
FRUITLAND COAL DRILLBLOCK OWNERS**

PHILLIPS PETROLEUM COMPANY
WILLIAMS PRODUCTION COMPANY

Phillips Petroleum Company

Commerciality Determination

San Juan 32-8 Unit #255
Fruitland Coal
NE/4 Section 24 32N-8W
San Juan County, New Mexico

Date Spud: 09/04/2001
 Date of Completion: 09/30/2001
 Date of First Delivery: 12/27/2001

Total Well Costs: \$550,000 {1}
 Current Gas Price (\$/mcf): \$1.85 {2}
 BLM Royalty: 12.5%

% Production Taxes:	3.75000	Severance
	4.00000	School
	0.99500	Ad Valorem
	0.19000	Conservation
	<u>0.17910</u>	Prod Equip
	9.11410	

Estimated Gross Annual Production and Operating Expenses

Period	Year	Gas MCF {4}	Operating Expense, \$ {3}
1	2001	397	2,264
2	2002	141,694	27,172
3	2003	142,312	27,172
4	2004	131,622	27,172
5	2005	109,031	27,172
6	2006	91,231	27,172
7	2007	77,098	27,172
8	2008	65,735	27,172
9	2009	56,495	27,172
10	2010	48,906	27,172
11	2011	42,615	27,172
12	2012	37,356	27,172
13	2013	32,927	27,172
14	2014	29,170	27,172
15	2015	25,962	27,172
16	2016	23,207	27,172
17	2017	20,827	27,172
Total		<u>1,076,584</u>	

Notes:

- {1} Total well costs, based on average 2001 costs, include drilling, completion, gathering lines and surface facilities.
- {2} Gas price is actual until 2003 then a forecasted price of \$2.18 was used for the life of the well.
- {3} Operating costs are approximate over life.
- {4} The gas forecast is based on actual production through 2001, assumed to be flat for 19 months, and then a hyperbolic decline. This is considered to be a conservative forecast.

Phillips Petroleum Company

Monthly Production Data

San Juan 32-8 Unit #255
 Fruitland Coal
 NE/4 Section 24 32N-8W
 San Juan County, New Mexico

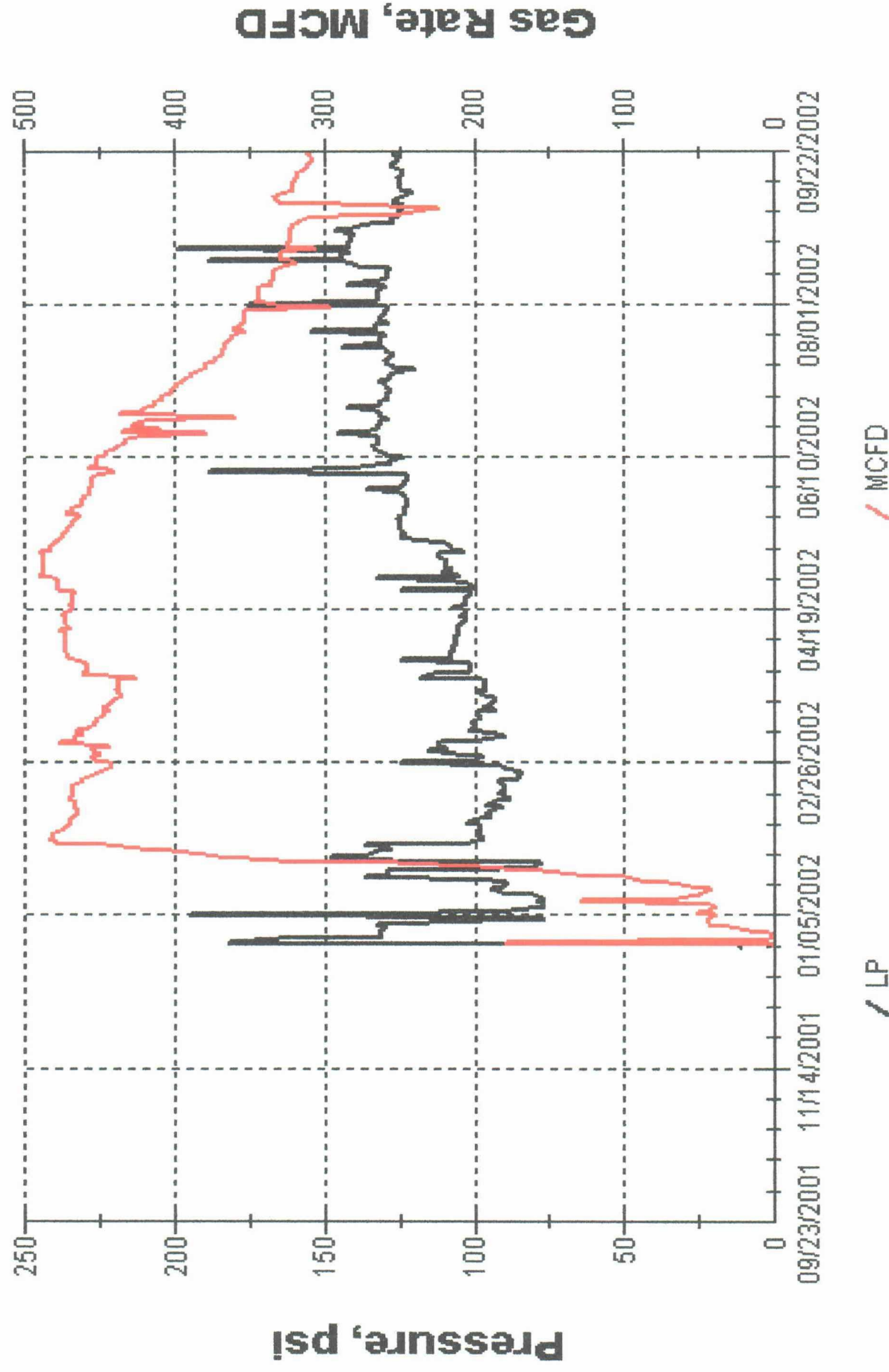
2001 Monthly Production

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
2001	Dec	397	0
1 mos. 2001		<u>397</u>	<u>0</u>

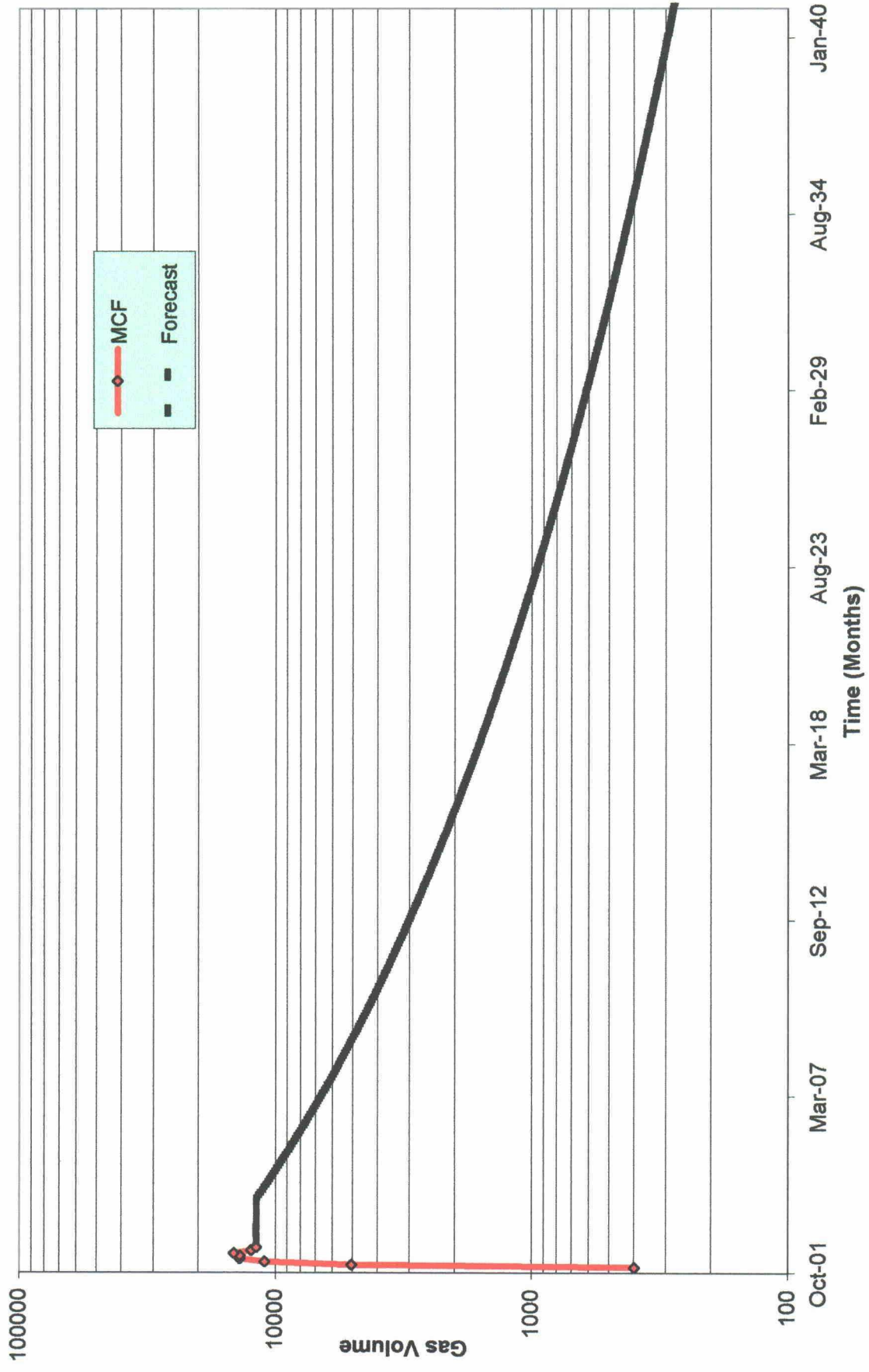
2002 Monthly Production

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
2002	Jan	5,041	1,430
2002	Feb	11,029	879
2002	Mar	13,755	1,311
2002	Apr	13,799	1,434
2002	May	14,500	0
2002	Jun	12,400	1,350
2002	Jul	11,878	0
7 mos. 2002		<u>82,402</u>	<u>6,404</u>

San Juan 32-8 #255



San Juan 32-8 #255



Phillips Petroleum Company

Commerciality Determination

San Juan 32-8 Unit #261
Fruitland Coal
SW/4 Section 17 32N-8W
San Juan County, New Mexico

Date Spud: 07/20/2001
Date of Completion: 09/30/2001
Date of First Delivery: 12/27/2001

Total Well Costs: \$550,000 {1}
Current Gas Price (\$/mcf): \$1.85 {2}
BLM Royalty: 12.5%

% Production Taxes:	3.75000	Severance
	4.00000	School
	0.99500	Ad Valorem
	0.19000	Conservation
	<u>0.17910</u>	Prod Equip
	9.11410	

Estimated Gross Annual Production and Operating Expenses

Period	Year	Gas MCF {4}	Operating Expense, \$ {3}
1	2001	8,252	11,322
2	2002	63,745	27,172
3	2003	92,459	27,172
4	2004	124,554	27,172
5	2005	161,053	27,172
6	2006	174,847	27,172
7	2007	175,208	27,172
8	2008	151,679	27,172
9	2009	126,115	27,172
10	2010	105,978	27,172
11	2011	89,902	27,172
12	2012	76,915	27,172
13	2013	66,309	27,172
14	2014	57,563	27,172
15	2015	50,287	27,172
16	2016	44,185	27,172
17	2017	39,030	27,172
Total		<u>1,608,081</u>	

Notes:

- {1} Total well costs, based on average 2001 costs, include drilling, completion, gathering lines and surface facilities.
- {2} Gas price is actual until 2003 then a forecasted price of \$2.18 was used for the life of the well.
- {3} Operating costs are approximate over life.
- {4} The gas forecast is based on actual production through 2001, estimated production to peak rate (50% of max Pitot test during completion), and then a hyperbolic decline. Production profile is based on response observed in nearby wells. The forecast is considered to be conservative.

Phillips Petroleum Company

Monthly Production Data

San Juan 32-8 Unit #261
 Fruitland Coal
 SW/4 Section 17 32N-8W
 San Juan County, New Mexico

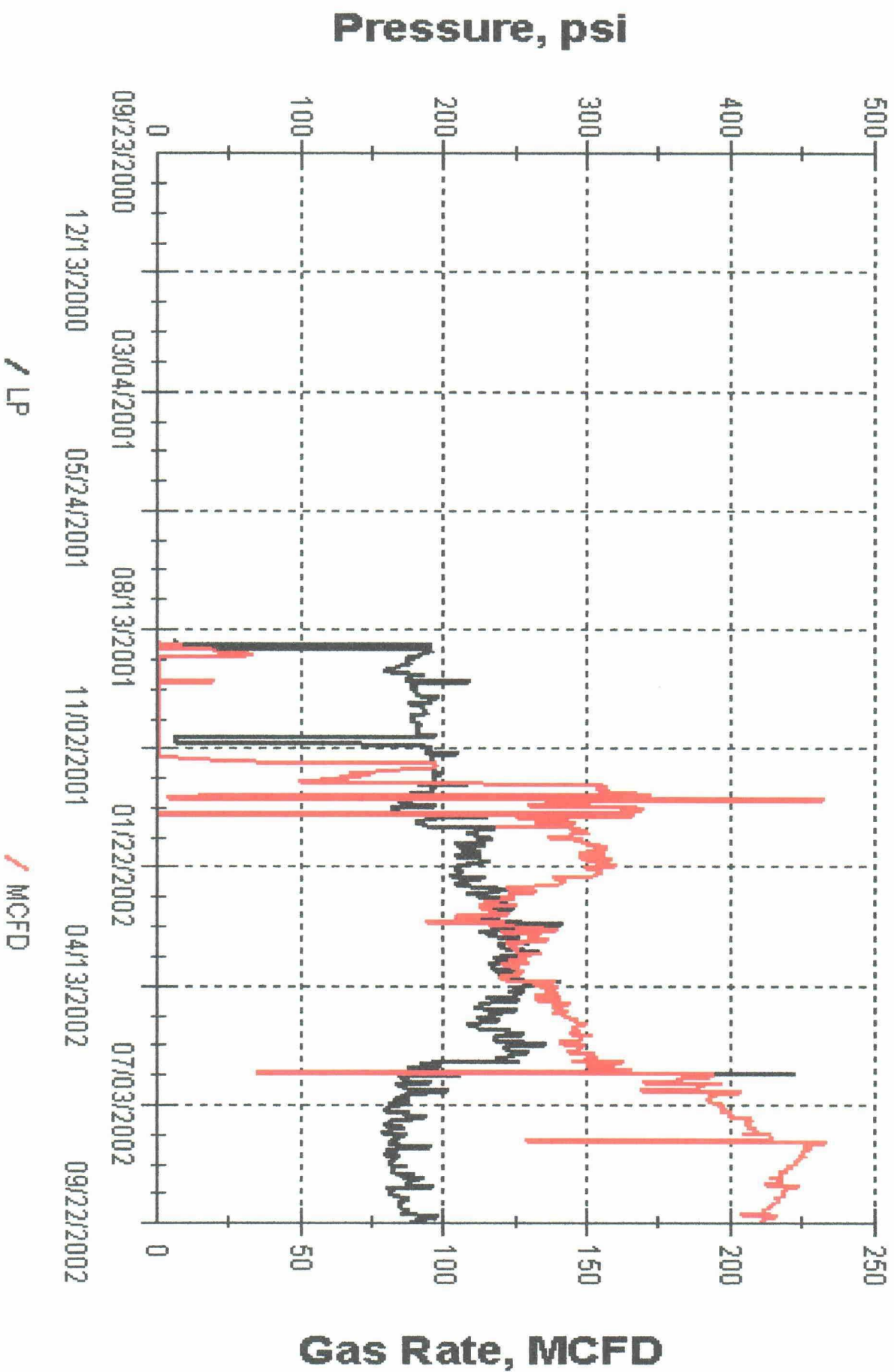
2001 Monthly Production

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
2001	Aug	210	480
2001	Sep	108	0
2001	Oct	99	0
2001	Nov	3,190	3,593
2001	Dec	4,645	2,022
5 mos. 2001		<u>8,252</u>	<u>6,095</u>

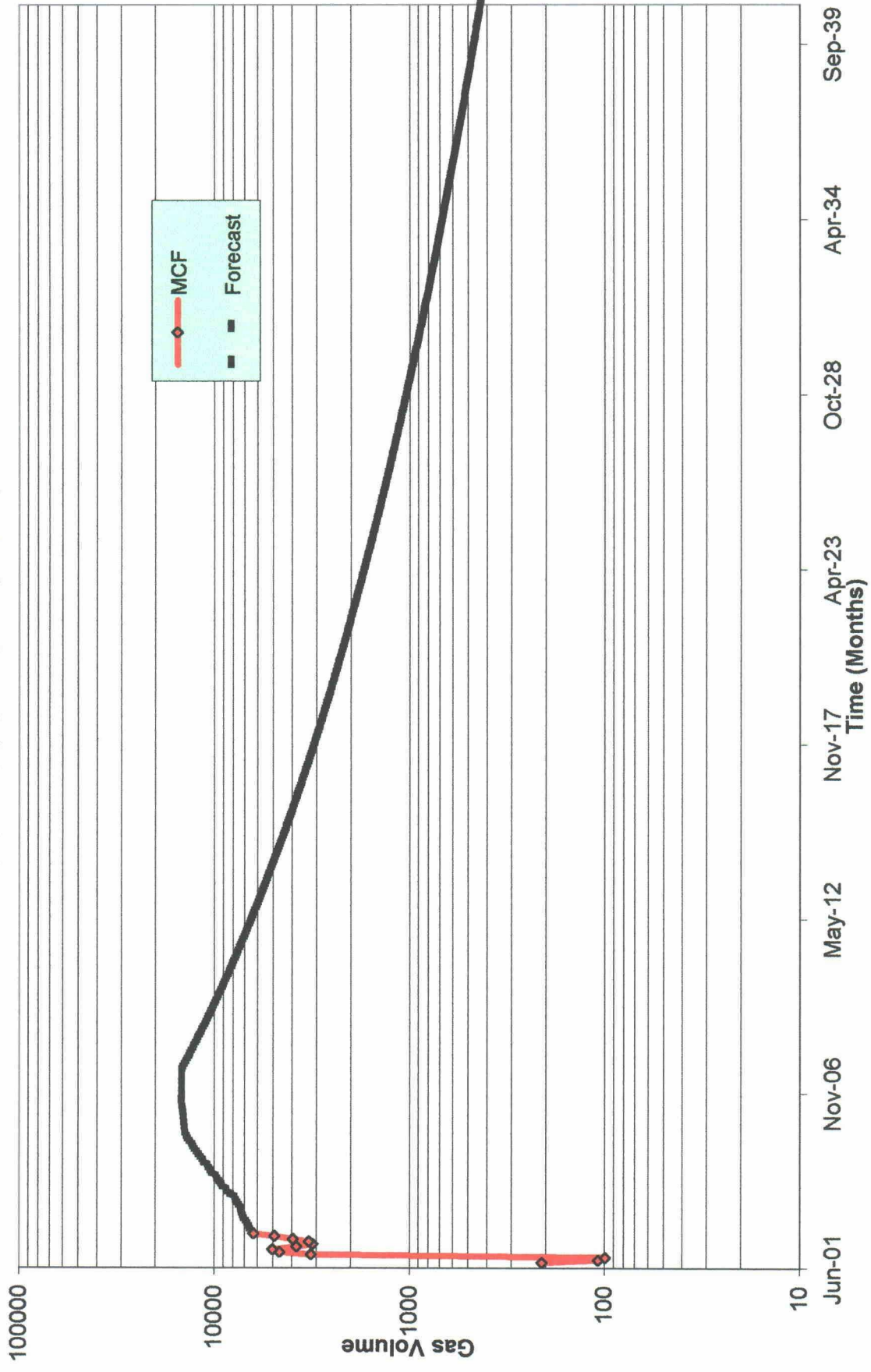
2002 Monthly Production

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
2002	Jan	5,027	1,135
2002	Feb	3,786	1,429
2002	Mar	3,139	1,583
2002	Apr	3,274	1,945
2002	May	3,947	0
2002	Jun	4,902	1,569
2002	Jul	6,276	0
7 mos. 2002		<u>30,351</u>	<u>7,661</u>

San Juan 32-8 #261



San Juan 32-8 #261





PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

March 14, 2002

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

Commissioner of Public Lands (2 copies)
State of New Mexico
Attn: Mr. Ray Powell
P. O. Box 1145
Santa Fe, New Mexico 87504-1148

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

RE: SAN JUAN 32-8 UNIT
#14-08-001-446
TWENTY-FOURTH EXPANSION – EFFECTIVE 9-1-99
TWENTY-FIFTH EXPANSION – EFFECTIVE 1-1-01
FRUITLAND PARTICIPATING AREA
SAN JUAN COUNTY, NEW MEXICO
C40464, LCN 650251, 651251

Ladies & Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-8 Unit Agreement, #14-08-001-446, approved January 13, 1953, Phillips Petroleum Company, as Unit Operator determined on the dates indicated below that the wells listed below are capable of producing unitized substances in paying quantities from the Fruitland Formation. Therefore, this application for the Twenty-fourth and Twenty-fifth Expansions of the Participating Area established for the Fruitland Formation is respectfully submitted for your approval as follows:

TWENTY-FOURTH EXPANDED PARTICIPATING AREA
EFFECTIVE SEPTEMBER 1, 1999

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
W/2 Section 19-32N-8W	223.40	247

The San Juan 32-8 Unit #247 Well was completed August 11, 1999, with cumulative gas production of 823,866 MCF through November 31, 2000. The spacing unit for this well is described as the W/2 Section 19-32N-8W.

This well was deemed commercial per letter dated February 13, 2001 from the Bureau of Land Management.

TWENTY-FIFTH EXPANDED PARTICIPATING AREA
EFFECTIVE JANUARY 1, 2001

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
E/2 Section 19-32N-8W	320.00	#257

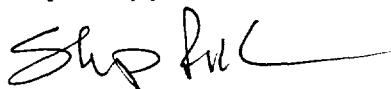
The San Juan 32-8 Unit #257 Well was completed December 12, 2000 with cumulative gas production of 135,801 MCF through August 31, 2001. The spacing unit for this well is described as the E/2 Section 19-32N-8W.

This well was deemed commercial per letter dated November 20, 2001.

Enclosed herewith are Schedule XXV for the Twenty-fourth Expanded Participating Area and Schedule XXVI for the Twenty-fifth Expanded Participating Area for the Fruitland Formation. These schedules describe the participating areas and indicate the percentages of unitized substances allocated to the unit tracts according to the Fruitland Formation ownership of such tracts. Also included is a map reflecting the boundaries of the Unit, and the proposed Twenty-fourth and Twenty-fifth Expansions of the San Juan 32-8 Unit Fruitland Participating Area.

Unless this application is disapproved or contested, the Twenty-fourth Expanded Participating Area is effective as of September 1, 1999, and the Twenty-third Expansion Participating Area is effect as of January 1, 2001. Copies of this application are being sent to the Unit working interest owners.

Respectfully yours,



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

cc: San Juan 32-8 Unit Owners
W. D. Jaap (r) Supervisors

The signatory approvals below are for the Twenty-fourth and Twenty-fifth Expanded Participating area of the Fruitland Formation in the San Juan 32-8 Unit #14-08-001-446.

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

3/13/2002

PHILLIPS PETROLEUM COMPANY

SCHEDULE XXV

THE 24TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION

SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-013364	T31N R8W	360.00		TRACT: 003			0.025382
SEC. 21	N/2 N/2, N/2 S/2, SE/4 SE/4		ORRI:		1.294640 *	1.294640 *	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		17.871093	17.871093	
			WILLIAMS PRODUCTION COMPANY		53.783485	53.783485	
			WINTERGREEN ENERGY CORP		10.253906	10.253906	
	*BORNE SOLELY BY		SUSANNA PHILLIPS KELLY		1.562500	1.562500	
	WILLIAMS PRODUCTION CO.		ANDREW B KELLY, JR.		1.025391	1.025391	
			CHARLES E. KELLY		1.025391	1.025391	
			SUSANNA PHILLIPS KELLY, JR.		0.683594	0.683594	
	REMARKS: SAN JUAN 32-8 UNIT #234		TOTAL		100.000000	100.000000	
	SAN JUAN 32-8 UNIT #235						
SF-079004	T31N R8W	1720.00		TRACT: 004			0.121269
SEC. 9	ALL		ORRI:		5.000000	5.000000	
SEC. 10	ALL		ROYALTY:		12.500000	12.500000	
SEC. 15	NE/4, E/2 SE/4, NW/4 SE/4, NW/4		WORKING INTEREST:				
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			FOUR STAR OIL & GAS COMPANY		67.650000	67.650000	
			TOTAL		100.000000	100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #221						
	SAN JUAN 32-8 UNIT #222						
	SAN JUAN 32-8 UNIT #223						
	SAN JUAN 32-8 UNIT #224						
	SAN JUAN 32-8 UNIT #225						
	SAN JUAN 32-8 UNIT #226						
SF-079013	T32N R8W	960.00		TRACT: 005			0.067685
SEC. 29	ALL		ORRI:		5.000000	5.000000	
SEC. 20	W/2		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	REMARKS: SAN JUAN 32-8 UNIT #208		TOTAL		100.000000	100.000000	
	SAN JUAN 32-8 UNIT #232						
	SAN JUAN 32-8 UNIT #229						

PHILLIPS PETROLEUM COMPANY

SCHEDULE XXV

THE 24TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION

SAN JUAN 32-8 UNIT AREA

3/13/2002

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT PARTICIPATION
SF-079029	T31N R8W	1562.08		TRACT: 007		0.110135
SEC. 3	LOTS 1, 2, 3, 4, S/2 N/2, S/2		ORRI:		5.000000	
SEC. 4	LOTS 1, 2, 3, 4, S/2 N/2, S/2		ROYALTY:		12.500000	
SEC. 21	S/2 N/2, S/2 SW/4, SW/4 SE/4		WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
	REMARKS: SAN JUAN 32-8 UNIT #234		TOTAL		100.000000	
	SAN JUAN 32-8 UNIT #235					
	SAN JUAN 32-8 UNIT #240					
	SAN JUAN 32-8 UNIT #241					
	SAN JUAN 32-8 UNIT #242					
	SAN JUAN 32-8 UNIT #249					
SF-079047	T31N R8W	880.00		TRACT: 008		0.062045
SEC. 11	S/2 NW/4, SW/4		ORRI:		5.000000	
SEC. 14	W/2		ROYALTY:		12.500000	
SEC. 23	W/2		WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
	REMARKS: SAN JUAN 32-8 UNIT #238		TOTAL		100.000000	
	SAN JUAN 32-8 UNIT #243					
	SAN JUAN 32-8 UNIT #245					
SF-079341-A	T32N R8W	916.34		TRACT: 011		0.064607
SEC. 19	LOT 4, SE/4 SW/4		ORRI:		5.000000	
SEC. 28	W/2		ROYALTY:		12.500000	
SEC. 30	LOTS 1, 2, 3, 4, E/2 W/2, E/2		WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
	REMARKS: SAN JUAN 32-8 UNIT #231		TOTAL		100.000000	
	SAN JUAN 32-8 UNIT #233					
	SAN JUAN 32-8 UNIT #239					
	SAN JUAN 32-8 UNIT #247					

3/13/2002

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV
THE 24TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079351	T31N R8W SEC. 24 LOTS 1-3, 6-16, 33-48, 65-80, 97-112, 129-136 REMARKS: SAN JUAN 32-8 UNIT #220 SAN JUAN 32-8 UNIT #206	383.89	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L.P. TOTAL	TRACT: 013	2.500000 12.500000 85.000000 100.000000	2.500000 12.500000 85.000000 100.000000	0.027066
SF-079353	T32N R8W SEC. 19 SEC. 28 SEC. 33 REMARKS: SAN JUAN 32-8 UNIT #230 SAN JUAN 32-8 UNIT #250 SAN JUAN 32-8 UNIT #247	808.26	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 014	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	0.056987
SF-079380	T32N R8W SEC. 23 ALL REMARKS: SAN JUAN 32-8 UNIT #37 SAN JUAN 32-8 UNIT #41	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L.P. BURLINGTON RESOURCES O&G CO CBP SAN JUAN LIMITED PARTNERSHIP TOTAL	TRACT: 015	5.000000 12.500000 55.000688 15.465614 12.033698 100.000000	5.000000 12.500000 55.000688 15.465614 12.033698 100.000000	0.045123
SF-079380	T32N R8W SEC. 22 W/2 E/2 (IDB) REMARKS: SAN JUAN 32-8 UNIT #213	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY BURLINGTON RESOURCES O&G CO CINCO GENERAL PARTNERSHIP TOTAL	TRACT: 015A	5.000000 12.500000 55.000688 15.465614 12.033698 100.000000	5.000000 12.500000 55.000688 15.465614 12.033698 100.000000	0.045123

EFFECTIVE 9-1-99

PAGE 3

3/13/2002

PHILLIPS PETROLEUM COMPANY

SCHEDULE XXV

THE 24TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION

SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079381	T32N R8W	1920.00		TRACT: 016			0.135370
	SEC. 25 E/2		ORRI:		5.000000	5.000000	
	SEC. 33 E/2		ROYALTY:		12.500000	12.500000	
	SEC. 34 ALL		WORKING INTEREST:				
	SEC. 35 ALL		PHILLIPS-NEW MEXICO PARTNERS, L. P.		55.000688	55.000688	
			BURLINGTON RESOURCES O&G CO		15.465614	15.465614	
			CBP SAN JUAN LIMITED PARTNERSHIP		12.033698	12.033698	
	REMARKS: SAN JUAN 32-8 UNIT #36		TOTAL		100.000000	100.000000	
	SAN JUAN 32-8 UNIT #203						
	SAN JUAN 32-8 UNIT #204						
	SAN JUAN 32-8 UNIT #205						
	SAN JUAN 32-8 UNIT #218						
	SAN JUAN 32-8 UNIT #219						
SF-079717	T32N R8W	120.00		TRACT: 017			0.008461
	SEC. 27 W/2 SW/4,		ORRI:		5.000000	5.000000	
	SE/4 SW/4		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	REMARKS: SAN JUAN 32-8 UNIT #202		TOTAL		100.000000	100.000000	
NM-84809	T32N R8W	200.00		TRACT: 018			0.014101
	SEC. 27 NW/4, NE/4 SW/4		ORRI:		2.500000	2.500000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS, L. P.		85.000000	85.000000	
	REMARKS: SAN JUAN 32-8 UNIT #202		TOTAL		100.000000	100.000000	

3/13/2002

PHILLIPS PETROLEUM COMPANY

SCHEDULE XXV

THE 24TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION

SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-080412-A	T32N R8W E/2	320.00		TRACT: 018A		0.022562
	SEC. 27		ORRI:		2.500000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS PETROLEUM COMPANY		85.000000	
			TOTAL		100.000000	
REMARKS:	SAN JUAN 32-8 UNIT #253					
SF-080854	T31N R8W	952.76		TRACT: 019		0.067175
	SEC. 11		ORRI:		5.000000	
	SEC. 14		ROYALTY:		12.500000	
	SEC. 24		WORKING INTEREST:			
	LOTS 4, 5, 17-32, 49-64, 81-96, 113-128		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	
REMARKS:	SAN JUAN 32-8 UNIT #220 SAN JUAN 32-8 UNIT #243 SAN JUAN 32-8 UNIT #244 SAN JUAN 32-8 UNIT #248					
SF-081089	T31N R8W	320.00		TRACT: 020		0.022562
	SEC. 23		ORRI:		5.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	
REMARKS:	SAN JUAN 32-8 UNIT #237					

3/13/2002

PHILLIPS PETROLEUM COMPANY

SCHEDULE XXV

THE 24TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	T31N R8W SEC. 15 SEC. 22	DESCRIPTION SW/4, SW/4 SE/4 ALL	NUMBER OF ACRES 840.00	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-03402				TRACT: 021				0.059225
				ORRI:		5.000000	5.000000	
				ROYALTY:		12.500000	12.500000	
				WORKING INTEREST:				
				PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
				WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
				TOTAL		100.000000	100.000000	
		REMARKS: SAN JUAN 32-8 UNIT #207						
		SAN JUAN 32-8 UNIT #225						
		SAN JUAN 32-8 UNIT #226						
		SAN JUAN 32-8 UNIT #236						
E-1204-3	T31N R8W SEC. 16	NW/4 NE/4, SE/4 NE/4, N/2 SE/4 NW/4, NE/4 SW/4, SW/4 SW/4	400.00	TRACT: 024		5.000000	5.000000	0.028202
				ORRI:		12.500000	12.500000	
				ROYALTY:				
				WORKING INTEREST:				
				FOUR STAR OIL & GAS COMPANY		67.650000	67.650000	
				WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
				TOTAL		100.000000	100.000000	
		REMARKS: SAN JUAN 32-8 UNIT #227						
		SAN JUAN 32-8 UNIT #228						
E-3704-2	T31N R8W SEC. 16	SW/4 SE/4	40.00	TRACT: 026		5.000000	5.000000	0.002820
				ORRI:		12.500000	12.500000	
				ROYALTY:				
				WORKING INTEREST:				
				PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	67.650000	
				WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
				TOTAL		100.000000	100.000000	
		REMARKS: SAN JUAN 32-7 UNIT #228						
E-3868-3	T31N R8W SEC. 16	SW/4 NE/4	40.00	TRACT: 028		5.000000	5.000000	0.002820
				ORRI:		12.500000	12.500000	
				ROYALTY:				
				WORKING INTEREST:				
				PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
				WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
				TOTAL		100.000000	100.000000	
		REMARKS: SAN JUAN 32-8 UNIT #228						

3/13/2002

PHILLIPS PETROLEUM COMPANY

SCHEDULE XXV

THE 24TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION

SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE ACTUAL PARTICIPATION
E-5113-70	T31N R8W SEC. 16 NW/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 031	6.000000 12.500000 66.830000 14.670000 100.000000	0.002820
REMARKS: SAN JUAN 32-8 UNIT #227						
E-5382	T31N R8W SEC. 16 NE/4 NE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: FOUR STAR OIL & GAS COMPANY TOTAL	TRACT: 034	0.000000 12.500000 87.500000 100.000000	0.002820
REMARKS: SAN JUAN 32-8 UNIT #228						
B-11240-71	T31N R8W SEC. 16 SE/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 038	2.500000 12.500000 69.700000 15.300000 100.000000	0.002820
REMARKS: SAN JUAN 32-8 UNIT #227						
B-11240-70	T31N R8W SEC. 16 SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 038A	5.000000 12.500000 67.650000 14.850000 100.000000	0.002820
REMARKS: SAN JUAN 32-8 UNIT #228						
TOTAL				14,183.33		100.000000

PHILLIPS PETROLEUM COMPANY

SCHEDULE XXV

THE 24TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION

RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA: DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31 NORTH, RANGE 8 WEST

SECTION 3	LOTS 1, 2, 3, 4, S/2 N/2, S/2
SECTION 4	LOTS 1, 2, 3, 4, S/2 N/2, S/2
SECTION 9	ALL
SECTION 10	ALL
SECTION 11	ALL
SECTION 14	ALL
SECTION 15	ALL
SECTION 16	ALL
SECTION 21	ALL
SECTION 22	ALL
SECTION 23	ALL
SECTION 24	ALL

TOWNSHIP 32 NORTH, RANGE 8 WEST

SECTION 19	LOTS 1, 2, 3, 4, E/2 W/2
SECTION 20	W/2
SECTION 22	ALL
SECTION 23	ALL
SECTION 25	E/2
SECTION 27	ALL
SECTION 28	ALL
SECTION 29	ALL
SECTION 30	LOTS 1, 2, 3, 4, E/2 W/2, E/2
SECTION 33	ALL
SECTION 34	ALL
SECTION 35	ALL

TOTAL COMMITTED:

14,183.33

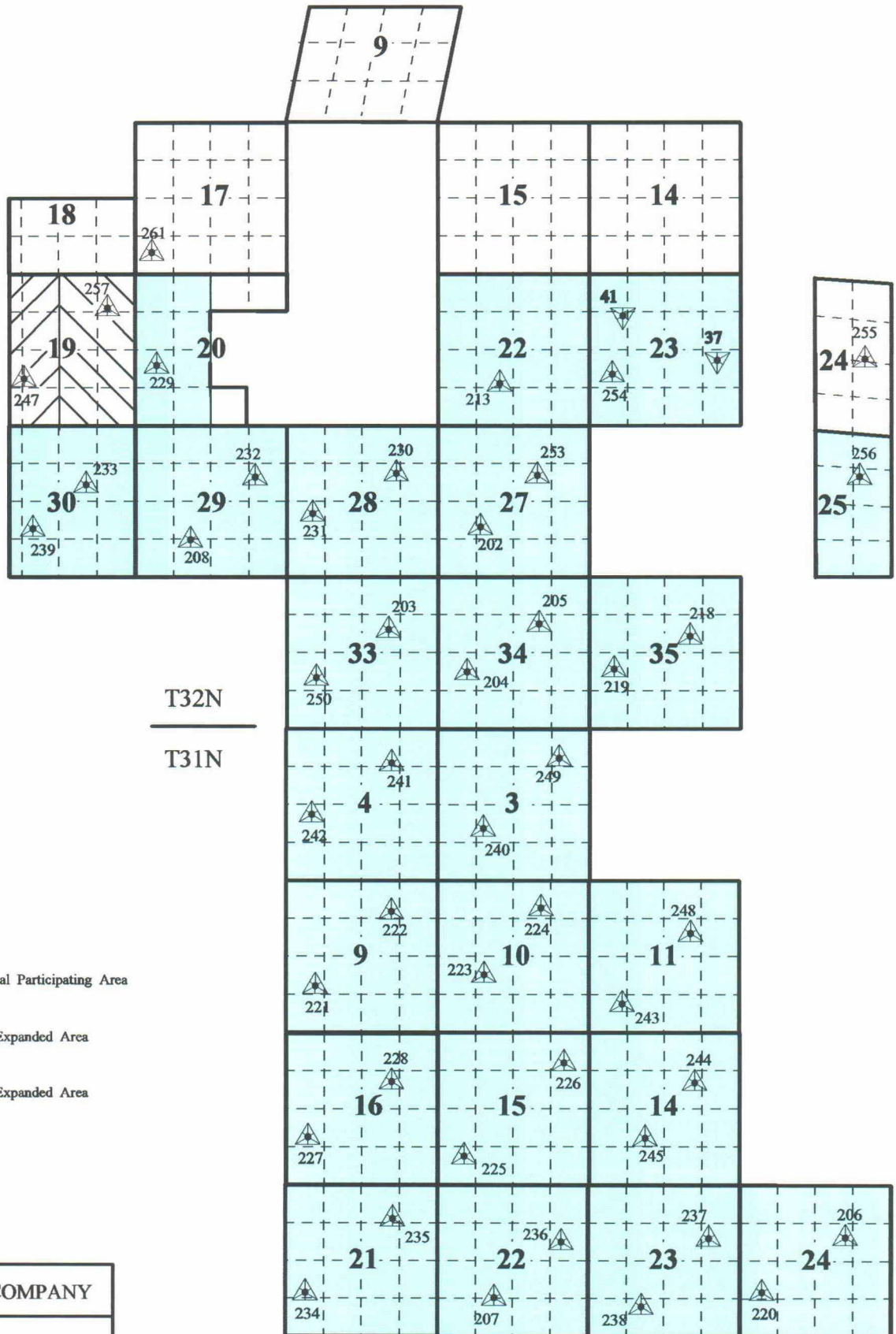
TOTAL ACRES NON-COMMITTED:

0.00

TOTAL ACRES:

14183.33

T 32 N, R 8 W



T32N

T31N



-  Existing Fruitland Coal Participating Area
-  24th Fruitland Coal Expanded Area
Effective 9-1-1999
-  25th Fruitland Coal Expanded Area
Effective 1-1-2001

PHILLIP PETROLEUM COMPANY

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5853

GENERAL COUNSEL

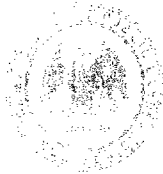
Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245

Fax (505) 827-5766



**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES

Phone (505) 827-5724

Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744

Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772

Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

March 4, 2002

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

Attn: Mr. Jim Ball

Re: 2002 Plan of Development
San Juan 32-8 Unit
San Juan County, New Mexico

Dear Mr. Ball:

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

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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

Very truly yours,

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

A handwritten signature in black ink, appearing to read "Jami Bailey".

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

RP/JB/cpm
xc: Reader File

OCD

BLM



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

February 4, 2002

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

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

Oil Conservation Division (2 copies)
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: SAN JUAN 32-8 UNIT
#14-08-001-446
Rio Arriba County, New Mexico
2002 Plan of Development
Contract C40464

Gentlemen:

By letter dated January 15, 2001, Phillips Petroleum Company (Phillips) as Unit Operator filed the 2001 Plan of Development (POD). The initial POD indicated twelve (12) wells were planned to be drilled. The POD was then amended by letter dated April 6, 2001 (First Amendment). The First Amendment reflected a change of scope for the #15A well to include drilling to the Dakota formation. However, the #15A well was only drilled and completed in the Mesaverde formation. The 2001 status is shown below:

1. Attached is a unit production map.
2. The following wells were drilled in 2001.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
San Juan 32-8 Unit #1A	E/2 Section 23-31N-8W	Mesaverde
San Juan 32-8 Unit #15A	W/2 Section 24-31N-8W	Mesaverde
San Juan 32-8 Unit #16A	W/2 Section 15-31N-8W	Mesaverde
San Juan 32-8 Unit #26A	W/2 Section 16-31N-8W	Mesaverde
San Juan 32-8 Unit #45A	W/2 Section 14-32N-8W	Mesaverde/Pictured Cliffs
San Juan 32-8 Unit #46A	E/2 Section 14-32N-8W	Mesaverde/Pictured Cliffs
San Juan 32-8 Unit #255	E/2 Section 24-32N-8W	Fruitland Coal
San Juan 32-8 Unit #256	E/2 Section 25-32N-8W	Fruitland Coal
San Juan 32-8 Unit #261	W/2 Section 17-32N-8W	Fruitland Coal

The #1A, #15A, #16A and #26A wells were drilled as infill wells in the Mesaverde Participating Area. The #45A and #46A wells were drilled as infill wells in both the Pictured Cliffs Participating Area and the Mesaverde Participating Area. The #255 and the #261 wells were drilled as Drill Block Fruitland coal wells whereas the #256 was drilled as a Fruitland Coal Participating Area well. The #260, #262 and the #263 wells will be carried over to the 2002 drilling program.

3. The following well was recompleted in 2001.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
San Juan 32-8 #4	SW/4 Section 15-32N-8W	Pictured Cliffs (Drill Block)*

* The San Juan 32-8 #4 well was a Mesaverde well that was recompleted as a Pictured Cliffs Drill Block. The Mesaverde formation was plugged and abandoned.

2001 Summary- Four (4) Mesaverde wells were completed and three (3) Fruitland Coal wells were completed, all as singles. There were two (2) downhole commingled Pictured Cliffs/Mesaverde wells drilled. One (1) Mesaverde well was recompleted in the Pictured Cliffs formation and its Mesaverde formation was plugged and abandoned. All downhole commingle and recompletion operations were conducted in accordance with existing regulatory parameters.

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

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Fifteenth	6/1/95
Mesaverde	Sixteenth	1/1/86
Dakota	Twelfth	8/18/99

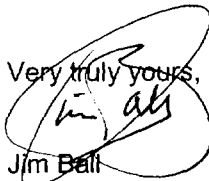
Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Phillips, as Unit Operator, hereby submits the following wells for the 2002 POD:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-8 Unit #264	W/2(FC) Section 9-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #263	E/2(FC) Section 15-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #262	E/2(FC) Section 17-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #258	W/2(FC) Section 15-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #259	E/2(FC) Section 22-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #260	W/2(FC) Section 18-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #17M	W/2(MV&DK) Section 23-31N-8W	Mesaverde/Dakota	Drill
San Juan 32-8 Unit #23M	W/2(MV&DK) Section 14-31N-8W	Mesaverde/Dakota	Drill
San Juan 32-8 Unit #10M	E/2(MV&DK) Section 24-31N-8W	Mesaverde/Dakota	Drill
San Juan 32-8 Unit #1B	E/2(MV) Section 23-31N-8W	Mesaverde	Drill
San Juan 32-8 Unit #21A	E/2(MV) Section 15-31N-8W	Mesaverde	Drill
San Juan 32-8 Unit #12B	W/2(MV) Section 21-31N-8W	Mesaverde	Drill
San Juan 32-8 Unit #28A	E/2(MV) Section 16-31N-8W	Mesaverde	Drill

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

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

Very truly yours,


Jim Ball

Senior Land Specialist
San Juan Area
(505) 599-3410

cc: Mike Campbell (r) C40464

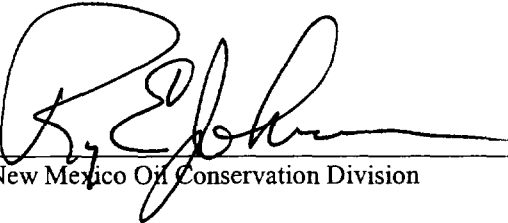
**SAN JUAN 32-8 UNIT #14-08-001-446
2002 INITIAL PLAN OF DEVELOPMENT**

Bureau of Land Management

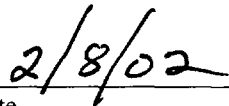
Date

New Mexico Commissioner of Public Lands

Date



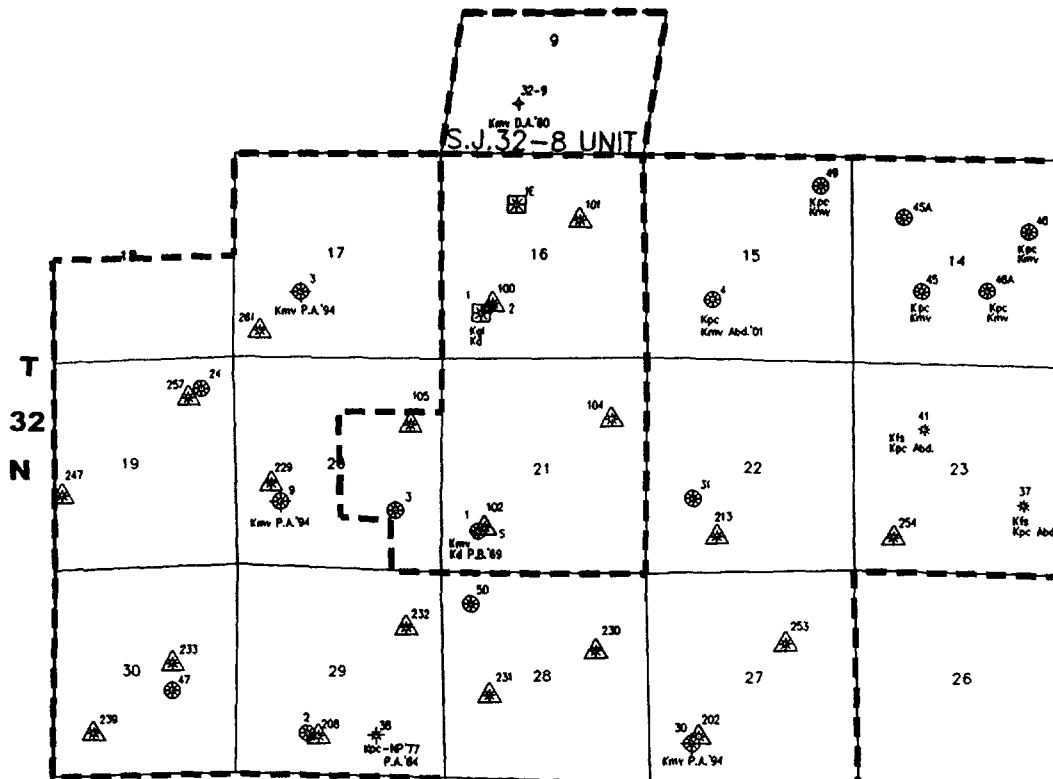
New Mexico Oil Conservation Division



Date

cc: San Juan 32-8 Unit Owners
Michael L. Campbell (r) C40464
W. D. Jaap (r) local supervisors

R-8-W

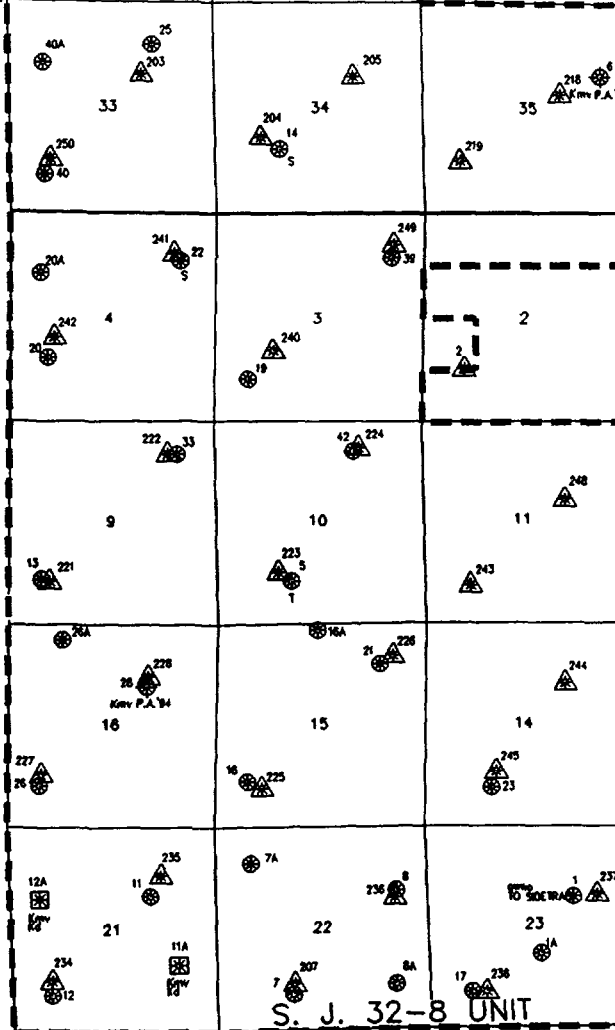


- ▽ FRUITLAND Kfs
- △ FRUITLAND Kfc
- * PICTURED CLIFFS Kpc
- MESASVERDE Kmv — { Kch CLIFFHOUSE
Km MENESEE
Kpl POINT LOOKOUT
- DAKOTA Kd
- ALL PRODUCTION BELOW CRETACEOUS

PHILLIPS PETR. CO.
 5525 HWY. 64 FARMINGTON, N.M. 87401
SAN JUAN 32-8 UNIT
 SAN JUAN CO., NEW MEXICO
 NOT TO SCALE

POSTED TO: 12-14-01

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COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700

Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713

Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245

Fax (505) 827-5766



**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES

Phone (505) 827-5724

Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744

Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772

Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793

Fax (505) 827-5711

January 8, 2002

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

Attention: Mr. Skip Fraker

Re: San Juan 32-8 Unit
Commercial Determinations
Fruitland Coal Formation
San Juan 32-8 Unit Well No. 257, E/2 19-32N-8W
San Juan County, New Mexico

Dear Mr. Fraker:

We are in receipt of your letter of November 8, 2001 and a copy of the Bureau of Land Management's letter of November 20, 2001 regarding the referenced commercial determination for the San Juan 32-8 Unit Well No. 257.

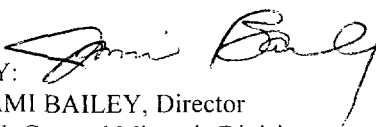
We concur with the Bureau of Land Management that the San Juan 32-8 Unit Well No. 257 is a commercial well in the Fruitland Coal formation and should be included in the Fruitland Coal participating area.

Please submit an application for the appropriate expansion of the Fruitland Coal 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,

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

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

RP/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

CLERKED
JAN 26 PM 3:47

November 8, 2001

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 32-8 UNIT
#14-08-001-446
COMMERCIALITY DETERMINATION
SAN JUAN 32-8 UNIT #257 WELL
SAN JUAN COUNTY, NEW MEXICO
C40464

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-8 Unit Agreement, #14-08-001-446, approved January 13, 1953, Phillips Petroleum Company (Phillips) has determined that the San Juan 32-8 Unit #257 Well is capable of producing unitized substances in paying quantities from the Fruitland formation. Phillips requests confirmation of this paying well determination. 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.

Respectfully yours,

Skip Fraker
San Juan Area-Land Dept.
(505) 599-3428

cc: J. L. Mathis (r) C40464

**SAN JUAN 32-8 UNIT
FRUITLAND COAL OWNERS**

PHILLIPS PETROLEUM COMPANY

PHILLIPS – NEW MEXICO PARTNERS, L.P.

PHILLIPS – SAN JUAN LIMITED PARTNERSHIP

BURLINGTON RESOURCES OIL & GAS COMPANY

CBP SAN JUAN LIMITED PARTNERSHIP

FOUR STAR OIL & GAS COMPANY

ANDREW B. KELLY, JR.

CHARLES E. KELLY

SUSANNA P. KELLY

SUSANNA P. KELLY, JR.

WILLIAMS PRODUCTION COMPANY

WINTERGREEN ENERGY CORPORATION

Phillips Petroleum Company

Commerciality Determination

San Juan 32-8 Unit #257

Fruitland Coal

W/2 Section 19 32N-8W

San Juan Co., NM

Date Spud: 11/21/2000
Date of Completion: 12/12/2000
Date of First Delivery: 12/22/2000

Total Well Costs: \$550,000 {1}
Current Gas Price (\$/mcf): \$1.60 {2}
BLM Royalty: 12.5%

% Production Taxes:	3.75000	Severance
	4.00000	School
	0.99500	Ad Valorem
	0.19000	Conservation
	<u>0.17910</u>	Prod Equip
	9.11410	

Estimated Gross Annual Production and Operating Expenses

Period	Year	Gas MCF {4}	Operating Expense, \$ {3}
1	2000	727	2,917
2	2001	257,801	35,000
3	2002	330,816	35,000
4	2003	270,850	35,000
5	2004	221,753	35,000
6	2005	181,556	35,000
7	2006	148,645	35,000
8	2007	121,701	35,000
9	2008	99,640	35,000
10	2009	81,578	35,000
11	2010	66,791	35,000
12	2011	54,684	35,000
13	2012	44,771	35,000
14	2013	36,656	35,000
15	2014	30,011	35,000
16	2015	24,571	35,000
17	2016	20,117	35,000

Total 1,992,667

Notes:

- {1} Total well costs include drilling, completion, gathering lines and surface facilities.
{2} Gas price is a conservative netback price (actual received at completion was much higher).
{3} Operating costs are approximate over life.
{4} The gas forecast is conservative (no inclining production). Flat through 2001 followed by a simple exponential decline (20%/year).

Phillips Petroleum Company

Monthly Production Data

San Juan 32-8 Unit #257
 Fruitland Coal
 W/2 Section 19 32N-8W
 San Juan Co., NM

2000 Monthly Production @ 15.025#

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
2000	Dec	727	640
1 mos. 2000		<u>727</u>	<u>640</u>

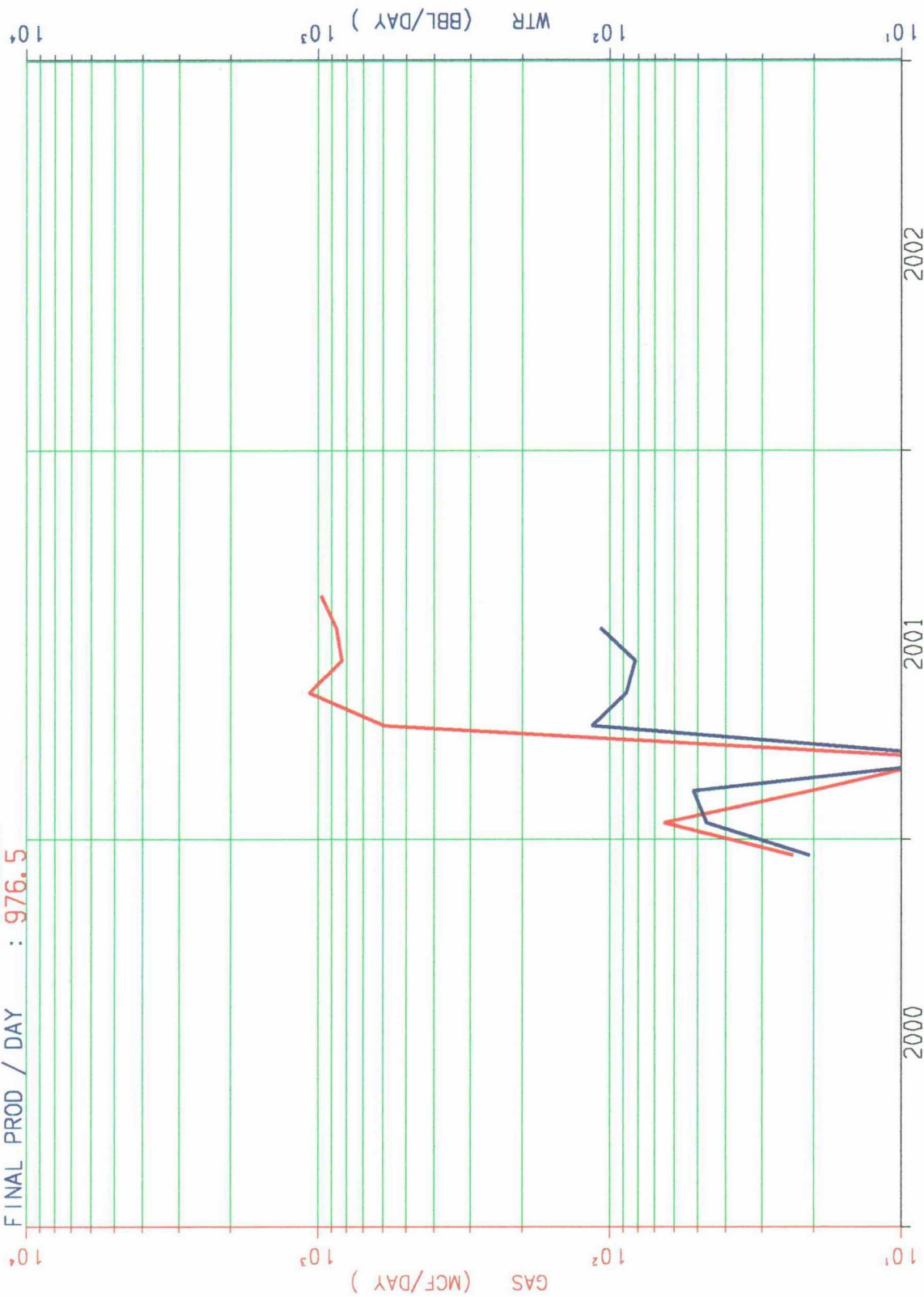
2001 Monthly Production @ 15.025#

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
2001	Jan	2,019	1,440
2001	Feb	567	1,444
2001	Mar	210	0
2001	Apr	17,787	3,457
2001	May	33,182	2,716
2001	Jun	24,898	2,459
2001	Jul	26,867	3,339
2001	Aug	30,271	0
8 mos. 2001		<u>135,801</u>	<u>14,855</u>

12/0-8/1

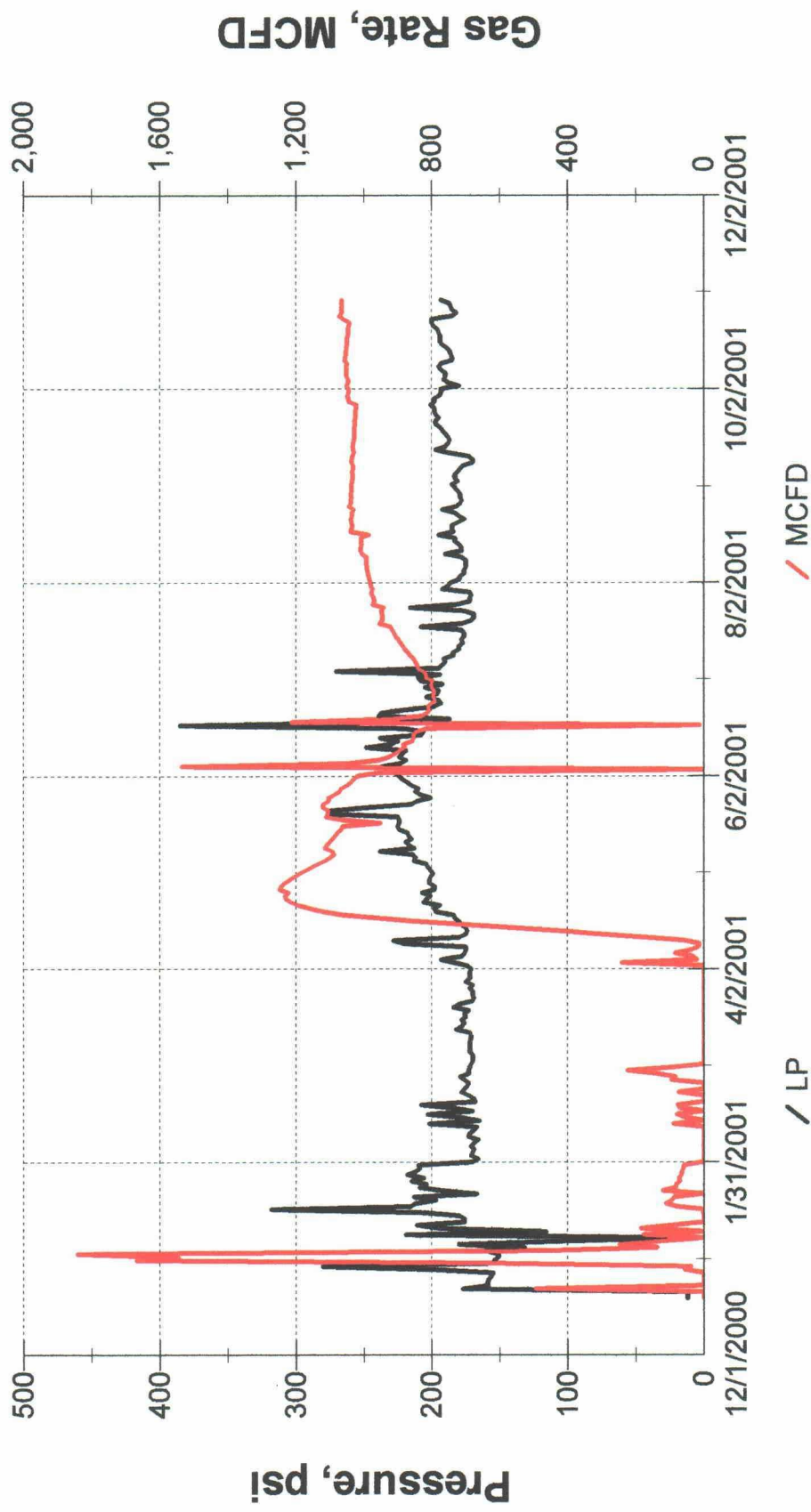
INITIAL PROD / DAY : 1086.0
REMAINING LIFE : 0.75
EXP (0.00) DECL % : 15.00
CUM PRODUCTION : 136531.
FINAL PROD / DAY : 976.5

ASSOC. Current Cums
136531. MCF GAS
15495. BBL WTR

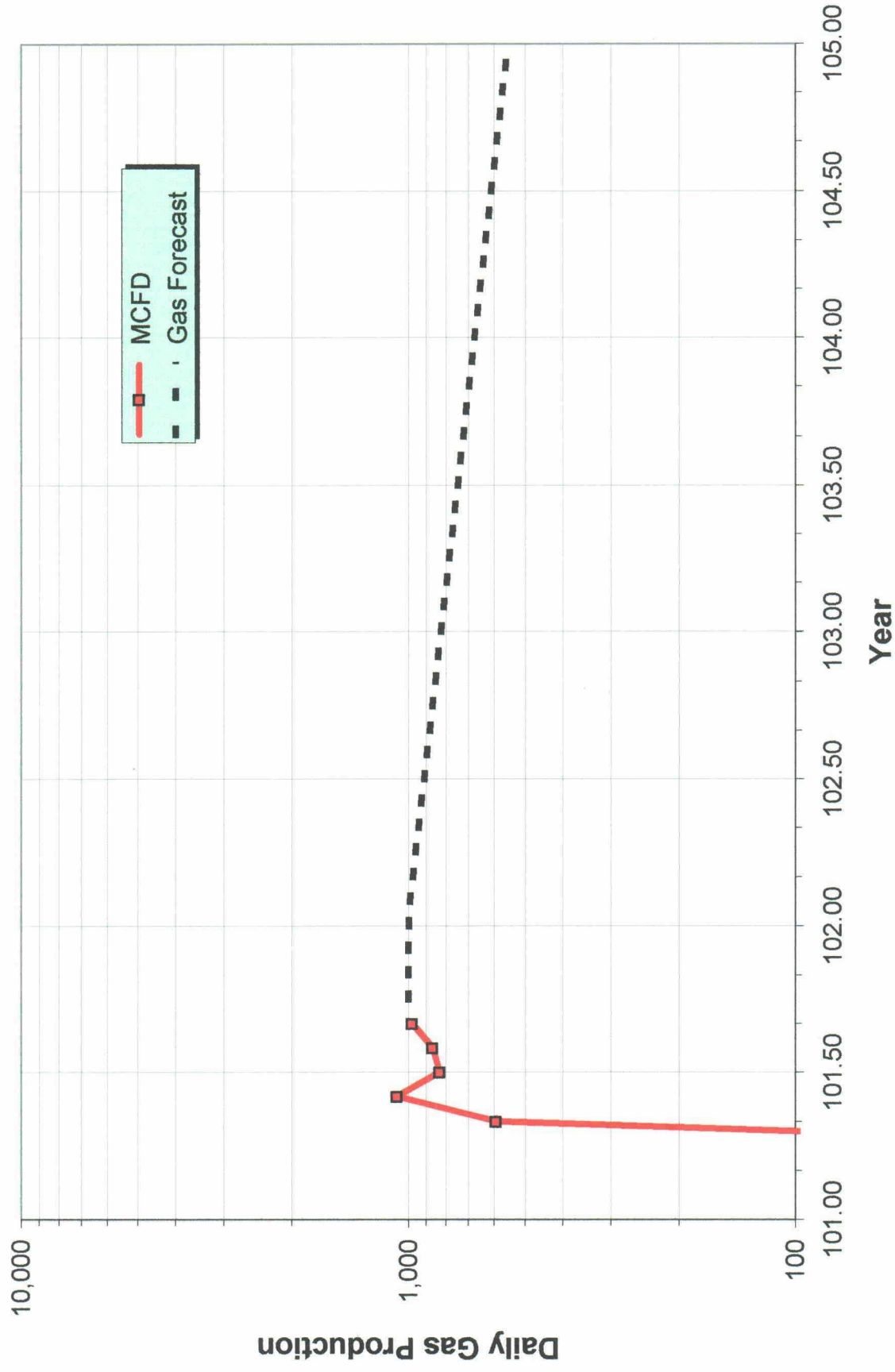


LEASE- 650513 : SAN JUAN 32-8 UNIT #257 FC
RESVR- 028 : BASIN FRUITLAND COAL NQ
WELL - 000257 CUM MCF =136738.
F8C1001
ZONE-650513028000257 F8C1001
API-30045302580000 THRU 2/01

Raw Telemetry Data for SJ 32-8 #257



San Juan 32-8 Unit #257





PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

April 6, 2001

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

MAY - 9 2001

Commissioner of Public Lands (2 copies)
State of New Mexico
PO Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division (2 copies)
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: San Juan 32-8 Unit
#14-08-001-446
San Juan County, New Mexico
First Amended 2001 Plan of Development

Ladies and Gentlemen:

By letter dated January 15, 2001 Phillips Petroleum Company (Phillips), as Unit Operator, filed the 2001 Initial Plan of Development (POD).

It is now proposed that the POD be amended to reflect the change of scope in the #15A well which will add the Dakota formation and commingle the Mesaverde/Dakota production.

The proposed wells to be drilled are as follows:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-8 Unit #15M	W/2 Section 24-31N-8W	Mesaverde/ Dakota	Drill

The Mesaverde drillblock for this well are located within the Mesaverde Participating Area and the drill block is owned by the participating area owners. The Dakota Drillblock is not located within the Dakota Participating Area and is owned by Phillips Petroleum Company.

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

Per Section 10 of the San Juan 32-8 Unit Agreement, please confirm your approval of this First Amendment to the POD by executing in the appropriate space and returning one (1) copy of this letter to the attention of the undersigned.

Respectfully your,

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

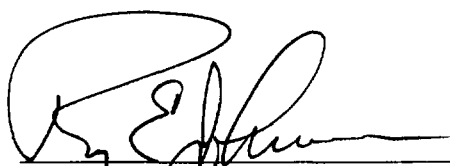
Cc: J. L. Mathis
W. D. Jaap
Kenny Schramko

BUREAU OF LAND MANAGEMENT

DATE

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

DATE



OIL CONSERVATION DIVISION
STATE OF NEW MEXICO

5/30/2001
DATE



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

January 30, 2001

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 32-8 UNIT
#14-08-001-446
COMMERCIALITY DETERMINATION
SAN JUAN 32-8 UNIT #247 WELL
SAN JUAN COUNTY, NEW MEXICO
C40464

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-8 Unit Agreement, #14-08-001-446, approved January 13, 1953, Phillips Petroleum Company (Phillips) has determined that the San Juan 32-8 Unit #247 Well is capable of producing unitized substances in paying quantities from the Fruitland formation. Phillips requests confirmation of this paying well determination. 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.

Respectfully yours,

Skip Fraker
San Juan Area-Land Dept.
(505) 599-3428

cc: J. L. Mathis (r) C40464

**SAN JUAN 32-8 UNIT
FRUITLAND COAL OWNERS**

PHILLIPS PETROLEUM COMPANY

PHILLIPS – NEW MEXICO PARTNERS, L.P.

PHILLIPS – SAN JUAN LIMITED PARTNERSHIP

BURLINGTON RESOURCES OIL & GAS COMPANY

CBP SAN JUAN LIMITED PARTNERSHIP

CINCO GENERAL PARTNERSHIP

FOUR STAR OIL & GAS COMPANY

ANDREW B. KELLY, JR.

CHARLES E. KELLY

SUSANNA P. KELLY

SUSANNA P. KELLY, JR.

WILLIAMS PRODUCTION COMPANY

WINTERGREEN ENERGY CORPORATION

Phillips Petroleum Company

Commerciality Determination

San Juan 32-8 Unit #247

Fruitland Coal

W/2 Section 19, 32N-8W

San Juan Co., NM

Date Spud: 07/17/99
Date of Completion: 08/11/99
Date of First Delivery: 08/26/99

Total Well Costs: \$500,000

Current Gas Price (\$/mcf): \$1.70

BLM Royalty: 12.5%

% Production Taxes:	3.75000	Severance
	4.00000	School
	0.99500	Ad Valorem
	0.19000	Conservation
	0.17910	Prod Equip
	9.11410	

Estimated Gross Annual Production and Operating Expenses

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	1999	179,266	8,333
2	2000	705,055	25,000
3	2001	669,467	25,000
4	2002	576,216	25,000
5	2003	495,953	25,000
6	2004	426,871	25,000
7	2005	367,411	25,000
8	2006	316,234	25,000
9	2007	272,185	25,000
10	2008	234,272	25,000
11	2009	201,640	25,000
12	2010	173,553	25,000
13	2011	149,378	25,000
14	2012	128,571	25,000
15	2013	110,662	25,000
Total		<u>5,006,735</u>	

Phillips Petroleum Company

Commerciality Determination

San Juan 32-8 Unit #247
Fruitland Coal
W/2 Section 19, 32N-8W
San Juan Co., NM

Comments / Explanations:

The forecast assumes a simple exponential decline (15%/yr) from the current production level (2000 MCFD). The max pitot during completion was +/- 2.8 MMCFD, so forecast does not reflect increase in rate due to dewatering.

Operating costs are an approximate average over a 15 year period. Total well costs include drilling, completion, gathering lines and surface facility costs and are typical for the area. Gas price is the netback price received in 1999.

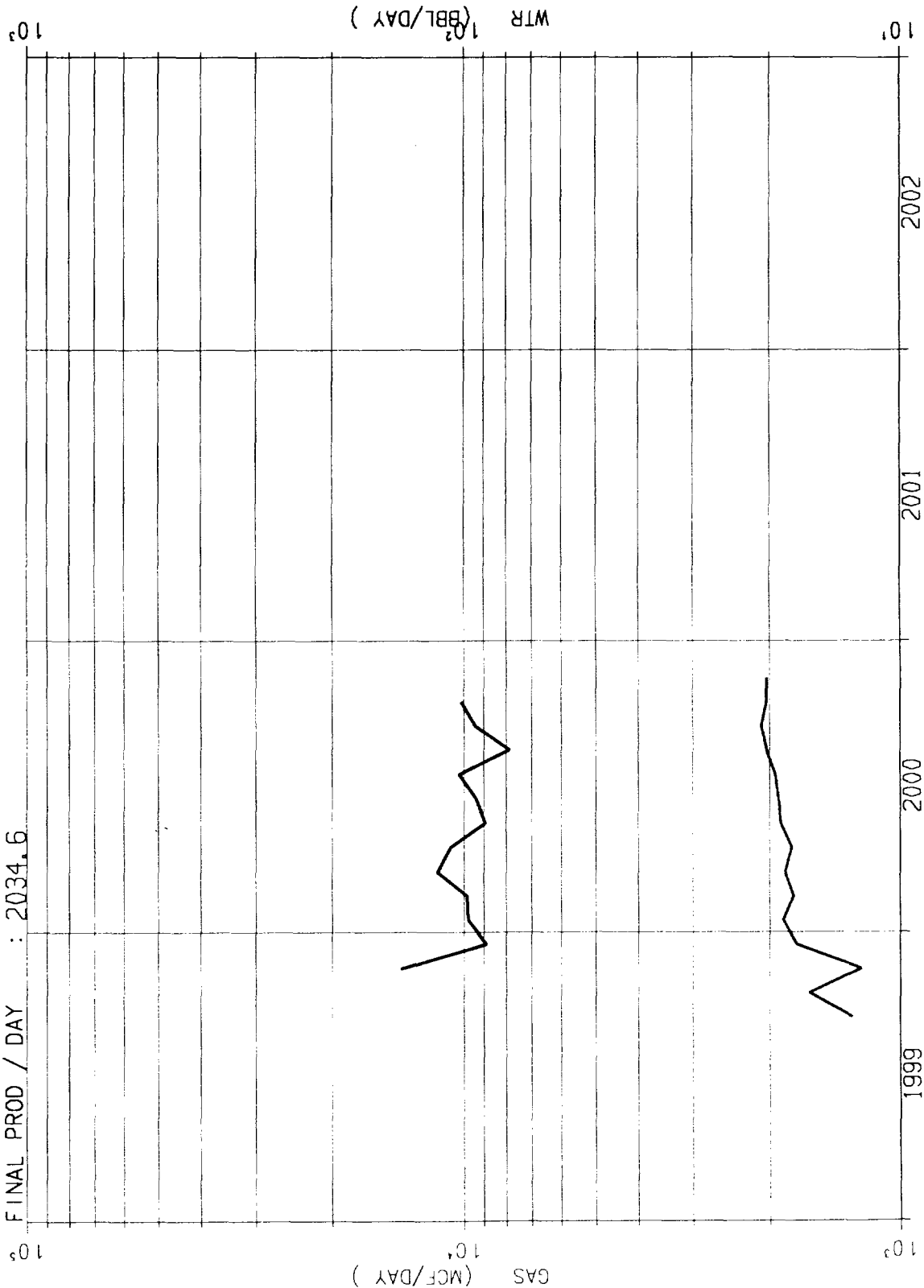
Monthly Production @ 15.025#

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
1999	Sep	38,626	
1999	Oct	50,195	
1999	Nov	36,787	4,183
1999	Dec	53,658	2,756
4 mos. 1999		<u>179,266</u>	<u>6,939</u>
2000	Jan	57,790	3,027
2000	Feb	51,029	2,849
2000	Mar	57,128	3,560
2000	Apr	53,287	3,219
2000	May	58,303	2,765
2000	Jun	57,286	2,817
2000	Jul	60,135	3,174
2000	Aug	62,942	2,444
2000	Sep	62,727	2,820
2000	Oct	62,934	3,140
2000	Nov	61,039	0
11 mos. 2000		<u>644,600</u>	<u>29,815</u>

9/99-11/0

INITIAL PROD / DAY : 2438.9
REMAINING LIFE : 1.25
EXP (0.00) DECL % : 15.00
CUM PRODUCTION : 822096.
FINAL PROD / DAY : 2034.6

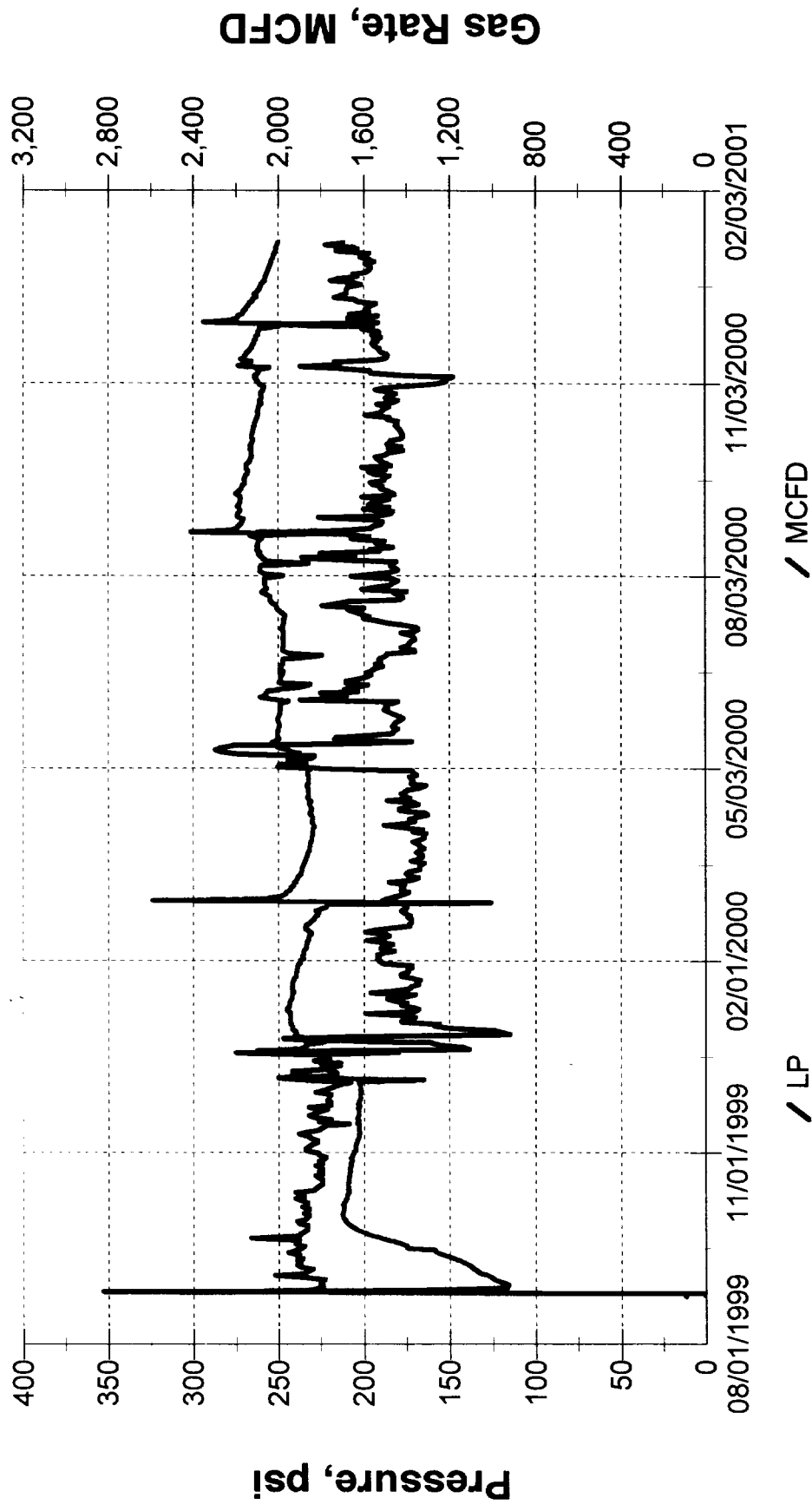
ASSOC. Current Cums
822096. MCF GAS
36651. BBL WTR



LEASE- 650439 : SAN JUAN 32-8 #247
RESVR- 028 : BASIN
WELL - 000247 CUM MCF =823866.

F8B7701
ZONE-650439028000247 F8B7701
API-30045297610000 THRU 2/00

Raw Telemetry Data for SJ 32-8 #247





PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

446

January 15, 2001

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

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

Oil Conservation Division (2 copies)
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: SAN JUAN 32-8 UNIT
#14-08-001-446
SAN JUAN COUNTY, NEW MEXICO
2001 PLAN OF DEVELOPMENT
Contract C40464

Gentlemen:

By letter dated January 3, 2000, Phillips Petroleum Company (Phillips) as Unit Operator filed the 2000 Plan of Development (POD) which was ammended by letter dated October 2, 2000. The POD indicated three (3) wells were planned for 2000 with the subsequent amendment adding two (2) wells to be drilled. The 2000 status is shown below.

1. Attached are maps for each participating area.
2. The following wells were drilled in 2000.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
San Juan 32-8 Unit #257	E/2 Section 19-32N-8W	Fruitland Coal

3. The following wells were recompleted in 2000.

None

2000 Summary- The #257 well was drilled on a drillblock basis within the Fruitland Coal Participating Area. No wells recompleted or downhole commingled. There were no expansions of Fruitland Coal Participating Area. The #45A, #46A, #255 and 256 wells will be carried over into 2001.

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

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Twenty-Third	7/1/97
Pictured Cliffs	First	1/1/83
Mesaverde	Nineteenth	7/1/83
Dakota	Initial	2/10/82

Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Phillips, as Unit Operator hereby submits the following wells for the 2001 POD:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-8 Unit #1A	E/2 Section 23-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #15A	W/2 Section 24-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #16A	W/2 Section 15-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #26A	W/2 Section 16-32N-8W	Mesaverde	Drill
San Juan 32-8 Unit #45A	W/2 Section 14-32N-8W	Mesaverde/Pictured Cliffs	Drill
San Juan 32-8 Unit #46A	E/2 Section 14-32N-8W	Mesaverde/Pictured Cliffs	Drill
San Juan 32-8 Unit #255	E/2 Section 24-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #256	E/2 Section 25-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #260	W/2 Section 18-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #261	W/2 Section 17-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #262	E/2 Section 17-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #263	W/2 Section 9-32N-8W	Fruitland Coal	Drill

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

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

Respectfully yours,



Skip Fraker
San Juan Area-Land Dept.
(505) 599-3428

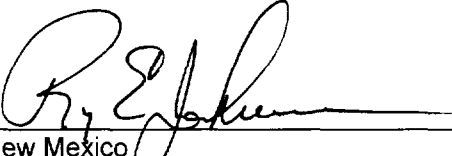
**SAN JUAN 32-8 UNIT #14-08-001-446
2001 INITIAL PLAN OF DEVELOPMENT**

Bureau of Land Management

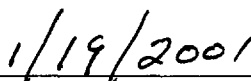
Date

New Mexico
Commissioner of Public Lands

Date



New Mexico
Oil Conservation Division



Date

cc: San Juan 32-8 Unit Owners
J. L. Mathis (r) C40464
W. D. Jaap (r) local supervisors
Mike Larimer

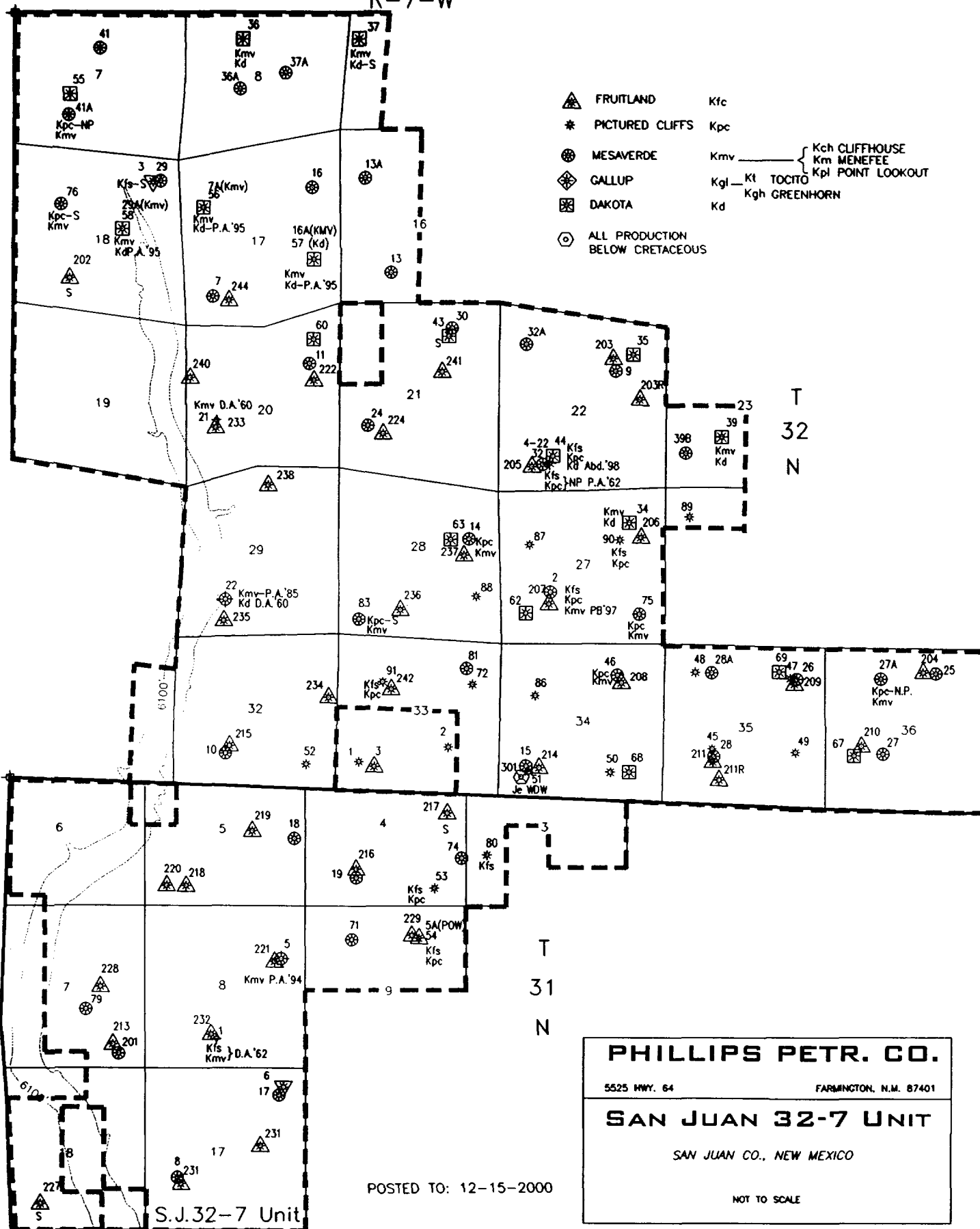
R-7-W

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R-7-W



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

October 2, 2000

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

Commissioner of Public Lands (2 copies)
State of New Mexico
PO Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division (2 copies)
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: San Juan 32-8 Unit
#14-08-001-446
Rio Arriba County, New Mexico
First Amended 2000 Plan of Development

Ladies and Gentlemen:

By letter dated January 3, 2000 Phillips Petroleum Company (Phillips), as Unit Operator, filed the 2000 Initial Plan of Development (POD).

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

The proposed wells to be drilled are as follows:

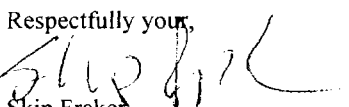
<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-8 Unit #45A	W/2 Section 14-32N-8W	Mesaverde	Drill
		Pictured Cliffs	
San Juan 32-8 Unit #46A	E/2 Section 14-32N-8W	Mesaverde	Drill
		Pictured Cliffs	

The Mesaverde and Pictured Cliffs drillblocks for these wells are located within the Mesaverde and Pictured Cliffs Participating Areas and the drill block is owned by the participating area owners.

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

Per Section 10 of the San Juan 30-5 Unit Agreement, please confirm your approval of this Second Amendment to the POD by executing in the appropriate space and returning one (1) copy of this letter to the attention of the undersigned.

Respectfully yours,


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

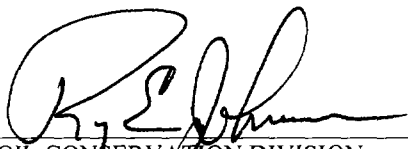
Cc: J. L. Mathis
W. D. Jaap
Mike Larimer

BUREAU OF LAND MANAGEMENT

DATE

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

DATE



OIL CONSERVATION DIVISION
STATE OF NEW MEXICO

10/12/00

DATE



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

August 16, 1999

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

Commissioner of Public Lands (2 copies)
State of New Mexico
Attn: Mr. Ray Powell
P. O. Box 1145
Santa Fe, New Mexico 87504-1148

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

RE: SAN JUAN 32-8 UNIT
TWENTY THIRD EXPANSION
FRUITLAND PARTICIPATING AREA
SAN JUAN COUNTY, NEW MEXICO
C40464, LCN 650251, 651251

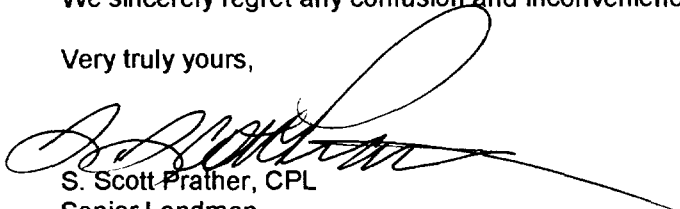
Ladies and Gentlemen:

By letter dated July 19, 1999, a revised schedule for the 23rd Expansion of the San Juan 32-8 Unit Fruitland Participating Area was distributed to correct the description of Tract 005. Through an oversight on our part, the revised schedule also was incorrect.

Please find a corrected copy of Schedule XXIV for the 23rd Expanded Participating Area for the San Juan 32-8 Unit Fruitland Participating Area.

We sincerely regret any confusion and inconvenience these errors on our part may have caused.

Very truly yours,



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

cc: J. L. Mathis
San Juan 32-8 Unit Fruitland PA Owners

**SAN JUAN 32-8 UNIT
FRUITLAND PA OWNERS**

ANDREW B. KELLY, JR.

BURLINGTON RESOURCES OIL & GAS COMPANY

CBP SAN JUAN LIMITED PARTNERSHIP

CHARLES E. KELLY

FOUR STAR OIL & GAS COMPANY

PHILLIPS-NEW MEXICO PARTNERS, L. P.

PHILLIPS-SAN JUAN LTD PARTNERS

SUSANNA P. KELLY

SUSANNA P. KELLY, JR.

WINTERGREEN ENERGY CORP.

WILLIAMS PRODUCTION COMPANY

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-013364	T31N R8W N/2 N/2, N/2 S/2, SE/4 SE/4	360.00		TRACT: 003	1.294640 *	1.294640 *	2.578810
	ORRI:				12.500000	12.500000	
	ROYALTY:						
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				17.871093	17.871093	
	WILLIAMS PRODUCTION COMPANY				53.783485	53.783485	
	WINTERGREEN ENERGY CORP				10.253906	10.253906	
	SUSANNA PHILLIPS KELLY				1.562500	1.562500	
	ANDREW B KELLY, JR.				1.025391	1.025391	
	CHARLES E. KELLY				1.025391	1.025391	
	SUSANNA PHILLIPS KELLY, JR.				0.683594	0.683594	
	TOTAL				100.000000	100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #234						
	SAN JUAN 32-8 UNIT #235						
SF-079004	T31N R8W	1720.00		TRACT: 004			12.320979
	SEC. 9 ALL			ORRI:	5.000000	5.000000	
	SEC. 10 ALL			ROYALTY:	12.500000	12.500000	
	SEC. 15 NE/4, E/2 SE/4, NW/4 SE/4, NW/4			WORKING INTEREST:	14.850000	14.850000	
				WILLIAMS PRODUCTION COMPANY	67.650000	67.650000	
				FOUR STAR OIL & GAS COMPANY			
	TOTAL				100.000000	100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #221						
	SAN JUAN 32-8 UNIT #222						
	SAN JUAN 32-8 UNIT #223						
	SAN JUAN 32-8 UNIT #224						
	SAN JUAN 32-8 UNIT #225						
	SAN JUAN 32-8 UNIT #226						

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079013	T32N R8W	960.00		TRACT: 005			6.876826
SEC. 29	ALL		ORRI:		5.000000	5.000000	
SEC. 20	W/2		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
			REMARKS: SAN JUAN 32-8 UNIT #208 SAN JUAN 32-8 UNIT #232 SAN JUAN 32-8 UNIT #229				
SF-079029	T31N R8W	1562.08		TRACT: 007			11.189741
SEC. 3	LOTS 1, 2, 3, 4, S/2 N/2, S/2		ORRI:		5.000000	5.000000	
SEC. 4	LOTS 1, 2, 3, 4, S/2 N/2, S/2		ROYALTY:		12.500000	12.500000	
SEC. 21	S/2 N/2, S/2 SW/4, SW/4 SE/4		WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
			REMARKS: SAN JUAN 32-8 UNIT #234 SAN JUAN 32-8 UNIT #235 SAN JUAN 32-8 UNIT #240 SAN JUAN 32-8 UNIT #241 SAN JUAN 32-8 UNIT #242 SAN JUAN 32-8 UNIT #249				

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079047	T31N R8W	880.00		TRACT: 008			6.303757
SEC. 11	S/2 NW/4, SW/4		ORRI:		5.000000	5.000000	
SEC. 14	W/2		ROYALTY:		12.500000	12.500000	
SEC. 23	W/2		WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #238 SAN JUAN 32-8 UNIT #243 SAN JUAN 32-8 UNIT #245							
SF-079341-A	T32N R8W	861.20		TRACT: 011			6.169086
SEC. 28	W/2		ORRI:		5.000000	5.000000	
SEC. 30	LOTS 1, 2, 3, 4, E/2 W/2, E/2		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #231 SAN JUAN 32-8 UNIT #233 SAN JUAN 32-8 UNIT #239							
SF-079351	T31N R8W	383.89		TRACT: 013			2.749942
SEC. 24	LOTS 1-3, 6-16, 33-46, 65-80, 97-112, 129-136		ORRI:		2.500000	2.500000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS, L.P.		85.000000	85.000000	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #220 SAN JUAN 32-8 UNIT #206							

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079353	T32N R8W	640.00		TRACT: 014			4.584550
SEC. 28	E/2		ORRI:		5.000000	5.000000	
SEC. 33	W/2		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
REMARKS:	SAN JUAN 32-8 UNIT #230						
	SAN JUAN 32-8 UNIT #250						
SF-079380	T32N R8W	640.00		TRACT: 015			4.584550
SEC. 23	ALL		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS, L.P.		55.000688	55.000688	
			BURLINGTON RESOURCES O&G CO		15.465614	15.465614	
			CBP SAN JUAN LIMITED PARTNERSHIP		12.033698	12.033698	
			TOTAL		100.000000	100.000000	
REMARKS:	SAN JUAN 32-8 UNIT #37						
	SAN JUAN 32-8 UNIT #41						

08/16/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079380	T32N R8W W/2 E/2 (IDB)	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY BURLINGTON RESOURCES O&G CO CINCO GENERAL PARTNERSHIP	TRACT: 015A	5.000000 12.500000 55.000688 15.465614 12.033698	5.000000 12.500000 55.000688 15.465614 12.033698	4.584550
REMARKS: SAN JUAN 32-8 UNIT #213					TOTAL	100.000000	100.000000
SF-079381	T32N R8W SEC. 25 E/2 SEC. 33 E/2 SEC. 34 ALL SEC. 35 ALL	1920.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L. P. BURLINGTON RESOURCES O&G CO CBP SAN JUAN LIMITED PARTNERSHIP	TRACT: 016	5.000000 12.500000 55.000688 15.465614 12.033698	5.000000 12.500000 55.000688 15.465614 12.033698	13.753651
REMARKS: SAN JUAN 32-8 UNIT #36 SAN JUAN 32-8 UNIT #203 SAN JUAN 32-8 UNIT #204 SAN JUAN 32-8 UNIT #205 SAN JUAN 32-8 UNIT #218 SAN JUAN 32-8 UNIT #219					TOTAL	100.000000	100.000000

EFFECTIVE 07/01/97

08/16/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079717	T32N R8W SEC. 27 W/2 SW/4, SE/4 SW/4	120.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 017	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	0.859603
REMARKS: SAN JUAN 32-8 UNIT #202					TOTAL	100.000000	100.000000
NM-84809	T32N R8W SEC. 27 NW/4, NE/4 SW/4	200.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L.P.	TRACT: 018	2.500000 12.500000 85.000000	2.500000 12.500000 85.000000	1.432672
REMARKS: SAN JUAN 32-8 UNIT #202					TOTAL	100.000000	100.000000
SF-080412-A	T32N R8W SEC. 27 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY	TRACT: 018A	2.500000 12.500000 85.000000	2.500000 12.500000 85.000000	2.292275
REMARKS: SAN JUAN 32-8 UNIT #253					TOTAL	100.000000	100.000000

EFFECTIVE 07/01/97

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-080854	T31N R8W	952.76		TRACT: 019			6.824963
SEC. 11	N/2 NW/4, E/2		ORRI:		5.000000	5.000000	
SEC. 14	E/2		ROYALTY:		12.500000	12.500000	
SEC. 24	LOTS 4, 5, 17-32, 49-64, 81-96, 113-128		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
TOTAL					100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #220 SAN JUAN 32-8 UNIT #243 SAN JUAN 32-8 UNIT #244 SAN JUAN 32-8 UNIT #248							
SF-081089	T31N R8W	320.00		TRACT: 020			2.292275
SEC. 23	E/2		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
TOTAL					100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #237							

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-03402	T31N R8W	840.00		TRACT: 021			6.017222
	SEC. 15 SW/4, SW/4 SE/4		ORRI:		5.000000	5.000000	
	SEC. 22 ALL		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #207 SAN JUAN 32-8 UNIT #225 SAN JUAN 32-8 UNIT #226 SAN JUAN 32-8 UNIT #236							
E-1204-3	T31N R8W	400.00		TRACT: 024			2.865344
	SEC. 16 NW/4 NE/4, SE/4 NE/4, N/2 SE/4 NW/4, NE/4 SW/4, SW/4 SW/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			FOUR STAR OIL & GAS COMPANY		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #227 SAN JUAN 32-8 UNIT #228							
E-3704-2	T31N R8W	40.00		TRACT: 026			0.286534
	SEC. 16 SW/4 SE/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32-7 UNIT #228							

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-3868-3	T31N R8W	40.00	SW/4 NE/4	TRACT: 028			0.286534
	SEC. 16						
	ORRI:		5.000000		5.000000		
	ROYALTY:		12.500000		12.500000		
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000		67.650000		
	WILLIAMS PRODUCTION COMPANY		14.850000		14.850000		
	TOTAL		100.000000		100.000000		
	REMARKS: SAN JUAN 32-8 UNIT #228						
E-5113-70	T31N R8W	40.00	NW/4 SW/4	TRACT: 031			0.286534
	SEC. 16						
	ORRI:		6.000000		6.000000		
	ROYALTY:		12.500000		12.500000		
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L. P.		66.830000		66.830000		
	WILLIAMS PRODUCTION COMPANY		14.670000		14.670000		
	TOTAL		100.000000		100.000000		
	REMARKS: SAN JUAN 32-8 UNIT #227						
E-5382	T31N R8W	40.00	NE/4 NE/4	TRACT: 034			0.286534
	SEC. 16						
	ORRI:		0.000000		0.000000		
	ROYALTY:		12.500000		12.500000		
	WORKING INTEREST:						
	FOUR STAR OIL & GAS COMPANY		87.500000		87.500000		
	TOTAL		100.000000		100.000000		
	REMARKS: SAN JUAN 32-8 UNIT #228						

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
B-11240-71	T31N R8W SEC. 16 SE/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY	TRACT: 038	2.500000 12.500000 69.700000 15.300000	2.500000 12.500000 69.700000 15.300000	0.286534
REMARKS: SAN JUAN 32-8 UNIT #227					TOTAL 100.000000	100.000000	
B-11240-70	T31N R8W SEC. 16 SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY	TRACT: 038A	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	0.286534
REMARKS: SAN JUAN 32-8 UNIT #228					TOTAL 100.000000	100.000000	
TOTAL					13,959.93		100.000000



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

July 19, 1999

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

Commissioner of Public Lands (2 copies)
State of New Mexico
Attn: Mr. Ray Powell
P. O. Box 1145
Santa Fe, New Mexico 87504-1148

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

RE: SAN JUAN 32-8 UNIT
TWENTY-THIRD EXPANSION
FRUITLAND PARTICIPATING AREA
SAN JUAN COUNTY, NEW MEXICO
C40464, LCN 650251, 651251

Ladies and Gentlemen:

Attached is a revised copy of the 23rd expansion for the San Juan 32-8 Unit Area. Tract 5 and the Recapitulation have a revision.

We apologize for any inconvenience this may have caused. If you should have a question please contact the undersigned.

Very truly yours,

A handwritten signature in cursive script that reads "Gillian Armenta".

Gillian Armenta
(505) 599-3461

cc: San Juan 32-8 Unit
Fruitland Participating Area Working Interest Owners

**SAN JUAN 32-8 UNIT
FRUITLAND PA OWNERS**

ANDREW B. KELLY, JR.

BURLINGTON RESOURCES OIL & GAS COMPANY

CBP SAN JUAN LIMITED PARTNERSHIP

CHARLES E. KELLY

FOUR STAR OIL & GAS COMPANY

PHILLIPS-NEW MEXICO PARTNERS, L. P.

PHILLIPS-SAN JUAN LTD PARTNERS

SUSANNA P. KELLY

SUSANNA P. KELLY, JR.

WINTERGREEN ENERGY CORP.

WILLIAMS PRODUCTION COMPANY

07/19/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-013364	T31N R8W	360.00		TRACT: 003		2.578810
SEC. 21	N/2 N/2, N/2 S/2, SE/4 SE/4		ORRI:	1.294640 *	1.294640 *	
			ROYALTY:	12.500000	12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.	17.871093	17.871093	
			WILLIAMS PRODUCTION COMPANY	53.783485	53.783485	
			WINTERGREEN ENERGY CORP	10.253906	10.253906	
			SUSANNA PHILLIPS KELLY	1.562500	1.562500	
			ANDREW B KELLY, JR.	1.025391	1.025391	
			CHARLES E. KELLY	1.025391	1.025391	
			SUSANNA PHILLIPS KELLY, JR.	0.683594	0.683594	
			TOTAL	100.000000	100.000000	

REMARKS: SAN JUAN 32-8 UNIT #234
SAN JUAN 32-8 UNIT #235

SF-079004	T31N R8W	1720.00		TRACT: 004		12.320979
SEC. 9	ALL		ORRI:	5.000000	5.000000	
SEC. 10	ALL		ROYALTY:	12.500000	12.500000	
SEC. 15	NE/4, E/2 SE/4, NW/4 SE/4, NW/4		WORKING INTEREST:			
			WILLIAMS PRODUCTION COMPANY	14.850000	14.850000	
			FOUR STAR OIL & GAS COMPANY	67.650000	67.650000	
			TOTAL	100.000000	100.000000	

REMARKS: SAN JUAN 32-8 UNIT #221
SAN JUAN 32-8 UNIT #222
SAN JUAN 32-8 UNIT #223
SAN JUAN 32-8 UNIT #224
SAN JUAN 32-8 UNIT #225
SAN JUAN 32-8 UNIT #226

07/19/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	T32N R8W	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079013			960.00		TRACT: 005			6.876826
	SEC. 29	ALL		ORRI:		5.000000	5.000000	
	SEC. 30	W/2		ROYALTY:		12.500000	12.500000	
				WORKING INTEREST:				
				PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	67.650000	
				WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
				TOTAL		100.000000	100.000000	
	REMARKS:	SAN JUAN 32-8 UNIT #208						
		SAN JUAN 32-8 UNIT #232						
		SAN JUAN 32-8 UNIT #229						
SF-079029	T31N R8W		1562.08		TRACT: 007			11.189741
	SEC. 3	LOTS 1, 2, 3, 4, S/2 N/2, S/2		ORRI:		5.000000	5.000000	
	SEC. 4	LOTS 1, 2, 3, 4, S/2 N/2, S/2		ROYALTY:		12.500000	12.500000	
	SEC. 21	S/2 N/2, S/2 SW/4, SW/4 SE/4		WORKING INTEREST:				
				PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	67.650000	
				WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
				TOTAL		100.000000	100.000000	
	REMARKS:	SAN JUAN 32-8 UNIT #234						
		SAN JUAN 32-8 UNIT #235						
		SAN JUAN 32-8 UNIT #240						
		SAN JUAN 32-8 UNIT #241						
		SAN JUAN 32-8 UNIT #242						
		SAN JUAN 32-8 UNIT #249						

07/19/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	T31N R8W	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079047			880.00		TRACT: 008			6.303757
	SEC. 11	S/2 NW/4, SW/4		ORRI:		5.000000	5.000000	
	SEC. 14	W/2		ROYALTY:		12.500000	12.500000	
	SEC. 23	W/2		WORKING INTEREST:				
				PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
				WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
				TOTAL		100.000000	100.000000	
REMARKS:		SAN JUAN 32-8 UNIT #238						
		SAN JUAN 32-8 UNIT #243						
		SAN JUAN 32-8 UNIT #245						
SF-079341-A	T32N R8W		861.20		TRACT: 011			6.169086
	SEC. 28	W/2		ORRI:		5.000000	5.000000	
	SEC. 30	LOTS 1, 2, 3, 4, E/2 W/2, E/2		ROYALTY:		12.500000	12.500000	
				WORKING INTEREST:				
				PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
				WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
				TOTAL		100.000000	100.000000	
REMARKS:		SAN JUAN 32-8 UNIT #231						
		SAN JUAN 32-8 UNIT #233						
		SAN JUAN 32-8 UNIT #239						
SF-079351	T31N R8W		383.89		TRACT: 013			2.749942
	SEC. 24	LOTS 1-3, 6-16, 33-48, 65-80, 97-112, 129-136		ORRI:		2.500000	2.500000	
				ROYALTY:		12.500000	12.500000	
				WORKING INTEREST:				
				PHILLIPS-NEW MEXICO PARTNERS, L.P.		85.000000	85.000000	
				TOTAL		100.000000	100.000000	
REMARKS:		SAN JUAN 32-8 UNIT #220						
		SAN JUAN 32-8 UNIT #206						

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PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079353	T32N R8W SEC. 28 E/2 SEC. 33 W/2	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY	TRACT: 014	5.000000 12.500000 67.650000 14.850000	4.584550
	REMARKS: SAN JUAN 32-8 UNIT #230 SAN JUAN 32-8 UNIT #250		TOTAL		100.000000	
SF-079380	T32N R8W SEC. 23 ALL	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L.P. BURLINGTON RESOURCES O&G CO CBP SAN JUAN LIMITED PARTNERSHIP	TRACT: 015	5.000000 12.500000 55.000688 15.465614 12.033698	4.584550
	REMARKS: SAN JUAN 32-8 UNIT #37 SAN JUAN 32-8 UNIT #41		TOTAL		100.000000	

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PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079380	T32N R8W SEC. 22 W/2 E/2 (IDB)	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY BURLINGTON RESOURCES O&G CO CINCO GENERAL PARTNERSHIP	TRACT: 015A	5.000000 12.500000 55.000688 15.465614 12.033698	5.000000 12.500000 55.000688 15.465614 12.033698	4.584550
	REMARKS: SAN JUAN 32-8 UNIT #213		TOTAL		100.000000	100.000000	
SF-079381	T32N R8W SEC. 25 E/2 SEC. 33 E/2 SEC. 34 ALL SEC. 35 ALL	1920.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L. P. BURLINGTON RESOURCES O&G CO CBP SAN JUAN LIMITED PARTNERSHIP	TRACT: 016	5.000000 12.500000 55.000688 15.465614 12.033698	5.000000 12.500000 55.000688 15.465614 12.033698	13.753651
	REMARKS: SAN JUAN 32-8 UNIT #36 SAN JUAN 32-8 UNIT #203 SAN JUAN 32-8 UNIT #204 SAN JUAN 32-8 UNIT #205 SAN JUAN 32-8 UNIT #218 SAN JUAN 32-8 UNIT #219		TOTAL		100.000000	100.000000	

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PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079717	T32N R8W SEC. 27 W/2 SW/4, SE/4 SW/4	120.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 017	5.000000 12.500000 67.650000 14.850000	0.859603
	REMARKS: SAN JUAN 32-8 UNIT #202		TOTAL		100.000000	
NM-84809	T32N R8W SEC. 27 NW/4, NE/4 SW/4	200.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L.P.	TRACT: 018	2.500000 12.500000 85.000000	1.432672
	REMARKS: SAN JUAN 32-8 UNIT #202		TOTAL		100.000000	
SF-080412-A	T32N R8W SEC. 27 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY	TRACT: 018A	2.500000 12.500000 85.000000	2.292275
	REMARKS: SAN JUAN 32-8 UNIT #253		TOTAL		100.000000	

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PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	T31N R8W	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-080854			952.76		TRACT: 019			6.824963
	SEC. 11	N/2 NW/4, E/2		ORRI:		5.000000	5.000000	
	SEC. 14	E/2		ROYALTY:		12.500000	12.500000	
	SEC. 24	LOTS 4, 5, 17-32, 49-64, 81-96, 113-128		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
		REMARKS: SAN JUAN 32-8 UNIT #220 SAN JUAN 32-8 UNIT #243 SAN JUAN 32-8 UNIT #244 SAN JUAN 32-8 UNIT #248		TOTAL		100.000000	100.000000	
SF-081089	T31N R8W		320.00		TRACT: 020			2.292275
	SEC. 23	E/2		ORRI:		5.000000	5.000000	
				ROYALTY:		12.500000	12.500000	
				WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
		REMARKS: SAN JUAN 32-8 UNIT #237		TOTAL		100.000000	100.000000	

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PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	T31N	R8W	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-03402				840.00		TRACT: 021			6.017222
	SEC. 15		SW/4, SW/4 SE/4		ORRI:		5.000000	5.000000	
	SEC. 22		ALL		ROYALTY:		12.500000	12.500000	
					WORKING INTEREST:				
					PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
					WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
					TOTAL		100.000000	100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #207 SAN JUAN 32-8 UNIT #225 SAN JUAN 32-8 UNIT #226 SAN JUAN 32-8 UNIT #236								
E-1204-3	T31N	R8W		400.00		TRACT: 024			2.865344
	SEC. 16		NW/4 NE/4, SE/4 NE/4, N/2 SE/4 NW/4, NE/4 SW/4, SW/4 SW/4		ORRI:		5.000000	5.000000	
					ROYALTY:		12.500000	12.500000	
					WORKING INTEREST:				
					FOUR STAR OIL & GAS COMPANY		67.650000	67.650000	
					WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
					TOTAL		100.000000	100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #227 SAN JUAN 32-8 UNIT #228								
E-3704-2	T31N	R8W		40.00		TRACT: 026			0.286534
	SEC. 16		SW/4 SE/4		ORRI:		5.000000	5.000000	
					ROYALTY:		12.500000	12.500000	
					WORKING INTEREST:				
					PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	67.650000	
					WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
					TOTAL		100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #228								

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PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-3868-3	T31N R8W SEC. 16 SW/4 NE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 028	5.000000 12.500000 67.650000 14.850000 100.000000	0.286534
	REMARKS: SAN JUAN 32-8 UNIT #228		TOTAL		100.000000	
E-5113-70	T31N R8W SEC. 16 NW/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY	TRACT: 031	6.000000 12.500000 66.830000 14.670000 100.000000	0.286534
	REMARKS: SAN JUAN 32-8 UNIT #227		TOTAL		100.000000	
E-5382	T31N R8W SEC. 16 NE/4 NE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: FOUR STAR OIL & GAS COMPANY	TRACT: 034	0.000000 12.500000 87.500000 100.000000	0.286534
	REMARKS: SAN JUAN 32-8 UNIT #228		TOTAL		100.000000	

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PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
B-11240-71	T31N R8W SEC. 16 SE/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY	TRACT: 038	2.500000 12.500000 69.700000 15.300000	2.500000 12.500000 69.700000 15.300000	0.286534
	REMARKS: SAN JUAN 32-8 UNIT #227		TOTAL		100.000000	100.000000	
B-11240-70	T31N R8W SEC. 16 SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY	TRACT: 038A	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	0.286534
	REMARKS: SAN JUAN 32-8 UNIT #228		TOTAL		100.000000	100.000000	
	TOTAL		13.959.93				100.000000

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PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 8W

SECTION 3	LOTS 1, 2, 3, 4, S/2 N/2, S/2
SECTION 4	LOTS 1, 2, 3, 4, S/2 N/2, S/2
SECTION 9	ALL
SECTION 10	ALL
SECTION 11	ALL
SECTION 14	ALL
SECTION 15	ALL
SECTION 16	ALL
SECTION 21	ALL
SECTION 22	ALL
SECTION 23	ALL
SECTION 24	ALL

TOWNSHIP 32N, RANGE 8W

SECTION 20	W/2
SECTION 22	ALL
SECTION 23	ALL
SECTION 25	E/2
SECTION 27	ALL
SECTION 28	ALL
SECTION 29	ALL
SECTION 30	LOTS 1, 2, 3, 4, E/2 W/2, E/2
SECTION 33	ALL
SECTION 34	ALL
SECTION 35	ALL

TOTAL COMMITTED:

13,959.93

TOTAL ACRES NON-COMMITTED:

13,959.93

0.00

#446



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

March 18, 1999

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

APR - 7 1999

Commissioner of Public Lands (2 copies)
State of New Mexico
Attn: Mr. Ray Powell
P. O. Box 1145
Santa Fe, New Mexico 87504-1148

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

**RE: SAN JUAN 32-8 UNIT
#14-08-001-446
TWENTY-SECOND EXPANSION - EFFECTIVE 6-1-97
TWENTY-THIRD EXPANSION - EFFECTIVE 7-1-97
FRUITLAND PARTICIPATING AREA
SAN JUAN COUNTY, NEW MEXICO
C40464, LCN 650251, 651251**

Ladies & Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-8 Unit Agreement, #14-08-001-446, approved January 13, 1953, Phillips Petroleum Company, as Unit Operator determined on the dates indicated below that the wells listed below are capable of producing unitized substances in paying quantities from the Fruitland Formation. Therefore, this application for the Twenty-second and Twenty-third Expansions of the Participating Area established for the Fruitland Formation is respectfully submitted for your approval as follows:

TWENTY-SECOND EXPANDED PARTICIPATING AREA
EFFECTIVE JUNE 1, 1997

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
W/2 Section 20-32N-8W	320.00	229
W/2 Section 22-32N-8W	320.00	213
E/2 Section 22-32N-8W*	320.00	---

**INTERVENING DRILLBLOCK*

The San Juan 32-8 Unit #229 Well was completed in 1991 but due to high salt water disposal costs the well was shut-in until being returned to production on May 14, 1997, with cumulative gas production of 181,785 MCF through May 31, 1998. The spacing unit for this well is described as the W/2 of Section 20-32N-8W.

The San Juan 32-8 Unit #213 Well was completed May 21, 1997, with cumulative gas production of 177,190 MCF through May 31, 1998. The spacing unit for this well is described as the W/2 Section 22-32N-8W.

These wells were deemed commercial per letter dated January 19, 1999 from the Bureau of Land Management.

Pursuant to Section 11(a) of the San Juan 32-8 Unit Agreement #14-08-001-446, inclusion of the of the San Juan 32-8 Unit #213 Drillblock described on the W/2 Section 22-32N-8W as part of the Participating Area will provide for the Drillblock described as the E/2 Section 22-32N-8W to be included in the Participating Area as an Intervening Drilling Block.

TWENTY-THIRD EXPANDED PARTICIPATING AREA
EFFECTIVE JULY 1, 1997

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
E/2 Section 27-32N-8W	320.00	#253

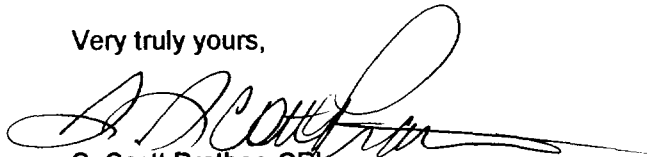
The San Juan 32-8 Unit #253 Well was completed June 20, 1997 with cumulative gas production of 278,480 MCF through May 31, 1998. The spacing unit for this well is described as the E/2 Section 27-32N-8W.

This well was deemed commercial per letter dated January 19, 1999.

Enclosed herewith are Schedule XXIII for the Twenty-second Expanded Participating Area and Schedule XXIV for the Twenty-third Expanded Participating Area for the Fruitland Formation. These schedules describe the participating areas and indicate the percentages of unitized substances allocated to the unit tracts according to the Fruitland Formation ownership of such tracts. Also included is a map reflecting the boundaries of the Unit, and the proposed Twenty-second and Twenty-third Expansions of the San Juan 32-8 Unit Fruitland Participating Area.

Unless this application is disapproved or contested, the Twenty-second Expanded Participating Area is effective as of June 1, 1997, and the Twenty-third Expansion Participating Area is effect as of July 1, 1997. Copies of this application are being sent to the Unit working interest owners.

Very truly yours,

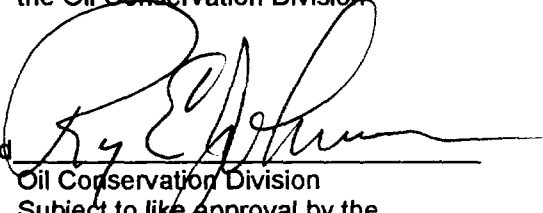


S. Scott Prather, CPL
Senior Landman
San Juan Basin
(505) 599-3410

The signatory approvals below are for the Twenty-second and Twenty-third Expanded Participating area of the Fruitland Formation in the San Juan 32-8 Unit #14-08-001-446.

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 32-8 Unit Owners
W. D. Jaap (r) Supervisors
J. L. Mathis (r) C40464

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-013364	T31N R8W SEC. 21 N/2 N/2, N/2 S/2, SE/4 SE/4	360.00		TRACT: 003			2.639310
			ORRI:		1.294640 *	1.294640 *	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		17.871093	17.871093	
			WILLIAMS PRODUCTION COMPANY		53.783485	53.783485	
			WINTERGREEN ENERGY CORP		10.253906	10.253906	
			SUSANNA PHILLIPS KELLY		1.562500	1.562500	
			ANDREW B KELLY, JR.		1.025391	1.025391	
			CHARLES E. KELLY		1.025391	1.025391	
			SUSANNA PHILLIPS KELLY, JR.		0.683594	0.683594	
			TOTAL		100.000000	100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #234 SAN JUAN 32-8 UNIT #235						

SF-079004	T31N R8W SEC. 9 ALL SEC. 10 ALL SEC. 15 NE/4, E/2 SE/4, NW/4 SE/4, NW/4	1720.00		TRACT: 004			12.610035
			ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			FOUR STAR OIL & GAS COMPANY		67.650000	67.650000	
			TOTAL		100.000000	100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #221 SAN JUAN 32-8 UNIT #222 SAN JUAN 32-8 UNIT #223 SAN JUAN 32-8 UNIT #224 SAN JUAN 32-8 UNIT #225 SAN JUAN 32-8 UNIT #226						

03/22/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079013	T32N R8W	960.00		TRACT: 005		7.038159
	SEC. 29 ALL		ORRI:		5.000000	
	SEC. 20 W/2		ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #208					
	SAN JUAN 32-8 UNIT #232					
	SAN JUAN 32-8 UNIT #229					
SJ-079029	T31N R8W	1562.08		TRACT: 007		11.452258
	SEC. 3 LOTS 1, 2, 3, 4, S/2 N/2, S/2		ORRI:		5.000000	
	SEC. 4 LOTS 1, 2, 3, 4, S/2 N/2, S/2		ROYALTY:		12.500000	
	SEC. 21 S/2 N/2, S/2 SW/4, SW/4 SE/4		WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #234					
	SAN JUAN 32-8 UNIT #235					
	SAN JUAN 32-8 UNIT #240					
	SAN JUAN 32-8 UNIT #241					
	SAN JUAN 32-8 UNIT #242					
	SAN JUAN 32-8 UNIT #249					

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PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079047	T31N R8W	880.00		TRACT: 008		6.451646
	SEC. 11 S/2 NW/4, SW/4		ORRI:		5.000000	
	SEC. 14 W/2		ROYALTY:		12.500000	
	SEC. 23 W/2		WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
	REMARKS: SAN JUAN 32-8 UNIT #238 SAN JUAN 32-8 UNIT #243 SAN JUAN 32-8 UNIT #245		TOTAL		100.000000	
SF-079341-A	T32N R8W	861.20		TRACT: 011		6.313815
	SEC. 28 W/2		ORRI:		5.000000	
	SEC. 30 LOTS 1, 2, 3, 4, E/2 W/2, E/2		ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
	REMARKS: SAN JUAN 32-8 UNIT #231 SAN JUAN 32-8 UNIT #233 SAN JUAN 32-8 UNIT #239		TOTAL		100.000000	
SF-079351	T31N R8W	383.89		TRACT: 013 FORMER UNIT TRACT		2.814457
	SEC. 24 LOTS 1-3, 6-16, 33-48, 65-80, 97-112, 129-136		ORRI:		2.500000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-NEW MEXICO PARTNERS, L.P.		85.000000	
	REMARKS: SAN JUAN 32-8 UNIT #220 SAN JUAN 32-8 UNIT #206		TOTAL		100.000000	

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PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079353	T32N R8W E/2 SEC. 28 W/2 SEC. 33	640	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY	TRACT: 014	5.000000 12.500000 67.650000 14.850000	4.692106
	REMARKS: SAN JUAN 32-8 UNIT #230 SAN JUAN 32-8 UNIT #250		TOTAL		100.000000	
SF-079380	T32N R8W ALL SEC. 23	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L.P. BURLINGTON RESOURCES O&G CO CBP SAN JUAN LIMITED PARTNERSHIP	TRACT: 015	5.000000 12.500000 55.000688 15.465614 12.033698	4.692106
	REMARKS: SAN JUAN 32-8 UNIT #37 SAN JUAN 32-8 UNIT #41		TOTAL		100.000000	
SF-079380	T32N R8W E/2 (IDB) SEC. 22	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY BURLINGTON RESOURCES O&G CO CINCO GENERAL PARTNERSHIP	TRACT: 015A	5.000000 12.500000 55.000688 15.465614 12.033698	4.692106
	REMARKS: SAN JUAN 32-8 UNIT #213		TOTAL		100.000000	

EFFECTIVE 94/12/01

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328xxiii.123

03/22/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079381	T32N R8W	1920.00		TRACT: 016		14.076319
	SEC. 25 E/2		ORRI:		5.000000	
	SEC. 33 E/2		ROYALTY:		12.500000	
	SEC. 34 ALL		WORKING INTEREST:			
	SEC. 35 ALL		PHILLIPS-NEW MEXICO PARTNERS, L.P.		55.000688	
			BURLINGTON RESOURCES O&G CO		15.465614	
			CBP SAN JUAN LIMITED PARTNERSHIP		12.033698	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #36 SAN JUAN 32-8 UNIT #203 SAN JUAN 32-8 UNIT #204 SAN JUAN 32-8 UNIT #205 SAN JUAN 32-8 UNIT #218 SAN JUAN 32-8 UNIT #219					
SF-079717	T32N R8W	120.00		TRACT: 017		0.879770
	SEC. 27 W/2 SW/4, SE/4 SW/4		ORRI:		5.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #202					
NM-84809	T32N R8W	200.00		TRACT: 018		1.466283
	SEC. 27 NW/4, NE/4 SW/4		ORRI:		2.500000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-NEW MEXICO PARTNERS, L.P.		85.000000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #202					

EFFECTIVE 94/12/01

PAGE 5

328xxiii.123

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XXIII
 THE 022 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	T31N R8W	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-080854			952.76		TRACT: 019			6.985080
	SEC. 11	N/2 NW/4, E/2		ORRI:		5.000000	5.000000	
	SEC. 14	E/2		ROYALTY:		12.500000	12.500000	
	SEC. 24	LOTS 4, 5, 17-32, 49-64, 81-96, 113-128		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
		REMARKS: SAN JUAN 32-8 UNIT #220 SAN JUAN 32-8 UNIT #243 SAN JUAN 32-8 UNIT #244 SAN JUAN 32-8 UNIT #248		TOTAL		100.000000	100.000000	
SF-081089			320.00		TRACT: 020			2.346053
	T31N R8W			ORRI:		5.000000	5.000000	
	SEC. 23	E/2		ROYALTY:		12.500000	12.500000	
		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY				67.650000 14.850000	67.650000 14.850000	
		REMARKS: SAN JUAN 32-8 UNIT #237		TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-03402	T31N R8W	840.00		TRACT: 021		6.158389
	SEC. 15 SW/4, SW/4 SE/4		ORRI:		5.000000	
	SEC. 22 ALL		ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #207 SAN JUAN 32-8 UNIT #225 SAN JUAN 32-8 UNIT #226 SAN JUAN 32-8 UNIT #236					
E-1204-3	T31N R8W	400.00		TRACT: 024		2.932566
	SEC. 16 NW/4 NE/4, SE/4 NE/4, N/2 SE/4 NW/4, NE/4 SW/4, SW/4 SW/4		ORRI:		5.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			FOUR STAR OIL & GAS COMPANY		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #227 SAN JUAN 32-8 UNIT #228					
E-3704-2	T31N R8W	40.00		TRACT: 026		0.293257
	SEC. 16 SW/4 SE/4		ORRI:		5.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L. P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #228					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-3868-3	T31N R8W SEC. 16 SW/4 NE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 028	5.000000 12.500000 67.650000 14.850000 100.000000	0.293257
	REMARKS: SAN JUAN 32-8 UNIT #228		TOTAL			
E-5113-70	T31N R8W SEC. 16 NW/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 031	6.000000 12.500000 66.830000 14.670000 100.000000	0.293257
	REMARKS: SAN JUAN 32-8 UNIT #227		TOTAL			
E-5382	T31N R8W SEC. 16 NE/4 NE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: FOUR STAR OIL & GAS COMPANY	TRACT: 034	0.000000 12.500000 87.500000 100.000000	0.293257
	REMARKS: SAN JUAN 32-8 UNIT #228		TOTAL			

03/22/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
B-11240-71	T31N R8W SEC. 16 SE/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY	TRACT: 038	2.500000 12.500000 69.700000 15.300000 100.000000	0.293257
REMARKS: SAN JUAN 32-8 UNIT #227						
B-11240-70	T31N R8W SEC. 16 SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 038A	5.000000 12.500000 67.650000 14.850000 100.000000	0.293257
REMARKS: SAN JUAN 32-8 UNIT #228						
TOTAL					13,639.93	100.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 8W

SECTION 3 : LOTS 1, 2, 3, 4, S/2 N/2, S/2
SECTION 4 : LOTS 1, 2, 3, 4, S/2 N/2, S/2
SECTION 9 : ALL
SECTION 10 : ALL
SECTION 11 : ALL
SECTION 14 : ALL
SECTION 15 : ALL
SECTION 16 : ALL
SECTION 21 : ALL
SECTION 22 : ALL
SECTION 23 : ALL
SECTION 24 : ALL

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 32N, RANGE 8W

SECTION 20 : W/2
SECTION 22 : ALL
SECTION 23 : ALL
SECTION 25 : E/2
SECTION 27 : W/2
SECTION 28 : ALL
SECTION 29 : ALL
SECTION 30 : LOTS 1, 2, 3, 4, E/2 W/2, E/2
SECTION 33 : ALL
SECTION 34 : ALL
SECTION 35 : ALL

TOTAL COMMITTED:

13,639.93

TOTAL ACRES NON-COMMITTED:

0.00

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

13,639.93



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

January 12, 1999

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

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

Oil Conservation Division (2 copies)
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

**RE: SAN JUAN 32-8 UNIT
#14-08-001-446
SAN JUAN COUNTY, NEW MEXICO
1999 PLAN OF DEVELOPMENT
G. F. 5465**

Gentlemen:

By letter dated January 21, 1998, Phillips Petroleum Company (Phillips) as Unit Operator filed the 1998 Plan of Development (POD). The POD indicated one (1) well was planned for 1998. The 1998 status is shown below.

1. Attached are maps for each participating area.
2. The following wells were drilled in 1998.

None

The #254 well was not drilled and will be carried into 1999.

3. The following wells were recompleted in 1998.

None

4. The following wells were downhole commingled in 1998.

None

1998 Summary-No wells were drilled, recompleted or downhole commingled. There were no expansions of any Participating Area.

1999 PLAN OF DEVELOPMENT
SAN JUAN 32-8 UNIT
PAGE 2

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

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Twenty-First	8/1/95
Pictured Cliffs	First	1/1/83
Mesaverde	Nineteenth	7/1/83
Dakota	Initial	2/10/82

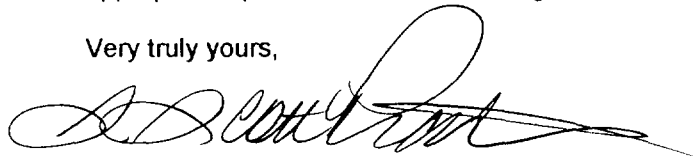
Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Phillips, as Unit Operator hereby submits the following wells for the 1999 POD:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-8 Unit #247	SW/4 Section 19-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #254	SW/4 Section 23-32N-8W	Fruitland Coal	Drill

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

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

Very truly yours,



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

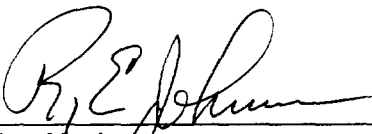
**SAN JUAN 32-8 UNIT #14-08-001-446
1999 INITIAL PLAN OF DEVELOPMENT**

Bureau of Land Management

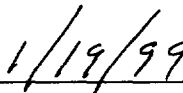
Date

New Mexico
Commissioner of Public Lands

Date



New Mexico
Oil Conservation Division



Date

cc: San Juan 32-8 Unit Owners
J. L. Mathis (r) G. F. 5465
W. D. Jaap (r) local supervisors

**SAN JUAN 32-8 UNIT
MESAVERDE PARTICIPATING AREA OWNERS**

ANDREW B. KELLY, JR.

BURLINGTON RESOURCES

CHARLES E. KELLY

CINCO GENERAL PARTNERSHIP

FOUR STAR OIL AND GAS COMPANY

PHILLIPS PETROLEUM COMPANY

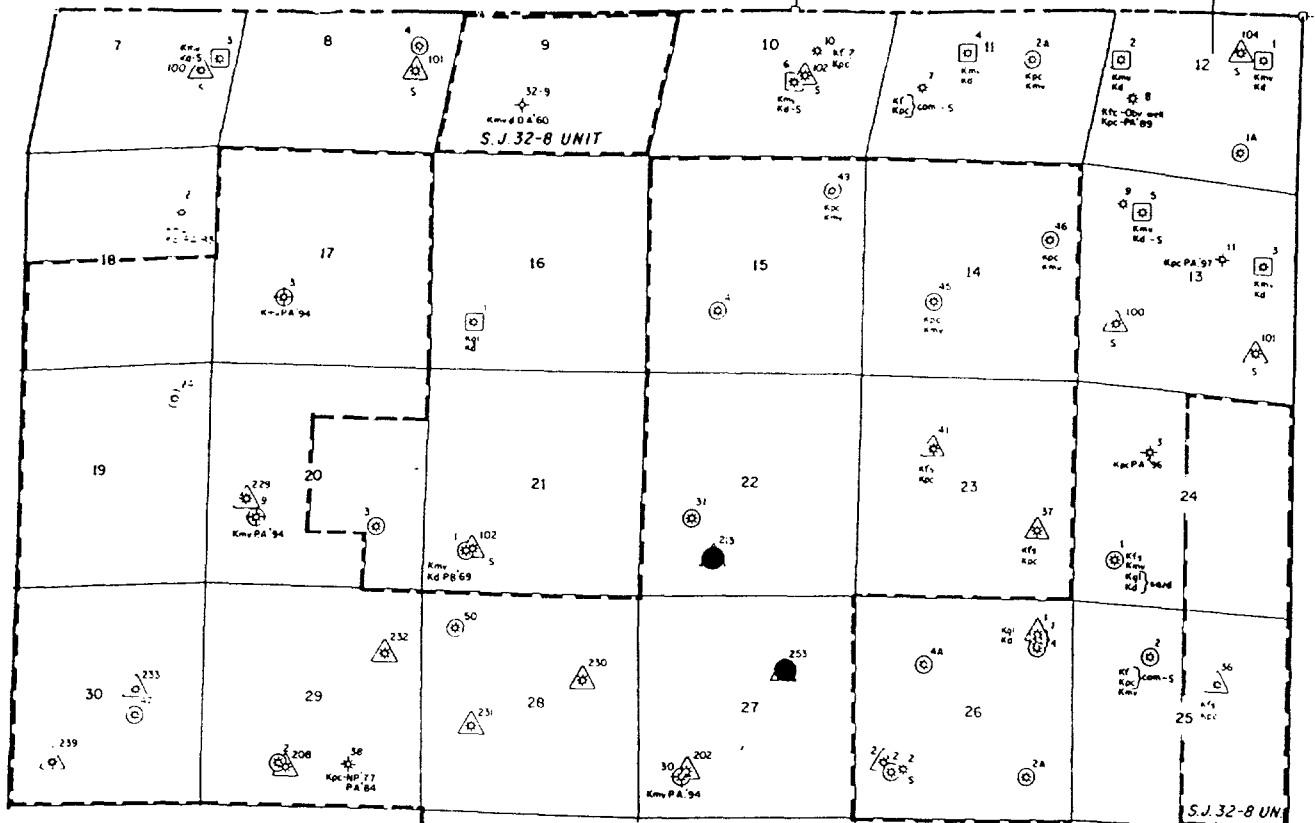
SUSANNA P. KELLY

SUSANNA P. KELLY, JR.

WILLIAMS PRODUCTION COMPANY

WINTERGREEN ENERGY CORPORATION

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PRODUCING INTERVAL

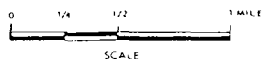
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|-----|---------------------------------|-----|--|
| efm | FARMINGTON | Kfm | |
| kl | KIRTLAND | kl | |
| △ | FRUITLAND | kl | |
| ☆ | PICTURED CLIFFS | Kpc | |
| ⊙ | CHACRA | Kc | |
| ⊙ | LA VENTANA | Klv | |
| ⊙ | MESAVERDE | Kmv | |
| ⊙ | GALLUP | Kgl | |
| ⊙ | DAKOTA | Kc | |
| ⊙ | ALL PRODUCTION BELOW CRETACEOUS | | |
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|-----|-----------|-----|---------------|
| KL | TOCITO | Kch | CLIFFHOUSE |
| Kgl | GREENHORN | | Km |
| | | Kpl | POINT LOOKOUT |
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- | | |
|----|--------------|
| JK | ENTRADA |
| PC | PIRADOK |
| PC | BARKER CREEK |
| ML | LEADVILLE |



PHILLIPS PETROLEUM COMPANY
FARMINGTON AREA

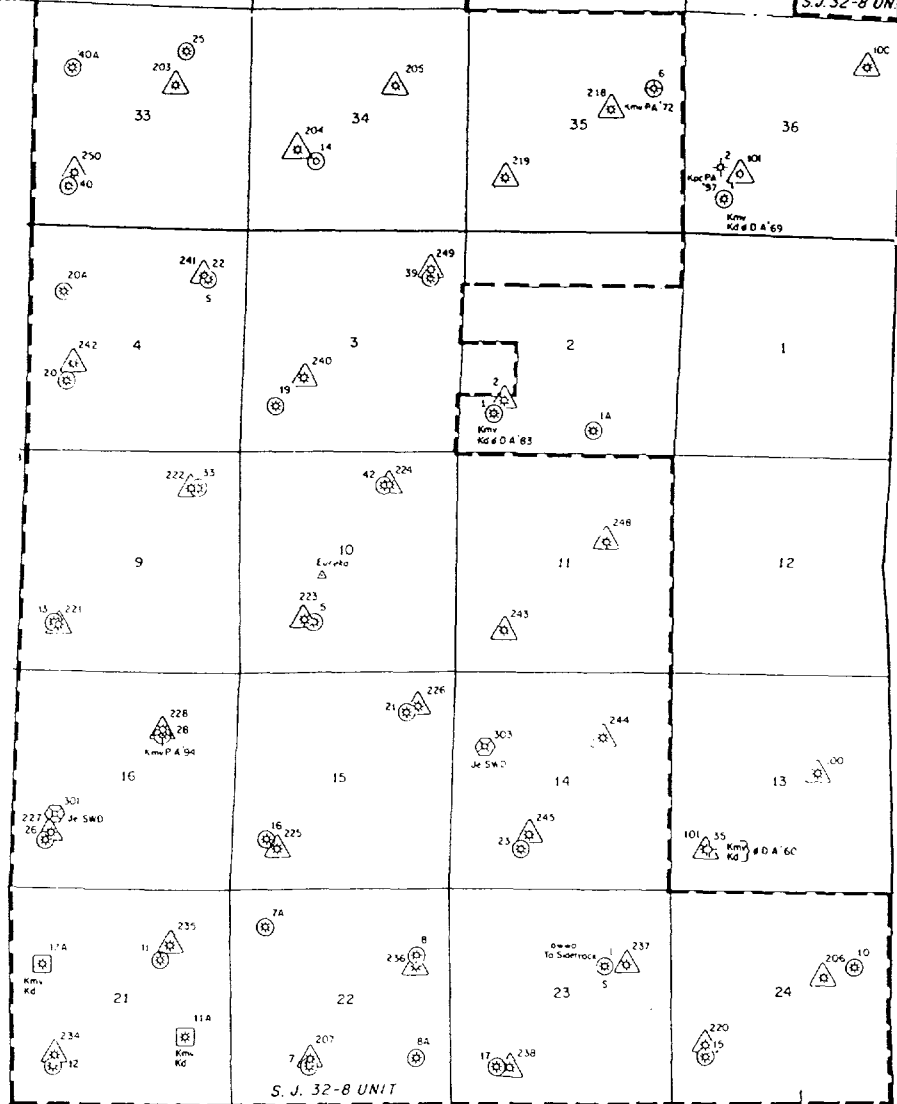
S. J. 32-8 UNIT
San Juan County, New Mexico

FRUITLAND PA



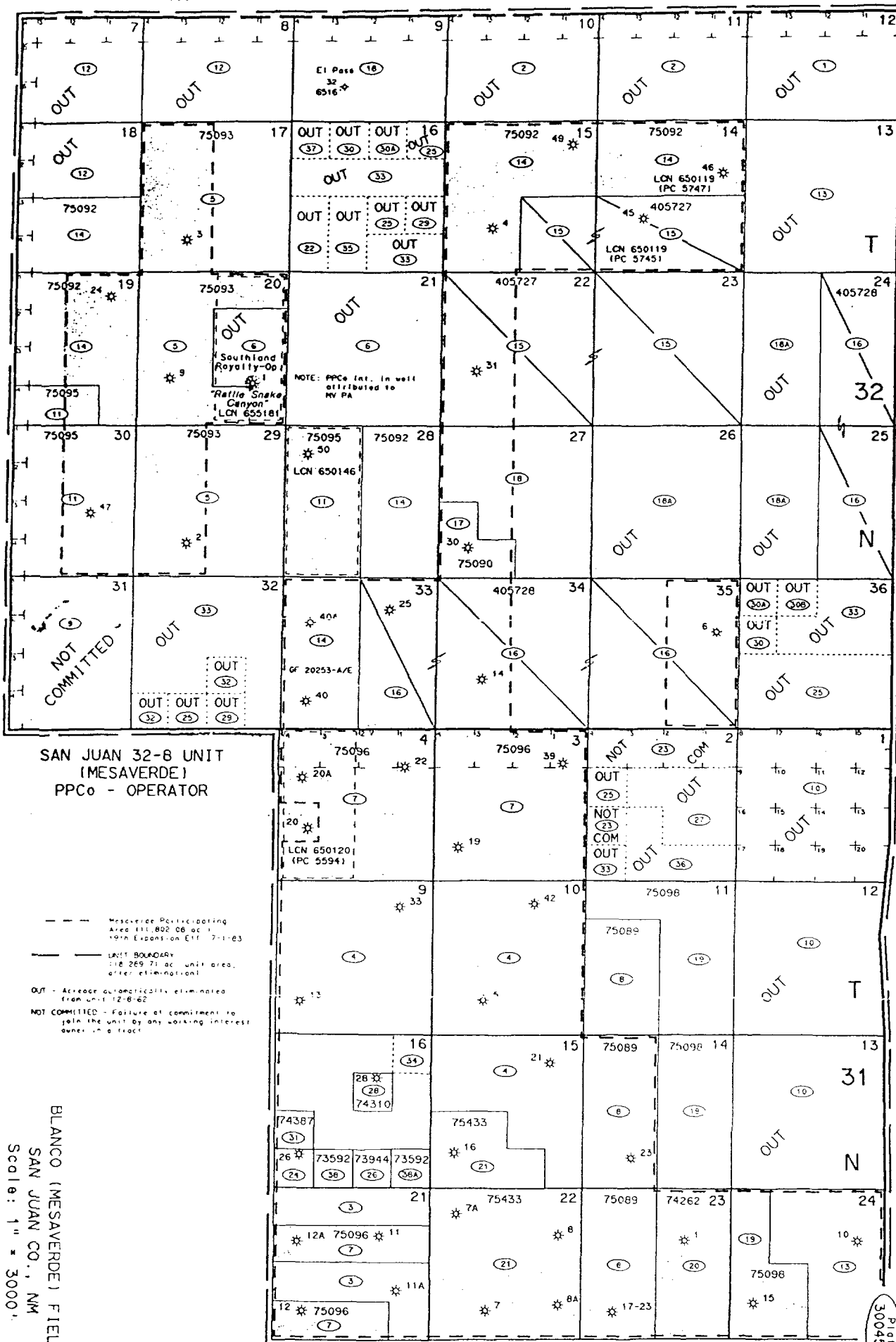
SCALE

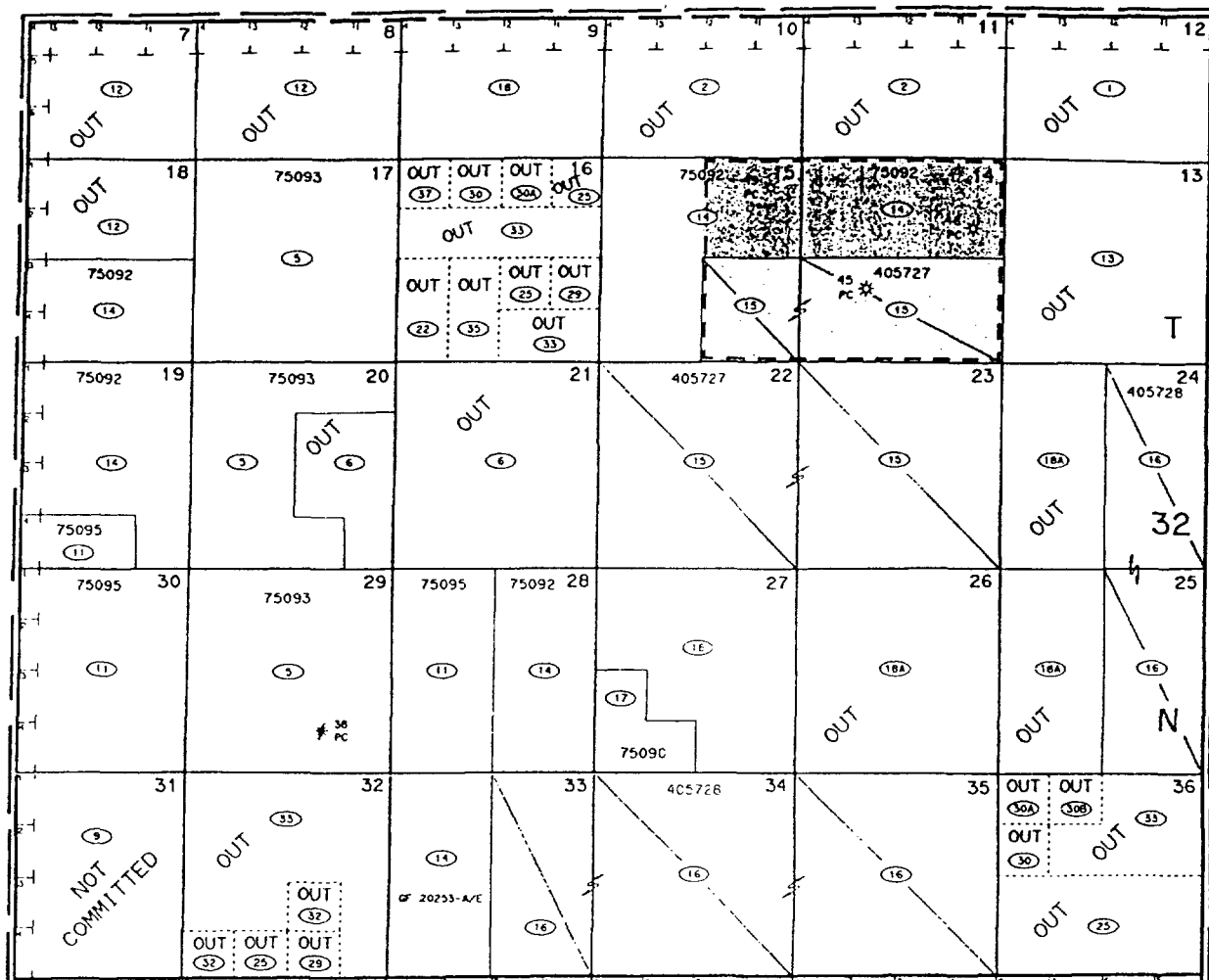
JANUARY 26, 1998



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SAN JUAN 32-8 UNIT
(PICTURED CLIFFS)
PPC0 - OPERATOR

— — — Pictured Cliffs Participating Area
(960 ac.)
1st Expansion Eff. 1-1-83

SAN JUAN 32-8 UNIT
(DAKOTA)
PFC - OPERATOR

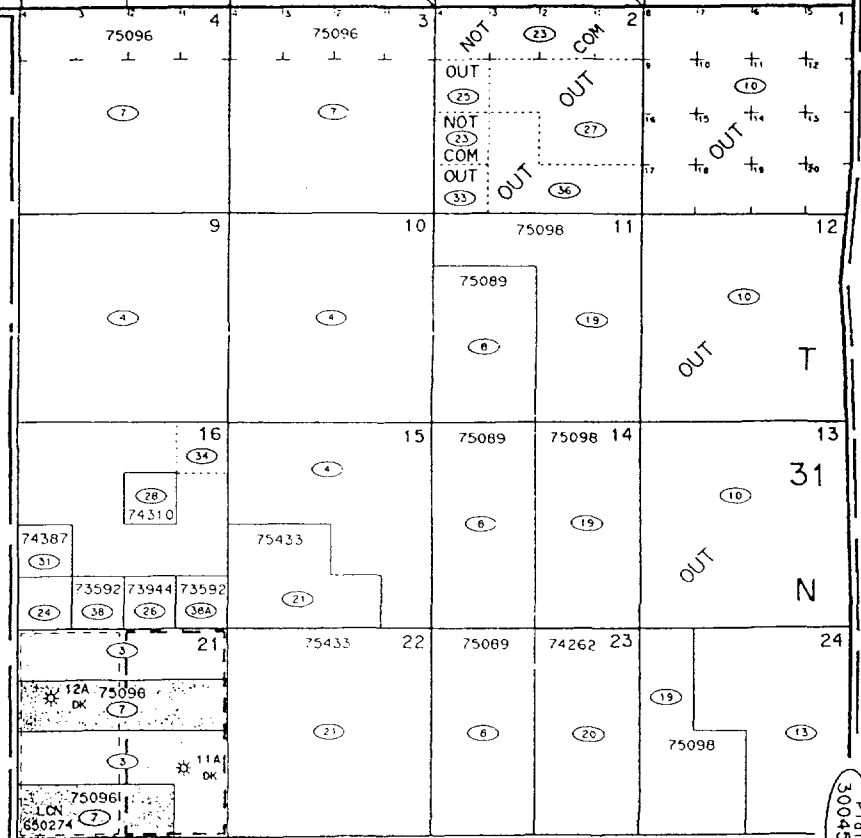
— — — Dakota Participating Area (320 ac.)
Initial Expansion Eff. 2-10-82

UNIT BOUNDARY
(18,269.71 ac. unit area,
after elimination)

OUT - Acreage automatically eliminated
from unit 12-8-62

NOT COMMITTED - Failure of commitment to join the unit by any working interest owner in a tract.

BASIN (DAKOTA) FIELD
ALBINO FIELD
(PICTURED CLIFFS)
SAN JUAN CO., NM
Scale: 1" = 3000'





PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

January 3, 1999

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

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

Oil Conservation Division (2 copies)
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: SAN JUAN 32-8 UNIT
#14-08-001-446
SAN JUAN COUNTY, NEW MEXICO
2000 PLAN OF DEVELOPMENT
Contract C40464

Gentlemen:

By letter dated January 12, 1999, Phillips Petroleum Company (Phillips) as Unit Operator filed the 1999 Plan of Development (POD). The POD indicated two (2) wells were planned for 1999. The 1999 status is shown below.

1. Attached are maps for each participating area.
2. The following wells were drilled in 1999.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
San Juan 32-8 Unit #247	W/2 Section 19-32N-8W	Fruitland Coal
San Juan 32-8 Unit #254	W/2 Section 23-32N-8W	Fruitland Coal

3. The following wells were recompleted in 1999.

None

1999 Summary- There were two (2) Fruitland Coal wells drilled. No wells recompleted or downhole commingled. There were two (2) expansions of Fruitland Coal Participating Area.(22nd & 23rd)

2000 PLAN OF DEVELOPMENT
SAN JUAN 32-8 UNIT
JANUARY 3, 1999
PAGE 2

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

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Twenty-Third	7/1/97
Pictured Cliffs	First	1/1/83
Mesaverde	Nineteenth	7/1/83
Dakota	Initial	2/10/82

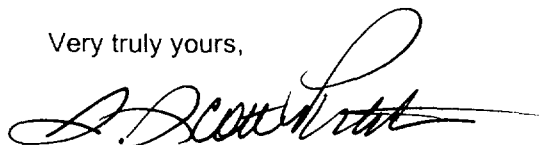
Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Phillips, as Unit Operator hereby submits the following wells for the 2000 POD:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-8 Unit #255	E/2 Section 24-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #256	E/2 Section 25-32N-8W	Fruitland Coal	Drill
San Juan 32-8 Unit #257	E/2 Section 19-32N-8W	Fruitland Coal	Drill

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

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

Very truly yours,



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

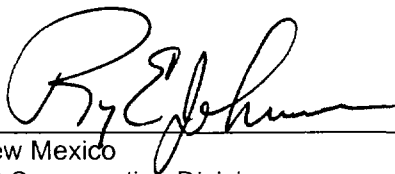
**SAN JUAN 32-8 UNIT #14-08-001-446
2000 INITIAL PLAN OF DEVELOPMENT**

Bureau of Land Management

Date

New Mexico
Commissioner of Public Lands

Date



New Mexico
Oil Conservation Division

1-7-00

Date

cc: San Juan 32-8 Unit Owners
J. L. Mathis (r) C40464
W. D. Jaap (r) local supervisors

**SAN JUAN 32-8 UNIT
FRUITLAND PA OWNERS**

ANDREW B. KELLY, JR.

BURLINGTON RESOURCES OIL & GAS COMPANY

CHARLES E. KELLY

FOUR STAR OIL & GAS COMPANY

PHILLIPS-NEW MEXICO PARTNERS, L. P.

PHILLIPS-SAN JUAN LTD PARTNERS

SUSANNA P. KELLY

SUSANNA P. KELLY, JR.

WILLIAMS PRODUCTION COMPANY

WINTERGREEN ENERGY CORP.

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1. 项目背景与意义
 2. 项目目标与范围
 3. 项目组织与分工
 4. 项目进度计划
 5. 项目风险管理

● ● ● ● ● ● ● ●
● ● ● ● ● ● ● ●
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Abstract

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Figure 1

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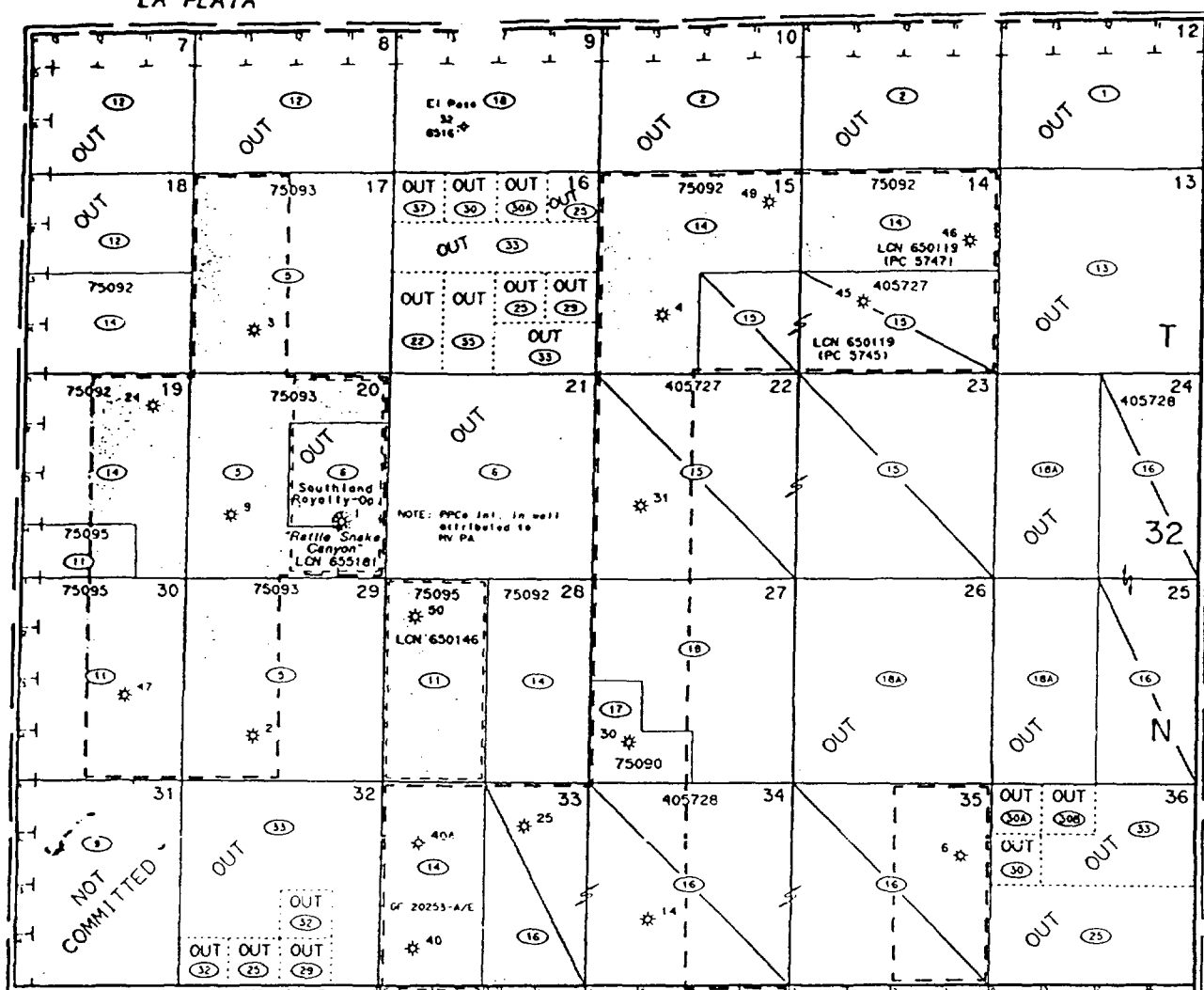
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8, J. 32-8 UNIT

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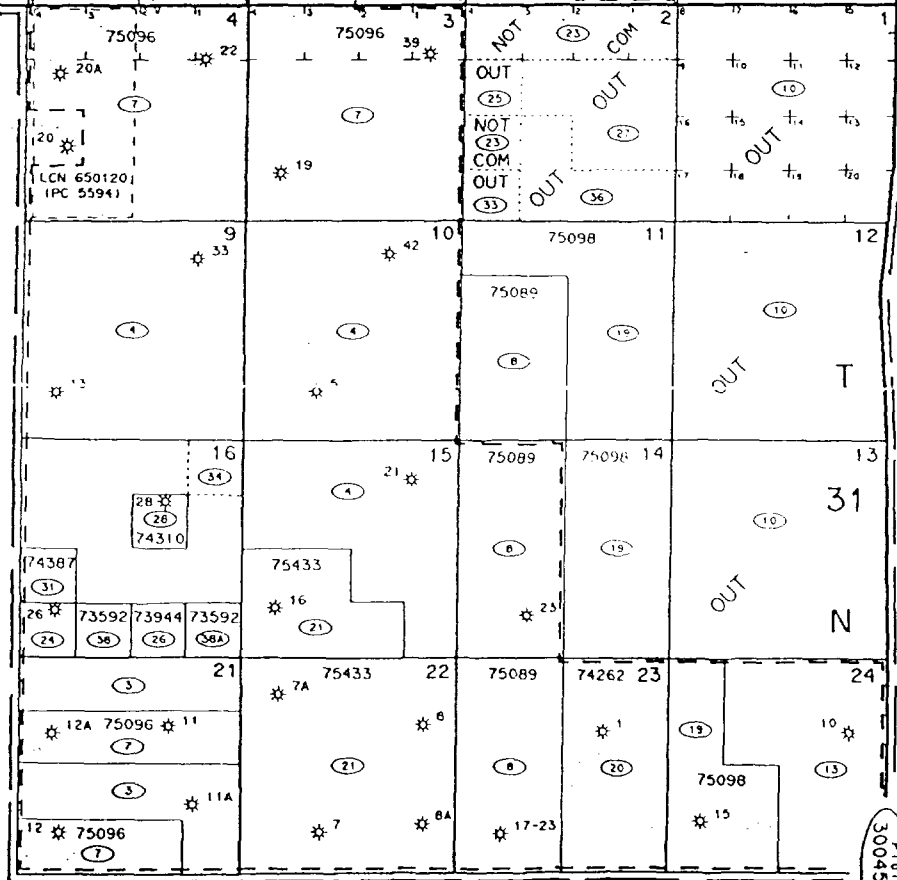
SAN JUAN 32-8 UNIT
(MESAVERDE)
PPCo - OPERATOR

--- Mesaverde outcropping
Area 111,602.08 ac ±
from Exemption E-1 7-1-63

--- UNIT BOUNDARY
1/4 Sec 269 71 ac unit area
after eliminations

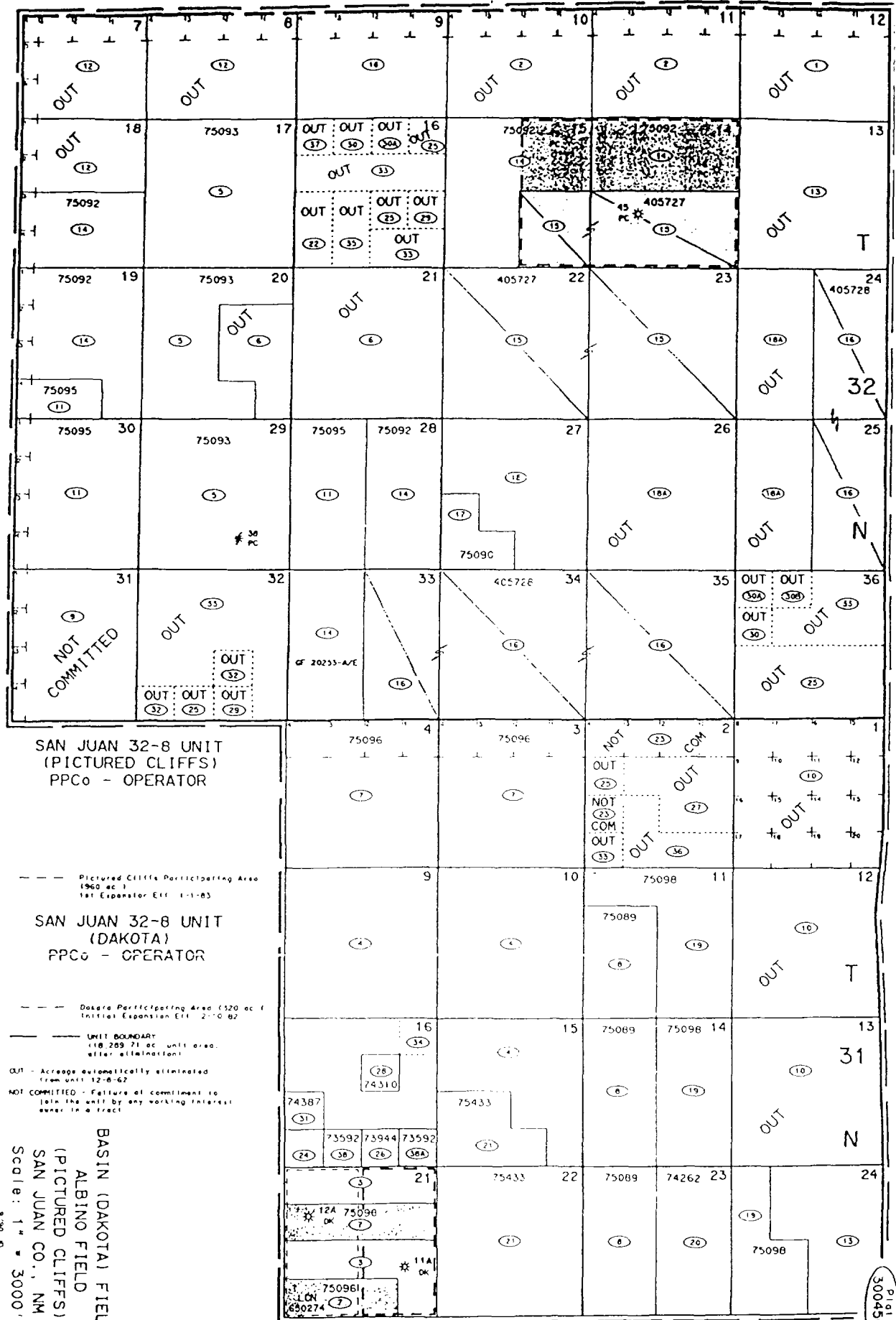
OUT - Acreage automatically eliminated
from Unit 32-8-62

NOT COMMITTED - Failure to commit to
join the unit by any working interest
owner in a tract



BLANCO (MESAVERDE) FIELD
SAN JUAN CO., NM
Scale: 1" = 3000'

Plot #
30045020





PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
505-433-4300

July 13, 1998

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 32-8 UNIT
#14-08-001-446
COMMERCIALITY DETERMINATION
SAN JUAN 32-8 UNIT #213 WELL
SAN JUAN 32-8 UNIT #229 WELL
SAN JUAN 32-8 UNIT #253 WELL
SAN JUAN COUNTY, NEW MEXICO
G. F. 5465**

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-8 Unit Agreement, #14-08-001-446, approved January 13, 1953, Phillips Petroleum Company (Phillips) has determined that the San Juan 32-8 Unit #213, #229 and #253 Wells are capable of producing unitized substances in paying quantities from the Fruitland formation. Phillips requests confirmation of this paying well determination. 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 Basin
(505) 599-3410

cc: J. L. Mathis (r) G. F. 5465

SAN JUAN 32-8 UNIT
FRUITLAND FORMATION PARTICIPATING AREA

FOUR STAR OIL & GAS COMPANY

ANDREW B. KELLY, JR.

CHARLES E. KELLY

SUSANNA P. KELLY, JR.

SUSANNA P. KELLY

WILLIAMS PRODUCTION COMPANY

WINTERGREEN ENERGY CORP

CBP SAN JUAN LIMITED PARTNERSHIP

BURLINGTON RESOURCES OIL & GAS COMPANY

PHILLIPS-NEW MEXICO PARTNERS, L. P.

PHILLIPS-SAN JUAN LTD PARTNERS

Phillips Petroleum Company

Commerciality Determination

San Juan 32-8 Unit #213
Fruitland Coal
W/2 Section 22, 32N-8W
San Juan Co., NM

Date of First Delivery: 06/19/97

Total Well Costs: \$338,788

Current Gas Price (\$/mcf): \$1.68

BLM Royalty: 12.5%

% Production Taxes: 3.75000 Severance
 4.00000 School
 0.99500 Ad Valorem
 0.19000 Conservation
 0.17910 Prod Equip
 9.11410

Estimated Gross Annual Production and Operating Expenses

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	1997	110,050	14,783
2	1998	200,750	34,407
3	1999	456,250	34,407
4	2000	486,667	34,407
5	2001	389,333	34,407
6	2002	318,545	34,407
7	2003	265,455	34,407
8	2004	224,615	34,407
9	2005	192,527	34,407
10	2006	166,857	34,407
11	2007	146,000	34,407
12	2008	128,824	34,407
13	2009	114,510	34,407
14	2010	102,456	34,407
15	2011	92,211	34,407
Total		3,395,050	

Phillips Petroleum Company

Commerciality Determination

San Juan 32-8 Unit #213

Fruitland Coal

W/2 Section 22, 32N-8W

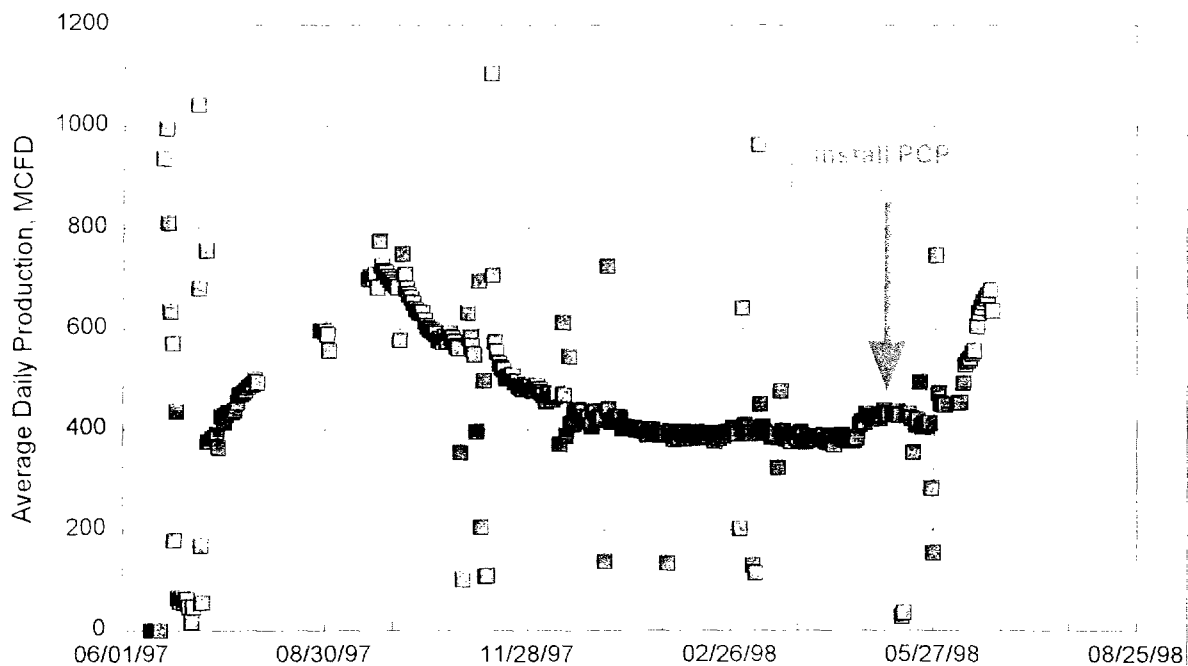
San Juan Co., NM

Comments:

The volumes & costs for 1997 are actual numbers. The well had a max pitot during completion of 3.5 MMCFD. It was first delivered at 1.9 MMCFD, but water production has limited production. A gas lift compressor was used for several months, but it was not able to unload well properly. A progressive cavity pump was installed in May, 1998 and production has begun to respond to the de-watering. Typical peak rate to max pitot for wells in the 32-8 unit is 0.4 to 2.0+. The attached forecast assumes a peak rate of 1500 MCFD is reached by Jan., 2000.

Daily Telemetry Production, MCFD

SJ 32-8 #213

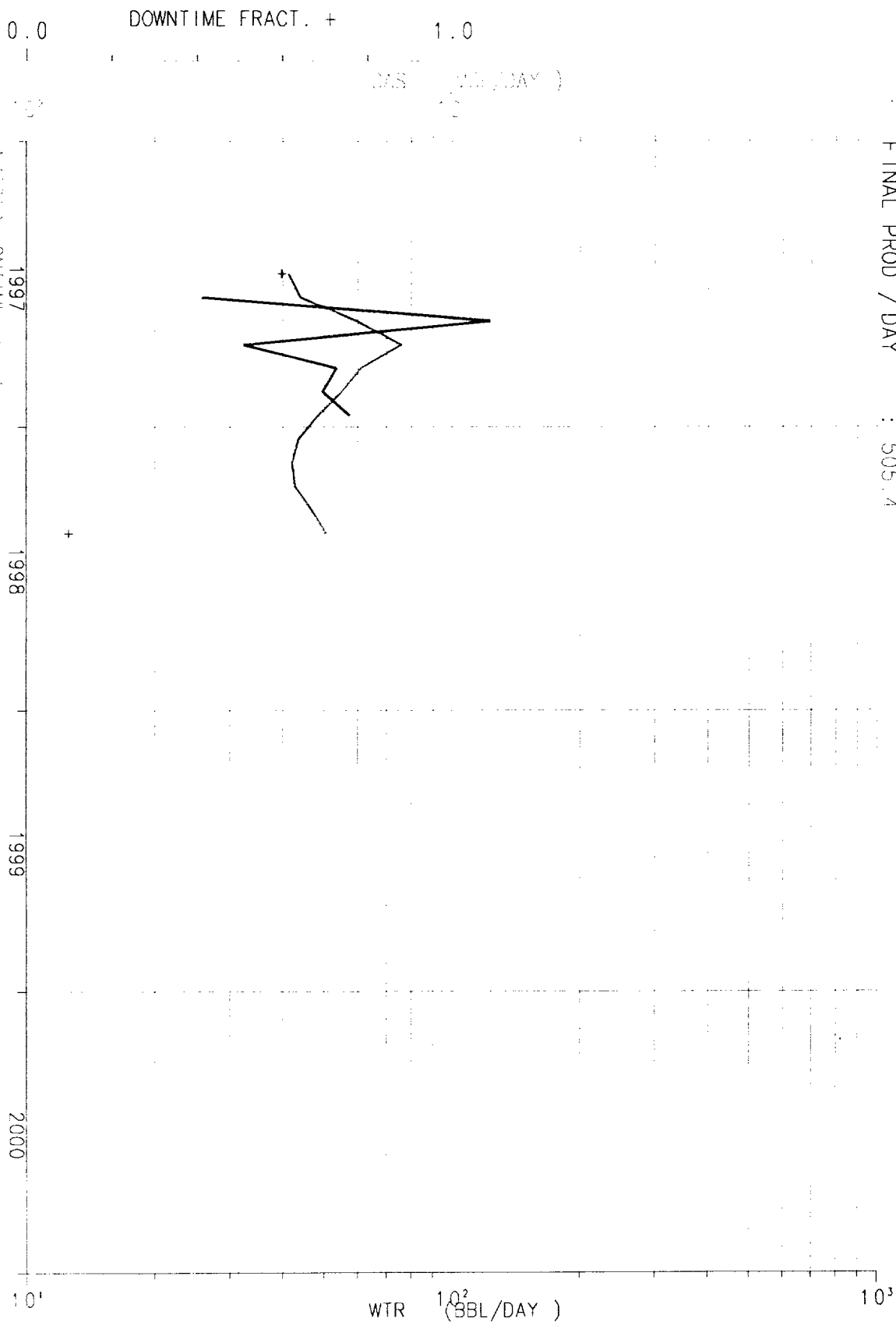


6/97-5/98

Current Cums

INITIAL PROD / DAY : 585.3
REMAINING LIFE : 1.00
HYPR(0.03) DECL % : 32.78
CUM PRODUCTION : 177180.
FINAL PROD / DAY : 505.4

177180. MCF GAS
10498. BBL WTR



LEASE : 650420 : SAN JUAN 32 8 UNIT #213
RESVR : 028 : BASIN
WELL : 000213 CUM MCF = 177190.

FRUIT AND COAL NO
F886101
ZONE 650420028000213 F886101
API 30045294510000 THRU 98/05

ILLEGIBLE

**San Juan 32-8 Unit #213
Fruitland Coal
W/2 Section 22, 32N-8W
San Juan Co., NM**

Monthly Production

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
1997	Jun	4,943	0
1997	Jul	13,616	800
1997	Aug	18,495	3,811
1997	Sep	22,722	970
1997	Oct	18,853	1,655
1997	Nov	16,462	1,485
1997	Dec	14,959	1,779
Total 1997		110,050	10,500
1998	Jan	13,487	
1998	Feb	11,746	
1998	Mar	13,239	
1998	Apr	14,011	
1998	May	14,657	
5 mos. 1998		67,140	

Phillips Petroleum Company

Commerciality Determination

San Juan 32-8 Unit #229
Fruitland Coal
W/2 Section 20, 32N-8W
San Juan Co., NM

Date of First Delivery: 09/24/91
Returned to Production: 05/28/97

Total Well Costs: \$244,095

Current Gas Price (\$/mcf): \$1.60

BLM Royalty: 12.5%

% Production Taxes:	3.75000	Severance
	4.00000	School
	0.99500	Ad Valorem
	0.19000	Conservation
	0.17910	Prod Equip
	9.11410	

Estimated Gross Annual Production and Operating Expenses

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	1997	88,603	31,147
2	1998	237,539	46,721
3	1999	205,888	46,721
4	2000	179,620	46,721
5	2001	157,636	46,721
6	2002	139,098	46,721
7	2003	123,356	46,721
8	2004	109,902	46,721
9	2005	98,336	46,721
10	2006	88,337	46,721
11	2007	79,649	46,721
12	2008	72,063	46,721
13	2009	65,411	46,721
14	2010	59,553	46,721
15	2011	54,374	46,721
Total		1,759,364	

Phillips Petroleum Company

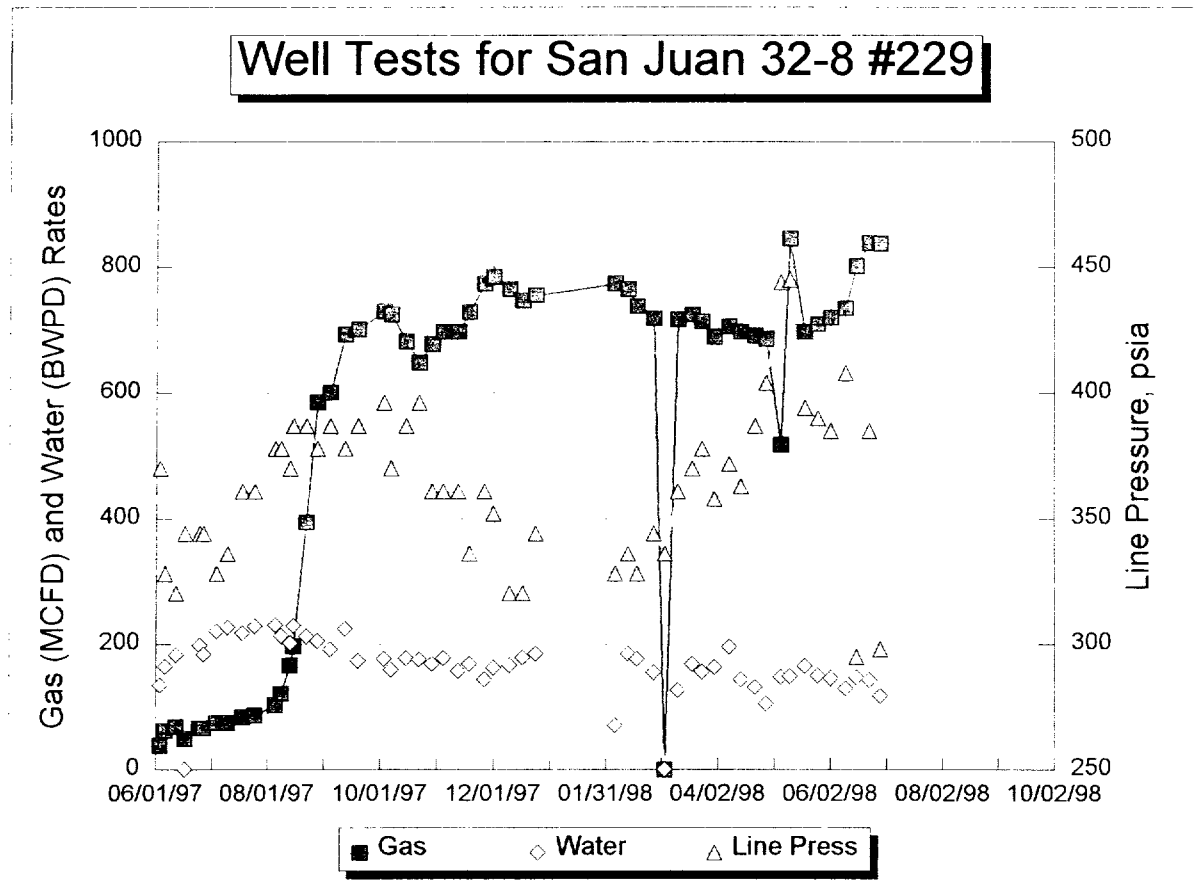
Commerciality Determination

San Juan 32-8 Unit #229
Fruitland Coal
W/2 Section 20, 32N-8W
San Juan Co., NM

Comments:

The volumes for 1997 are actual numbers. The well was completed in 1991, but due to high salt water disposal costs (high water volume, trucking & disposal fees) and low gas rates the well was shut-in. It was making +/- 1000 bwpd initially. The well was returned to production in May, 1997 after the installation of a progressive cavity pump. The pump has vastly increased the gas productivity.

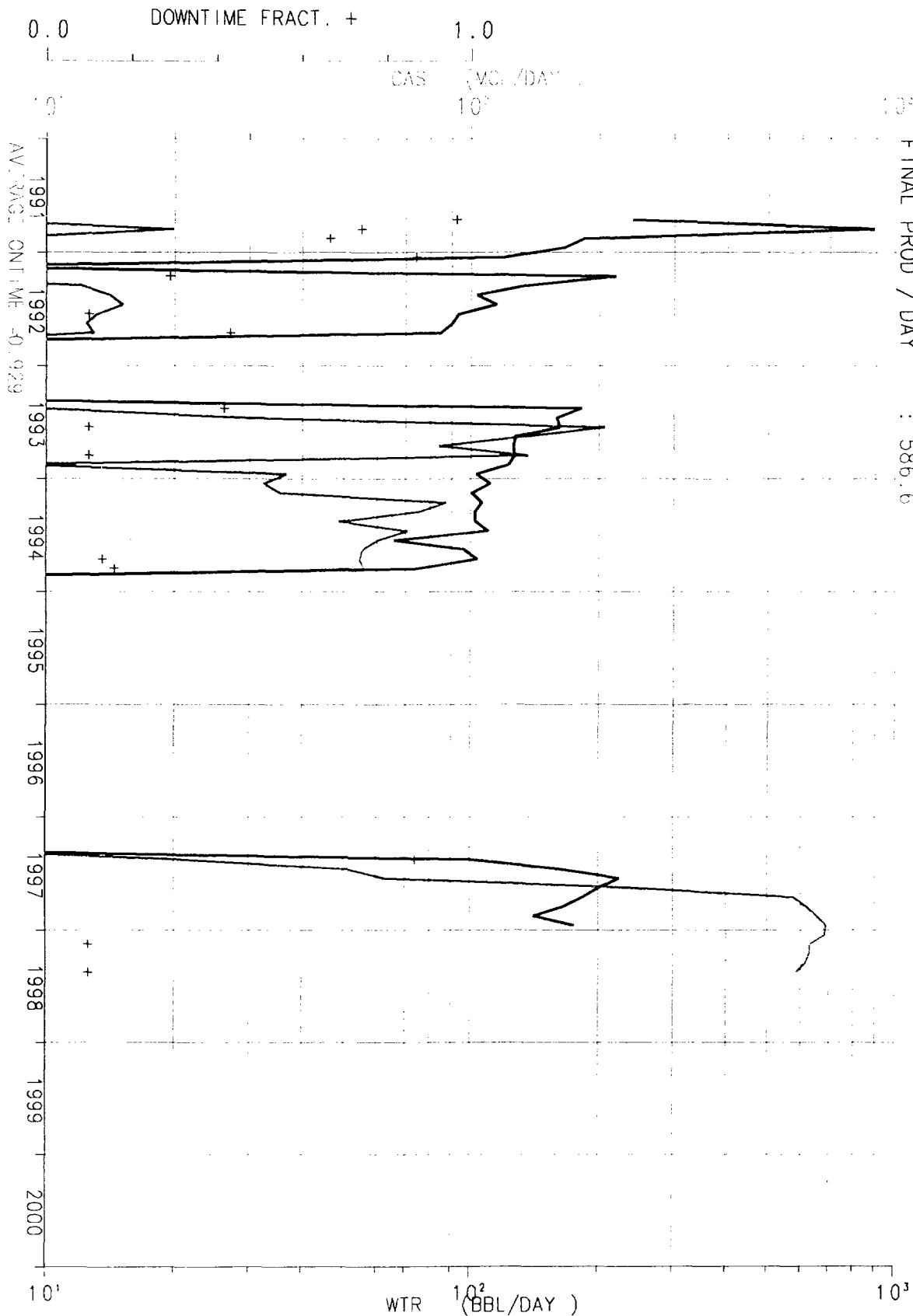
The attached operating costs represent an average over 15 years. The high cost of water disposal is expected to steadily decrease. The forecast assumes that a peak rate of 1 MMCFD is reached by Jan., 2000 (the well will continue to de-water and line pressure is still very high).



9/91-5/98

INITIAL PROD / DAY : 1493.5
REMAINING LIFE : 6.75
EXP (0.00) DECL % : 15.00
CUM PRODUCTION : 221051.
FINAL PROD / DAY : 586.6

Current Cums
221051. MCF GAS
136189. BBL WTR



LEASE- 650195 : SAN JUAN 32-8 UNIT #229
RESVR- 024 : BASIN
WELL - 000229 CUM MCF = 221030. FRUITLAND COAL. LP

F8A1701
ZONE-650195024000229 F8A1701
API-30045279220000 THRU 98/05

ILLEGIBLE

**San Juan 32-8 Unit #229
Fruitland Coal
W/2 Section 20, 32N-8W
San Juan Co., NM**

Monthly Production

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
1997	May	83	400
1997	Jun	1544	4880
1997	Jul	1,947	6,960
1997	Aug	7,399	6,240
1997	Sep	17,355	5,520
1997	Oct	19,264	5,120
1997	Nov	19,673	4,240
1997	Dec	21,338	5,440
Total 1997		88,603	38,800
1998	Jan	21,235	
1998	Feb	16,376	
1998	Mar	19,524	
1998	Apr	18,449	
1998	May	17,598	
5 mos. 1998		93,182	

Phillips Petroleum Company

Commerciality Determination

San Juan 32-8 Unit #253
Fruitland Coal
E/2 Section 27, 32N-8W
San Juan Co., NM

Date of First Delivery: 07/16/97

Total Well Costs: \$329,057

Current Gas Price (\$/mcf): \$1.71

BLM Royalty: 12.5%

% Production Taxes:

3.75000	Severance
4.00000	School
0.99500	Ad Valorem
0.19000	Conservation
0.17910	Prod Equip
9.11410	

Estimated Gross Annual Production and Operating Expenses

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	1997	158,733	11,538
2	1998	328,500	35,430
3	1999	456,250	35,430
4	2000	486,667	35,430
5	2001	389,333	35,430
6	2002	318,545	35,430
7	2003	265,455	35,430
8	2004	224,615	35,430
9	2005	192,527	35,430
10	2006	166,857	35,430
11	2007	146,000	35,430
12	2008	128,824	35,430
13	2009	114,510	35,430
14	2010	102,456	35,430
15	2011	92,211	35,430
Total		3,571,483	

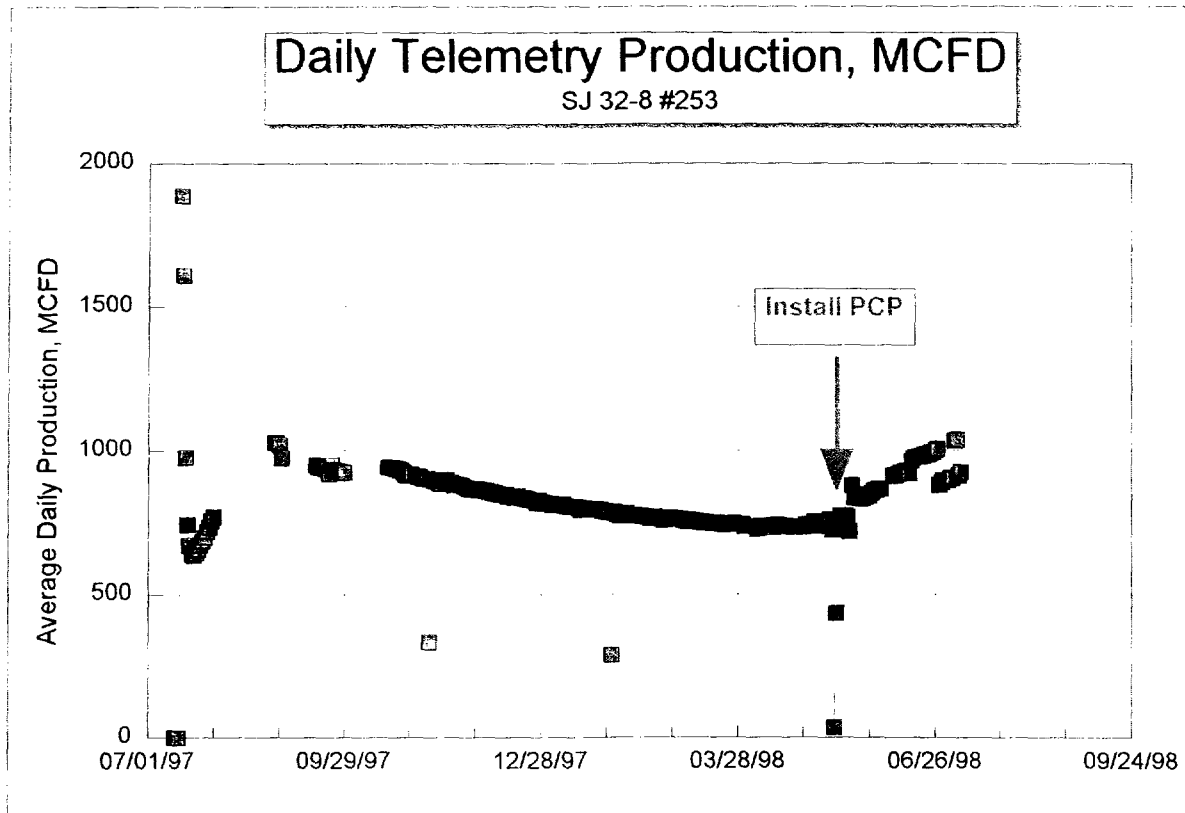
Phillips Petroleum Company

Commerciality Determination

San Juan 32-8 Unit #253
Fruitland Coal
E/2 Section 27, 32N-8W
San Juan Co., NM

Comments:

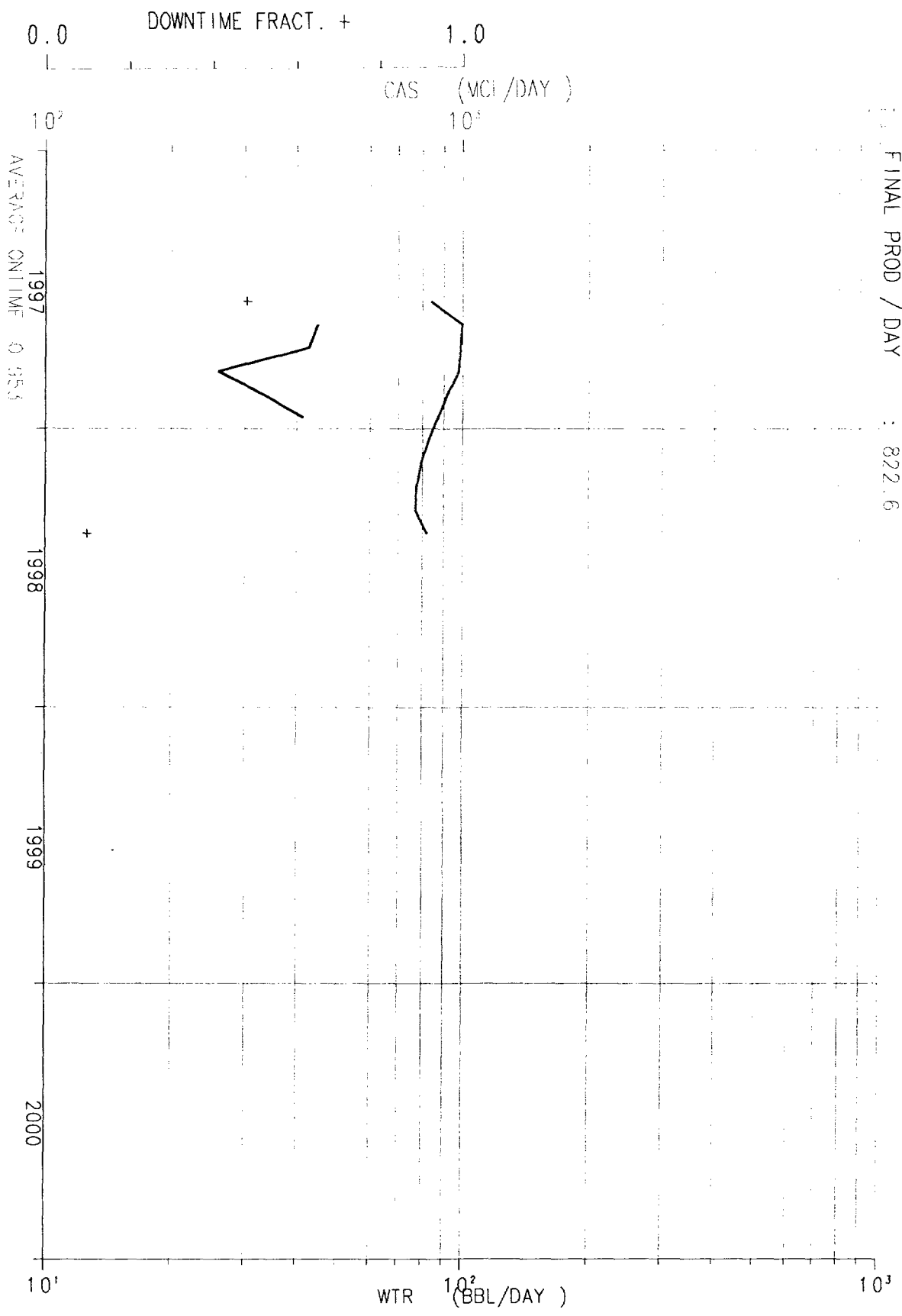
The volumes & costs for 1997 are actual numbers. The well had a max pitot during completion of 2.6 MMCFD. Water production has hampered gas rate, but a recent progressive cavity pump installation helping to alleviate this problem. Typical peak rate to max pitot for wells in the 32-8 unit is 0.4 to 2.0+. The attached forecast assumes a peak rate of 1500 MCFD is reached by Jan., 2000.



7/97-5/98

INITIAL PROD / DAY : 1057.6
 REMAINING LIFE : 0.92
 EXP (0.00) DECL % : 45.25
 CUM PRODUCTION : 278485.
 FINAL PROD / DAY : 822.6

Current Cums
 278485. MCF GAS
 5749. BBL WTR



LEASE- 650419 : SAN JUAN 32-8 UNIT #253
 RESVR- 028 : BASIN
 WELL - 000253 CUM MCF =278480.

FRUITLAND COAL. NO

F8B6001
 ZONE-650419028000253 F8B6001
 API-30045294600000 THRU 98/05

ILLEGIBLE

**San Juan 32-8 Unit #253
Fruitland Coal
E/2 Section 27, 32N-8W
San Juan Co., NM**

Monthly Production

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
1997	Jul	13,412	0
1997	Aug	30,888	1,389
1997	Sep	29,568	1,280
1997	Oct	30,270	803
1997	Nov	27,543	997
1997	Dec	27,052	1,280
Total 1997		158,733	5,749
1998	Jan	25,643	
1998	Feb	22,271	
1998	Mar	24,049	
1998	Apr	23,107	
1998	May	24,677	
5 mos. 1998		119,747	



#446

COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5715

PLANNING
(505)-827-5752

May 11, 1998

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

Attn: Mr. S. Scott Prather

Re: 1998 Plan of Development
San Juan 32-8 Unit
San Juan County, New Mexico

Dear Mr. Prather:

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

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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

Very truly yours,

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

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

RP/JB/cpm
pc: Reader File

OCD

BLM

"WE WORK FOR EXCELLENCE"

446



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

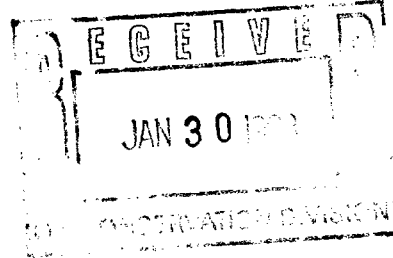
January 21, 1998

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

Commissioner of Public Lands (2 copies)
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501-1148

Oil Conservation Division (2 copies)
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: **SAN JUAN 32-8 UNIT**
#14-08-001-446
SAN JUAN COUNTY, NEW MEXICO
1998 PLAN OF DEVELOPMENT
G. F. 5465



Gentlemen:

By letter dated March 7, 1997, Phillips Petroleum Company (Phillips) as Unit Operator filed the 1997 Plan of Development (POD). The POD indicated three wells were planned for 1997. The 1997 results are shown below.

1. Attached are maps for each Participating Area.
2. The following wells were drilled in 1997:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>
San Juan 32-8 Unit #213	W/2 Section 22-32N-8W	Fruitland
San Juan 32-8 Unit #253	E/2 Section 27-32N-8W	Fruitland

These wells are located outside the existing Fruitland Participating Area. The #213 drillblock is owned 66.67% - Phillips Petroleum Company, 18.75% - Burlington Resources Oil & Gas Company and 14.58% - Cinco General Partnership. The #253 drillblock is owned 100% - Phillips Petroleum Company. The San Juan 32-8 Unit #247 listed in the Initial 1997 POD was not drilled.

3. No wells were recompleted in 1997.
4. No wells were downhole commingled in 1997.

1997 Summary - Two (2) wells drilled were on lands located outside existing Participating Areas. There were no expansions of any Participating Area and no recompletion and/or downhole commingle operations were conducted.

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

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Twenty-First	8/1/95
Pictured Cliffs	First	1/1/83
Mesaverde	Nineteenth	7/1/83
Dakota	Initial	2/10/82

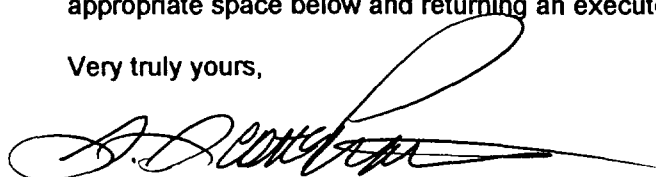
Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Phillips, as Unit Operator hereby submits the following well for the 1998 POD.

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-8 Unit #254	W/2 Section 23-32N-8W	Fruitland	Drill

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

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

Very truly yours,



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

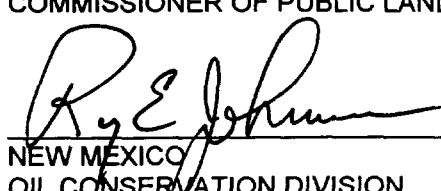
**SAN JUAN 32-8 UNIT #14-08-001-446
1998 INITIAL PLAN OF DEVELOPMENT**

BUREAU OF LAND MANAGEMENT

DATE

NEW MEXICO
COMMISSIONER OF PUBLIC LANDS

DATE



NEW MEXICO
OIL CONSERVATION DIVISION

DATE

1/30/98

cc: San Juan 32-8 Unit Owners
J. L. Mathis-G. F. 5465
C. D. Richard - local Supervisors

**SAN JUAN 32-8 UNIT
PARTICIPATING AREA OWNERS**

ANDREW B. KELLY, JR.

BURLINGTON RESOURCES OIL AND GAS COMPANY

CBP SAN JUAN LIMITED PARTNERSHIP

CHARLES E. KELLY

CINCO GENERAL PARTNERSHIP

FOUR STAR OIL & GAS COMPANY

SUSANNA P. KELLY, JR.

SUSANNA P. KELLY

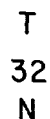
WILLIAMS PRODUCTION COMPANY

WINTERGREEN ENERGY CORPORATION

PHILLIPS-NEW MEXICO PARTNERS, L. P.

PHILLIPS-SAN JUAN LTD PARTNERS

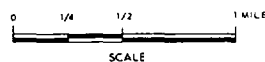
R-8-V
R-7-V



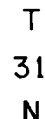
Kfm		FARMINGTON	Kfm		
ka		KIRTLAND	ka		
		FRUITLAND	kf		
		PICTURED CLIFFS	Kpc		
		CHACRA	Kc		
		LA VENTANA	Klv		
		MESAVERDE	Kmv	{ Kch Km Kpl	
		GALLUP	Kgl — { Kt TOCITO Kgn GREENHORN		CLIFFHOUSE MENEFFEE POINT LOOKOUT
		DAKOTA	Kd		
		ALL PRODUCTION BELOW CRETACEOUS	Je - ENTRADA Pp - PARADOX Pdc - BARKER CREEK Ml - LEADVILLE		



FRUITLAND PA



JANUARY 26, 1996



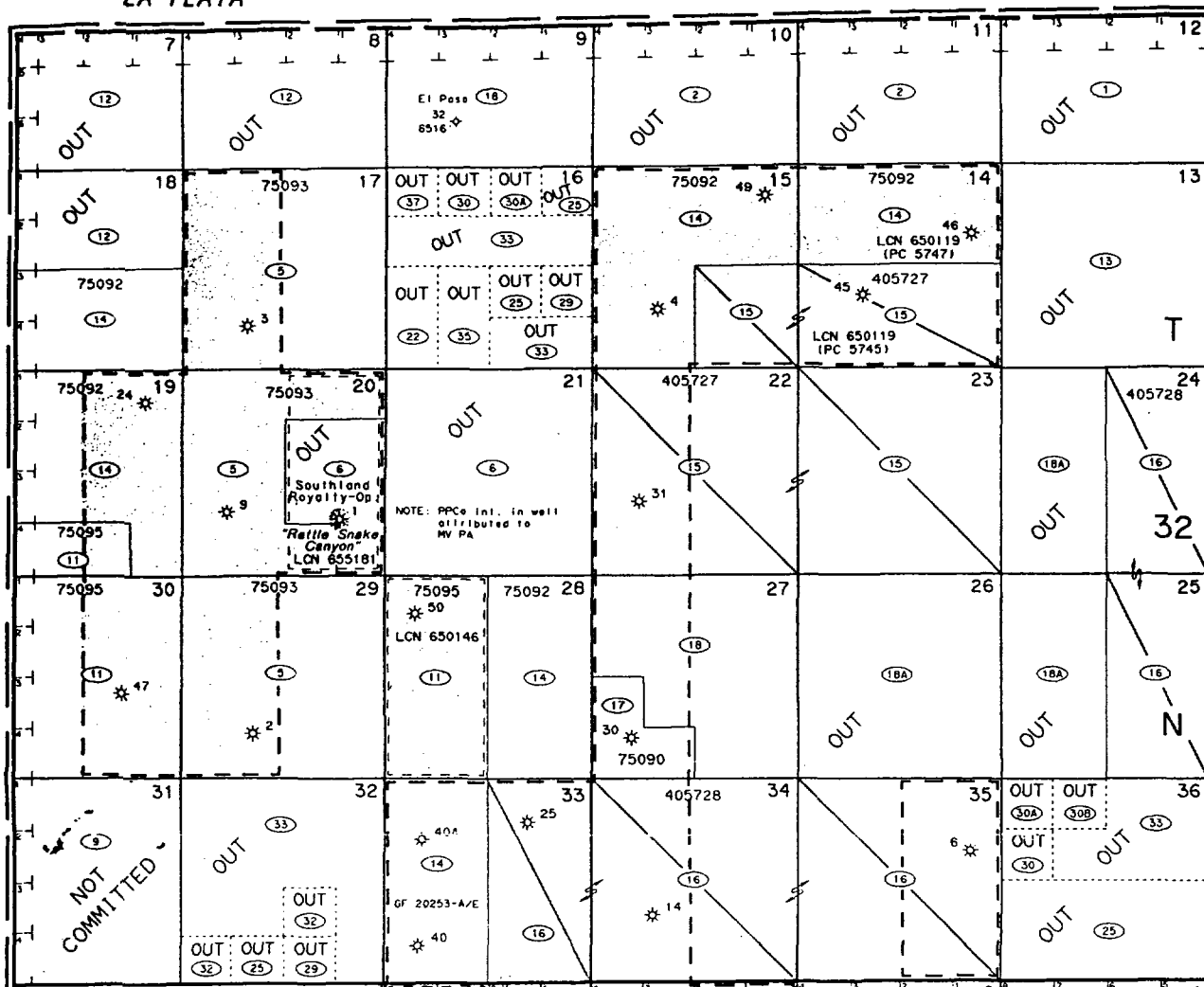
S. J. 32-8 UNIT

R- 8 - W

LA PLATA

R 8 W

COLORADO



SAN JUAN 32-8 UNIT
(MESAVERDE)
PPCo - OPERATOR

--- Mesaverde Participating
Area 111,802.06 ac. 1
19th Expansion Eff. 7-1-83

--- UNIT BOUNDARY
118,289.71 ac. unit area,
after elimination

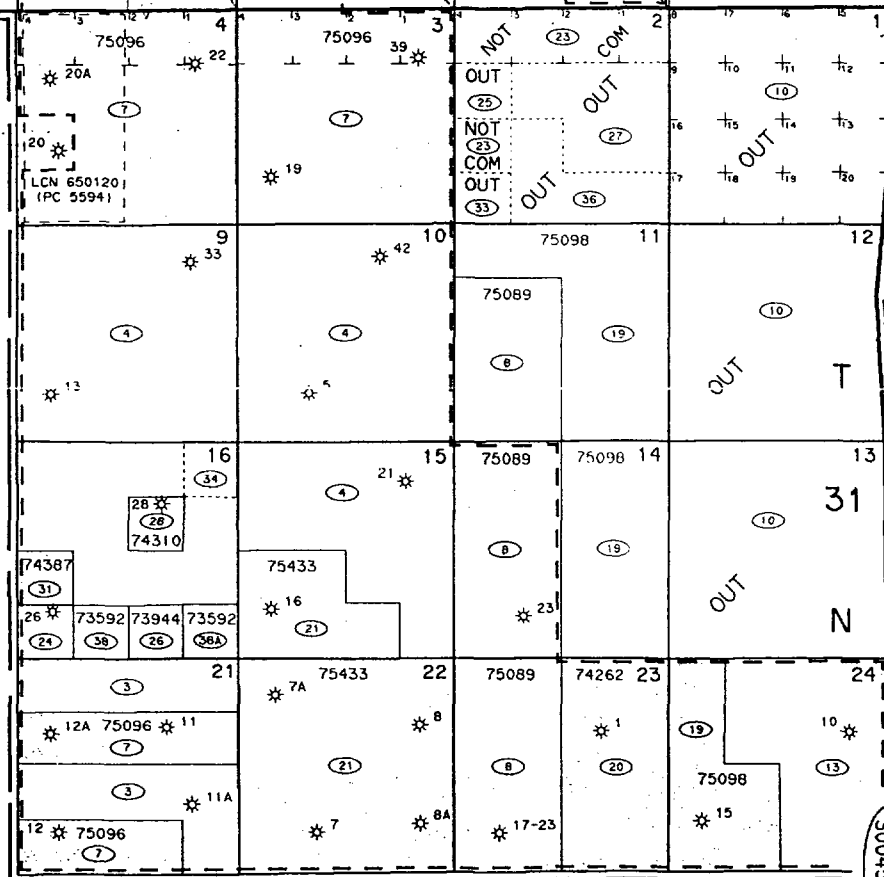
OUT - Acreage automatically eliminated
from unit 12-8-62

NOT COMMITTED - Failure of commitment to
join the unit by any working interest
owner in a tract

BLANCO (MESAVERDE) FIELD

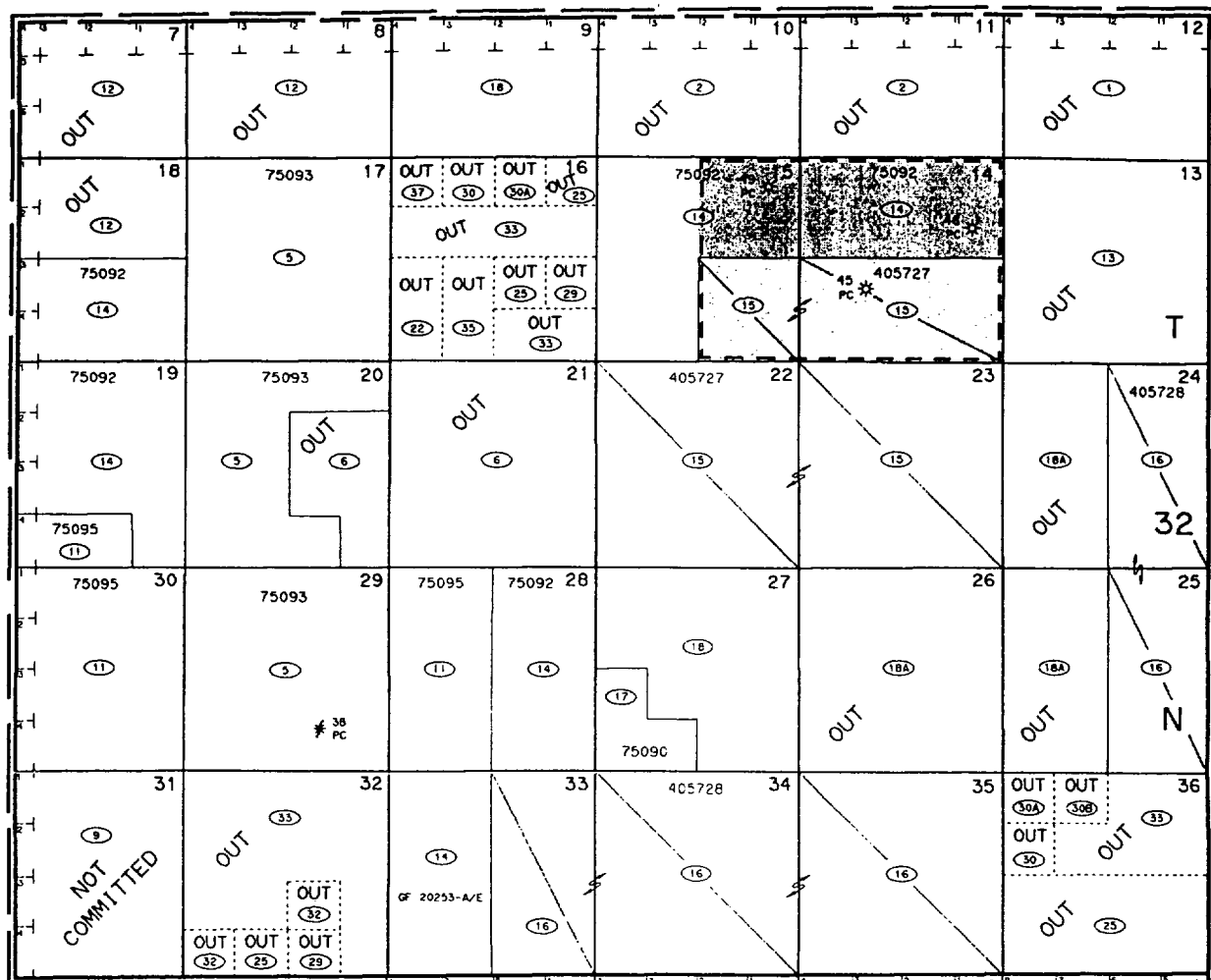
SAN JUAN CO., NM

Scale: 1" = 3000'



30043020

COLORADO



SAN JUAN 32-8 UNIT
(PICTURED CLIFFS)
PPC0 - OPERATOR

— — — Pictured Cliffs Participating Area
(960 ac.)
1st Expansive Eff. 1-1-83

SAN JUAN 32-8 UNIT
(DAKOTA)
PPC - OPERATOR

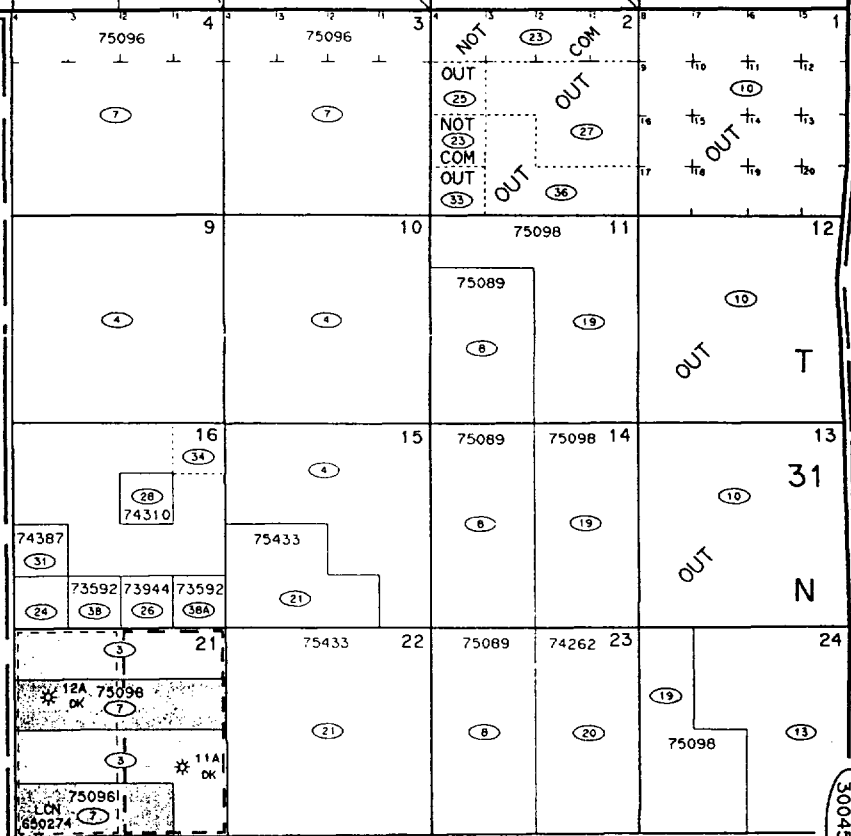
— — — Dakota Participating Area (320 ac.)
Initial Expansion Eff. 2-10-82

UNIT BOUNDARY
118,289.71 ac. unit area,
after elimination

OUT - Acreage automatically eliminated
from unit 12-8-62

NOT COMMITTED - Failure of commitment to
join the unit by any working interest
owner in a tract

BASIN (DAKOTA) FIELD
ALBINO FIELD
(PICTURED CLIFFS)
SAN JUAN CO., NM
Scale: 1" = 3000'





446

COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5715

PLANNING
(505)-827-5732

March 12, 1997

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

Attn: Mr. Patrick H. Noah

Re: 1997 Plan of Development
San Juan 32-8 Unit
Rio Arriba County, New Mexico

Dear Mr. Noah:

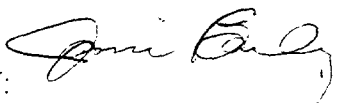
The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

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

Very truly yours,

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

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

RP/JB/cpm
cc: Reader File

OCD

BLM



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

March 7, 1997

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

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

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

RE: SAN JUAN 32-8 UNIT
#14-08-001-446
RIO ARriba COUNTY, NEW MEXICO
1997 PLAN OF DEVELOPMENT
G. F. 5465

Gentlemen:

By letter dated March 12, 1996 Phillips Petroleum Company ("Phillips"), as Unit Operator, filed the 1996 Initial Plan of Development ("POD"). The POD indicated that no wells were proposed for possible drilling in 1996.

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

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland coal	Twenty-first	August 1, 1995
Pictured Cliffs	First	January 1, 1983
Mesaverde	Nineteenth	July 1, 1983
Dakota	Initial	February 10, 1982

Pursuant to Section 10 of the San Juan 32-8 Unit Agreement, Phillips, as Unit Operator, hereby submits the following wells in the 1997 POD:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>
San Juan 32-8 Unit #213	W/2 Section 22-T32N-R8W	Fruitland
San Juan 32-8 Unit #247	W/2 Section 19-T32N-R8W	Fruitland
San Juan 32-8 Unit #253	E/2 Section 27-T32N-R8W	Fruitland

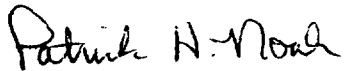
San Juan 32-8 Unit
#14-08-001-446
Rio Arriba County, New Mexico
1997 Plan of Development
March 7, 1997
Page 2

The San Juan 32-8 Unit working interest owners have been contacted with respect to this POD and are being provided a copy of this letter.

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

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

Respectfully,



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

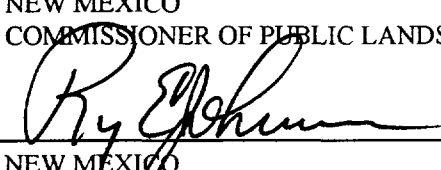
SAN JUAN 32-8 UNIT #14-08-001-446
1997 INITIAL PLAN OF DEVELOPMENT

BUREAU OF LAND MANAGEMENT

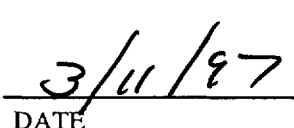
DATE

NEW MEXICO
COMMISSIONER OF PUBLIC LANDS

DATE



NEW MEXICO
OIL CONSERVATION DIVISION



DATE

cc: San Juan 32-8 Owners
J. L. Mathis (r)G. F. 5465
C. D. Richard (r)local supervisors

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

CBP SAN JUAN PARTNERSHIP

SUSANNA P. KELLY

DR. ANDREW B. KELLY

SUSANNA PHILLIPS KELLY, JR.

BURLINGTON RESOURCES

PHILLIPS PETROLEUM COMPANY

PHILLIPS-SAN JUAN PARTNERS, L. P.

PHILLIPS-NEW MEXICO PARTNERS, L. P.

FOUR STAR OIL & GAS

WILLIAMS PRODUCTION COMPANY

WINTERGREEN ENERGY CORPORATION



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

February 12, 1997

Assistant District Manager, Minerals
Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway, Suite A
Farmington, NM 87401

State of New Mexico
Commissioner of Public Lands
ATTN: FLOYD O. PRANDO
P. O. Box 1148
Santa Fe, NM 87504-1148

State of New Mexico
Oil Conservation Division
ATTN: MR. WILLIAM J. LeMAY
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503

RE: SAN JUAN 32-8 UNIT
#14-08-001-446, OGRID NO. 099208, 017654
CORRECTED EXHIBITS FOR FRUITLAND PARTICIPATING AREA
TWENTY-FIRST EXPANSION - EFFECTIVE AUGUST 1, 1995
G. F. 5465, LCN 650251, 651251

Gentlemen:

By letter dated December 10, 1996 Schedule XXII for the Twenty-first Expanded Participating Area was submitted and subsequently approved.

Please note that the submitted exhibit was erroneously titled "Schedule XXI" and referred to the "Twentieth Expansion". Enclosed is a corrected Schedule XXII for your records. Also enclosed is a map of the expanded PA and an ownership summary. A copy of this material is also being forwarded to unit working interest owners.

Very truly yours,

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

cc: San Juan 32-8 Unit Fruitland PA Owners

**SAN JUAN 32-8 UNIT
FRUITLAND FORMATION PARTICIPATING AREA**

ANDREW B. KELLY, JR.

BURLINGTON RESOURCES OIL & GAS COMPANY

CBP SAN JUAN LIMITED PARTNERSHIP

CHARLES E. KELLY

FOUR STAR OIL & GAS COMPANY

PHILLIPS-NEW MEXICO PARTNERS, L.P.

PHILLIPS-SAN JUAN PARTNERS, L.P.

SUSANNA P. KELLY

SUSANNA P. KELLY, JR.

WILLIAMS PRODUCTION COMPANY

WINTERGREEN ENERGY CORP.

DATE 02/10/97

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII
THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-013364	T31N R8W	360.00		TRACT: 003			2.839132
SEC. 21	N/2 N/2, N/2 S/2, SE/4 SE/4				1.294640	1.294640	*
	ORRI:				12.500000	12.500000	
	ROYALTY:						
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				17.871093	17.871093	
	WILLIAMS PRODUCTION COMPANY				53.783485	53.783485	
	WINTERGREEN ENERGY CORPORATION				10.253906	10.253906	
	SUSANNA PHILLIPS KELLY				1.562500	1.562500	
	ANDREW B. KELLY, JR.				1.025391	1.025391	
	CHARLES E. KELLY				1.025391	1.025391	
	SUSANNA PHILLIPS KELLY, JR.				0.683594	0.683594	
	* BORNE SOLELY BY WILLIAMS PRODUCTION COMPANY						
	TOTAL				100.000000	100.000000	
SF-079004	T31N R8W	1720.00		TRACT: 004			13.564744
SEC. 9	ALL				5.000000	5.000000	
SEC. 10	ALL				12.500000	12.500000	
SEC. 15	NE/4, E/2 SE/4, NW/4 SE/4, NW/4				14.850000	14.850000	
	WILLIAMS PRODUCTION COMPANY				67.650000	67.650000	
	FOUR STAR OIL & GAS COMPANY						
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-8 UNIT #221						
	SAN JUAN 32-8 UNIT #222						
	SAN JUAN 32-8 UNIT #223						
	SAN JUAN 32-8 UNIT #224						
	SAN JUAN 32-8 UNIT #225						
	SAN JUAN 32-8 UNIT #226						
SF-079013	T32N R8W	640.00		TRACT: 005			5.047347
SEC. 29	ALL				5.000000	5.000000	
	ORRI:				12.500000	12.500000	
	ROYALTY:						
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-8 UNIT #208						
	SAN JUAN 32-8 UNIT #232						

EFFECTIVE 95/08/01

DATE 02/10/97

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII
THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079029	T31N R8W	1562.08		TRACT: 007			12.319311
SEC. 3	LOTS 1, 2, 3, 4, S/2 N/2, S/2		ORRI:		5.000000	5.000000	
SEC. 4	LOTS 1, 2, 3, 4, S/2 N/2, S/2		ROYALTY:		12.500000	12.500000	
SEC. 21	S/2 N/2, S/2 SW/4, SW/4 SE/4		WORKING INTEREST:		67.650000	67.650000	
			PHILLIPS-SAN JUAN PARTNERS, L.P.		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-8 UNIT #234 SAN JUAN 32-8 UNIT #235 SAN JUAN 32-8 UNIT #240 SAN JUAN 32-8 UNIT #241 SAN JUAN 32-8 UNIT #242 SAN JUAN 32-8 UNIT #249						
SF-079047	T31N R8W	880.00		TRACT: 008			6.940101
SEC. 11	S/2 NW/4, SW/4		ORRI:		5.000000	5.000000	
SEC. 14	W/2		ROYALTY:		12.500000	12.500000	
SEC. 23	W/2		WORKING INTEREST:		67.650000	67.650000	
			PHILLIPS-SAN JUAN PARTNERS, L.P.		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-8 UNIT #238 SAN JUAN 32-8 UNIT #243 SAN JUAN 32-8 UNIT #245						
SF-079341-A	T32N R8W	861.20		TRACT: 011			6.791836
SEC. 28	W/2		ORRI:		5.000000	5.000000	
SEC. 30	LOTS 1, 2, 3, 4, E/2 W/2, E/2		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:		67.650000	67.650000	
			PHILLIPS-SAN JUAN PARTNERS, L.P.		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-8 UNIT #231 SAN JUAN 32-8 UNIT #233 SAN JUAN 32-8 UNIT #239						

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XXII
 THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-8 UNIT AREA

DATE 02/10/97

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079351	T31N R8W SEC. 24 LOTS 1-3, 6-16, 33-48, 65-80, 97-112, 129-136	383.89	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L.P.	TRACT: 013	2.500000 12.500000 85.000000	2.500000 12.500000 85.000000	3.027540
REMARKS: SAN JUAN 32-8 UNIT #220 SAN JUAN 32-8 UNIT #206					TOTAL	100.000000	100.000000
SF-079353	T32N R8W SEC. 28 E/2 SEC. 33 W/2	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 014	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	5.047347
REMARKS: SAN JUAN 32-8 UNIT #230 SAN JUAN 32-8 UNIT #250					TOTAL	100.000000	100.000000
SF-079380	T32N R8W SEC. 23 ALL	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L.P. BURLINGTON RESOURCES O&G CO CBP SAN JUAN LIMITED PARTNERSHIP	TRACT: 015	5.000000 12.500000 55.000688 15.465614 12.033698	5.000000 12.500000 55.000688 15.465614 12.033698	5.047347
REMARKS: SAN JUAN 32-8 UNIT #37 SAN JUAN 32-8 UNIT #41					TOTAL	100.000000	100.000000

DATE 02/10/97

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII
THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-079381	T32N R8W	1920.00		TRACT: 016			15.142039
SEC. 25	E/2		ORRI:		5.000000	5.000000	
SEC. 33	E/2		ROYALTY:		12.500000	12.500000	
SEC. 34	ALL		WORKING INTEREST:				
SEC. 35	ALL		PHILLIPS-NEW MEXICO PARTNERS, L.P.		55.000688	55.000688	
			BURLINGTON RESOURCES O&G CO		15.465614	15.465614	
			CBP SAN JUAN LIMITED PARTNERSHIP		12.033698	12.033698	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #36							
SAN JUAN 32-8 UNIT #203							
SAN JUAN 32-8 UNIT #204							
SAN JUAN 32-8 UNIT #205							
SAN JUAN 32-8 UNIT #218							
SAN JUAN 32-8 UNIT #219							
SF-079717	T32N R8W	120.00		TRACT: 017			0.946377
SEC. 27	W/2 SW/4, SE/4 SW/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #202							
NM-84809	T32N R8W	200.00		TRACT: 018			1.577296
SEC. 27	NW/4, NE/4 SW/4		ORRI:		2.500000	2.500000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS, L.P.		85.000000	85.000000	
			TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #202							

EFFECTIVE 95/08/01

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XXII
 THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-8 UNIT AREA

DATE 02/10/97

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-080854		952.76		TRACT: 019			7.513922
SEC. 11	N/2 NW/4, E/2		ORRI:		5.000000	5.000000	
SEC. 14	E/2		ROYALTY:		12.500000	12.500000	
SEC. 24	LOTS 4, 5, 17-32, 49-64, 81-96, 113-128		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
TOTAL					100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #220 SAN JUAN 32-8 UNIT #243 SAN JUAN 32-8 UNIT #244 SAN JUAN 32-8 UNIT #248							
SF-081089		320.00		TRACT: 020			2.523673
SEC. 23	E/2		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
TOTAL					100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #237							
NM-03402		840.00		TRACT: 021			6.624642
SEC. 15	SW/4, SW/4 SE/4		ORRI:		5.000000	5.000000	
SEC. 22	ALL		ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		12.500000 67.650000 14.850000	12.500000 67.650000 14.850000	
TOTAL					100.000000	100.000000	

REMARKS: SAN JUAN 32-8 UNIT #207
 SAN JUAN 32-8 UNIT #225
 SAN JUAN 32-8 UNIT #226
 SAN JUAN 32-8 UNIT #236

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XXII
 THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-8 UNIT AREA

DATE 02/10/97

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-1204-3	T31N R8W NW/4 NE/4, SE/4 NE/4, N/2 SE/4 NW/4, NE/4 SW/4, SW/4 SW/4	400.00		TRACT: 024			3.154592
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				67.650000	67.650000	
	FOUR STAR OIL & GAS COMPANY				14.850000	14.850000	
	WILLIAMS PRODUCTION COMPANY						
	TOTAL				100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #227 SAN JUAN 32-8 UNIT #228							
E-3704-2	T31N R8W SW/4 SE/4	40.00		TRACT: 026			0.315459
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				67.650000	67.650000	
	PHILLIPS-SAN JUAN PARTNERS, L.P.				14.850000	14.850000	
	WILLIAMS PRODUCTION COMPANY						
	TOTAL				100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #228							
E-3868-3	T31N R8W SW/4 NE/4	40.00		TRACT: 028			0.315459
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				67.650000	67.650000	
	PHILLIPS-SAN JUAN PARTNERS, L.P.				14.850000	14.850000	
	WILLIAMS PRODUCTION COMPANY						
	TOTAL				100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #228							

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII
THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-8 UNIT AREA

DATE 02/10/97

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-5113-70	T31N R8W SEC. 16 NW/4 SW/4	40.00		TRACT: 031			0.315459
	ORRI:				6.000000	6.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				66.830000	66.830000	
	PHILLIPS-SAN JUAN PARTNERS, L.P.				14.670000	14.670000	
	WILLIAMS PRODUCTION COMPANY						
	TOTAL				100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #227							
E-5382	T31N R8W SEC. 16 NE/4 NE/4	40.00		TRACT: 034			0.315459
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				87.500000	87.500000	
	FOUR STAR OIL & GAS COMPANY						
	TOTAL				100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #228							
B-11240-71	T31N R8W SEC. 16 SE/4 SW/4	40.00		TRACT: 038			0.315459
	ORRI:				2.500000	2.500000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				69.700000	69.700000	
	PHILLIPS-SAN JUAN PARTNERS, L.P.				15.300000	15.300000	
	WILLIAMS PRODUCTION COMPANY						
	TOTAL				100.000000	100.000000	
REMARKS: SAN JUAN 32-8 UNIT #227							

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XXII
 THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-8 UNIT AREA

DATE 02/10/97

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
B-11240-70	T31N R8W	40.00		TRACT: 038A			0.315459
SEC. 16	SE/4 SE/4						
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	

REMARKS: SAN JUAN 32-8 UNIT #228

TOTAL 12679.93

100.000000

DATE 02/10/97

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING ARE

TOWNSHIP 31N, RANGE 8W

SECTION 3	: LOTS 1, 2, 3, 4, S/2 N/2, S/2
SECTION 4	: LOTS 1, 2, 3, 4, S/2 N/2, S/2
SECTION 9	: ALL
SECTION 10	: ALL
SECTION 11	: ALL
SECTION 14	: ALL
SECTION 15	: ALL
SECTION 16	: ALL
SECTION 21	: ALL
SECTION 22	: ALL
SECTION 23	: ALL
SECTION 24	: ALL

TOWNSHIP 32N, RANGE 8W

SECTION 23	: ALL
SECTION 25	: E/2
SECTION 27	: W/2
SECTION 28	: ALL
SECTION 29	: ALL
SECTION 30	: LOTS 1, 2, 3, 4, E/2 W/2, E/2
SECTION 33	: ALL
SECTION 34	: ALL
SECTION 35	: ALL

TOTAL COMMITTED:	12679.93	TOTAL ACRES NON-COMMITTED:	0.00
TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:	12679.93		

SAN JUAN 32-8 UNIT				
WORKING INTEREST SUMMARY				
TWENTY-FIRST EXPANDED FRUITLAND PARTICIPATING AREA				
WORKING INTEREST OWNER NAME	WORKING INTEREST PCT.		WELLS	EFFECTIVE
	BPO	APO	ADDED	DATE
Phillips-San Juan Partners, L.P.	45.64413%	45.95199%	249	08/01/95
Phillips-New Mexico Partners, L.P.	18.06460%	18.06460%		
Williams Production Company	15.09341%	14.75635%		
Burlington Resources Oil & Gas Company	3.78474%	3.78474%		
CBP San Juan Limited Partnership	2.94488%	2.94488%		
Four Star Oil & Gas Company	14.02531%	14.02531%		
Wintergreen Energy Corp.	0.38436%	0.33271%		
Susanna P. Kelly	0.05857%	0.05070%		
A. B. Kelly, Jr.	0.00000%	0.03327%		
C. E. Kelly	0.00000%	0.03327%		
Susanna P. Kelly, Jr.	0.00000%	0.02218%		
NOTE: REFLECTS BPO AND APO OWNERSHIP DUE TO NO. 234, 235 WELLS.				