



San Juan Business Unit
P.O. Box 4289
Farmington, NM 87402-4289
(505) 326-9700

January 31, 2007

2007 FEB 5 PM 12 04

Bureau of Land Management (3)
Attn: Ms. Lucy Bee
1235 La Plata Highway
Farmington, NM 87401

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

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

RE: **SAN JUAN 32-8 UNIT, #14-08-001-446**
Fruitland Participating Area
Thirty Second Expansion: Effective 12/1/2005
San Juan County, New Mexico

Dear Sir or Madam:

Pursuant to Section 11(a) of the above referenced Unit Agreement, approved October 21, 1952, **CONOCOPHILLIPS, as Unit Operator**, has determined that the following wells are capable of producing unitized substances in paying quantities from the Fruitland formation, thereby should be admitted to the Fruitland Participating Area. Pursuant to a BLM letter, attached is a list of the wells that have been deemed commercial.

The Expansion Schedule for the Thirty Second Expansion is enclosed. The schedule describes the Participating Area and shows the percentage of unitized substances allocated to the tracts according to the ownership within the tracts.

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

Sincerely,

Dawn Howell
Sr. Land Technician

San Juan 32-8 Unit, #14-08-001-446
San Juan County, New Mexico
Fruitland Participating Area

Thirty Second Expansion - Effective 12/1/2005
Total P/A acres= 17,519.12

Wells No./Description	Tract #	Tr. Description	Tr. acres	Comp. Date
San Juan 32-8 Unit #265	14A	NW/4	160.00	11/03/05
W/2 Sec. 14-T32N-R8W	15A	SW/4	160.00	
320.00 acres				
San Juan 32-8 Unit #266A	14A	NE/4	160.00	11/16/05
E/2 Sec. 14-T32N-R8W	15A	SE/4	160.00	
320.00 acres				
San Juan 32-8 Unit #263A	14A	NE/4	160.00	11/18/05
E/2 Sec. 15-T32N-R8W	15A	SE/4	160.00	
320.00 acres				



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

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

July 19, 2006

Mr. Jim Penney
ConocoPhillips Company
WL3 14072
600 North Dairy Ashford
Houston, TX 77079-1175

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

Dear Mr. Penney:

In response to your letter dated June 16, 2006, the Farmington Field Office has reviewed the data you submitted for a commerciality determination for the following wells completed in the Fruitland Coal formation.

Well Name & Number	Dedication	Lease	Effective Date	Determination
San Juan 32-8 Unit #263A	E/2 Sec. 15, T32N, R8W	NMSF079380	11/18/2005	Commercial
San Juan 32-8 Unit #265	W/2 Sec. 14, T32N, R8W	NMSF079380	11/3/2005	Commercial
San Juan 32-8 Unit #266A	E/2 Sec 14, T32N, R8W	NMSF079380	11/16/2005	Commercial

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

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

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-92000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such requests shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions concerning this matter, please contact Wayne Townsend at the above address or telephone (505) 599-6359.

Sincerely,


Wayne Townsend
Petroleum Engineer
Branch of Petroleum Management

CONOCOPHILLIPS COMPANY
SCHEDULE XXXII
32ND EXPANDED PARTICIPATING AREA FOR THE FRUITLAND FORMATION
SAN JUAN 32-8 UNIT AREA
EFFECTIVE 12/1/2005
SAN JUAN COUNTY, NEW MEXICO

RECAPITULATION:

DESCRIPTION OF COMMITTED LANDS:

DESCRIPTION OF NON-COMMITTED LANDS:

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	9	ALL
SECTION	14	ALL
SECTION	15	ALL
SECTION	17	ALL
SECTION	18	LOTS 3, 4, E/2 SW/4, SE/4 (S/2)
SECTION	19	LOTS 1, 2, 3, 4, E/2 W/2, E/2
SECTION	20	W/2, N/2 NE/4, SW/4 SE/4
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: 17519.12

TOTAL ACRES NON-COMMITTED: 0.00

TOTAL ACRES COMMITTED:	17519.1
TOTAL ACRES NON-COMMITTED:	0.00
TOTAL ACRES:	17519.1

CONOCOPHILLIPS COMPANY- OPERATOR
32ND EXPANDED PARTICIPATING AREA FOR FRUITLAND FORMATION
SAN JUAN 32-8 UNIT AREA
SAN JUAN COUNTY, NEW MEXICO
EFFECTIVE 12/1/2005

NMNM78424B
891000446B

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
NM-013364	T31N R8W	360.00	TRACT: 003		2.054898%
	SEC. 21 N/2 N/2, N/2 S/2, SE/4 SE/4			1.294640 *	1.294640 *
				12.500000	12.500000
	ORRI:				
	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		9.817845%
	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
				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				

CONOCOPHILLIPS COMPANY- OPERATOR
32ND EXPANDED PARTICIPATING AREA FOR FRUITLAND FORMATION
SAN JUAN 32-8 UNIT AREA
SAN JUAN COUNTY, NEW MEXICO
EFFECTIVE 12/1/2005

NMNM78424B
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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
SF-079013	T32N R8W	1720.00	TRACT: 005		9.817845%
SEC. 17	ALL				
SEC. 20	W2, N/2 NE/4, SW/4 SE/4			5.000000	5.000000
SEC. 29	ALL			12.500000	12.500000
REMARKS:	WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY TOTAL				
	SAN JUAN 32-8 UNIT #208			67.650000	67.650000
	SAN JUAN 32-8 UNIT #232			14.850000	14.850000
	SAN JUAN 32-8 UNIT #229			100.000000	100.000000
	SAN JUAN 32-8 UNIT #261				
	SAN JUAN 32-8 UNIT #262				
	RATTLESNAKE CANYON #105 *				
* The communitized area for the Rattlesnake Canyon #105 covers the E/2 of Sec. 20, T32N-R8W. Within this communitized area, the S/2 NE/4, N/2 SE/4, SE/4 SE/4 of Sec 20, T32N-R8W (NM-033056) was automatically eliminated from the SJ 32-8 Federal Unit 12/8/62. This well is subject to a communitization agreement (NMNM 102931).					
SF-079029	T31N R8W	1562.08	TRACT: 007		8.916430%
SEC. 3	LOTS 1, 2, 3, 4, S/2 N/2, S/2			5.000000	5.000000
SEC. 4	LOTS 1, 2, 3, 4, S/2 N/2, S/2			12.500000	12.500000
SEC. 21	S/2 N/2, S/2 SW/4, SW/4 SE/4			67.650000	67.650000
REMARKS:	PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY TOTAL				
	SAN JUAN 32-8 UNIT #234			14.850000	14.850000
	SAN JUAN 32-8 UNIT #235			100.000000	100.000000
	SAN JUAN 32-8 UNIT #240				
	SAN JUAN 32-8 UNIT #241				
	SAN JUAN 32-8 UNIT #242				
	SAN JUAN 32-8 UNIT #249				

CONOCOPHILLIPS COMPANY- OPERATOR
32ND EXPANDED PARTICIPATING AREA FOR FRUITLAND FORMATION
SAN JUAN 32-8 UNIT AREA
SAN JUAN COUNTY, NEW MEXICO
EFFECTIVE 12/1/2005

NMNIM78424B
891000446B

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
SF-079047	T31N R8W	880.00	TRACT: 008		5.023083%
SEC. 11	S/2 NW/4, SW/4			5.000000	
SEC. 14	W/2			12.500000	
SEC. 23	W/2				
REMARKS: SAN JUAN 32-8 UNIT #238 SAN JUAN 32-8 UNIT #243 SAN JUAN 32-8 UNIT #245					
TOTAL				67.650000 14.850000 100.000000	67.650000 14.850000 100.000000
SF-079341-A	T32N R8W	861.20	TRACT: 011		4.915772%
SEC. 28	W/2			5.000000	
SEC. 30	LOTS 1, 2, 3, 4, E/2 W/2, E/2			12.500000	
REMARKS: SAN JUAN 32-8 UNIT #231 SAN JUAN 32-8 UNIT #233 SAN JUAN 32-8 UNIT #239					
TOTAL				67.650000 14.850000 100.000000	67.650000 14.850000 100.000000
SF-079341-A	T32N R8W	95.14	TRACT: 011A		0.543064%
SEC. 19	LOT 4, SE/4 SW/4, SW/4SE/4			5.000000	
REMARKS: SAN JUAN 32-8 UNIT #247 SAN JUAN 32-8 UNIT #257					
TOTAL				67.650000 14.850000 100.000000	67.650000 14.850000 100.000000

CONOCOPHILLIPS COMPANY- OPERATOR
32ND EXPANDED PARTICIPATING AREA FOR FRUITLAND FORMATION
SAN JUAN 32-8 UNIT AREA
SAN JUAN COUNTY, NEW MEXICO
EFFECTIVE 12/1/2005

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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
SF-079351	T31N R8W	383.89	TRACT: 013		2.191263%
SEC. 24	LOTS 1-3, 6-16, 33-48, 65-80, 97-112, 129-136	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS, L.P. TOTAL		2.500000 12.500000 85.000000 100.000000	2.500000 12.500000 85.000000 100.000000
REMARKS:	SAN JUAN 32-8 UNIT #220 SAN JUAN 32-8 UNIT #206				
SF-079353	T32N R8W	640.00	TRACT: 014		3.653152%
SEC. 28	E/2	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY TOTAL		5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000
REMARKS:	SAN JUAN 32-8 UNIT #230 SAN JUAN 32-8 UNIT #250				
SF-079353	T32N R8W	1521.21	TRACT: 014A		8.683142%
SEC. 14	N/2	ORRI: ROYALTY: WORKING INTEREST: CONOCOPHILLIPS COMPANY WILLIAMS PRODUCTION COMPANY TOTAL		5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000
SEC. 15	W/2, NE/4				
SEC. 18	LOTS 3, 4, E/2 SW/4, SE/4 (S/2)				
SEC. 19	LOTS 1-3, E/2 NW/4, NE/4 SW/4, E/2E/2, NW/4SE/4, W/2NE/4				
REMARKS:	SAN JUAN 32-8 UNIT #247 SAN JUAN 32-8 UNIT #257 SAN JUAN 32-8 UNIT #260 SAN JUAN 32-8 UNIT #258 SAN JUAN 32-8 UNIT #263A SAN JUAN 32-8 UNIT #265 SAN JUAN 32-8 UNIT #266A				

CONOCOPHILLIPS COMPANY - OPERATOR
32ND EXPANDED PARTICIPATING AREA FOR FRUITLAND FORMATION
SAN JUAN 32-8 UNIT AREA
SAN JUAN COUNTY, NEW MEXICO
EFFECTIVE 12/1/2005

NMNM78424B
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SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
SF-079380					
	T32N R8W	640.00	TRACT: 015		3.653152%
	SEC. 23 ALL			5.000000	5.000000
				12.500000	12.500000
	ORRI:			5.000000	
	ROYALTY:			12.500000	
	WORKING INTEREST:				
	PHILLIPS-NEW MEXICO PARTNERS, L.P.			55.000688	55.000688
	BURLINGTON RESOURCES O&G CO			27.499312	27.499312
	TOTAL			100.000000	100.000000
REMARKS: SAN JUAN 32-8 UNIT #37 SAN JUAN 32-8 UNIT #41					
SF-079380					
	T32N R8W	1120.00	TRACT: 015A		6.393015%
	SEC. 14 S/2			5.000000	5.000000
	Sec. 15 SE/4			12.500000	12.500000
	Sec. 22 ALL				
	ORRI:			5.000000	
	ROYALTY:			12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY			55.000688	55.000688
	BURLINGTON RESOURCES O&G CO			27.499312	27.499312
	TOTAL			100.000000	100.000000
REMARKS: SAN JUAN 32-8 UNIT #213 SAN JUAN 32-8 UNIT #263A SAN JUAN 32-8 UNIT #265 SAN JUAN 32-8 UNIT #266A					
SF-079381					
	T32N R8W	1920.00	TRACT: 016		10.959455%
	SEC. 25 E/2			5.000000	5.000000
	SEC. 33 E/2			12.500000	12.500000
	SEC. 34 ALL				
	SEC. 35 ALL			55.000688	55.000688
				27.499312	27.499312
	ORRI:			5.000000	
	ROYALTY:			12.500000	
	WORKING INTEREST:				
	PHILLIPS-NEW MEXICO PARTNERS, L.P.			55.000688	55.000688
	BURLINGTON RESOURCES O&G CO			27.499312	27.499312
	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					

CONOCOPHILLIPS COMPANY- OPERATOR
32ND EXPANDED PARTICIPATING AREA FOR FRUITLAND FORMATION
SAN JUAN 32-8 UNIT AREA
SAN JUAN COUNTY, NEW MEXICO
EFFECTIVE 12/1/2005

NMNM78424B
891000446B

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
SF-079381	T32N R8W SEC. 24 E/2	320.00	TRACT: 016A		1.826576%
	ORRI:			5.000000	5.000000
	ROYALTY:			12.500000	12.500000
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY			55.000688	55.000688
	BURLINGTON RESOURCES O&G CO			27.449312	27.449312
	TOTAL			100.000000	100.000000
	REMARKS: SAN JUAN 32-8 UNIT #255				
SF-079717	T32N R8W SEC. 27 W/2 SW/4, SE/4 SW/4	120.00	TRACT: 017		0.684966%
	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 SEC. 27 NW/4, NE/4 SW/4	200.00	TRACT: 018		1.141610%
	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				
SF-080412-A	T32N R8W SEC. 27 E/2	320.00	TRACT: 018A		1.826576%
	ORRI:			2.500000	2.500000
	ROYALTY:			12.500000	12.500000
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY			85.000000	85.000000
	TOTAL			100.000000	100.000000
	REMARKS: SAN JUAN 32-8 UNIT #253				

CONOCOPHILLIPS COMPANY- OPERATOR
32ND EXPANDED PARTICIPATING AREA FOR FRUITLAND FORMATION
SAN JUAN 32-8 UNIT AREA
SAN JUAN COUNTY, NEW MEXICO
EFFECTIVE 12/1/2005

NMNM78424B
891000446B

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
NM-84809	T32N R8W SEC. 9 Lots 2-11, W/2 SW/4	382.84	TRACT: 018B		2.185270%
	ORRI:	2.500000		2.500000	
	ROYALTY:	12.500000		12.500000	
	WORKING INTEREST:				
	CONOCOPHILLIPS COMPANY	85.000000		85.000000	
	TOTAL	100.000000		100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #264				
SF-080854	T31N R8W SEC. 11 N/2 NW/4, E/2 SEC. 14 E/2 SEC. 24 LOTS 4, 5, 17-32, 49-64, 81-96, 113-128	952.76	TRACT: 019		5.438401%
	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 #220 SAN JUAN 32-8 UNIT #243 SAN JUAN 32-8 UNIT #244 SAN JUAN 32-8 UNIT #248				
SF-081089	T31N R8W SEC. 23 E/2	320.00	TRACT: 020		1.826576%
	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 #237				

CONOCOPHILLIPS COMPANY - OPERATOR
32ND EXPANDED PARTICIPATING AREA FOR FRUITLAND FORMATION
SAN JUAN 32-8 UNIT AREA
SAN JUAN COUNTY, NEW MEXICO
EFFECTIVE 12/1/2005

NMMNM/78424B
891000446B

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
NM-03402		840.00			4.794761%
	T31N R8W		TRACT: 021		
SEC. 15	SW/4, SW/4 SE/4			5.000000	5.000000
SEC. 22	ALL			12.500000	12.500000
	ORRI:				
	ROYALTY:			5.000000	5.000000
	WORKING INTEREST:			12.500000	12.500000
	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		400.00			2.283220%
	T31N R8W		TRACT: 024		
SEC. 16	NW/4 NE/4, SE/4 NE/4, N/2 SE/4 NW/4, NE/4 SW/4, SW/4 SW/4			5.000000	5.000000
	ORRI:				
	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		40.00			0.228322%
	T31N R8W		TRACT: 026		
SEC. 16	SW/4 SE/4			5.000000	5.000000
	ORRI:				
	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				

CONOCOPHILLIPS COMPANY- OPERATOR
32ND EXPANDED PARTICIPATING AREA FOR FRUITLAND FORMATION
SAN JUAN 32-8 UNIT AREA
SAN JUAN COUNTY, NEW MEXICO
EFFECTIVE 12/1/2005

NMNM78424B
891000446B

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
E-3868-3	T31N R8W SEC. 16 SW/4 NE/4	40.00	TRACT: 028		0.228322%
	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 SEC. 16 NW/4 SW/4	40.00	TRACT: 031		0.228322%
	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 SEC. 16 NE/4 NE/4	40.00	TRACT: 034		0.228322%
	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				
B-11240-71	T31N R8W SEC. 16 SE/4 SW/4	40.00	TRACT: 038		0.228322%
	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	
	TOTAL	100.000000		100.000000	
	REMARKS: SAN JUAN 32-8 UNIT #227				

NMNM78424B
891000446B

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES OWNERSHIP	DILLING BLOCK	PERCENTAGE COMMITTED	PARTICIPATION FACTOR
B-11240-70	T31N R8W	40.00	TRACT: 038A		0.228322%
	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	17519.12			1.00000000

SAN JUAN 32-8 UNIT

Fruitland Coal Participating Area
Working Interest Owners

Susanna P. Kelly
Bar K Ranch
PO Box 147
Cameron, MT 59720

WILLIAMS PRODUCTION COMPANY
ONE WILLIAMS CENTER
P O BOX 3102, MS 37-5
TULSA, OKLAHOMA 74101
ATTN: BARBARA BENNET

FOUR STAR OIL & GAS COMPANY
ATTN: BARBARA NELMS
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