

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

February 24, 2003

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

Attention: Mr. Skip Fraker

Re: San Juan 29-5 Unit Well No. 45 NE/4 Sec. 22-29N-5W
San Juan 29-5 Unit Well No. 49A NW/4 Sec. 9-29N-5W
Commercial Determinations
Pictured Cliffs Formation
Rio Arriba County, New Mexico

Dear Mr. Fraker:

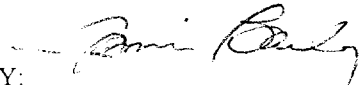
We are in receipt of your letter of July 2, 2002 and a copy of the Bureau of Land Management's letter of August 21, 2002 regarding the commercial determinations for the San Juan 29-5 Unit Well No. 45 and 49A.

We concur with the Bureau of Land Management's determination that the San Juan 29-5 Unit Well Nos. 45 and 49A are commercial wells in the Pictured Cliffs Formation and should be included in the Pictured Cliffs participating area. Please submit an application for the appropriate expansion to the Pictured Cliffs participating area.

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-Attn: Ms. Linda Vieira



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

September 9, 2002

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

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

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

RE: SAN JUAN 29-5 UNIT
#14-08-001-437
EIGHTH EXPANSION - EFFECTIVE 4-1-00
NINTH EXPANSION - EFFECTIVE 1-1-02
RIO ARriba COUNTY, NEW MEXICO
C40452, LCN 650108

Ladies and Gentlemen:

Pursuant to Section 11(a) of the San Juan 29-5 Unit Agreement #14-08-001-439, approved November 21, 1952, Phillips Petroleum Company, as Unit Operator, determined on the dates indicated below that the wells listed below were capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation. Therefore, this application for the Eighth Expansion of the Participating Area established for the Pictured Cliffs Formation is respectfully submitted for your approval as follows:

Eighth Expanded Participating Area
Effective April 1, 2000

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well No.</u>
E/2, Section 22, T29N, R5W	320.00	45

The San Juan 29-5 Unit #45 was recompleted from the Mesaverde Formation into the Pictured Cliffs Formation on March 6, 2000 with cumulative gas production of 53,280 mcf through February 28, 2002. The drillblock unit for this well is described as the E/2 of Section 22-29N-5W, Rio Arriba County, New Mexico.

This well was deemed commercial per letter dated August 21, 2002 from the Bureau of Land Management.

Ninth Expanded Participating Area
Effective January 1, 2002

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well No.</u>
W/2, Section 9, T29N, R5W	320.00	49A

The San Juan 29-5 Unit #49A was recompleted from the Mesaverde Formation into the Pictured Cliffs Formation on December 14, 2001 with cumulative gas production of 42,076 mcf through May 31, 2002. The drillblock unit for this well is described as the W/2 of Section 9-29N-5W, Rio Arriba County, New Mexico.

This well was deemed commercial per letter dated August 21, 2002 from the Bureau of Land Management.

Enclosed herewith is Schedule IX for the Eighth Expanded Participating Area and Schedule X for the Ninth Expanded Participating Area for the Pictured Cliffs Formation. These schedules describes the participating areas and indicates the percentage of unitized substances allocated to the unit tracts according to the Pictured Cliffs Formation ownership of such tracts. Also included is a map reflection the existing Participating Area and the Proposed Eighth and Ninth Expansions of the San Juan 29-5 Unit Pictured Cliffs Formation Participating Area.

Unless this application is disapproved or contested, the Eighth Expanded Participating Area is effective as of April 1, 2000 and the Ninth Expanded Participating Area is effective January 1, 2002 respective. Copies of this application are being provided to the State of New Mexico Land Office, State of New Mexico Oil and Gas Division and the Unit Working Interest Owners.

Respectfully yours,



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

cc: San Juan 29-6 Unit Owners
W. D. Jaap (r) Supervisors

The signatory approvals below are for the Eighth and Ninth Expanded Participating Areas of the Pictured Cliffs Formation in the San Juan 29-5 Unit #14-08-001-437.

Approved _____
Assistant District Manager-Minerals
Bureau of Land Management
Subject to like approval by the
Commissioner of Public Lands
And the Oil Conservation Division

Approved _____
Commissioner of Public Lands
Subject to like approval by the
Bureau of Land Management
And the Oil Conservation Division

Approved _____
Oil Conservation Division
Subject to like approval by the
Bureau of Land Management
And the Commissioner of Public Lands

**SAN JUAN 32-7 PICTURED CLIFFS
WORKING INTEREST OWNERS
DRILL BLOCK AND PARTICIPATING AREAS**

Benson-Montin-Greer Drilling Corporation

Burlington Resources Oil & Gas, Inc

Floyd Oil Company

Phillips Petroleum Company

Williams Production Company

SCHEDULE IX

EIGHTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-5 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF		DRILLING BLOCK		PERCENTAGE		PRESENT ACTUAL PARTICIPATION
		ACRES	OWNERSHIP	PERCENTAGE	COMMITTED			
USA SF-078305	<u>Township 29 North, Range 5 West</u> Sec. 6: SW/4	160.00	Royalty: Working Interest: Phillips Petroleum Company Williams Production Company Overriding Royalty Interest	12.500000	12.500000			4.7678500
	Remarks: San Juan 29-5 #81			100.000000	100.000000			
USA SF-078410	<u>Township 29 North, Range 5 West</u> Sec. 6: Lots 1, 2, 3, 4, S/2N/2, SE/4	480.88	Royalty: Working Interest: Phillips Petroleum Company Williams Production Company Overriding Royalty Interest	12.500000	12.500000			14.3297740
	Remarks: San Juan 29-5 #78			100.000000	100.000000			
USA SF-078642	<u>Township 29 North, Range 5 West</u> Sec. 9: SE/4 Sec. 10: NE/4	320.00	Royalty: Working Interest: Phillips Petroleum Company Williams Production Company Overriding Royalty Interest	12.500000	12.500000			9.5357010
	Remarks: San Juan 29-5 #102 San Juan 29-5 #104			100.000000	100.000000			

SCHEDULE IX

EIGHTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-5 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF		OWNERSHIP	PERCENTAGE		PRESENT ACTUAL PARTICIPATION
		ACRES	DRILLING BLOCK		COMMITTED		
USA SF-078917	<u>Township 29 North, Range 5 West</u> Sec. 25: Lots 1, 2, 3, 4, W/2E/2, W/2 (All)	549.16	Royalty:		12.500000	12.500000	16.3644550
			Working Interest:				
Remarks: San Juan 29-5 #87			Phillips Petroleum Company	67.650000	67.650000		
San Juan 29-5 #100			Williams Production Company	14.850000	14.850000		
San Juan 29-5 #106			Overriding Royalty Interest	5.000000	5.000000		
		100.000000			100.000000		
			<u>Tract 12</u>				
USA SF-079033	<u>Township 29 North, Range 5 West</u> Sec. 23: W/2	320.00	Royalty:		12.500000	12.500000	9.5357010
			Working Interest:				
			Burlington Resources Oil & Gas	84.500000	84.500000		
			Overriding Royalty Interest	3.000000	3.000000		
		100.000000			100.000000		
			<u>Tract 13</u>				
Remarks: San Juan 29-5 #93							
USA SF-079033	<u>Township 29 North, Range 5 West</u> Sec. 23: SE/2, E/2NE/4, SW/4NE/4	280.00	Royalty:		12.500000	12.500000	8.3437380
			Working Interest:				
			Benson-Montin-Greer	42.250000	84.500000		
			Floyd Oil Company	42.250000			
			Overriding Royalty Interest	3.000000	3.000000		
		100.000000			100.000000		
			<u>Tract 13-A</u>				
Remarks: San Juan 29-5 #94							

SCHEDULE IX

EIGHTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-5 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES		DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION	
				OWNERSHIP	PERCENTAGE			
USA SF-079944	<u>Township 29 North, Range 5 West</u>	80.00	Royalty:		<u>Tract 16</u>	12.500000	12.500000	2.3839250
	Sec. 22: S/2SE/4		Working Interest:					
			Phillips Petroleum Company	67.650000	67.650000			
			Williams Production Company	14.850000	14.850000			
			Overriding Royalty Interest	5.000000	5.000000			
Remarks: San Juan 29-5 #45								
USA SF-080069	<u>Township 29 North, Range 5 West</u>	160.00	Royalty:		<u>Tract 17</u>	12.500000	12.500000	4.7678500
	Sec. 15: SE/4		Working Interest:					
			Phillips Petroleum Company	67.650000	67.650000			
			Williams Production Company	14.850000	14.850000			
			Overriding Royalty Interest	5.000000	5.000000			
Remarks: San Juan 29-5 #97								
USA SF-080069	<u>Township 29 North, Range 5 West</u>	120.00	Royalty:		<u>Tract 17-C</u>	12.500000	12.500000	3.5758880
	Sec. 22: N/2NE/4, SE/4NE/4		Working Interest:					
			Phillips Petroleum Company	67.650000	67.650000			
			Williams Production Company	14.850000	14.850000			
			Overriding Royalty Interest	5.000000	5.000000			
Remarks: San Juan 29-5 #45								

SCHEDULE IX

EIGHTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-5 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF		DRILLING BLOCK		PERCENTAGE		PRESENT ACTUAL PARTICIPATION
		ACRES		OWNERSHIP	PERCENTAGE	COMMITTED		
USA SF-080179	<u>Township 29 North, Range 5 West</u>	160.00	Royalty:		<u>Tract 18</u>	12.500000	12.500000	4.7678500
	Sec. 9: NE/4		Working Interest:					
			Phillips Petroleum Company	67.650000	67.650000			
			Williams Production Company	14.850000	14.850000			
			Overriding Royalty Interest	5.000000	5.000000			
Remarks: San Juan 29-5 #102								
		100.000000			100.000000			8.3914170
USA SF-081114	<u>Township 29 North, Range 5 West</u>	281.60	Royalty:		<u>Tract 20</u>	12.500000	12.500000	
	Sec. 4: Lots 3, 4, S/2NW/4, W/2S/4, SE/4SW/4		Working Interest:					
			Phillips Petroleum Company	68.470000	68.470000			
			Williams Production Company	15.030000	15.030000			
			Overriding Royalty Interest	4.000000	4.000000			
Remarks: San Juan 29-5 #47A								
		100.000000			100.000000			
NM E-289-42	<u>Township 29 North, Range 5 West</u>	240.00	Royalty:		<u>Tract 22-B</u>	12.500000	12.500000	7.1517760
	Sec. 2: S/2NW/4, SW/4,		Working Interest:					
			Phillips Petroleum Company	67.650000	67.650000			
			Williams Production Company	14.850000	14.850000			
			Overriding Royalty Interest	5.000000	5.000000			
Remarks: San Juan 29-5 #107								
		100.000000			100.000000			

7.1517760

SCHEDULE IX

EIGHTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-5 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES		DRILLING BLOCK		PERCENTAGE COMMITTED		PRESENT ACTUAL PARTICIPATION
				OWNERSHIP	PERCENTAGE			
NM E-289-39	<u>Township 29 North, Range 5 West</u>	84.17	Royalty:		<u>Tract 22-E</u>	12.500000	12.500000	2.5081870
	Sec. 2: Lots 3, 4		Working Interest:					
			Phillips Petroleum Company	67.650000	67.650000			
			Williams Production Company	14.850000	14.850000			
			Overriding Royalty Interest	5.000000	5.000000			
				100.000000	100.000000			
Fee	<u>Township 29 North, Range 5 West</u>	1.00	Royalty:		<u>Tract 38-A</u>	12.500000	12.500000	0.0297990
	Sec. 22: 1 acre out of the NW/4SE/4		Working Interest:					
			Phillips Petroleum Company	71.750000	71.750000			
			Williams Production Company	15.750000	15.750000			
			Overriding Royalty Interest	0.000000	0.000000			
				100.000000	100.000000			
Fee	<u>Township 29 North, Range 5 West</u>	119.00	Royalty:		<u>Tract 38-C</u>	12.500000	12.500000	3.5460890
	Sec. 22: N/2SE/4, SW/4NE/4		Working Interest:					
	less 1 acre in the NW/4SE/4		Phillips Petroleum Company	71.750000	71.750000			
			Williams Production Company	15.750000	15.750000			
			Overriding Royalty Interest	0.000000	0.000000			
				100.000000	100.000000			
Remarks: San Juan 29-5 #45								
Remarks: San Juan 29-5 #45								

SCHEDULE IX
EIGHTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
SAN JUAN 29-5 UNIT

RECAPITULATION

TOWNSHIP 29 NORTH, RANGE 5 WEST

SECTION 2:	W/2
SECTION 4:	Lots 3, 4, S/2NW/4, W/2SW/4, SE/4SW/4
SECTION 6:	All
SECTION 9:	E/2
SECTION 10:	NE/4
SECTION 15:	SE/4
SECTION 22:	E/2
SECTION 23:	W/2, SE/4, S/2NE/4, NE/4NE/4
SECTION 25:	All

Total Acres in Participating Area:	3355.81
Total Acres Committed to Participating Area:	3355.81

SCHEDULE X

NINTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-5 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF		OWNERSHIP	PERCENTAGE		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
		ACRES	DRILLING BLOCK		PERCENTAGE	COMMITTED		
USA SF-078305	<u>Township 29 North, Range 5 West</u> Sec. 6: SW/4	160.00	Royalty: Working Interest: Phillips Petroleum Company Williams Production Company Overriding Royalty Interest	<u>Tract 4</u>	12.500000	12.500000		4.352782
Remarks:	San Juan 29-5 #81				100.000000	100.000000		
USA SF-078410	<u>Township 29 North, Range 5 West</u> Sec. 6: Lots 1, 2, 3, 4, S/2N/2, SE/4	480.88	Royalty: Working Interest: Phillips Petroleum Company Williams Production Company Overriding Royalty Interest	<u>Tract 6</u>	12.500000	12.500000		13.082287
Remarks:	San Juan 29-5 #78				100.000000	100.000000		
USA SF-078642	<u>Township 29 North, Range 5 West</u> Sec. 9: SE/4 Sec. 10: NE/4	320.00	Royalty: Working Interest: Phillips Petroleum Company Williams Production Company Overriding Royalty Interest	<u>Tract 8</u>	12.500000	12.500000		8.705564
Remarks:	San Juan 29-5 #102 San Juan 29-5 #104				100.000000	100.000000		

SCHEDULE X

NINTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-5 UNIT

SERIAL NUMBER	DESCRIPTION	DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
		NUMBER OF ACRES	OWNERSHIP	PERCENTAGE	
USA SF-078917	<u>Township 29 North, Range 5 West</u>	549.16	Royalty:	12.500000	12.500000
	Sec. 25: Lots 1, 2, 3, 4, W/2E/2, W/2 (All)		Working Interest:		
	Remarks: San Juan 29-5 #87		Phillips Petroleum Company	67.650000	67.650000
	San Juan 29-5 #100		Williams Production Company	14.850000	14.850000
	San Juan 29-5 #106		Overriding Royalty Interest	5.000000	5.000000
				100.000000	100.000000
			<u>Tract 12</u>		14.939836
USA SF-079033	<u>Township 29 North, Range 5 West</u>	320.00	Royalty:	12.500000	12.500000
	Sec. 23: W/2		Working Interest:		
			Burlington Resources Oil & Gas	84.500000	84.500000
			Overriding Royalty Interest	3.000000	3.000000
				100.000000	100.000000
			<u>Tract 13</u>		8.705564
USA SF-079033	<u>Township 29 North, Range 5 West</u>	280.00	Royalty:	12.500000	12.500000
	Sec. 23: SE/2, E/2NE/4, SW/4NE/4		Working Interest:		
			Benson-Montin-Greer	42.250000	84.500000
			Floyd Oil Company	42.250000	
			Overriding Royalty Interest	3.000000	3.000000
				100.000000	100.000000
			<u>Tract 13-A</u>		7.617369
USA SF-079944	<u>Township 29 North, Range 5 West</u>	80.00	Royalty:	12.500000	12.500000
	Sec. 22: S/2SE/4		Working Interest:		
			Phillips Petroleum Company	67.650000	67.650000
			Williams Production Company	14.850000	14.850000
			Overriding Royalty Interest	5.000000	5.000000
			<u>Tract 16</u>		2.176391

SCHEDULE X

NINTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-5 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES		DRILLING BLOCK		PERCENTAGE		PRESENT ACTUAL PARTICIPATION
				OWNERSHIP	PERCENTAGE	COMMITTED		
USA SF-080069	Remarks: San Juan 29-5 #45				100.000000	100.000000	8.705564	
	Township 29 North, Range 5 West	320.00	Royalty:	Tract 17	12.500000	12.500000		
	Sec. 9: SW/4		Working Interest:					
	Sec. 15: SE/4		Phillips Petroleum Company	67.650000	67.650000			
			Williams Production Company	14.850000	14.850000			
			Overriding Royalty Interest	5.000000	5.000000			
				100.000000	100.000000			
	Remarks: San Juan 29-5 #49A							
USA SF-080069	Township 29 North, Range 5 West	120.00	Royalty:	Tract 17-C	12.500000	12.500000	3.264587	
	Sec. 22: N/2NE/4, SE/4NE/4		Working Interest:					
			Phillips Petroleum Company	67.650000	67.650000			
			Williams Production Company	14.850000	14.850000			
			Overriding Royalty Interest	5.000000	5.000000			
	Remarks: San Juan 29-5 #45				100.000000	100.000000		
USA SF-080179	Township 29 North, Range 5 West	320.00	Royalty:	Tract 18	12.500000	12.500000	8.705564	
	Sec. 9: NE/4, NW/4		Working Interest:					
			Phillips Petroleum Company	67.650000	67.650000			
			Williams Production Company	14.850000	14.850000			
			Overriding Royalty Interest	5.000000	5.000000			
	Remarks: San Juan 29-5 #49A				100.000000	100.000000		

SCHEDULE X

NINTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-5 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES		DRILLING BLOCK		PERCENTAGE COMMITTED	PRESENT ACTUAL PARTICIPATION
				OWNERSHIP	PERCENTAGE		
USA SF-081114	<u>Township 29 North, Range 5 West</u>	281.60	Royalty:		12.500000	12.500000	7.660897
	Sec. 4: Lots 3, 4, S/2NW/4, W/2S/4, SE/4SW/4		Working Interest:				
			Phillips Petroleum Company	68.470000	68.470000		
			Williams Production Company	15.030000	15.030000		
			Overriding Royalty Interest	4.000000	4.000000		
	Remarks: San Juan 29-5 #47A				100.000000	100.000000	
NM E-289-42	<u>Township 29 North, Range 5 West</u>	240.00	Royalty:		12.500000	12.500000	6.529173
	Sec. 2: S/2NW/4, SW/4,		Working Interest:				
			Phillips Petroleum Company	67.650000	67.650000		
			Williams Production Company	14.850000	14.850000		
			Overriding Royalty Interest	5.000000	5.000000		
	Remarks: San Juan 29-5 #107				100.000000	100.000000	
NM E-289-39	<u>Township 29 North, Range 5 West</u>	84.17	Royalty:		12.500000	12.500000	2.289835
	Sec. 2: Lots 3, 4		Working Interest:				
			Phillips Petroleum Company	67.650000	67.650000		
			Williams Production Company	14.850000	14.850000		
			Overriding Royalty Interest	5.000000	5.000000		
	Remarks: San Juan 29-5 #107				100.000000	100.000000	

SCHEDULE X

NINTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION

SAN JUAN 29-5 UNIT

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES		DRILLING BLOCK		PERCENTAGE COMMITTED		PRESENT ACTUAL PARTICIPATION
				OWNERSHIP	PERCENTAGE	COMMITTED		
Fee	<u>Township 29 North, Range 5 West</u>	1.00	Royalty:		12.500000		12.500000	0.027205
	Sec. 22: 1 acre out of the NW/4SE/4		Working Interest:					
			Phillips Petroleum Company	71.750000		71.750000		
			Williams Production Company	15.750000		15.750000		
			Overriding Royalty Interest	0.000000		0.000000		
Remarks: San Juan 29-5 #45								
Fee	<u>Township 29 North, Range 5 West</u>	119.00	Royalty:		12.500000		12.500000	3.237382
	Sec. 22: N/2SE/4, SW/4NE/4		Working Interest:					
	less 1 acre in the NW/4SE/4		Phillips Petroleum Company	71.750000		71.750000		
			Williams Production Company	15.750000		15.750000		
			Overriding Royalty Interest	0.000000		0.000000		
Remarks: San Juan 29-5 #45								
					100.000000		100.000000	

Effective January 1, 2002 Total Acres 3675.81

SCHEDULE X
NINTH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
SAN JUAN 29-5 UNIT

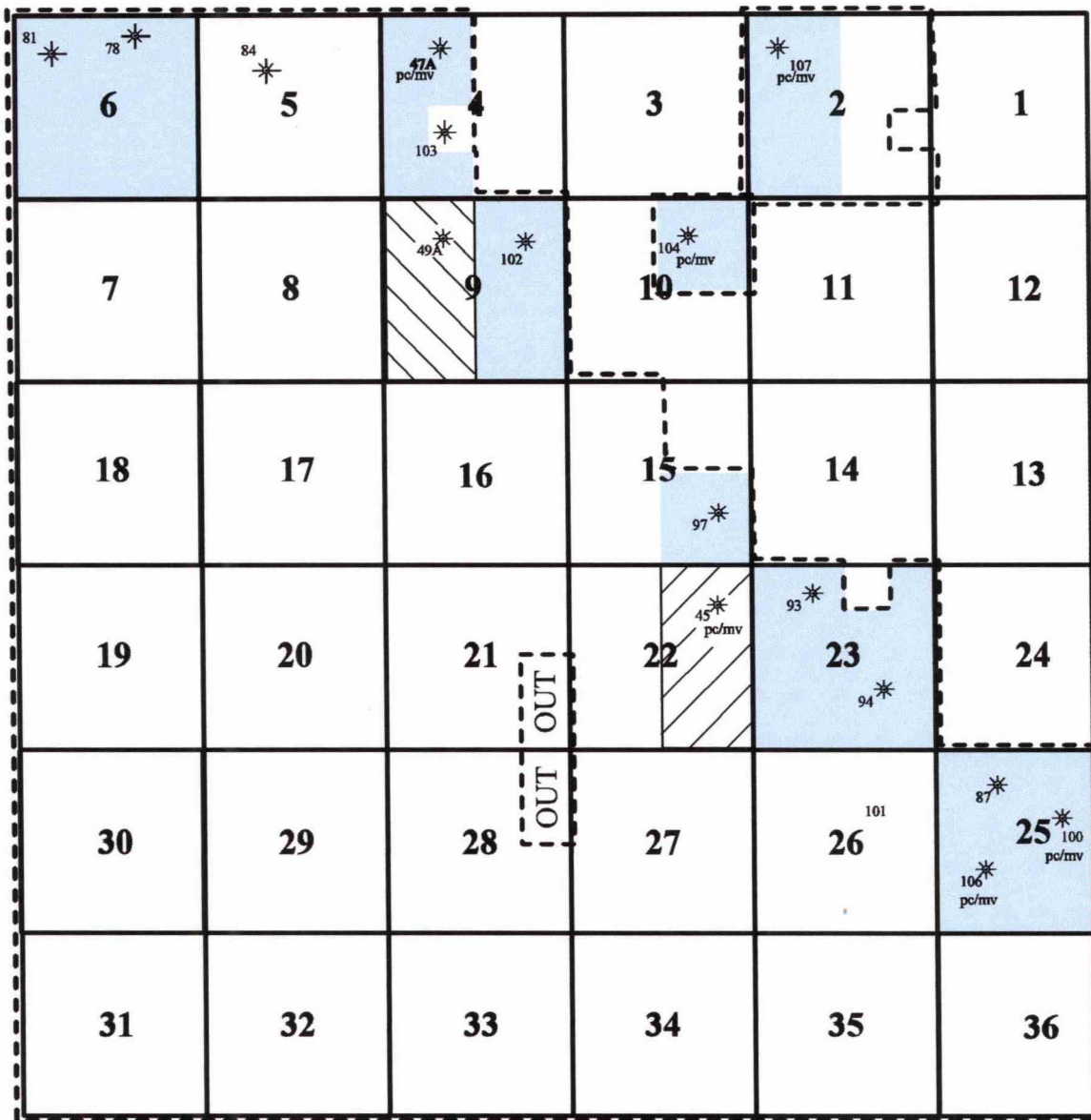
RECAPITULATION

TOWNSHIP 29 NORTH, RANGE 5 WEST

SECTION 2:	W/2
SECTION 4:	Lots 3, 4, S/2NW/4, W/2SW/4, SE/4SW/4
SECTION 6:	All
SECTION 9:	All
SECTION 10:	NE/4
SECTION 15:	SE/4
SECTION 22:	E/2
SECTION 23:	W/2, SE/4, S/2NE/4, NE/4NE/4
SECTION 25:	All

Total Acres in Participating Area:	3675.81
Total Acres Committed to Participating Area:	3675.81

TOWNSHIP 29 NORTH, RANGE 5 WEST



UNIT BOUNDARY

- * Producing Well
- * Abandoned Well
- pc/mv Pictured Cliffs/Mesaverde Commingled Well

- EXISTING PICTURED CLIFFS PARTICIPATING AREA
- 8th EXPANSION - PICTURED CLIFFS PARTICIPATING AREA - Effective 4-1-00
- 9th EXPANSION - PICTURED CLIFFS PARTICIPATING AREA - Effective 1-1-02

PHILLIPS PETROLEUM CO.

SAN JUAN 29-5 UNIT

Rio Arriba County, New Mexico

May 2, 2002



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 29-5 Unit (Pictured Cliffs PA)
3162.7 (07100)

August 21, 2002

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

RE: San Juan 29-5 Unit
Commerciality Determinations
Pictured Cliffs Formation
Rio Arriba County, New Mexico

Dear Mr. Fraker:

In response to your letter dated July 2, 2002, the Farmington Field Office (FFO) has reviewed the data you submitted for a commerciality determination for the following wells completed in the Pictured Cliffs formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 29-5 Unit #45	E/2 Sec.22,T29N,R5W	NMSF080069	3/6/00	Commercial
San Juan 29-5 Unit #49A	W/2 Sec.9,T29N,R5W	NMSF080179	12/14/01	Commercial


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

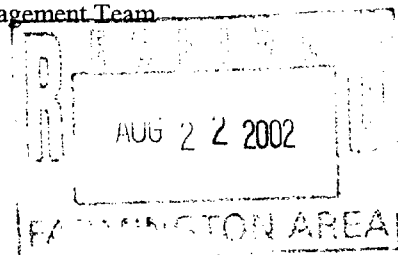
The wells were determined to be commercial in the Pictured Cliffs formation and are to be included in the Pictured Cliffs participating area. It is required that revisions be submitted to include these wells in the San Juan 29-5 Unit Pictured Cliffs Participating Area.

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, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*

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

Sincerely,


Wayne Townsend
Petroleum Engineer
Petroleum Management Team





PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

July 2, 2002

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

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

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

RE: SAN JUAN 29-5 UNIT
#14-08-001-437
COMMERCIALITY DETERMINATION
SAN JUAN 29-5 UNIT #45
E/2 SECTION 22, T29N, R5W
SAN JUAN 29-5 UNIT #49A
W/2 SECTION 9, T29N, R5W
RIO ARriba COUNTY, NEW MEXICO
C40452, 650108, 650505, 650563

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-5 Unit Agreement, #14-08-001-437, Phillips Petroleum Company (Phillips) has determined that the San Juan 29-5 Unit #45 and 49A wells are capable of producing unitized substances in paying quantities from the Pictured Cliffs formation. Phillips requests confirmation of these paying well determinations. A summary of production and economic data is enclosed for these wells.

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

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

Respectfully yours,

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

**SAN JUAN 29-5 UNIT
PICTURED CLIFFS PARTICIPATING AREA OWNERS
& PICTURED CLIFFS DRILL BLOCK OWNERS**

PHILLIPS PETROLEUM COMPANY
WILLIAMS PRODUCTION COMPANY

Phillips Petroleum Company

Commerciality Determination

San Juan 29-5 Unit #45
Pictured Cliffs
NE/4 Section 22, 29N-5W
Rio Arriba Co., NM

This well was completed in the Pictured Cliffs in February 2000 by Phillips Petroleum Company.

Actual costs for this well were used in this determination.

Average operating expenses for year 2000 & 2001 for the SJ 29-5 Unit #45 Pictured Cliffs was used in this determination.

Year 2001 gas price for the SJ 29-5 Unit #45 Pictured Cliffs, with transportation costs removed was used in this determination.

Recommend that this well be determined commercial.

Actual Production

Month	Production
Mar-00	2,212 MCF
Apr-00	3,510 MCF
May-00	1,754 MCF
Jun-00	918 MCF
Jul-00	765 MCF
Aug-00	1,213 MCF
Sep-00	1,400 MCF
Oct-00	1,206 MCF
Nov-00	1,135 MCF
Dec-00	1,202 MCF
Jan-01	1,171 MCF
Feb-01	918 MCF
Mar-01	1,283 MCF
Apr-01	3,019 MCF
May-01	3,653 MCF
Jun-01	3,161 MCF
Jul-01	3,654 MCF
Aug-01	3,024 MCF
Sep-01	3,191 MCF
Oct-01	3,184 MCF
Nov-01	3,083 MCF
Dec-01	2,292 MCF
Jan-02	3,260 MCF
Feb-02	3,072 MCF

Phillips Petroleum Company

Commerciality Determination

San Juan 29-5 Unit #45
Pictured Cliffs
NE/4 Section 22, 29N-5W
Rio Arriba Co., NM

Date of First Delivery:	<u>03/24/00</u>
Total Well Costs:	<u>\$277,570</u>
2001 Avg. Gas Price (\$/mcf):	<u>\$3.03</u>
BLM Royalty:	<u>12.5%</u>
Production Taxes:	<u>9.14%</u>

Estimated Gross Annual Production and Operating Expenses

Period	Year	Gas MCF	Operating Expense, \$
1	2000	15,315	6,400
2	2001	31,633	7,680
3	2002	28,810	7,680
4	2003	25,020	7,680
5	2004	21,910	7,680
6	2005	19,470	7,680
7	2006	17,460	7,680
8	2007	15,820	7,680
9	2008	14,380	7,680
10	2009	13,180	7,680
11	2010	12,140	7,680
12	2011	11,280	7,680
13	2012	10,460	7,680
14	2013	9,740	7,680
15	2014	9,120	7,680
16	2015	8,610	7,680
17	2016	8,080	7,680
18	2017	7,630	7,680
19	2018	7,220	7,680
20	2019	6,880	7,680
Remaining		53,700	
Total		<u>347,858</u>	

30039075960000(2)

SAN JUAN 29 5 UNIT - 45

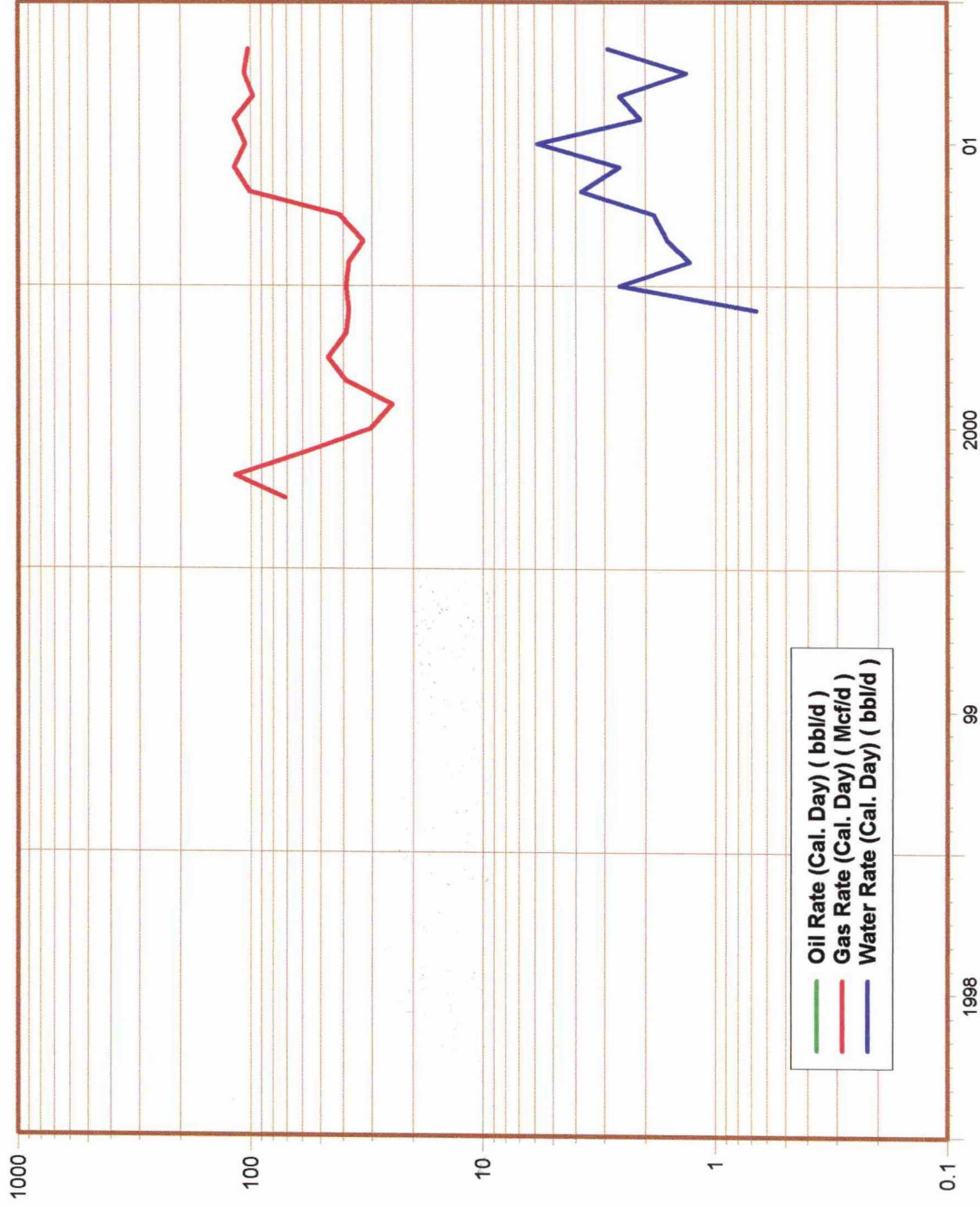
API - 30039075960000

GOVERNADOR - PICTURED CLIFFS

PHILLIPS PETROLEUM COMPANY

Cum. Gas Production : 41.6 MMcf

Cum. Oil Production : 0.0 Mbbl



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

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

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

May 21, 2002

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

Attention: Mr. Skip Fraker

Re: San Juan 29-5 Unit Well No. 72M
Non-Commercial Determination
Dakota Formation
Rio Arriba County, New Mexico

Dear Mr. Fraker:

We are in receipt of your letter of March 7, 2002 and a copy of the Bureau of Land Management's letter of April 23, 2002 regarding the non-commercial determination for the San Juan 29-5 Unit Well No. 72M, located in the N/2 of Section 17, Township 29 North, Range 5 West.

We concur with the Bureau of Land Management's determination that the San Juan 29-5 Unit Well No. 72M is a non-commercial well in the Dakota Formation and the production from this well should be produced on a lease basis.

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

Very truly yours,

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

BY: *Anthony H. Nail*

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-Attn: Mr. Kurt McFall



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

March 7, 2002

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

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

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

RE: SAN JUAN 29-5 UNIT
#14-08-001-437
COMMERCIALITY DETERMINATION
SAN JUAN 29-5 UNIT #72M
RIO ARriba COUNTY, NEW MEXICO
C40452

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-5 Unit Agreement, #14-08-001-437, Phillips Petroleum Company (Phillips) has determined that the San Juan 29-5 Unit #72M well is capable of producing unitized substances in paying quantities from the Dakota formation. Phillips requests confirmation of this paying well determination. A summary of production and economic data is enclosed for the wells.

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 schedule 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: Ben Foster

**SAN JUAN 29-5 UNIT
DAKOTA OWNERS**

PHILLIPS PETROLEUM COMPANY

BOLACK MINERALS COMPANY

BP-AMOCO

BURLINGTON RESOURCES OIL & GAS, INC

CHARLES GAY

LORRAYN GAY

MAYDELL MILLER MAST TRUST

CARL McELVAIN ESTATE

JAMES RAYMOND

TH McELVAIN OIL & GAS LIMITED PARTNERSHIP

VAUGHAN-McELVAIN ENERGY INC

WISER OIL COMPANY

Phillips Petroleum Company
Commerciality Determination

San Juan 29-5 Unit #72M
Dakota
NW/4 Section 17, 29N-5W
Rio Arriba Co., NM

This well was drilled in January 2001 and completed in the Dakota in February 2001 by Phillips.

Actual well costs for this well were used in this determination.

Average 2001 operating expenses for the SJ 29-5 Unit Dakota PA wells were used in this determination.

The gas price is an average for 2001 for the 29-5 Unit Dakota PA wells, with transportation costs removed.

Recommend that this well be determined commercial.

Actual Production

Month	Production
Mar-01	4,369 MCF
Apr-01	2,123 MCF
May-01	1,938 MCF
Jun-01	1,521 MCF
Jul-01	1,395 MCF
Aug-01	1,272 MCF
Sep-01	1,226 MCF
Oct-01	1,281 MCF
Nov-01	1,168 MCF
Dec-01	1,175 MCF

Phillips Petroleum Company

Commerciality Determination

San Juan 29-5 Unit #72M

Dakota

NW/4 Section 17, 29N-5W

Rio Arriba Co., NM

Date of First Delivery:	<u>03/02/01</u>
Total Well Costs:	<u>\$359,483</u>
2001 Avg. Gas Price (\$/mcf):	<u>\$3.56</u>
BLM Royalty:	<u>12.5%</u>
Production Taxes:	<u>9.14%</u>

Estimated Gross Annual Production and Operating Expenses

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	2001	17,468 (actual)	4,000
2	2002	14,530	4,800
3	2003	13,980	4,800
4	2004	13,520	4,800
5	2005	13,000	4,800
6	2006	12,530	4,800
7	2007	12,110	4,800
8	2008	11,750	4,800
9	2009	11,340	4,800
10	2010	10,980	4,800
11	2011	10,660	4,800
12	2012	10,360	4,800
13	2013	10,030	4,800
14	2014	9,750	4,800
15	2015	9,450	4,800
16	2016	9,230	4,800
17	2017	8,950	4,800
18	2018	8,720	4,800
19	2019	8,490	4,800
20	2020	8,290	4,800
Remaining		155,862	
	Total	<u>381,000</u>	

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SAN JUAN 29 5 UNIT - 72M

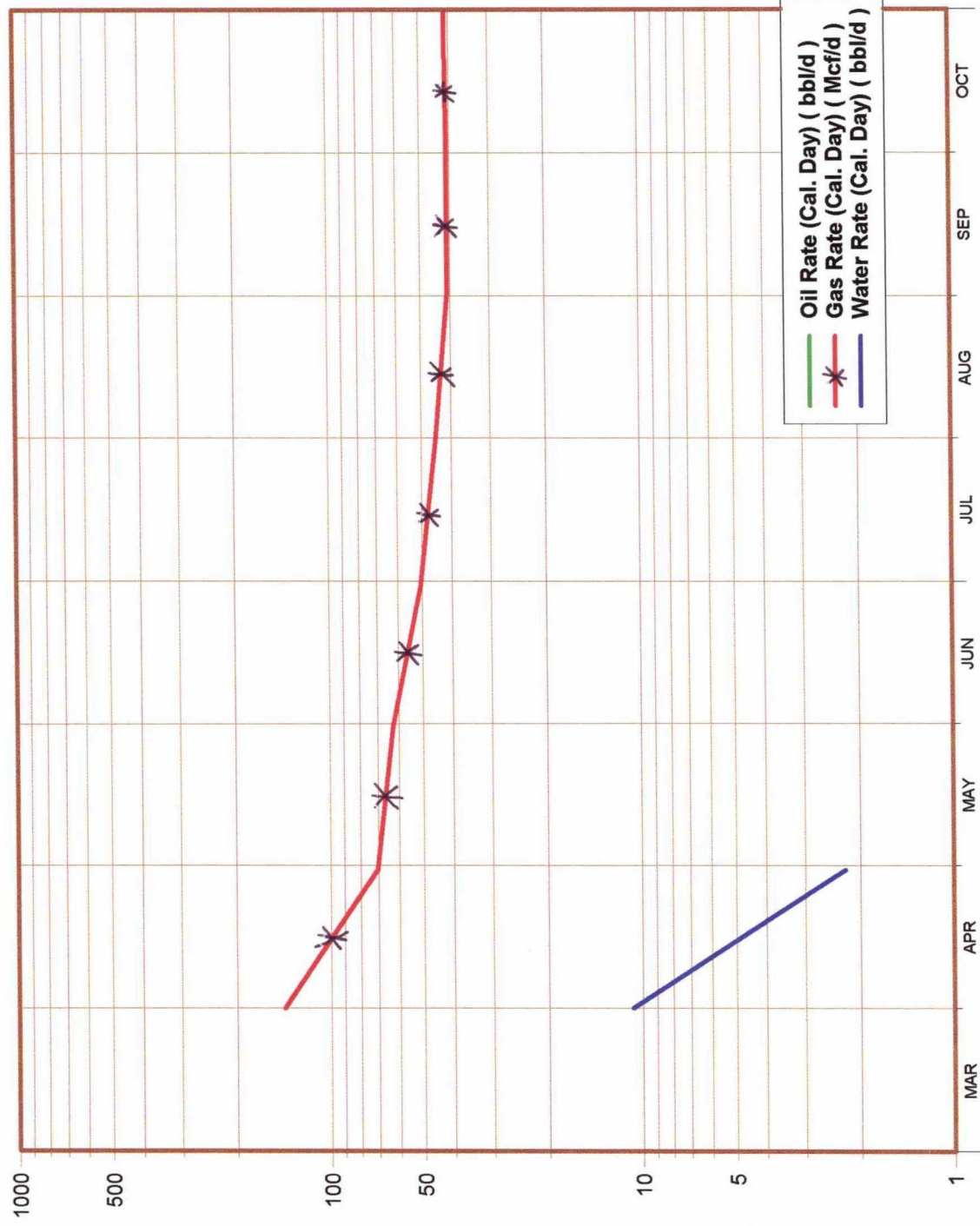
API - 30039265410000

BASIN - DAKOTA

PHILLIPS PETROLEUM COMPANY

Cum. Gas Production : 15.1 MMcf

Cum. Oil Production : 0.0 Mbbl



CASE : 65057207672D ** ECONOMICS CASE SUMMARY **
 DESCRIPTION: SJ 29-5 UNIT #72M DK COMM. ECONOMICS WORKING INT : 100.000%
 CASE REVENUE INT : 87.500% OIL REV INT : 87.500% GAS REV INT : 87.500%
 CASE LIFE -FIRST MO-YR : 1-2001 PROD MO-YR : 3-2001 LAST YEAR : 2038

MEASURES OF MERIT

NET CASH FLOW SUMMARY (M\$)

AARR (%)	:	8.1	CAPITAL OUTLAY	:	359.5
BREAKEVEN POINT (YRS.)	:	10.8	TOTAL REVENUE	:	1186.9
PAYOUT (YRS.)	:	10.6	TOTAL EXPENSES	:	290.1
NTER	:	2.5	IBRT	:	896.8
ECONOMIC LIFE (YRS.)	:	37.8	CURRENT INCOME TAX	:	
RESERVES SUMMARY			SALVAGE	:	
OIL-GROSS MBBLS	:		CASH RETURNED	:	896.8
NET MBBLS	:		CASH FLOW	:	537.3
NET REVENUE (M\$)	:		NET PRESENT VALUE (M\$)		P.I.
BBL/DAY TO PAYOUT:			@ 13.0 %:	-101.7	.72
GAS_GROSS MMCF	:	381.0	@ 10.0 %:	-48.8	.86
NET MMCF	:	333.4	@ 15.0 %:	-127.6	.65
NET REVENUE (M\$)	:	1186.9	@ 20.0 %:	-172.8	.52
MCF/DAY TO PAYOUT:		37.3			

PRESS "ENTER" TO CONTINUE...

GOWEE_CASE_SUM

65057207672D

** OIL & GAS WELL **
** ECONOMIC EVALUATION **

I. CASE LENGTH

	(MM)	(YYYY)
START MONTH AND YEAR OF CASE	: 1 :	: 2001 :
START MONTH AND YEAR OF PRODUCTION	: 3 :	: 2001 :
LAST YEAR OF THE CASE		: 2038 :
(KEEP YEAR SPREAD WITHIN 38 YEARS)		
BASE YEAR FOR MONETARY INPUT		: 2001 :
(IF OTHER THAN CURRENT YEAR)		
ENTER AN "X" IF YOU WISH THE ECONOMIC LIMIT TO BE DETERMINED FOR THIS CASE.		: :

II. CASE STRUCTURE

DO YOU WANT THE PERFORMANCE STATEMENT? (Y/N)	: Y :
DO YOU WANT THE FINANCIAL EVALUATION? (Y/N)	: Y :

KEY IN DATA AND

PRESS "ENTER" TO CONTINUE...

GOWEE_LENGTH_US

65057207672D

** OIL & GAS WELL **
** ECONOMIC EVALUATION **
MISCELLANEOUS RATES

1. WORKING INTEREST (%)	=> :	100.0000%	:
2. EITHER CASE REVENUE INTEREST (%)	=> :	87.5000%	:
OIL REVENUE (%) (IF DIFFERENT THAN	=> :	87.5000%	:
GAS REVENUE (%) CASE REVENUE INTEREST)	=> :	87.5000%	:
OR ROYALTY RATE (%)	=> :		:
3. INCOME TAX RATE (%)	=> :		:
4. PRESENT WORTH RATES(%) : 13.00 : 10.00 : 15.00 :		20.00	:
5. NUMBER OF YEARS TO CARRY TAX LOSS BACK	=> :	2	:
6. NUMBER OF YEARS TO CARRY TAX LOSS FORWARD	=> :	20	:
7. ARE THERE OTHER OWNERSHIP/ROYALTY POSITIONS? (Y,N)	=> :	N	:
8. LEASE TYPE (1-ONSHORE OIL, 2-ONSHORE GAS,	=> :	2	:
3-OFFSHORE OIL, 4-OFFSHORE GAS)			

TO USE VARIABLE RATES FOR ANY OF ITEMS 1-3,
ENTER THE BASE RATE DESIRED AND ENTER "X" HERE => : X :

PRESS "ENTER" TO CONTINUE...

GOWEE_MISC_RATE

65057207672D

** OIL & GAS WELL **
** ECONOMIC EVALUATION **

MONETARY UNITS : U. S. DOLLARS
INVESTMENT NAME: TANGIBLE EQUIPMENT

YEAR	GROSS INVESTMENT (M UNITS)	DEPR. LIFE-	YEAR OF SALVAGE	SAL. VAL. (M UNITS)	SALVAGE IND.	INVESTMENT TAX CREDIT %
2001	73.50	7YRS				
2001						
2002						
2003						
2004						
2005						
2006						
2007						
2008						
2009						

KEY IN AMOUNTS AND
PRESS "ENTER" TO CONTINUE...

GOWEE_INVESTMENT

65057207672D

** OIL & GAS WELL **

** ECONOMIC EVALUATION **

MONETARY UNITS : U. S. DOLLARS

INVESTMENT NAME: INTANGIBLE DEV COSTS

ADDITIONS TO
PROVED DEV.

YEAR	GROSS INVESTMENT (M UNITS)	RESERVES (GROSS MBBL)	DEPR. LIFE-
2001	285.98		5YRS
2001			
2002			
2003			
2004			
2005			
2006			
2007			
2008			
2009			

KEY IN AMOUNTS AND

PRESS "ENTER" TO CONTINUE...

GOWEE_INVEST_IDC

65057207672D

** OIL & GAS WELL ** REVENUE:
** ECONOMIC EVALUATION ** GAS

MONETARY UNITS : U. S. DOLLARS

SELECT PRODUCTION INPUT METHOD : 2 :

1. INITIAL PRODUCTION RATE (M UNITS/YEAR) :
WITH DECLINE RATE OF : % : AND EXPONENT OF :
AFTER PRODUCING: : % OF : : RESERVES (MMCF)
2. INPUT PRODUCTION FOR EACH YEAR
3. RATES FROM DECLINE CURVES CASE FILE
4. P7051 CASE 5. P7151 CASE 6. P3240 CASE
7. RATES FROM E8151 CASE FILE

SELECT PRICE INPUT METHOD : 1 :

1. INITIAL PRICE IN (\$/MCF) OF ... : 3.56 :
2. INPUT PRICE FOR EACH YEAR.
3. PHILLIPS CORPORATE GUIDELINE PRICE PROJECTIONS.

SELECT PRICE ESCALATION METHOD .. : 4 :

1. CONSTANT ESCALATION RATE OF : % :
2. INPUT ESCALATION RATE FOR EACH YEAR.
3. PHILLIPS CORPORATE ECONOMIC GUIDELINES.
4. NO ESCALATION SHOULD BE APPLIED.

GOWEE_REV__RATE

65057207672D

** OIL & GAS WELL **

** ECONOMIC EVALUATION **

MONETARY UNITS : U. S. DOLLARS

EXPENSE NAME : OPERATING EXPENSES

HOW RATE IS TO BE APPLIED? : 5 :

- | | | |
|------------------------------------|----------------------------|---------|
| 1. COST / UNIT OF PROD. (\$/UNIT) | 4. COST / WELL (M\$) FOR : | WELLS : |
| 2. PERCENTAGE OF REVENUE (%) | 5. COST / YEAR (M\$) | |
| 3. PERCENT OF TOTAL INVESTMENT (%) | | |

SELECT TYPE OF EXPENSE RATE INPUT : 1 :

- | | |
|-----------------------------|---------|
| 1. CONSTANT RATE OF : | 4.800 : |
| 2. INPUT RATE FOR EACH YEAR | |

SELECT ESCALATION METHOD DESIRED : 4 :

- | | |
|---|-----|
| 1. CONSTANT ESCALATION RATE OF : | % : |
| 2. INPUT ESCALATION RATE FOR EACH YEAR | |
| 3. PHILLIPS CORPORATE ECONOMIC GUIDELINES | |
| 4. NO ESCALATION SHOULD BE APPLIED. | |

KEY IN DATA AND PRESS "ENTER" TO CONTINUE...

GOWEE_EXP_OPTION

CASE : 65057207672D ** ECONOMICS CASE SUMMARY **

DESCRIPTION: SJ 29-5 UNIT #72M DK COMM. ECONOMICS WORKING INT : 100.000%

CASE REVENUE INT : 87.500% OIL REV INT : 87.500% GAS REV INT : 87.500%

CASE LIFE -FIRST MO-YR : 1-2001 PROD MO-YR : 3-2001 LAST YEAR : 2038

MEASURES OF MERIT

NET CASH FLOW SUMMARY (M\$)

AARR (%)	:	8.1	CAPITAL OUTLAY	:	359.5
BREAKEVEN POINT (YRS.)	:	10.8	TOTAL REVENUE	:	1186.8
PAYOUT (YRS.)	:	10.6	TOTAL EXPENSES	:	290.1
NTER	:	2.5	IBRT	:	896.7
ECONOMIC LIFE (YRS.)	:	37.8	CURRENT INCOME TAX	:	

RESERVES SUMMARY

SALVAGE

OIL-GROSS MBBLs	:		CASH RETURNED	:	896.7
NET MBBLs	:		CASH FLOW	:	537.3
NET REVENUE (M\$)	:		NET PRESENT VALUE (M\$)		P.I.
BBL/DAY TO PAYOUT:			@ 13.0 %:	-101.7	.72
GAS_GROSS MMCF	:	381.0	@ 10.0 %:	-48.8	.86
NET MMCF	:	333.4	@ 15.0 %:	-127.6	.65
NET REVENUE (M\$)	:	1186.8	@ 20.0 %:	-172.8	.52
MCF/DAY TO PAYOUT:		37.3			

PRESS "ENTER" TO CONTINUE...

GOWEE_CASE_SUM



State of New Mexico
Commissioner of Public Lands

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

310 OLD SANTA FE TRAIL P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

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

March 21, 1995

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

Attn: Mr. Patrick A. Noah

Re: San Juan 29-5 Unit
Fruitland Participating Area
Initial thru Fifth Expansions
2,243.72 Additional Acres

Dear Mr. Noah:

This office is in receipt of your letter of November 4, 1994 requesting approval of the Initial thru Fifth Expansions of the Fruitland Participating Area for the San Juan 29-5 Unit, Rio Arriba County, New Mexico.

The Bureau of Land Management has advised this office of their approval to these expansions by their letter of February 27, 1995.

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


- The Initial Expansion containing 320.66 acres is effective January 29, 1990.
- The First Expansion containing 320.00 acres is effective April 1, 1990.
- The Second Expansion containing 320.00 acres is effective February 1, 1992.
- The Third Expansion containing 640.22 acres is effective October 1, 1992.
- The Fourth Expansion containing 321.60 acres is effective November 1, 1992.
- The Fifth Expansion containing 321.24 acres is effective January 1, 1993.

Phillips Petroleum Company
San Juan 29-5 Unit
Fruitland PA Expansions
March 21, 1995
Page 2

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: 
JAMES B. LEWIS, Director
Oil/Gas and Minerals Division
(505) 827-5744

RP/JBL/pm

cc: Reader File
BLM-Farmington Attn: Mr. Duane Spencer
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Santa Fe Attn: Mr. Valdean Severson



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

November 15, 1994

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

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

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

Re: SAN JUAN 29-5 UNIT
#14-08-001-437
FRUITLAND PARTICIPATING AREA APPLICATION
INITIAL EXPANSION - EFFECTIVE 01/29/90
FIRST EXPANSION - EFFECTIVE 04/01/90
SECOND EXPANSION - EFFECTIVE 02/01/92
THIRD EXPANSION - EFFECTIVE 10/01/92
FOURTH EXPANSION - EFFECTIVE 11/01/92
FIFTH EXPANSION - EFFECTIVE 01/01/93

Gentlemen:

Further to the application for the San Juan 29-5 Unit Initial through Fifth Expansion of the Fruitland Formation, enclosed please find a map depicting the corresponding participating area and expansions for said Unit.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

Kathryn D. Burleson
Sr. Land Aide
Farmington Area