



May 13, 2003

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

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
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

RE: San Juan 32-7 Unit
#14-08-001-441
San Juan County, New Mexico
Second Amended 2003 Plan of Development

Ladies and Gentlemen:

By letter dated November 26, 2002 Phillips Petroleum Company (Phillips), as Unit Operator, filed the 2003 Initial Plan of Development (POD), and, by letter dated March 7, 2003 amended the Plan of Development.

It is now proposed that the POD be amended to include the addition of one (1) 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 32-7 Unit #203A	E/2 Section 22-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #206A	E/2 Section 27-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #211A	W/2 Section 35-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #217A	E/2 Section 4-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #221A	E/2 Section 8-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #229A	W/2 Section 9-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #230A	E/2 Section 17-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #232A	W/2 Section 8-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #248A	W/2 Section 8-31N-7W	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 32-7 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

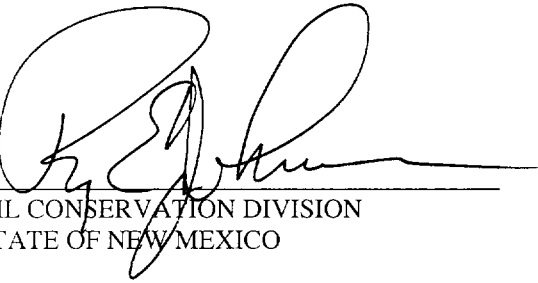
**SAN JUAN 32-7 UNIT #14-08-001-441
SECOND AMENDED 2003 PLAN OF DEVELOPMENT**

BUREAU OF LAND MANAGEMENT

DATE

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

DATE



OIL CONSERVATION DIVISION
STATE OF NEW MEXICO

5/29/03

DATE

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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OIL CONSERVATION
DIVISION

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

May 1, 2003

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

Attn: Mr. Skip Fraker

Re: 2003 Plan of Development
San Juan 32-7 Unit
San Juan County, New Mexico

Dear Mr. Fraker:

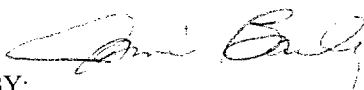
The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

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,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS



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

PL/JB/cpm
xc: Reader File

OCD

BLM

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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Fax (505) 827-5766

www.nmstatelands.org

April 1, 2003

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

Attention: Mr. Skip Fraker

Re: San Juan 32-7 Unit
San Juan County, NM
Pictured Cliffs Participating Area
Eleventh Expansion – Effective 12/1/1999

Dear Mr. Fraker:

We are in receipt of your letter of July 10, 2000 and July 31, 2001 together with your application for approval of the Eleventh expansion to the Pictured Cliffs participating area for the San Juan 32-7 Unit, San Juan County, New Mexico.

The Bureau of Land Management approved the above referenced expansion by their letter of January 10, 2003.

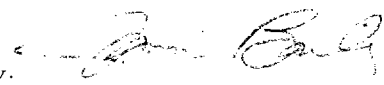
The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced Pictured Cliffs participating area expansion.

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

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
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SANTA FE, NEW MEXICO 87504-1148

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MAR 12 2003
OIL, GAS AND MINERALS
DIVISION

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

March 11, 2003

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

Attention: Mr. Skip Fraker

Re: San Juan 32-7 Unit
San Juan County, NM
Fruitland Participating Area
Twenty First Expansion – Effective 5/1/1999
Twenty Second Expansion – Effective 6/1/1999

Dear Mr. Fraker:

We are in receipt of your letter of October 30, 2001 together with your application for approval of the Twenty First and Twenty Second expansions to the Fruitland participating area for the San Juan 32-7 Unit, San Juan County, New Mexico.

The Bureau of Land Management approved the above referenced expansions by their letter of December 5, 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



March 7, 2003
Oil Conservation Division

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

March 7, 2003

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

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State of New Mexico
PO Box 1148
Santa Fe, New Mexico 87501-1148

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

RE: San Juan 32-7 Unit
#14-08-001-441
San Juan County, New Mexico
First Amended 2003 Plan of Development

Ladies and Gentlemen:

By letter dated November 26, 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 one (1) 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 32-7 Unit #209A	E/2 Section 35-32N-7W	Fruitland Coal	Drill

The Fruitland Coal drillblock for this well is 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 32-7 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,

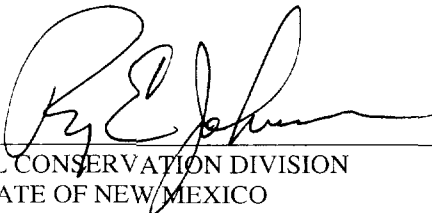
Skip Fraker
Coalbed Methane Land Analyst
ConocoPhillips
San Juan /Rockies Business Unit
(832) 486-2392

BUREAU OF LAND MANAGEMENT

DATE

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

DATE



OIL CONSERVATION DIVISION
STATE OF NEW MEXICO

3/14/03

DATE



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

January 31, 2002

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Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

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1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

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

RE: SAN JUAN 32-7 UNIT
#14-08-001-441
San Juan County, New Mexico
2002 Plan of Development
Contract C40463

Ladies and Gentlemen:

By letter dated February 19, 2001, Phillips Petroleum Company (Phillips) as Unit Operator filed the 2001 Plan of Development (POD). The initial POD indicated five (5) wells were planned to be drilled. The POD was then amended by letter dated April 5, 2001 (First Amendment). The First Amendment added one (1) well to be drilled; however a review of that letter showed that the well named in the said First Amendment, was already listed on the initial POD. 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>	<u>Operation</u>
San Juan 32-7 Unit #39B	W/2 Section 23-32N-7W	Pictured Cliffs	Drill
San Juan 32-7 Unit #35M	W/2(MV), N/2(DK) Section 22-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #44M	E/2(MV), S/2(DK) Section 22-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #243	W/2 Section 19-32N-7W	Fruitland Coal	Drill

The #35M and the #44M wells were drilled as infill commingle wells in both the Mesaverde and Dakota Participating Areas. The #243, well is a Fruitland Coal drill block well and the #39B is a Pictured Cliffs drill block well.

The following wells were recompleted on a drill block basis in 2001:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-7 Unit #10	W/2 Section 32-32N-7W	Pictured Cliffs	Recompletion
San Juan 32-7 Unit #19	* Section 4-31N-7W	Pictured Cliffs	Recompletion
San Juan 32-7 Unit #41A	W/2 Section 7-32N-7W	Pictured Cliffs	Recompletion

*Dedicated acreage is described as Lot 6, NW/4SE/4, E/2SW/4 of Section 4, T31N-R7W (Special pool rules)

2001 Summary-There were two (2) Mesaverde/Dakota downhole commingled wells, one (1) Mesaverde/Pictured Cliffs downhole commingled well, and one (1) Fruitland Coal well drilled. Three (3) Mesaverde wells were recompleted in the Pictured Cliffs; two (2) of which were commingled and one (1) dualled. There were no approved expansions in the San Juan 32-7 Participating Areas. All downhole commingle, dualled and recompletion operations were conducted in accordance with existing regulatory parameters.

The Participating Areas which have been established in the 32-7 Unit are:

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Twentieth	12/1/98
Pictured Cliffs	Tenth	11/1/98
Mesaverde	Twenty-Third	1/1/82
Dakota	Third	5/1/81

Pursuant to Section 10 of the San Juan 32-7 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 32-7 Unit #245	E/2(FC) Section 17-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #202R	W/2(FC) Section 18-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #43M	E/2(MV) & SE/4(PC)Section 21-32N-7W	Mesaverde/Pictured Cliffs	Drill
San Juan 32-7 Unit #24M	W/2(MV) & NW/4(PC)Section 21-32N-7W	Mesaverde/Pictured Cliffs	Drill **

**The W/2 NW/4 of Section 21 is not dedicated to the San Juan 32-7 Unit

The San Juan 32-7 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 Bell
Senior Land Specialist
San Juan Area
(505) 599-3410

cc: Mike Campbell (r) C40463

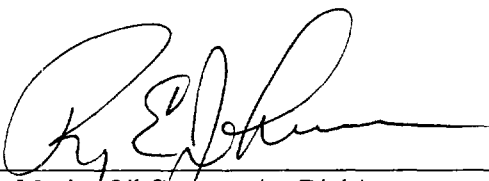
**SAN JUAN 32-7 UNIT #14-08-001-441
2002 INITIAL PLAN OF DEVELOPMENT**

Bureau of Land Management

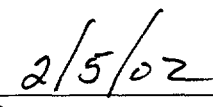
Date

New Mexico Commissioner of Public Lands

Date

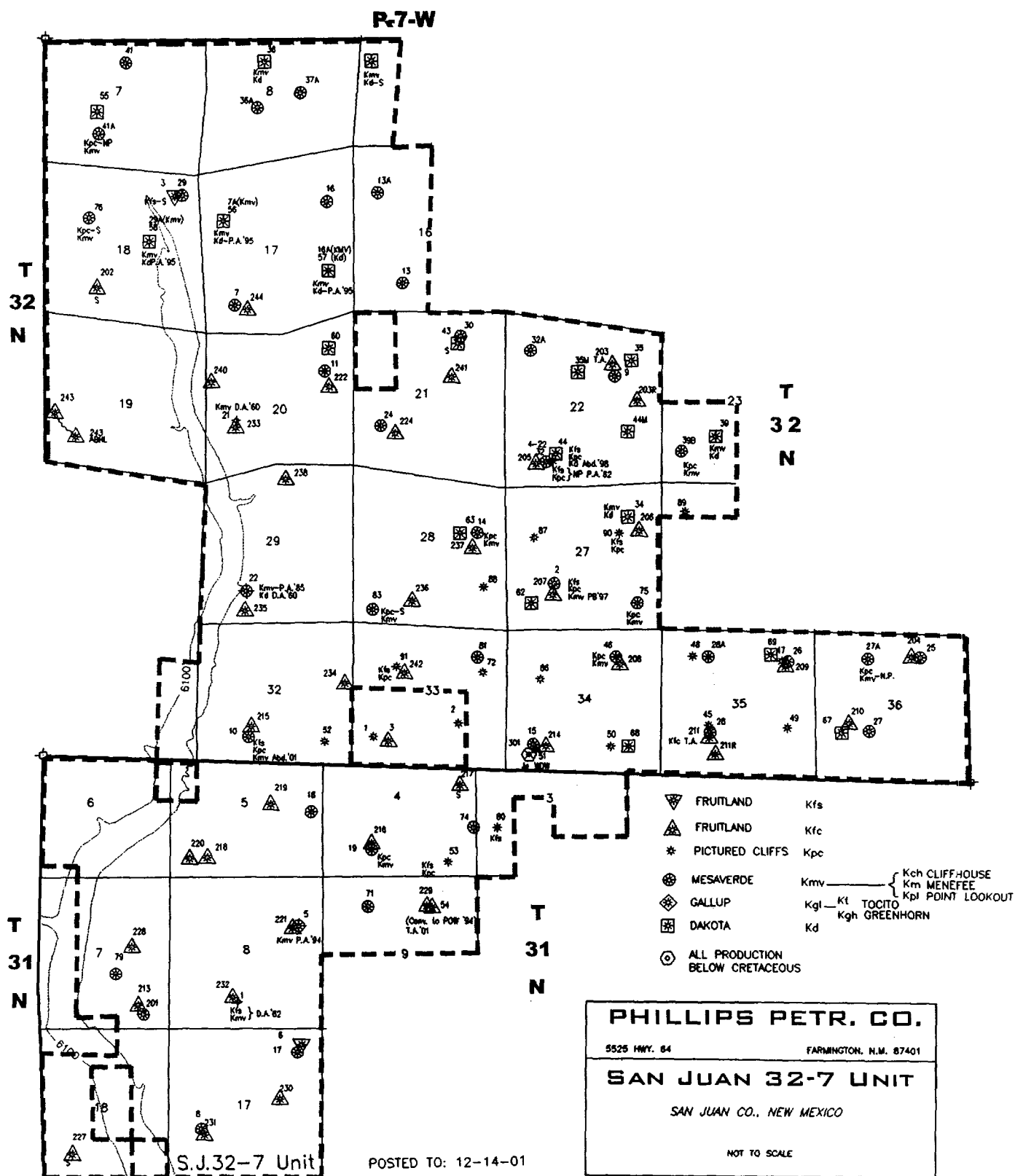


New Mexico Oil Conservation Division



Date

cc: San Juan 31-6 Unit Owners
Michael L. Campbell (r) C40463
W. D. Jaap (r) local supervisors





PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

January 11, 2002

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Farmington, New Mexico 87401
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State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

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

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
Rio Arriba County, New Mexico
2002 Plan of Development - Correction
Contract C40453

Gentlemen:

By letter dated December 21, 2001, I sent the above captioned Plan of Development. I inadvertently brought forward the San Juan 29-6 #107M to the list of wells drilled in 2001. This well was not drilled and is not in our plans for 2002.

Please replace the original page one (1) with the enclosed corrected copy of page one (1).

I apologize for any inconvenience caused by the error.

Respectfully yours,

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

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



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

December 21, 2001

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

Farmington, New Mexico 87401
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State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

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

RE: SAN JUAN 29-6 UNIT
#14-08-001-439
Rio Arriba County, New Mexico
2002 Plan of Development
Contract C40453

Gentlemen:

By letter dated January 10, 2001, Phillips Petroleum Company (Phillips) as Unit Operator filed the 2001 Plan of Development (POD), which was amended by Phillips' letters of April 6, 2001 (First Amendment), May 24, 2001 (Second Amendment). The initial POD indicated twenty-four (24) wells were planned to be drilled in 2001 and six (6) additional wells to be recompleted, with the subsequent amendments adding thirteen (13) additional wells to be drilled. The 2001 status is shown below:

1. Attached are maps for each participating area.
2. The following wells were drilled in 2001.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
San Juan 29-6 Unit #10B	E/2 Section 2-29N-6W	Mesaverde
San Juan 29-6 Unit #10C	E/2 Section 2-29N-6W	Mesaverde
San Juan 29-6 Unit #15B	W/2 Section 2-29N-6W	Mesaverde
San Juan 29-6 Unit #15C	W/2 Section 2-29N-6W	Mesaverde
San Juan 29-6 Unit #25C	E/2 Section 32-29N-6W	Mesaverde
San Juan 29-6 Unit #70B	W/2 Section 29-29N-6W	Mesaverde
San Juan 29-6 Unit #70C	W/2 Section 29-29N-6W	Mesaverde
San Juan 29-6 Unit #73B	W/2 Section 20-29N-6W	Mesaverde
San Juan 29-6 Unit #73C	W/2 Section 20-29N-6W	Mesaverde
San Juan 29-6 Unit #76M	W/2 (MV&DK) Section 23-29N-6W	Mesaverde/Dakota
San Juan 29-6 Unit #116P	W/2 Section 27-29N-6W	Pictured Cliffs/Fruitland Coal

All of the above captioned Mesaverde and Dakota wells were drilled as infill wells in their respective Participating Areas. The #116 well had the Fruitland Coal formation added to the original Pictured Cliffs proposal for 2001 (the name was changed to #116P) and both formations were developed on a drillblock basis. The #76E was dropped and replaced with the #76M commingle. The #12B, 12C, 13B and 13C will be carried over to 2002.

3. The following wells were recompleted in 2001.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
San Juan 29-6 Unit #80	E/2 Section 24-29N-6W	Mesaverde
San Juan 29-6 Unit #95	W/2 Section 34-29N-6W	Mesaverde



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
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January 25, 2002

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State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: SAN JUAN 31-6 UNIT
#14-08-001-464
Rio Arriba County, New Mexico
2002 Plan of Development
Contract C49866

Gentlemen:

By letter dated February 19, 2001, Phillips Petroleum Company (Phillips) as Unit Operator filed the 2001 Plan of Development (POD). The initial POD indicated five (5) wells were planned to be drilled. The POD was then amended by letter dated May 24, 2001 (First Amendment). The First Amendment added two (2) wells to be drilled. 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 31-6 Unit #4M	E/2(MV & DK) Section 4-30N-6W	Mesaverde/Dakota
San Juan 31-6 Unit #6M	W/2(MV & DK) Section 1-30N-7W	Mesaverde/Dakota
San Juan 31-6 Unit #8M	W/2(MV & DK) Section 6-30N-6W	Mesaverde/Dakota
San Juan 31-6 Unit #48M	W/2(MV) & S/2(DK) Section 2-31N-6W	Mesaverde/Dakota
San Juan 31-6 Unit #51M	W/2(MV & DK) Section 5-30N-6W	Mesaverde/Dakota *

*The San Juan Unit #51M was drilled as a commingle; however downhole problems occurred and the well was completed as a Mesaverde single.

The #6M, #8M, #48M and #51M wells were drilled as infill wells in the Mesaverde Participating Area. The #4M, #6M and #8M are drill block in the DK; whereas the #48M is a DK Participating Area infill. The #20M and the #40M wells will be carried over to the 2002 drilling program. The 4M is not a MV infill, however it is in the MV Participating Area.

3. The following well was recompleted in 2001.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
San Juan 31-6 Unit #28	W/2 Section 34-31N-6W	Mesaverde

This recompletion was done on a drillblock basis.

2001 Summary-There were four (4) Mesaverde/Dakota downhole commingled wells drilled. One (1) Mesaverde well was completed as a single due to mechanical problems that prevented the well from becoming a Mesaverde/Dakota commingle. One (1) Dakota well was recompleted into the Mesaverde and downhole commingled. There was one (1) expansion of the San Juan 31-6 Dakota Participating Area. All downhole commingle and recompletion operations were conducted in accordance with existing regulatory parameters.

The Participating Areas which have been established in the 31-6 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 31-6 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 31-6 Unit #55	W/2(MV&DK) Section 27-31N-6W	Pictured Cliffs	Drill
San Juan 31-6 Unit #56	W/2(MV&DK) Section 35-31N-6W	Pictured Cliffs	Drill
San Juan 31-6 Unit #229R	W/2(MV) S/2(DK) Section 28-31N-6W	Fruitland Coal	Drill
San Juan 31-6 Unit #41M	W/2(MV&DK) Section 29-31N-6W	Mesaverde/Dakota	Drill
San Juan 31-6 Unit #220R	W/2(MV&DK) Section 33-31N-6W	Fruitland Coal	Drill
San Juan 31-6 Unit #47M	W/2(MV&DK) Section 32-31N-6W	Mesaverde/Dakota	Drill
San Juan 31-6 Unit #18M	W/2(MV&DK) Section 3-30N-6W	Mesaverde/Dakota	Drill
San Juan 31-6 Unit #20M	E/2(MV&DK) Section 3-30N-6W	Mesaverde/Dakota	Drill
San Juan 31-6 Unit #40M	E/2(MV) N/2(DK) Section 1-30N-6W	Mesaverde/Dakota	Drill

The San Juan 31-6 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) C49866

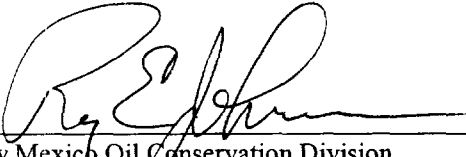
**SAN JUAN 31-6 UNIT #14-08-001-464
2002 INITIAL PLAN OF DEVELOPMENT**

Bureau of Land Management

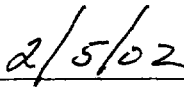
Date

New Mexico Commissioner of Public Lands

Date



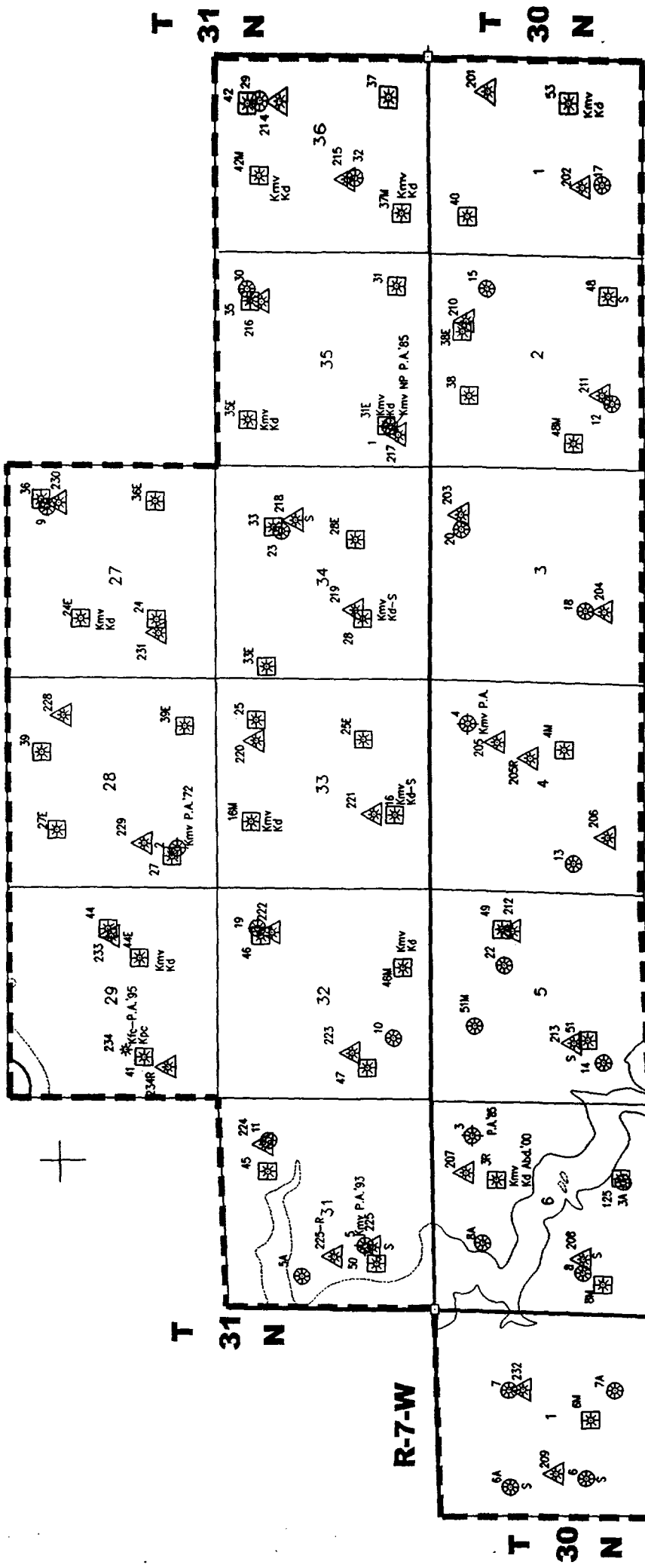
New Mexico Oil Conservation Division



Date

cc: San Juan 31-6 Unit Owners
Michael L. Campbell (r) C49866
W. D. Jaap (r) local supervisors

R-6-W



R-6-W

R-7-W

PHILLIPS PETR. CO.

5525 HWY. 64

FARMINGTON, N.M. 87401

SAN JUAN 31-6 UNIT

RIO ARRIBA CO., NEW MEXICO

NOT TO SCALE

POSTED TO: 12-14-01

- FRUITLAND Kfc
- PICTURED CLIFFS Kpc
- MESAVERDE Kmv { Kch CLIFFHOUSE, Km MENEFEE, Kpl POINT LOOKOUT
- GALLUP Kgl { Kt TOCITO, Kgh GREENHORN
- DAKOTA Kd
- ALL PRODUCTION BELOW CRETACEOUS

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 32-7 Unit
Commerciality Determinations
Pictured Cliffs Formation
San Juan County, New Mexico

Dear Mr. Fraker:

We are in receipt of your letter of August 14, 2002 and a copy of the Bureau of Land Management's letter of August 28, 2002 regarding the commerciality determinations for the San Juan 32-7 Unit Well Nos. 10, 19, and 39B.

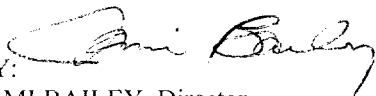
We concur with both yours and the Bureau of Land Management's determination, that the San Juan 32-7 Unit Well No. 10 (SW/4, Sec. 32-32N-7W) is a commercial well in the Pictured Cliffs formation and should be included in the Pictured Cliffs participating area. Please submit the appropriate expansion of the Pictured Cliffs participating area.

The San Juan 32-7 Unit well Nos. 19 (SW/4 Sec. 4-31N-7W) and 39B (SW/4 Sec. 23-32N-7W) are non-commercial wells in the Pictured Cliffs formation and should be produced on a lease basis.

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

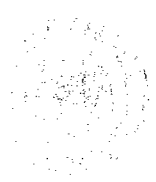
Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

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

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



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

January 16, 2003

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

Attention: Mr. Skip Fraker

Re: San Juan 32-7 Unit
Commercial Determinations
Fruitland Coal Formation
San Juan 32-7 Unit Well No. 243, W/2 Sec. 19-32N-7W
San Juan County, New Mexico

RECEIVED

JAN 21 2003

OIL & GAS
DIVISION

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 7, 2002 regarding the referenced commercial determination for the San Juan 32-7 Unit Well No. 243.

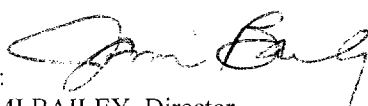
We concur with the Bureau of Land Management that the San Juan 32-7 Unit Well No. 243 is a commercial well in the Fruitland Coal formation and should be included in the Fruitland Coal participating area.

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,

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

January 31, 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
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

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

RE: SAN JUAN 32-7 UNIT
#14-08-001-441
San Juan County, New Mexico
2002 Plan of Development
Contract C40463

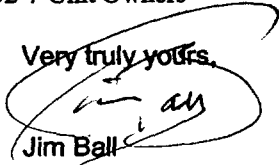
Ladies and Gentlemen:

By letter dated January 31, 2002, Phillips Petroleum Company (Phillips) as Unit Operator filed the 2002 Plan of Development (POD). This letter makes clarifications in the two areas discussed below.

In the first paragraph on page two of the said letter, the statement was made there were no approved expansions in the San Juan Participating Area. This statement is correct, no expansions have been approved. However, Phillips had submitted the 21st, 22nd, 23rd and 24th expansions in the Fruitland Coal Participating Area and the 11th expansion in the Pictured Cliffs Participating Area. Phillips is waiting for those approvals to be received.

The bottom of the third page of the POD (signatory page of Regulatory Agencies) shows copies were sent to the San Juan 31-6 Unit Owners. This should have been stated as the San Juan 32-7 Unit Owners

Very truly yours,


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

cc: San Juan 32-7 Unit Owners
Michael L. Campbell (r) C40463

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

February 15, 2002

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

Attn: Mr. Jim Bell

Re: 2002 Plan of Development
San Juan 32-7 Unit
San Juan County, New Mexico

Dear Mr. Bell:

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

August 14, 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 32-7 UNIT
#14-08-001-441
COMMERCIALITY DETERMINATION
SAN JUAN 32-7 UNIT #10
W/2 SECTION 32, T32N, R7W
SAN JUAN 32-7 UNIT #19
W/2 SECTION 4, T31N, R7W
SAN JUAN 32-7 UNIT #39B
W/2 SECTION 23, T32N, R7W
SAN JUAN COUNTY, NEW MEXICO
C40463

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 31-6 Unit Agreement, #14-08-001-464, Phillips Petroleum Company (Phillips) has determined that the San Juan 32-7 Unit #10 and 19 wells are capable of producing unitized substances in paying quantities from the Pictured Cliffs formation. Also, the San Juan 31-6 #39B is not capable of producing unitized substances in paying quantities from the Pictured Cliffs formation. Phillips requests confirmation of the appropriate paying well determinations. 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 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 32-7 UNIT
PICTURED CLIFFS PARTICIPATING AREA OWNERS**

PHILLIPS PETROLEUM COMPANY
WILLIAMS PRODUCTION COMPANY

SAN JUAN 32-7 UNIT #10 & 19 DRILL BLOCK OWNERS

PHILLIPS PETROLEUM COMPANY
WILLIAMS PRODUCTION COMPANY

Phillips Petroleum Company
Commerciality Determination

San Juan 32-7 #10
Pictured Cliffs
SW/4 Section 32 32N - 7W
San Juan County, New Mexico

This well was completed in year 2001 by Phillips Petroleum Company.

Actual costs for this well were used in the determination.

Average operating expenses from year 2002 were used in the determination.

The average gas price from year 2001 was used in the determination.

It is recommended that the well be determined commercial.

Actual Production

Month	Production
Oct-01	8 MCF
Nov-01	7,609 MCF
Dec-01	9,307 MCF
Jan-02	7,011 MCF
Feb-02	5,979 MCF
Mar-02	6,311 MCF
Apr-02	6,327 MCF
May-02	5,595 MCF

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 #10
Pictured Cliffs
SW/4 Section 32 32N - 7W
San Juan County, New Mexico

Date of First Delivery: 10/30/01

Total Well Costs: \$236,103

2001 Avg. Gas Price (\$/mcf): \$1.69

BLM Royalty: 12.5%

Production Taxes: 9.14%

Estimated Gross Annual Production and Operating Expenses

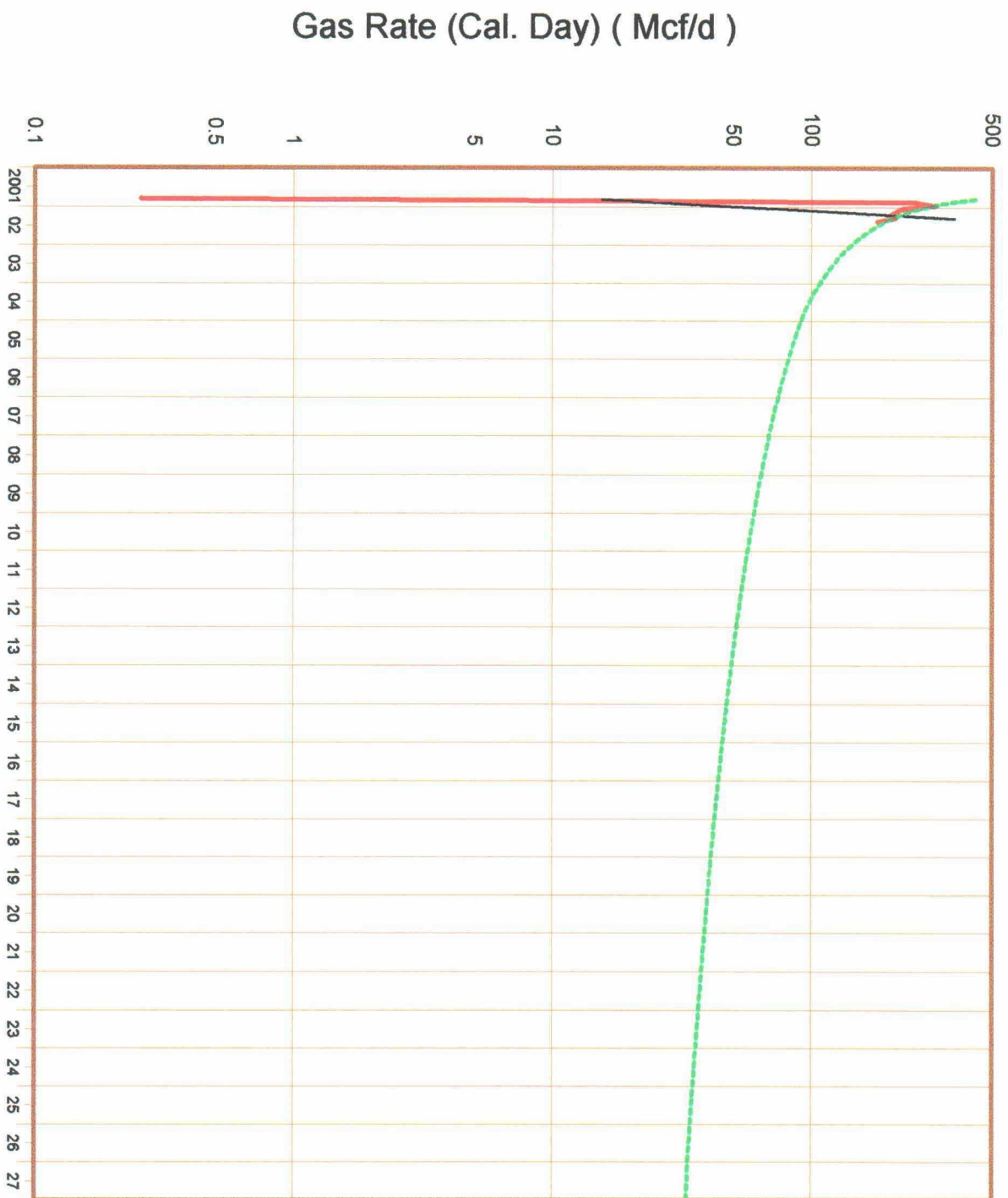
Period	Year	Gas MCF	Condensate BBLs	Operating Expense, \$
1	2001	16,924	52	14,710
2	2002	65,832	106	14,710
3	2003	44,699	84	14,710
4	2004	36,000	69	14,710
5	2005	31,429	60	14,710
6	2006	28,438	54	14,710
7	2007	26,111	48	14,710
8	2008	24,305	48	14,710
9	2009	22,685	46	14,710
10	2010	21,377	38	14,710
11	2011	20,253	36	14,710
12	2012	19,331	36	14,710
13	2013	18,416	36	14,710
14	2014	17,654	36	14,710
15	2015	16,973	36	14,710
16	2016	16,400	36	14,710
17	2017	15,796	31	14,710
18	2018	15,286	26	14,710
19	2019	14,817	24	14,710
20	2020	14,426	24	14,710
Remaining		560,170	1026	
Total		<u>1,047,322</u>	<u>1,952.0</u>	

M656502

SAN JUAN 32-7 # 10 PC

Cum. Gas Production : 104.9 MMcf

Cum. Oil Production : 0.1 Mbbl



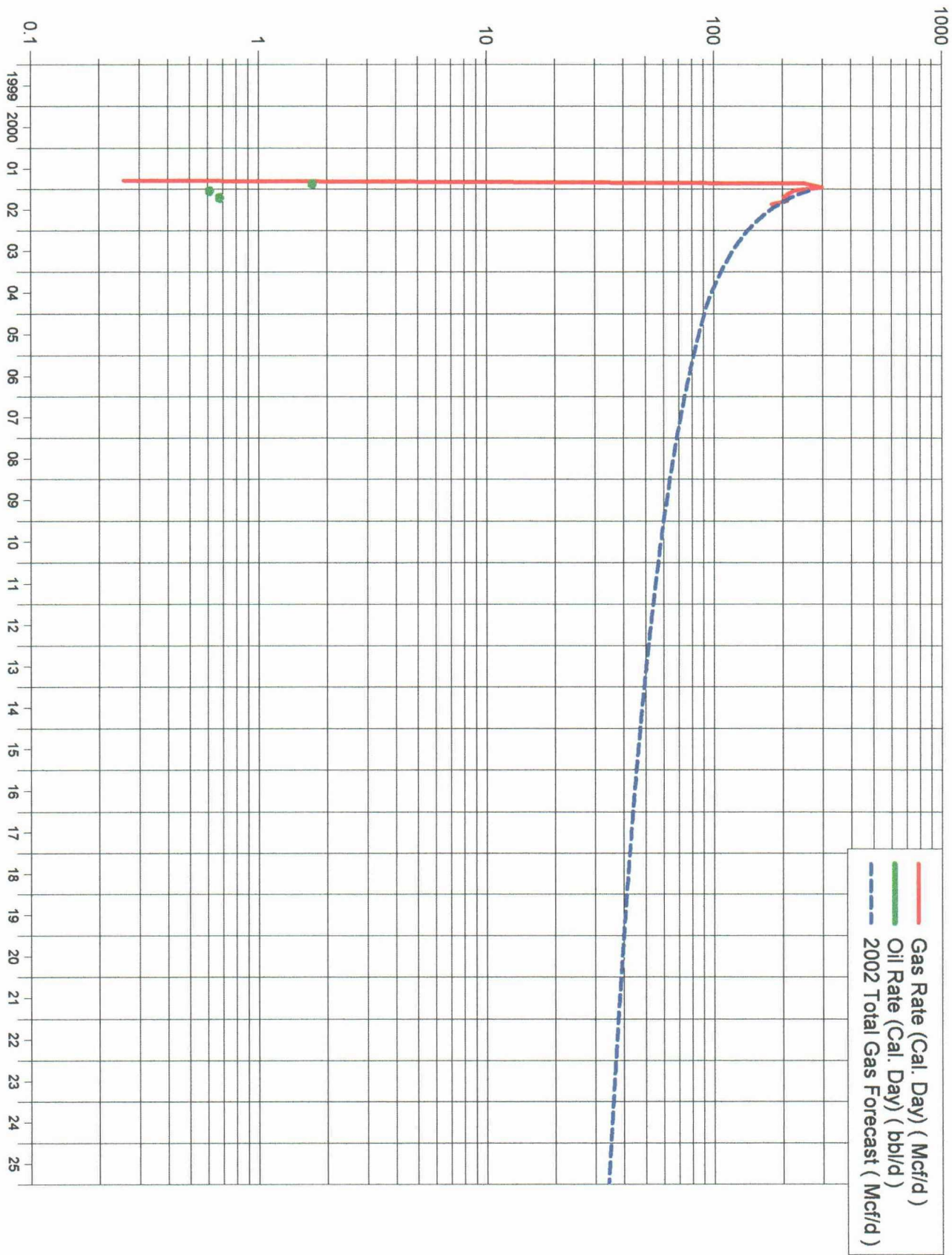
Phase	: Gas
Case Name	: RMS2002
b	: 2
Di	: 0.38 M.n.
qi	: 500 Mcf/d
ti	: 09/30/2001
te	: 09/30/2004
Econ. Limit	: 10 Mcf/d
Final Rate	: 14.0187 Mcf/d
Cum. Prod.	: 56.793 MMcf
Cum. Date	: 09/30/2001
Reserves	: 1047.26 MMcf
EUR	: 1104.05 MMcf
Forecast Limit	: Time
Forecast Date	: 08/08/2002

SAN JUAN 32-7 # 10 PC

M656502

Cum. Gas Production : 104.9 MMcf

Cum. Oil Production : 0.1 Mbbl



Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 #19
Pictured Cliffs
SW/4 Section 4 31N - 7W
San Juan County, New Mexico

This well was completed in 2001 by Phillips Petroleum Company.

Actual costs for this well were used in the determination.

Average current operating expenses for year 2002 were used in the determination.

The average gas price from year 2001 for the well was used in the determination.

It is recommended that the well be determined non-commercial.

Actual Production

Month	Production
Oct-01	2,708 MCF
Nov-01	417 MCF
Dec-01	527 MCF
Jan-02	2,264 MCF
Feb-02	2,829 MCF
Mar-02	4,756 MCF
Apr-02	2,096 MCF
May-02	4,319 MCF

Phillips Petroleum Company

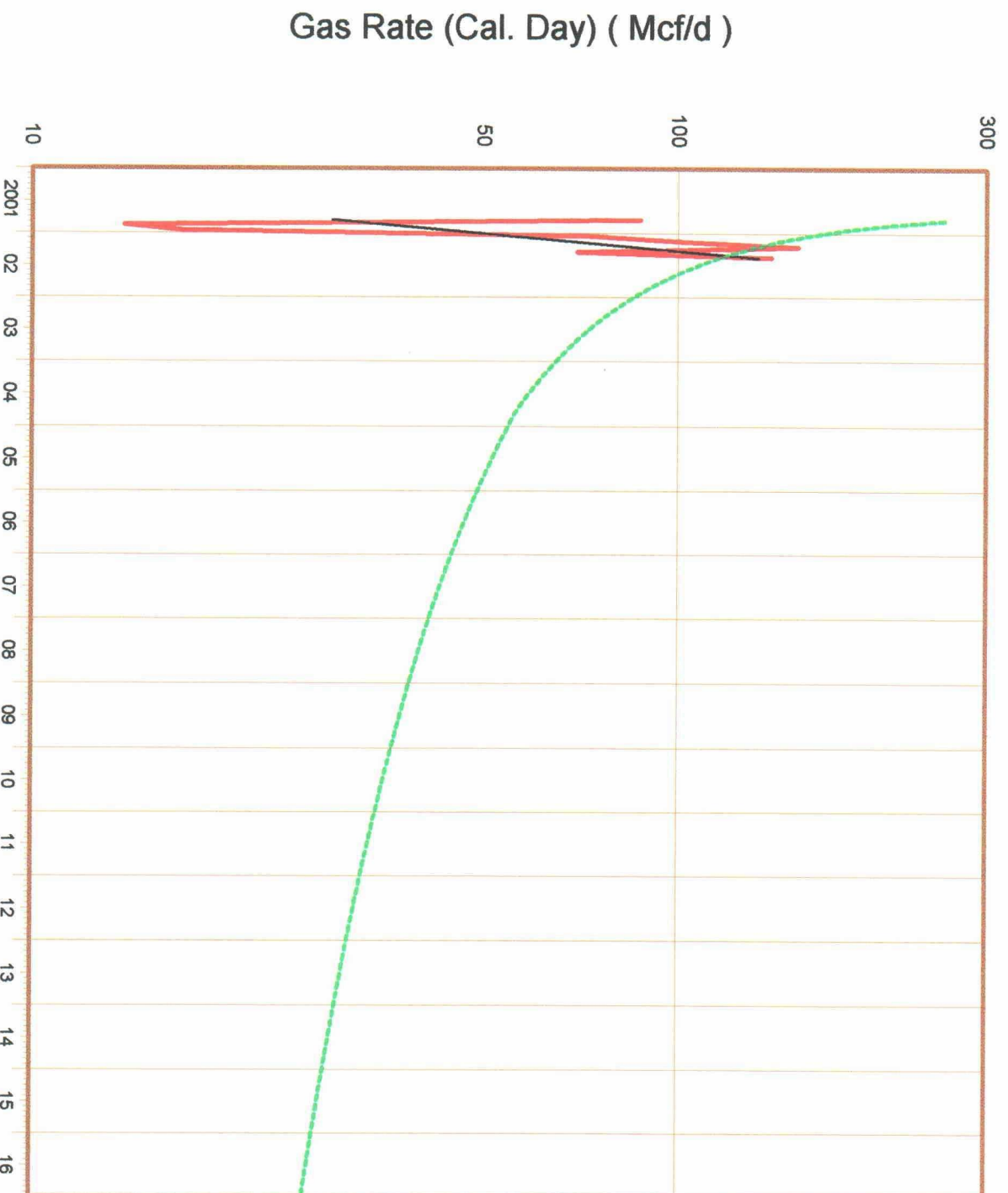
Commerciality Determination

San Juan 32-7 #19
Pictured Cliffs
SW/4 Section 4 31N - 7W
San Juan County, New Mexico

Date of First Delivery:	<u>09/11/01</u>
Total Well Costs:	<u>\$426,567</u>
2001 Avg. Gas Price (\$/mcf):	<u>\$1.16</u>
BLM Royalty:	<u>12.5%</u>
Production Taxes:	<u>9.14%</u>

Estimated Gross Annual Production and Operating Expenses

Period	Year	Gas MCF	Condensate BBLS	Operating Expense, \$
1	2001	3,652	38	13,579
2	2002	37,029	39	13,579
3	2003	26,820	50	13,579
4	2004	21,599	39	13,579
5	2005	18,856	36	13,579
6	2006	17,064	36	13,579
7	2007	15,667	29	13,579
8	2008	14,581	24	13,579
9	2009	13,611	24	13,579
10	2010	12,826	24	13,579
11	2011	12,153	24	13,579
12	2012	11,597	24	13,579
13	2013	11,053	24	13,579
14	2014	10,592	24	13,579
15	2015	10,183	24	13,579
16	2016	9,841	24	13,579
17	2017	9,478	19	13,579
18	2018	9,173	14	13,579
19	2019	8,891	12	13,579
20	2020	8,655	12	13,579
Remaining		300,925	611	
Total		<u>584,246</u>	<u>1,151.0</u>	



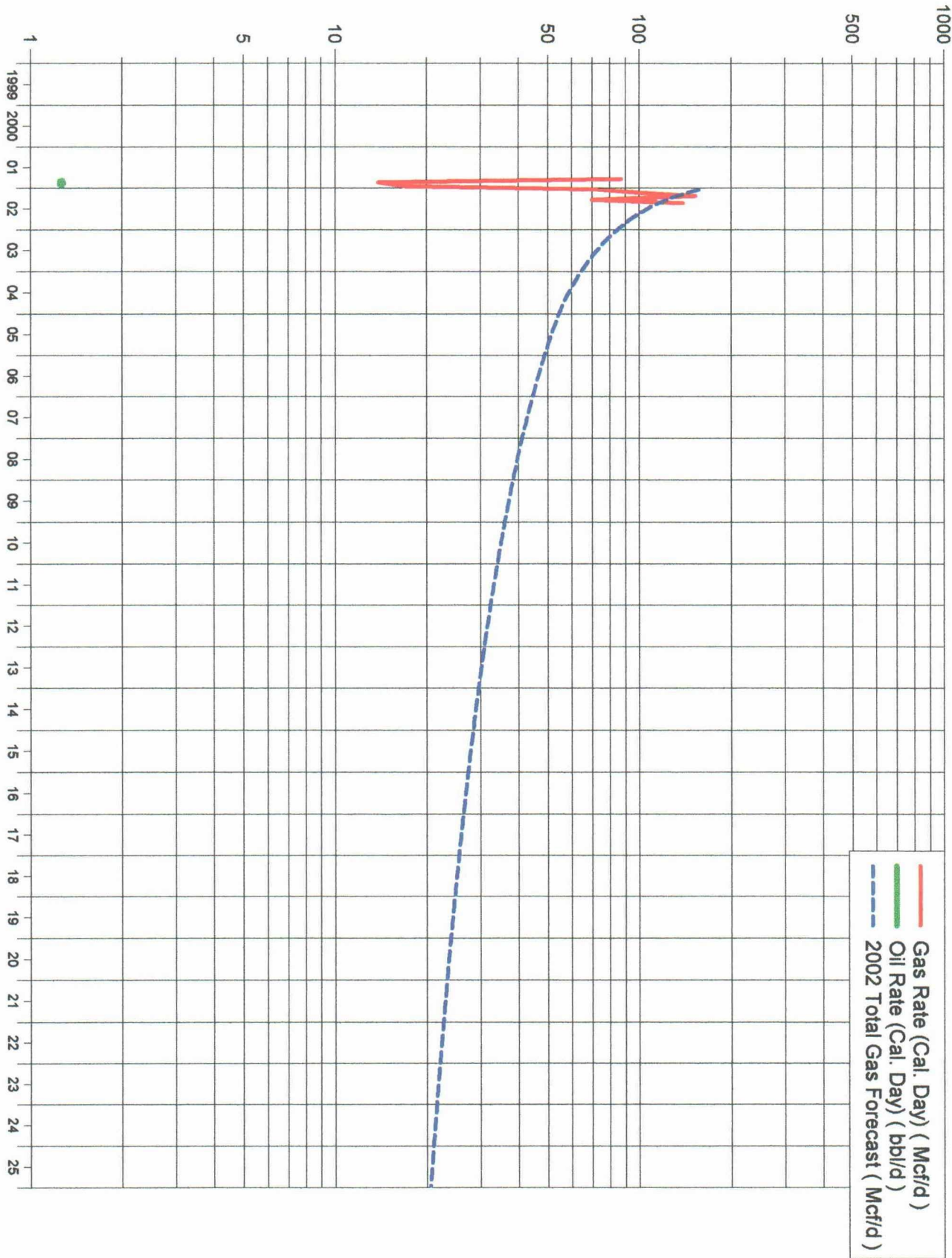
Phase	: Gas
Case Name	: RMS2002
b	: 2
Di	: 0.38 M.n.
qi	: 300 Mcf/d
ti	: 09/30/2001
te	: 09/30/2004
Econ. Limit	: 10 Mcf/d
Final Rate	: 10 Mcf/d
Cum. Prod.	: 17.084 MMcf
Cum. Date	: 09/30/2001
Reserves	: 584.539 MMcf
EUR	: 601.623 MMcf
Forecast Limit	: Economic
Forecast Date	: 08/08/2002

SAN JUAN 32-7 # 19 PC

M657202

Cum. Gas Production : 37.0 MMcf

Cum. Oil Production : 0.0 Mbbl



Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 #19
Pictured Cliffs
SW/4 Section 4 31N - 7W
San Juan County, New Mexico

This well was completed in 2001 by Phillips Petroleum Company.

Actual costs for this well were used in the determination.

Average current operating expenses for year 2002 were used in the determination.

The average gas price from year 2001 for the well was used in the determination.

It is recommended that the well be determined non-commercial.

Actual Production

Month	Production
Oct-01	2,708 MCF
Nov-01	417 MCF
Dec-01	527 MCF
Jan-02	2,264 MCF
Feb-02	2,829 MCF
Mar-02	4,756 MCF
Apr-02	2,096 MCF
May-02	4,319 MCF

Phillips Petroleum Company

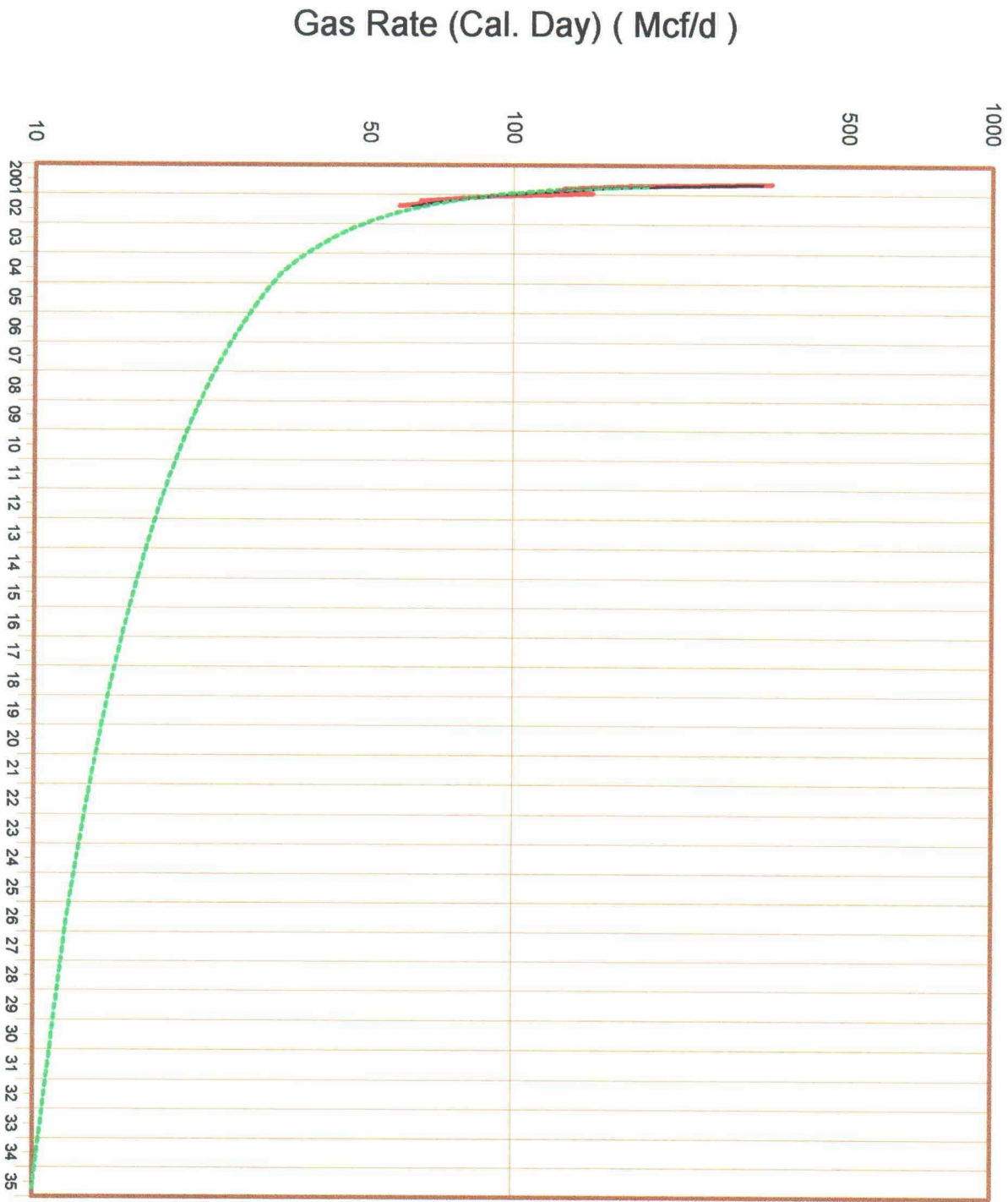
Commerciality Determination

San Juan 32-7 #19
Pictured Cliffs
SW/4 Section 4 31N - 7W
San Juan County, New Mexico

Date of First Delivery:	<u>09/11/01</u>
Total Well Costs:	<u>\$426,567</u>
2001 Avg. Gas Price (\$/mcf):	<u>\$1.16</u>
BLM Royalty:	<u>12.5%</u>
Production Taxes:	<u>9.14%</u>

Estimated Gross Annual Production and Operating Expenses

Period	Year	Gas MCF	Condensate BBLs	Operating Expense, \$
1	2001	3,652	38	13,579
2	2002	37,029	39	13,579
3	2003	26,820	50	13,579
4	2004	21,599	39	13,579
5	2005	18,856	36	13,579
6	2006	17,064	36	13,579
7	2007	15,667	29	13,579
8	2008	14,581	24	13,579
9	2009	13,611	24	13,579
10	2010	12,826	24	13,579
11	2011	12,153	24	13,579
12	2012	11,597	24	13,579
13	2013	11,053	24	13,579
14	2014	10,592	24	13,579
15	2015	10,183	24	13,579
16	2016	9,841	24	13,579
17	2017	9,478	19	13,579
18	2018	9,173	14	13,579
19	2019	8,891	12	13,579
20	2020	8,655	12	13,579
Remaining		300,925	611	
Total		<u>584,246</u>	<u>1,151.0</u>	



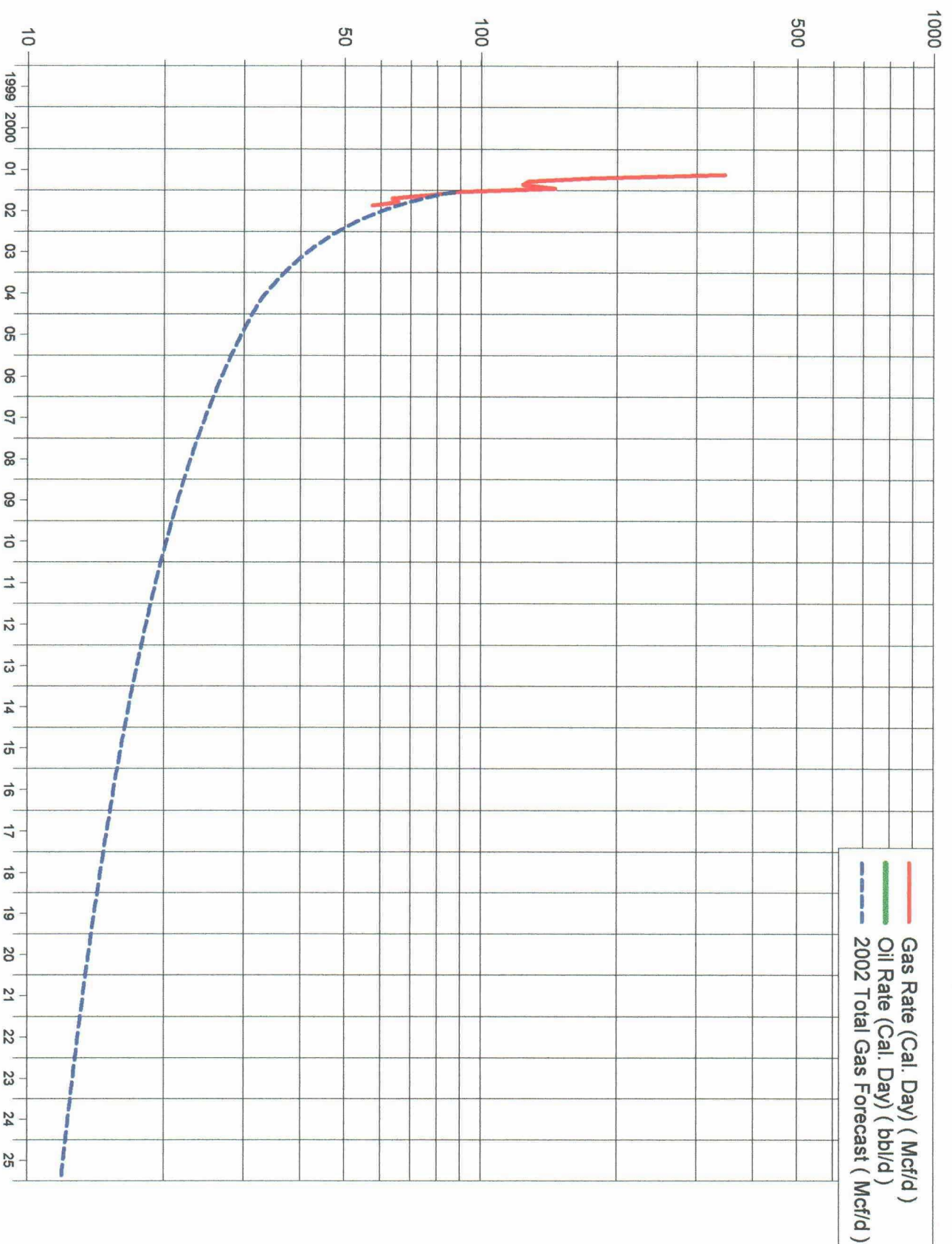
Phase	: Gas
Case Name	: RMS2002
b	: 2
Di	: 4 M.n.
qi	: 247.018 Mcf/d
ti	: 08/31/2001
te	: 08/31/2004
Econ. Limit	: 10 Mcf/d
Final Rate	: 10 Mcf/d
Cum. Prod.	: 32.331 MMcf
Cum. Date	: 08/31/2001
Reserves	: 241.408 MMcf
EUR	: 273.739 MMcf
Forecast Limit	: Economic
Forecast Date	: 08/05/2002

SAN JUAN 32-7 T-39B PC

F069502

Cum. Gas Production : 60.4 MMcf

Cum. Oil Production : * Mbbl



Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 #39B

Pictured Cliffs

SW/4 Section 23 32N - 7W

San Juan County, New Mexico

This well was completed in year 2001 by Phillips Petroleum Company.

Actual costs for this well were used in the determination.

Average operating expenses for the year 2002 were used in the determination.

The average gas price for the year 2002 was used in the determination.

It is recommended the well be determined non-commercial.

Actual Production

Month	Production
Aug-01	10,734 MCF
Sep-01	5,211 MCF
Oct-01	3,958 MCF
Nov-01	3,715 MCF
Dec-01	4,529 MCF
Jan-02	2,784 MCF
Feb-02	2,165 MCF
Mar-02	1,979 MCF
Apr-02	1,976 MCF
May-02	1,788 MCF



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

September 13, 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 Saint Francis Drive
Santa Fe, NM 87505-4000

RE: SAN JUAN 32-7 UNIT
#14-08-001-441
TWELFTH EXPANSION - EFFECTIVE 10-1-01
SAN JUAN COUNTY, NEW MEXICO
C40463, LCN 650107

Ladies and Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement #14-08-001-441, approved December 16, 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 Twelfth Expansion of the Participating Area established for the Pictured Cliffs Formation is respectfully submitted for your approval as follows:

Twelfth Expanded Participating Area
Effective October 1, 2001

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well No.</u>
W/2, Section 32, T32N, R7W	320.00	10

The San Juan 32-7 Unit #10 was drilled and completed into the Pictured Cliffs Formation on September 19, 2001 with cumulative gas production of 48,147 mcf through March 31, 2002. The drillblock unit for this well is described as the W/2 of Section 32-32N-7W, San Juan County, New Mexico.

San Juan 32-7 Unit
Twelfth Expansion - Effective 10-1-01
Pictured Cliffs Formation
September 9, 2002
Page 2

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

Enclosed herewith is Schedule XIII for the Twelfth Expanded Participating Area for the Pictured Cliffs Formation. This schedule describes the participating area and indicates the percentage of unitized substances allocated to the unit tracts according to the Pictured Cliffs Formation ownership of such tracts. Also included is a map reflection the existing Participating Area and the Proposed Twelfth Expansion of the San Juan 32-7 Unit Pictured Cliffs Formation Participating Area.

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

Respectfully yours,



Skip Fraker
Rocky Mountain/San Juan-Land Dept.
Conoco/Phillips
(505) 599-3428

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

The signatory approvals below are for the Twelfth Expanded Participating Area of the Pictured Cliffs Formation in the San Juan 32-7 Unit #14-08-001-441.

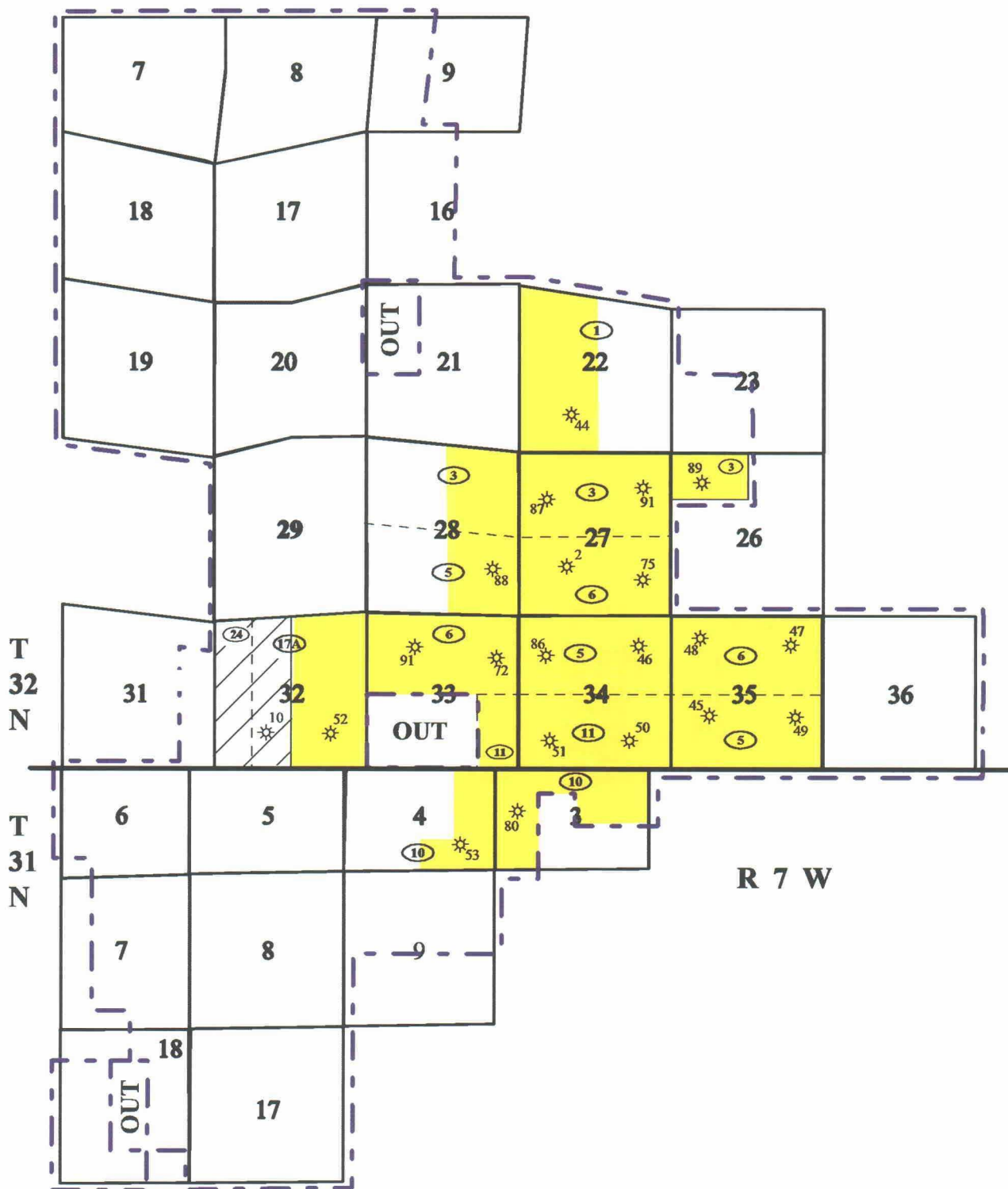
Approved _____
Assistant District Manager-Minerals
Bureau of Land Management
Subject to like approval by the
Commissioner of Public Lands
And the Oil Conservation Division

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 UNIT
TWELFTH EXPANDED PICTURED CLIFFS PARTICIPATING AREA
DRILL BLOCK AND PARTICIPATING AREA OWNERS**

Phillips Petroleum Co.
Williams Production Co.



T
32
N

T
31
N

R 7 W



**EXISTING PICTURED CLIFFS
PARTICIPATING AREA**



**12th EXPANSION - PICTURED CLIFFS
PARTICIPATING AREA - Effective 10-1-01**

PHILLIPS PETROLEUM CO.

SAN JUAN 32-7 UNIT
San Juan County, New Mexico

June 30, 2000



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 32-7 Unit (Pictured Cliffs PA)
3162.7 (07100)

August 28, 2002

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

RE: San Juan 32-7 Unit
Commerciality Determinations
Pictured Cliffs Formation
San Juan County, New Mexico

Dear Mr. Fraker:

In response to your letter dated August 14, 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 32-7 Unit #10	W/2 Sec.32,T32N,R7W	STATE	9/19/01	Commercial
San Juan 32-7 Unit #19	W/2 Sec.4,T31N,R7W	NMSF078996	9/07/01	Non-Commercial
San Juan 32-7 Unit #39B	W/2 Sec.23,T32N,R7W	NMSF078472	7/25/01	Non-Commercial

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

The well that was determined to be commercial in the Pictured Cliffs formation is to be included in the Pictured Cliffs participating area. It is required that a revision be submitted to include this well in the San Juan 32-7 Unit Pictured Cliffs Participating Area. The wells that were determined to be non-commercial are to be reported under their lease number or communitization agreement number.

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

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
Santa Fe, New Mexico 87505-4000

RE: SAN JUAN 32-7 UNIT
#14-08-001-441
COMMERCIALITY DETERMINATION
SAN JUAN 32-7 UNIT #243 WELL
SAN JUAN COUNTY, NEW MEXICO
CONTRACT C40463

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 7, 1952, Phillips Petroleum Company (Phillips), as Unit Operator, has determined that the San Juan 32-7 Unit #243 wells is capable of producing unitized substances in paying quantities from the Fruitland formation. Phillips hereby requests confirmation of this paying well determination. A summary of production and economic data is enclosed for the well.

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

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

Respectfully yours

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

**SAN JUAN 32-7 UNIT
FRUITLAND COAL OWNERS**

PHILLIPS PETROLEUM COMPANY
PHILLIPS – NEW MEXICO PARTNERS, L.P.
PHILLIPS – SAN JUAN LIMITED PARTNERSHIP
SAN JUAN LIMITED PARTNERSHIP
WILLIAMS PRODUCTION COMPANY

**SAN JUAN 32-7 #243
FRUITLAND COAL DRILLBLOCK OWNERS**

PHILLIPS PETROLEUM COMPANY
WILLIAMS PRODUCTION COMPANY

Phillips Petroleum Company

Commerciality Determination

**San Juan 32-7 Unit #243
Fruitland Coal
SW/4 Section 19 32N-7W
San Juan County, New Mexico**

Date Spud: 05/31/2001
Date of Completion: 09/24/2001
Date of First Delivery: 12/27/2001

Total Well Costs: \$550,000 {1}
Current Gas Price (\$/mcf): \$3.00 {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

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u> {4}	<u>Operating Expense, \$</u> {3}
1	2001	304	2,369
2	2002	266,051	28,426
3	2003	304,965	28,426
4	2004	271,273	28,426
5	2005	225,125	28,426
6	2006	188,861	28,426
7	2007	159,972	28,426
8	2008	136,677	28,426
9	2009	117,686	28,426
10	2010	102,050	28,426
11	2011	89,061	28,426
12	2012	78,181	28,426
13	2013	69,001	28,426
14	2014	61,200	28,426
15	2015	54,531	28,426
16	2016	48,794	28,426
17	2017	43,833	28,426
Total		<u>2,217,565</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 16 months, and then a hyperbolic decline. The forecast is considered to be a conservative forecast.

Phillips Petroleum Company

Monthly Production Data

San Juan 32-7 Unit #243
 Fruitland Coal
 SW/4 Section 19 32N-7W
 San Juan County, New Mexico

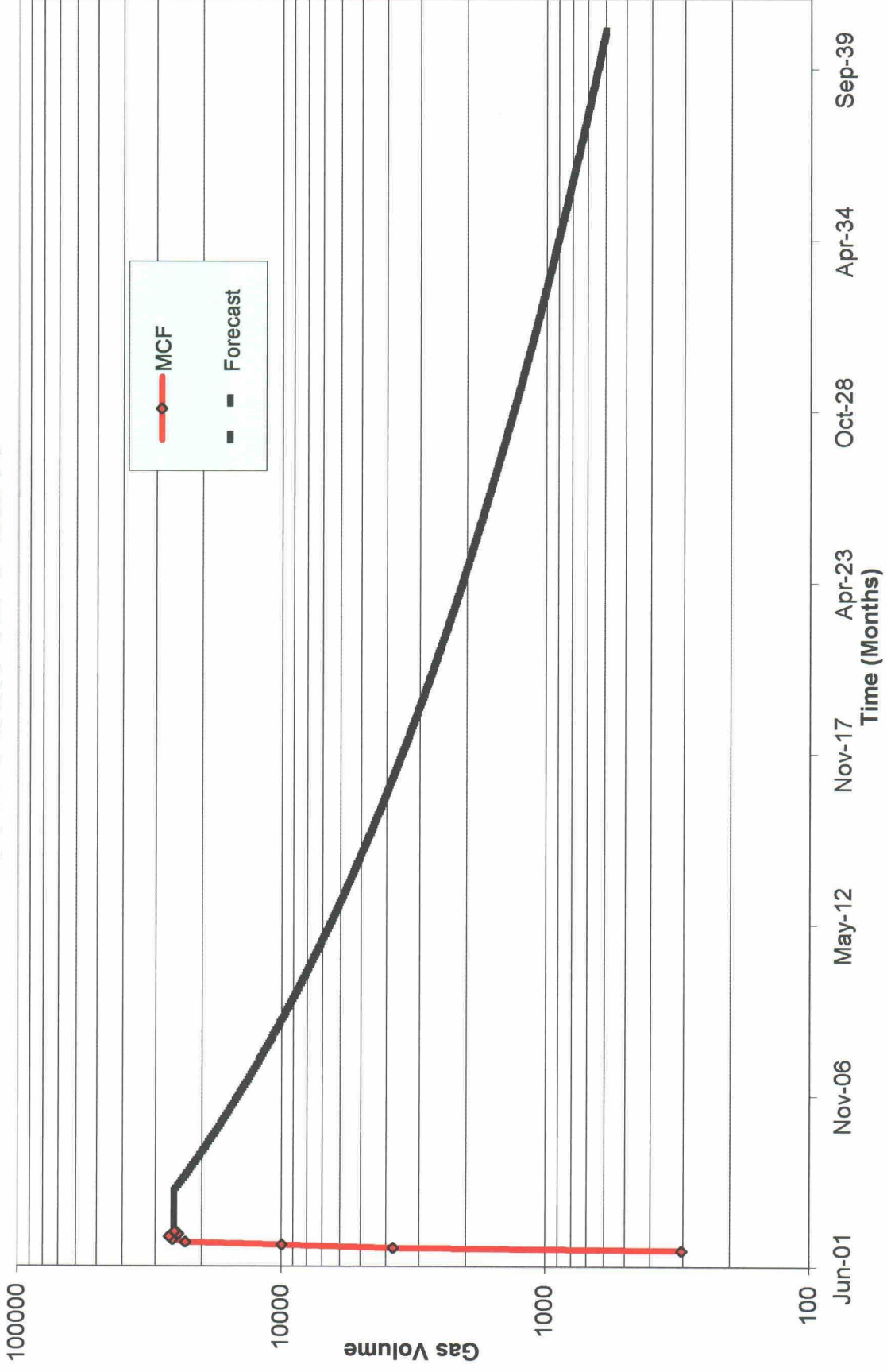
2001 Monthly Production

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
2001	Dec	304	0
1 mos. 2001		<u>304</u>	<u>0</u>

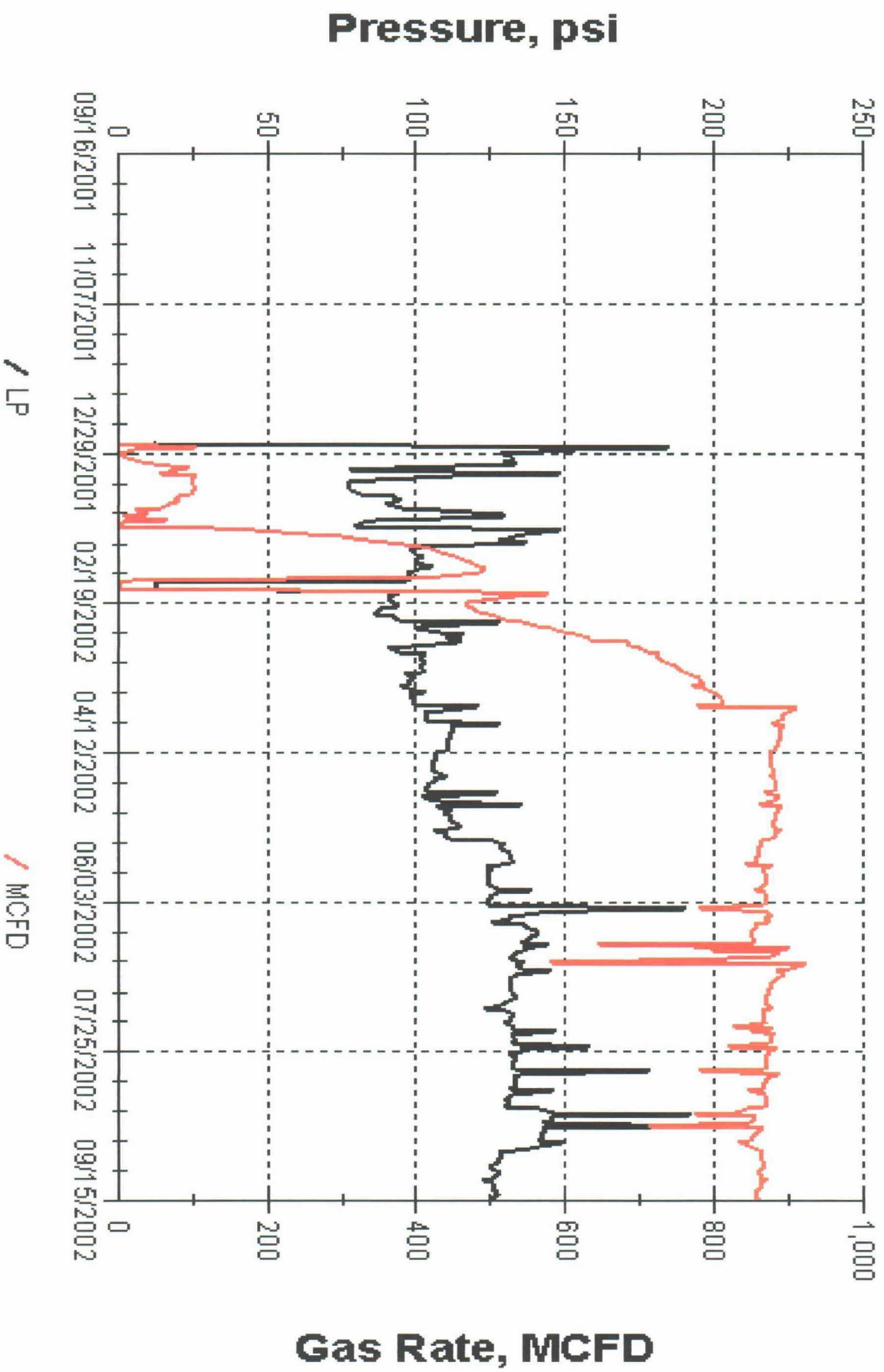
2002 Monthly Production

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
2002	Jan	3,768	0
2002	Feb	9,927	740
2002	Mar	23,029	1,260
2002	Apr	25,792	281
2002	May	26,564	0
2002	Jun	24,535	419
2002	Jul	25,296	0
7 mos. 2002		<u>138,911</u>	<u>2,700</u>

San Juan 32-7 #243



San Juan 32-7 #243





PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

RECEIVED

DEC 06 2002

OIL CONSERVATION
DIVISION

November 20, 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
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505-4000

RE: SAN JUAN 32-7 UNIT
#14-08-001-441
TWENTY-FIFTH EXPANSION – EFFECTIVE 10-1-2001
FRUITLAND PARTICIPATING AREA
SAN JUAN COUNTY, NEW MEXICO
C40463, LCN 650115, 651115

Ladies and Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 16, 1952, Phillips Petroleum Company, as Unit Operator, determined on the dates indicated below that the well listed below is capable of producing unitized substances in paying quantities from the Fruitland Formation. Therefore, this application for the Twenty-Fifth Expansion of the Participating Area established for the Fruitland Formation is respectfully submitted for your approval as follows:

TWENTY-FIFTH EXPANDED PARTICIPATING AREA
EFFECTIVE October 1, 2001

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
W/2 Section 19-32N-7W	330.37	243

The San Juan 32-7 #243 Well was completed September 24, 2002, with cumulative gas production of 138,911 MCF through July 31, 2002. The spacing unit for this well is described as the W/2 of Section 19-32N-7W.

This well was deemed commercial per letter dated November 7, 2001 from the Bureau of Land Management.

Enclosed herewith are XXVI for the Twenty-Fifth Expanded Participating Area for the Fruitland Formation. This schedule describes the participating area and indicates the percentages of unitized substances allotted 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-Fifth Expansion of the San Juan 32-7 Unit Fruitland Participating Area.

Unless this application is disapproved or contested the Twenty-Fifth Expanded Participating Area is effective as of October 1, 2001. Copies of this application are being sent to the Unit Working Interest owners.

Respectfully yours,

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

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

The signatory approvals below are for the Twenty-Fifth Expanded Participating Area of the Fruitland Formation in the San Juan 32-7 Unit, #14-08-001-441.

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 UNIT
FRUITLAND COAL OWNERS

PHILLIPS PETROLEUM COMPANY

PHILLIPS – NEW MEXICO PARTNERS, L.P.

PHILLIPS – SAN JUAN LIMITED PARTNERSHIP

SAN JUAN LIMITED PARTNERSHIP

WILLIAMS PRODUCTION COMPANY

SAN JUAN 32-7 #243
FRUITLAND COAL DRILLBLOCK OWNERS

PHILLIPS PETROLEUM COMPANY

WILLIAMS PRODUCTION COMPANY

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVI
THE 025TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078459	T32N R7W	331.40		TRACT: 001		3.177973
SEC. 22	LOTS 1, 2, 7, 8, 9, 10, 11, 12		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 32-7 UNIT #203R		TOTAL		100.000000	100.000000
SF-078459	T32N R7W	337.56		TRACT: 001A		3.237045
SEC. 22	LOTS 3, 4, 5, 6, SW/4		ORRI:		5.000000	5.000000
			ROYALTY:		12.500000	12.500000
			WORKING INTEREST:			
			PHILLIPS PETROLEUM COMPANY		67.650000	67.650000
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000
REMARKS:	SAN JUAN 32-7 UNIT #205		TOTAL		100.000000	100.000000
SF-078460	T32N R7W	342.97		TRACT: 002		3.288924
SEC. 20	LOTS 1, 2, 3, 4, 7, E/2 NW/4		ORRI:		5.000000	5.000000
SEC. 29	LOTS 1, 2		ROYALTY:		12.500000	12.500000
			WORKING INTEREST:			
			PHILLIPS-NEW MEXICO PARTNERS		67.650000	67.650000
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000
REMARKS:	SAN JUAN 32-7 UNIT #233 SAN JUAN 32-7 UNIT #238		TOTAL		100.000000	100.000000
SF-078460	T32N R7W	1048.49		TRACT: 002A		10.054536
SEC. 17	LOTS 3, 4, 5, 6, 11, 12, 13, 14		ORRI:		5.000000	5.000000
SEC. 19	LOTS 5, 6, 7, 8, 9, 10, 11 12, 13, 14, 15		ROYALTY:		12.500000	12.500000
SEC. 20	LOTS 1, 2, SE/4		WORKING INTEREST:			
			PHILLIPS PETROLEUM COMPANY		67.650000	67.650000
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000
REMARKS:	SAN JUAN 32-7 UNIT #240 SAN JUAN 32-7 UNIT #241 SAN JUAN 32-7 UNIT #243 SAN JUAN 32-7 UNIT #244		TOTAL		100.000000	100.000000

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XXVI
 THE 025TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1, 2, 3, 4	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.453966
SF-078472	REMARKS: SAN JUAN 32-7 UNIT #207 T32N R7W SEC. 29 NE/4 NW/4, SE/4 SW/4	80.00	TOTAL ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 003A	100.000000 5.000000 12.500000 64.267500 3.382500 14.850000	100.000000 5.000000 12.500000 64.267500 3.382500 14.850000	0.767163
SF-078472	REMARKS: SAN JUAN 32-7 UNIT #235 T32N R7W SEC. 29 LOTS 3, 4, SE/4	246.23	TOTAL ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY	TRACT: 003B	100.000000 5.000000 12.500000 67.650000 14.850000	100.000000 5.000000 12.500000 67.650000 14.850000	2.361232
SF-078472	REMARKS: SAN JUAN 32-7 UNIT #238 T32N R7W SEC. 27 NE/4	160.00	TOTAL ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 003C	100.000000 5.000000 12.500000 67.650000 14.850000	100.000000 5.000000 12.500000 67.650000 14.850000	1.534326
SF-078472	REMARKS: SAN JUAN 32-7 UNIT #206		TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVI
THE 025TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078542	T32N R7W SEC. 35 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005	5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	1.534326
	REMARKS: SAN JUAN 32-7 UNIT #209		TOTAL		100.000000	100.000000	
SF-078542	T32N R7W SEC. 35 SW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS L.P. WILLIAMS PRODUCTION COMPANY	TRACT:005A	5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	1.534326
	REMARKS: SAN JUAN 32-7 UNIT #211R		TOTAL		100.000000	100.000000	
SF-078543	T32N R7W SEC. 27 LOTS 5, 6, 7, 8 SEC. 35 NE/4	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	3.006129
	REMARKS: SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209		TOTAL		100.000000	100.000000	
SF-078543	T32N R7W SEC. 35 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY	TRACT: 006A	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.534326
	REMARKS: SAN JUAN 32-7 UNIT #211R		TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XXVI
 THE 025TH EXPANDED PARTICIPATING AREA FOR FRUITLAND AND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078543	T32N R7W SEC. 33 N/2	320.00	TRACT: 006B ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000
	REMARKS: SAN JUAN 32-7 UNIT #242		TOTAL		100.000000	100.000000
SF-078543	T32N R7W SEC. 27 SE/4	160.00	TRACT: 006C ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000
	REMARKS: SAN JUAN 32-7 UNIT #206		TOTAL		100.000000	100.000000
						3.068653
						1.534326

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVI

THE 025TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	T3IN	R7W	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996				1777.82		TRACT: 010			17.048474
SEC. 3			LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4		ORRI: ROYALTY:		5.000000 12.500000	5.000000 12.500000	
SEC. 4			LOT 5, E/2 SE/4, SW/4 SE/4		WORKING INTEREST:				
SEC. 5			LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
SEC. 6			LOTS 12, 14, 15, S/2 SE/4						
SEC. 7			LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4		TOTAL		100.000000	100.000000	
SEC. 8			ALL						
REMARKS:			SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #217 SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232						
SF-078996				436.40		TRACT: 010A			4.184875
SEC. 5			LOT 9		ORRI:		5.000000	5.000000	
SEC. 6			LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4		ROYALTY:		12.500000	12.500000	
SEC. 7			LOTS 6, 7, N/2 SE/4, SW/4 NE/4		WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:			SAN JUAN 32-7 UNIT #220 SAN JUAN 32-7 UNIT #228						
					TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVI
THE 025TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	T31N R7W	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996			323.15		TRACT: 010B			3.098860
	SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI:		5.000000	5.000000	
	SEC. 5	LOT 5		ROYALTY:		12.500000	12.500000	
				WORKING INTEREST:				
				PHILLIPS-NEW MEXICO PARTNERS		64.267500	64.267500	
				SAN JUAN BASIN PARTNERSHIP		3.382500	3.382500	
				WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
				TOTAL		100.000000	100.000000	
SF-078998			1318.91		TRACT: 011			12.647739
	SEC. 9	N/2		ORRI:		5.000000	5.000000	
	SEC. 17	ALL		ROYALTY:		12.500000	12.500000	
	SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/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 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231						
E-503-13			80.00		TRACT: 011A			0.767163
	T32N R7W			ORRI:		5.000000	5.000000	
	SEC. 33	E/2 SE/4		ROYALTY:		12.500000	12.500000	
				WORKING INTEREST:				
				PHILLIPS PETROLEUM COMPANY		67.650000	67.650000	
				WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	REMARKS:	MIDDLE MESA COM #3 (CA NM 99454) TOTAL						
						100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVI

THE 025TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT PARTICIPATION	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W	800.00	TRACT: 017A				7.671631
	SEC. 32 E/2 W/2		ORRI:		5.000000		
	SEC. 36 ALL		ROYALTY:		12.500000		
			WORKING INTEREST:				
	REMARKS: SAN JUAN 32-7 UNIT #204		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000		
	SAN JUAN 32-7 UNIT #210		WILLIAMS PRODUCTION COMPANY		14.850000		
	SAN JUAN 32-7 UNIT #215		TOTAL		100.000000		
E-503-13	T32N R7W	320.00	TRACT: 017B				3.068653
	SEC. 32 E/2		ORRI:		5.000000		
			ROYALTY:		12.500000		
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		64.267500		
			SAN JUAN BASIN PARTNERSHIP		3.382500		
			WILLIAMS PRODUCTION COMPANY		14.850000		
	REMARKS: SAN JUAN 32-7 UNIT #234		TOTAL		100.000000		
FEE	T32N R7W	13.36	TRACT: 021				0.128116
	SEC. 18 EAST 441 FEET OF NE/4 NE/4		ORRI:		0.000000		
			ROYALTY:		12.500000		
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		71.750000		
			WILLIAMS PRODUCTION COMPANY		15.750000		
	REMARKS: SAN JUAN 32-7 UNIT #3		TOTAL		100.000000		
FEE	T32N R7W	80.00	TRACT: 021A				0.767163
	SEC. 21 W/2 NE/4		ORRI:		0.000000		
			ROYALTY:		12.500000		
			WORKING INTEREST:				
			PHILLIPS PETROLEUM COMPANY		71.750000		
			WILLIAMS PRODUCTION COMPANY		15.750000		
	REMARKS: SAN JUAN 32-7 UNIT #241		TOTAL		100.000000		

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVI
THE 025TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 21 E/2 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 021B	0.000000 12.500000 68.162500 3.587500 15.750000	0.767163
	REMARKS: SAN JUAN UNIT #224 COM		TOTAL		100.000000	
FEE	T32N R7W SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 022	3.000000 12.500000 69.290000 15.210000	2.940536
	REMARKS: SAN JUAN 32-7 UNIT #3		TOTAL		100.000000	
FEE	T32N R7W SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 022A	3.000000 12.500000 65.825500 3.464500 15.210000	2.301489
	REMARKS: SAN JUAN 32-7 UNIT #235		TOTAL		100.000000	
FEE	T32N R7W SEC. 20 SW/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY	TRACT: 022B	3.000000 12.500000 69.290000 15.210000	0.383582
	REMARKS: SAN JUAN 32-7 UNIT #233		TOTAL		100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVI
THE 025TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT PARTICIPATION
FEE	T32N R7W SEC. 19 NW/4 NE/4, E/2 NE/4, E/2 SE/4	200.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 022C	3.000000 12.500000 69.290000 15.210000	1.917908
REMARKS:	SAN JUAN 32-7 UNIT #233	TOTAL			100.000000	
FEE	T32N R7W SEC. 21 SW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 023A	0.000000 12.500000 68.162500 3.587500 15.750000	1.534326
REMARKS:	SAN JUAN 32-7 UNIT #224 COM	TOTAL			100.000000	
FEE	T32N R7W SEC. 31 E/2 SE/4, SE/4 NE/4	280.00	ORRI:	TRACT: 024	0.000000	2.685071
SEC. 32 W/2 W/2		10428.03	ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		12.500000 71.750000 15.750000	100.000000
REMARKS:	SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)	TOTAL			100.000000	

EFFECTIVE 10-1-2001

TOTAL ACRES COMMITTED

10428.03

100.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXVI
25TH FRUITLAND COAL EXPANSION
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

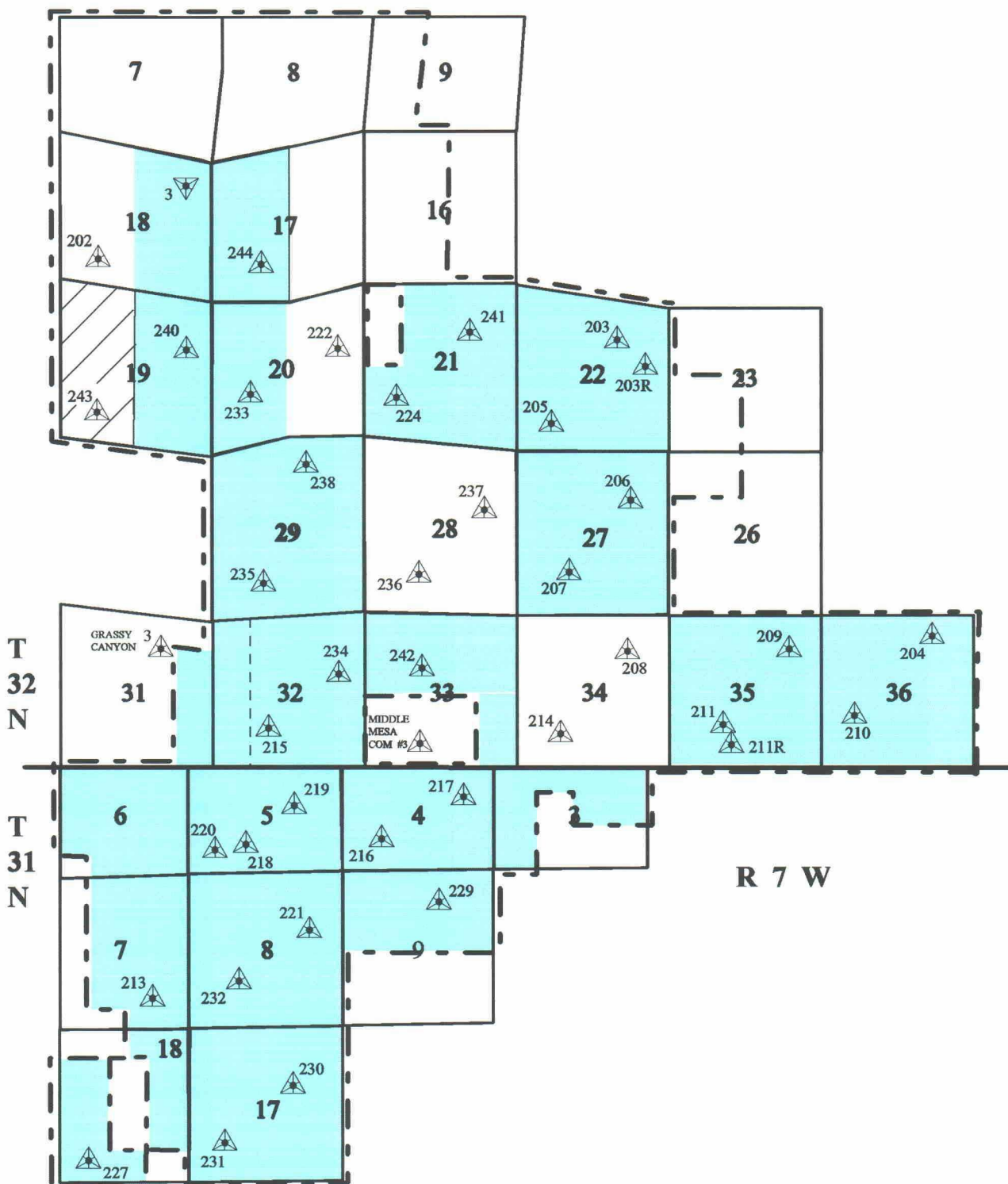
SECTION 3:	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4
SECTION 4:	LOTS 5, 6, 7, 8, S/2 (ALL)
SECTION 5:	LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6:	LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4,
	NW/4 SE/4, NE/4 SW/4
SECTION 7:	LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8:	ALL
SECTION 9:	N/2
SECTION 17:	ALL
SECTION 18:	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4,
	E/2 SW/4, SE/4 NW/4, E/2 NE/4

TOWNSHIP 31 NORTH, RANGE 7 WEST

SECTION 17:	LOTS 3, 4, 5, 6, 11, 12, 13, 14
SECTION 18:	E/2
SECTION 20:	LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4
SECTION 19:	ALL
SECTION 21:	SW/4, E/2 NW/4, E/2
SECTION 22:	LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, SW/4
SECTION 27:	ALL
SECTION 29:	ALL
SECTION 31:	E/2 SE/4, SE/4 SE/4
SECTION 32:	ALL
SECTION 33:	N/2, E/2 SE/4
SECTION 35:	ALL
SECTION 36:	ALL

TOTAL ACRES COMMITTED:

10428.03



EXISTING FRUITLAND COAL PARTICIPATING AREA (INCLUDING 23RD & 24TH EXPANSIONS - AWAITING APPROVAL)



25TH EXPANSION - FRUITLAND COAL PARTICIPATING AREA - Effective 10-1-01



FRUITLAND COAL WELL

PHILLIPS PETROLEUM CO.

SAN JUAN 32-7 UNIT
San Juan County, New Mexico

November 21, 2002



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

November 26, 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
PO Box 1148
Santa Fe, NM 87504-1148

Oil Conservation Division (2 copies)
State of New Mexico
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

RECEIVED

DEC 03 2002

OIL CONSERVATION
DIVISION

RE: SAN JUAN 32-7 UNIT
#14-08-001-441
San Juan County, New Mexico
2003 Plan of Development
Contract C40463

Ladies and Gentlemen:

By letter dated February 19, 2002, Phillips Petroleum Company (Phillips) as Unit Operator filed the 2002 Plan of Development (POD). The initial POD indicated four (4) wells were planned to be drilled. The 2002 status is shown below:

1. Attached is a unit production map.
2. The following wells were drilled in 2002.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
None			

There was no drilling activity in the San Juan 32-7 Unit in 2002.

The following wells were recompleted on in 2002:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
None			

There was no recompletion activity in the San Juan 32-7 Unit in 2002.

2002 Summary-There was no drilling or recompletions activity. The #43 and 48 wells were plugged and abandoned. There were no approved expansions in the San Juan 32-7 Participating Areas. All downhole commingle, dualled and recompletion operations were conducted in accordance with existing regulatory parameters.

The Participating Areas which have been established in the 32-7 Unit are:

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Twentieth	12/1/98
Pictured Cliffs	Tenth	11/1/98
Mesaverde	Twenty-Third	1/1/82
Dakota	Third	5/1/81

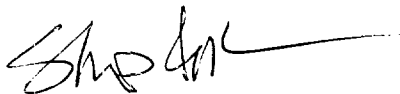
Pursuant to Section 10 of the San Juan 32-7 Unit Agreement, Phillips, as Unit Operator, hereby submits the following wells for the 2003 POD:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-7 Unit #205A	W/2 Section 22-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #208A	E/2 Section 34-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #215A	W/2 Section 32-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #218A	E/2 Section 7-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #224A	W/2 Section 21-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #231A	W/2 Section 17-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #232A	W/2 Section 8-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #234A	E/2 Section 32-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #238A	E/2 Section 29-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #242A	N/2 Section 33-32N-7W	Fruitland Coal	Drill

The San Juan 32-7 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
Phillips Petroleum Company
San Juan Area – Land Department
(505)599-3428

**SAN JUAN 32-7 UNIT #14-08-001-441
2003 INITIAL PLAN OF DEVELOPMENT**

Bureau of Land Management

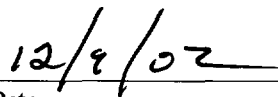
Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division



Date

San Juan Island Owners

San Juan Island
is owned by
the
United States
Government
and is
located
in the
Pacific
Ocean
off the
coast of
Washington
State.
It is
one of
the
San Juan
Islands
and is
the
largest
of the
group.
It is
named
after
Juan
Rodriguez
Cabrillo,
the
first
European
to
discover
the
island
in
1492.

San Juan 32-7 Unit Owners

Williams Production Company
One Williams Center
PO Box 3202, MS 37-5
Tulsa, OK 74101

Energen Resources Corp
2198 Bloomfield Hwy
Farmington, NM, 87401

Phillips Petroleum Company

San Juan Basin Partnership
Co: en Vantage, Inc
1415 North Loop West, Ste 1180
Houston, TX 77008

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

December 5, 2001

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

Attention: Mr. Skip Fraker

Re: San Juan 32-7 Unit Well No. 205
Commercial Well Determination
Fruitland Coal Formation
San Juan County, New Mexico

Dear Mr. Fraker:

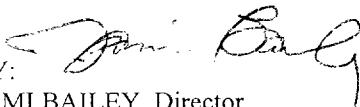
We are in receipt of your letter of September 28, 2001 and a copy of the Bureau of Land Management's letter of October 5, 2001 regarding the commercial determination for the San Juan 32-7 Unit Well No. 205.

We concur with the Bureau of Land Management's determination that the San Juan 32-7 Unit Well No. 205 is a commercial well in the Fruitland Coal formation and is entitled to participate in the Fruitland Coal 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,

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. Duane Spencer
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

November 14, 2001

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 32-7 UNIT
#14-08-001-441
TWENTY-THIRD EXPANSION - EFFECTIVE 11-1-1998
TWENTY-FOURTH EXPANSION - EFFECTIVE 10-1-2000
FRUITLAND PARTICIPATING AREA
SAN JUAN COUNTY, NEW MEXICO
C40463, LCN 650115, 651115

Ladies and Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 16, 1952, 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-Third and Twenty-Fourth Expansions of the Participating Area established for the Fruitland Formation is respectfully submitted for your approval as follows:

TWENTY-THIRD EXPANDED PARTICIPATING AREA
EFFECTIVE NOVEMBER 1, 1998

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
E/2 SE/4 Section 33-32N-7W	80.00	Middle Mesa Com #3

The Middle Mesa Com #3 Well was completed October 6, 1998, with cumulative gas production of 3,241,710 MCF through May 31, 2001. The spacing unit for this well is described as the S/2 of Section 33-32N-7W.

This well was deemed commercial per letter dated November 6, 2001 from the Bureau of Land Management.

TWENTY-FOURTH EXPANDED PARTICIPATING AREA
EFFECTIVE OCTOBER 1, 2000

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
W/2 Section 17-32N-7W	342.62	#244

The San Juan 32-7 Unit #244 Well was completed September 10, 2000, with cumulative gas production of 120,781 MCF through September 30, 2001. The spacing unit for this well is described as the W/2 Section 17-32N-7W.

This well was deemed commercial per letter dated November 6, 2001 from the Bureau of Land Management.

Enclosed herewith are XXIV for the Twenty-Third Expanded Participating Area and Schedule XXV for the Twenty-Fourth Expanded Participating Area for the Fruitland Formation. These schedules describe the participating areas and indicate the percentages of unitized substances allotted 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-First and Twenty-Second Expansions of the San Juan 32-7 Unit Fruitland Participating Area.

Unless this application is disapproved or contested the Twenty-Third Expanded Participating Area is effective as of November 1, 1998 and the Twenty-Fourth Expanded Participating Area is effective as of October 1, 2000. Copies of this application are being sent to the Unit Working Interest owners.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Skip Fraker", written over a horizontal line.

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

cc: San Juan 32-7 Unit Owners
Jerry Foster (r)C40463

The signatory approvals below are for the Twenty-Third and Twenty-Fourth Expanded Participating Area of the Fruitland Formation in the San Juan 32-7 Unit, #14-08-001-441.

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

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV

THE 023RD EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078459	T32N R7W SEC. 22	331.40	TRACT: 001				3.397218
	LOTS 1, 2, 7, 8, 9, 10, 11, 12						
	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		
SF-078459	T32N R7W SEC. 22	337.56	TRACT: 001A				3.460365
	LOTS 3, 4, 5, 6, SW/4						
	ORRI:	5.000000			5.000000		
	ROYALTY:	12.500000			12.500000		
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY	67.650000			67.650000		
	WILLIAMS PRODUCTION COMPANY	14.850000			14.850000		
	TOTAL	100.000000			100.000000		
SF-078460	T32N R7W SEC. 20	342.97	TRACT: 002				3.515824
	LOTS 1, 2, 3, 4, 7, E/2 NW/4						
	ORRI:	5.000000			5.000000		
	ROYALTY:	12.500000			12.500000		
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS	67.650000			67.650000		
	WILLIAMS PRODUCTION COMPANY	14.850000			14.850000		
	TOTAL	100.000000			100.000000		
SF-078460	T32N R7W SEC. 19	375.50	TRACT: 002A				3.849292
	LOTS 9, 10, 15						
	ORRI:	5.000000			5.000000		
	ROYALTY:	12.500000			12.500000		
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY	67.650000			67.650000		
	WILLIAMS PRODUCTION COMPANY	14.850000			14.850000		
	TOTAL	100.000000			100.000000		

REMARKS: SAN JUAN 32-7 UNIT #203R
SAN JUAN 32-7 UNIT #233
SAN JUAN 32-7 UNIT #238

REMARKS: SAN JUAN 32-7 UNIT #240
SAN JUAN 32-7 UNIT #241
SAN JUAN 32-7 UNIT #244

EFFECTIVE 11/1/1998

PAGE 1

32-7 23rd fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023RD EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1, 2, 3, 4	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.554273
SF-078472	REMARKS: SAN JUAN 32-7 UNIT #207 T32N R7W SEC. 29 NE/4 NW/4, SE/4 SW/4	80.00	TOTAL ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 003A	100.000000 5.000000 12.500000 64.267500 3.382500 14.850000	100.000000 5.000000 12.500000 64.267500 3.382500 14.850000	0.820089
SF-078472	REMARKS: SAN JUAN 32-7 UNIT #235 T32N R7W SEC. 29 LOTS 3, 4, SE/4	246.23	TOTAL ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY	TRACT: 003B	100.000000 5.000000 12.500000 67.650000 14.850000	100.000000 5.000000 12.500000 67.650000 14.850000	2.524131
SF-078472	REMARKS: SAN JUAN 32-7 UNIT #238 T32N R7W SEC. 27 NE/4	160.00	TOTAL ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 003C	100.000000 5.000000 12.500000 67.650000 14.850000	100.000000 5.000000 12.500000 67.650000 14.850000	1.640178
	REMARKS: SAN JUAN 32-7 UNIT #206	TOTAL			100.000000	100.000000	

EFFECTIVE 11/1/1998

PAGE 2

32-7 23rd fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV

THE 023RD EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078542	T32N R7W SEC. 35 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005	5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	1.640178
REMARKS:	SAN JUAN 32-7 UNIT #209	TOTAL			100.000000	100.000000	
SF-078542	T32N R7W SEC. 35 SW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005A	5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	1.640178
REMARKS:	SAN JUAN 32-7 UNIT #211R	TOTAL			100.000000	100.000000	
SF-078543	T32N R7W SEC. 27 LOTS 5, 6, 7, 8 SEC. 35 NE/4	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	3.213518
REMARKS:	SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209	TOTAL			100.000000	100.000000	
SF-078543	T32N R7W SEC. 35 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006A	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.640178
REMARKS:	SAN JUAN 32-7 UNIT #211R	TOTAL			100.000000	100.000000	

EFFECTIVE 11/1/1998

PAGE 3

32-7 23rd fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY

SCHEDULE XXIV

THE 023RD EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078543	T32N R7W SEC. 33 N/2	320.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY	TRACT: 006B	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	3.280356
REMARKS:	SAN JUAN 32-7 UNIT #242	TOTAL			100.000000	100.000000	
SF-078543	T32N R7W SEC. 27 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 006C	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.640178
REMARKS:	SAN JUAN 32-7 UNIT #206	TOTAL			100.000000	100.000000	
NM-2995	T32N R7W SEC. 21 W/2 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY	TRACT: 007 FORMER UNIT:	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	SAN JUAN 32-7 UNIT #224 COM	TOTAL			100.000000	0.000000	
NM-83503	T32N R7W SEC. 31 LOTS 5,6,7,8,9	189.74	ORRI: ROYALTY: WORKING INTEREST: CNG PRODUCING COMPANY	TRACT: 008 FORMER UNIT:	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	GRASSY CANYON #3 (CA NM 87178)	TOTAL			0.000000	0.000000	

EFFECTIVE 11/1/1998

PAGE 4

32-7 23rd to expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY

SCHEDULE XXIV

THE 023RD EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T32N R7W	230.80		TRACT: 008A			0.000000
SEC. 33	LOTS 1, 2, 3, 4, W/2 SE/4		ORRI:	FORMER UNIT	0.000000	0.000000	
			ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:				
			COLEMAN OIL & GAS, INC		87.500000	0.000000	
REMARKS:	MIDDLE MESA COM #3 (CA NM 99454)	TOTAL			100.000000	0.000000	
NM-28749	T31N R7W	160.00		TRACT: 009			0.000000
SEC. 10	NE/4		ORRI:	FORMER UNIT	0.000000	0.000000	
			ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:				
			HALLWOOD ENERGY COMPANIES, ET AL		87.500000	0.000000	
REMARKS:	FEDERAL G NO. 4 (CA NM 87094)	TOTAL			100.000000	0.000000	
SF-078996	T31N R7W	1777.82		TRACT: 010			18.224630
SEC. 3	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
SEC. 4	LOT 5, E/2 SE/4, SW/4 SE/4				67.650000	67.650000	
SEC. 5	LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		PHILLIPS-SAN JUAN PARTNERS, L.P.		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
SEC. 6	LOTS 12, 14, 15, S/2 SE/4						
SEC. 7	LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4		TOTAL		100.000000	100.000000	
SEC. 8	ALL						
REMARKS:	SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #217 SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232						

EFFECTIVE 11/1/1998

PAGE 5

32-7 23rd fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV

THE 023RD EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	436.40		TRACT: 010A			4.473585
SEC. 5	LOT 9		ORRI:		5.000000	5.000000	
SEC. 6	LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4		ROYALTY:		12.500000	12.500000	
SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		WORKING INTEREST:		67.650000	67.650000	
			PHILLIPS-NEW MEXICO PARTNERS		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
REMARKS:	SAN JUAN 32-7 UNIT #220		TOTAL		100.000000	100.000000	
	SAN JUAN 32-7 UNIT #228						
SF-078996	T31N R7W	323.15		TRACT: 010B			3.312646
SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI:		5.000000	5.000000	
SEC. 5	LOT 5		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:		64.267500	64.267500	
			PHILLIPS-NEW MEXICO PARTNERS		3.382500	3.382500	
			SAN JUAN BASIN PARTNERSHIP		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
REMARKS:	SAN JUAN 32-7 UNIT #216		TOTAL		100.000000	100.000000	
SF-078998	T31N R7W	1318.91		TRACT: 011			13.520293
SEC. 9	N/2		ORRI:		5.000000	5.000000	
SEC. 17	ALL		ROYALTY:		12.500000	12.500000	
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST:		67.650000	67.650000	
			PHILLIPS-SAN JUAN PARTNERS, L.P.		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
REMARKS:	SAN JUAN 32-7 UNIT #6		TOTAL		100.000000	100.000000	
	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)						
	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
	SAN JUAN 32-7 UNIT #229						
	SAN JUAN 32-7 UNIT #231						

EFFECTIVE 11/1/1998

PAGE 6

32-7 23rd fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
THE 023RD EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W	80.00		TRACT: 011A			0.820089
SEC. 33	E/2 SE/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS PETROLEUM COMPANY		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
REMARKS:	MIDDLE MESA COM #3 (CA NM 99454)						
	TOTAL	100.000000				100.000000	
E-503-13	T32N R7W	800.00		TRACT: 017A			8.200889
SEC. 32	E/2 W/2		ORRI:		5.000000	5.000000	
SEC. 36	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	
REMARKS:	SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215						
	TOTAL	100.000000				100.000000	
E-503-13	T32N R7W	320.00		TRACT: 017B			3.280356
SEC. 32	E/2		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		64.267500	64.267500	
			SAN JUAN BASIN PARTNERSHIP		3.382500	3.382500	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #234						
	TOTAL	100.000000				100.000000	
NM LG 3876	T31N R7W	80.00		TRACT: 018			0.000000
SEC. 2	W/2 SW/4		ORRI:	FORMER UNIT	0.000000	0.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			HALLWOOD ENERGY COMPANIES, ET AL		87.500000	87.500000	
REMARKS:	FEDERAL G NO. 4 (CA NM-87094)						
	TOTAL	100.000000				100.000000	

EFFECTIVE 11/1/1998

PAGE 7

32-7 23rd fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV

THE 023RD EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	13.36		TRACT: 021			0.136955
SEC. 18	EAST 441 FEET OF NE/4 NE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	
REMARKS:	SAN JUAN 32-7 UNIT #3	TOTAL			100.000000	100.000000	
FEE	T32N R7W	80.00		TRACT: 021A			0.820089
SEC. 21	W/2 NE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	
REMARKS:	SAN JUAN 32-7 UNIT #241	TOTAL			100.000000	100.000000	
FEE	T32N R7W	80.00		TRACT: 021B			0.820089
SEC. 21	E/2 NW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 68.162500 3.587500 15.750000	0.000000 12.500000 68.162500 3.587500 15.750000	
REMARKS:	SAN JUAN UNIT #224 COM	TOTAL			100.000000	100.000000	
FEE	T32N R7W	306.64		TRACT: 022			3.143401
SEC. 18	WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	
REMARKS:	SAN JUAN 32-7 UNIT #3	TOTAL			100.000000	100.000000	

REMARKS: SAN JUAN 32-7 UNIT #3
EFFECTIVE 11/1/1998

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV

THE 023RD EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00	TRACT: 022A				2.460267
	ORRI:	3.000000				3.000000	
	ROYALTY:	12.500000				12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS	65.825500				65.825500	
	SAN JUAN BASIN PARTNERSHIP	3.464500				3.464500	
	WILLIAMS PRODUCTION COMPANY	15.210000				15.210000	
REMARKS:	SAN JUAN 32-7 UNIT #235						
	TOTAL	100.000000				100.000000	
FEE	T32N R7W SEC. 20 SW/4 SW/4	40.00	TRACT: 022B				0.410044
	ORRI:	3.000000				3.000000	
	ROYALTY:	12.500000				12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS	69.290000				69.290000	
	WILLIAMS PRODUCTION COMPANY	15.210000				15.210000	
REMARKS:	SAN JUAN 32-7 UNIT #233						
	TOTAL	100.000000				100.000000	
FEE	T32N R7W SEC. 19 NW/4 NE/4, E/2 NE/4, E/2 SE/4	200.00	TRACT: 022C				2.050222
	ORRI:	3.000000				3.000000	
	ROYALTY:	12.500000				12.500000	
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY	69.290000				69.290000	
	WILLIAMS PRODUCTION COMPANY	15.210000				15.210000	
REMARKS:	SAN JUAN 32-7 UNIT #233						
	TOTAL	100.000000				100.000000	

EFFECTIVE 11/1/1998

PAGE 9

32-7 23rd fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV

THE 023RD EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	160.00		TRACT: 023A			1.640178
	SEC. 21 SW/4						
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS				68.162500	68.162500	
	SAN JUAN BASIN PARTNERSHIP				3.587500	3.587500	
	WILLIAMS PRODUCTION COMPANY				15.750000	15.750000	
FEE	REMARKS: SAN JUAN 32-7 UNIT #224 COM						
	T32N R7W	280.00		TRACT: 024			2.870311
	SEC. 31 E/2 SE/4, SE/4 NE/4						
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				71.750000	71.750000	
	WILLIAMS PRODUCTION COMPANY				15.750000	15.750000	
FEE	REMARKS: SAN JUAN 32-7 UNIT #215						
	GRASSY CANYON #3 (CA NM 87178)						
	T31N R7W	160.00		TRACT: 026			0.000000
	SEC. 3 E/2 SW/4, S/2 SE/4						
	ORRI:				0.000000	0.000000	
	ROYALTY:				20.000000	0.000000	
	WORKING INTEREST:						
	HALLWOOD ENERGY COMPANIES, ET AL				80.000000	0.000000	
FEE	REMARKS: YAGER COM 3 (CA SRM-1376)						
	FEDERAL G NO. 4 (CA NM 87094)						
	T31N R7W	42.45		TRACT: 027			0.000000
	SEC. 5 TRACT 53			FORMER UNIT:			
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	0.000000	
	WORKING INTEREST:						
	AMOCO PRODUCTION COMPANY, ET AL				87.500000	0.000000	
FEE	REMARKS: IDB ACREAGE						
	TOTAL				100.000000	0.000000	

EFFECTIVE 11/1/1998

PAGE 10

32-7 23rd fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV

THE 023RD EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT	0.000000 25.000000 75.000000	0.000000 0.000000 0.000000	0.000000
REMARKS:	YAGER COM N 5 (CA NMNM 87095)	TOTAL			100.000000	0.000000	
FEE	T31N R7W SEC. 7 SEC. 18 NW/4 SE/4, SW/4 NE/4	120.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	SAN JUAN 32-7 UNIT #213 COM(CA NM 84048) SAN JUAN 32-7 UNIT #227 COM(CA NM 87134)	TOTAL			100.000000	0.000000	
FEE	T31N R7W SEC. 18	40.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 031 FORMER UNIT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	SAN JUAN 32-7 UNIT #213 COM(CA NM 84048)	TOTAL			100.000000	0.000000	

EFFECTIVE 11/1/1998

PAGE 11

32-7 23rd fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV

THE 023RD EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N RTW	40.00	ORR: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL	TRACT: 032 FORMER UNIT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
SEC. 18	SE/4 SE/4						
REMARKS: SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)					TOTAL 100.000000	0.000000	

TOTAL 9755.04 - COMMITTED
1222.99 - NON COMMITTED

100.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIV
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:		DESCRIPTION OF NON-COMMITTED LANDS IN PARTICIPATING AREA:	
TOWNSHIP 31 NORTH, RANGE 7 WEST		TOWNSHIP 31 NORTH, RANGE 7 WEST	
SECTION 3:	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4	SECTION 2:	W/2 SW/4
SECTION 4:	LOTS 5, 6, 7, 8, S/2 (ALL)	SECTION 3:	E/2 SW/4, S/2 SE/4
SECTION 5:	LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4	SECTION 5:	TRACT 53
SECTION 6:	LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4	SECTION 6:	TRACT 53
SECTION 7:	LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4	SECTION 7:	TRACT 55
SECTION 8:	ALL	SECTION 10:	N/2
SECTION 9:	N/2	SECTION 18:	NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55
SECTION 17:	ALL		
SECTION 18:	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4, E/2 NE/4		

TOWNSHIP 32 NORTH, RANGE 7 WEST		TOWNSHIP 32 NORTH, RANGE 7 WEST	
SECTION 18:	E/2	SECTION 21:	W/2 NW/4
SECTION 20:	LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4	SECTION 31:	LOTS 5, 6, 7, 8, 9
SECTION 19:	LOTS 9, 10, 15, NW/4 NE/4, E/2 NE/4, E/2 SE/4	SECTION 33:	LOTS 1, 2, 3, 4
SECTION 21:	SW/4, E/2 NW/4, E/2		
SECTION 22:	LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, SW/4		
SECTION 27:	ALL		
SECTION 29:	ALL		
SECTION 31:	E/2 SE/4, SE/4 SE/4		
SECTION 32:	ALL		
SECTION 33:	N/2, E/2 SE/4		
SECTION 35:	ALL		
SECTION 36:	ALL		
TOTAL COMMITTED:		9755.04	TOTAL ACRES NON-COMMITTED:
TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:		10978.03	1222.99

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV

THE 024TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078459	T32N R7W SEC. 22	LOTS 1, 2, 7, 8, 9, 10, 11, 12	331.40	TRACT: 001			3.281948
	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 #203R						
SF-078459	T32N R7W SEC. 22	LOTS 3, 4, 5, 6, SW/4	337.56	TRACT: 001A			3.3429530
	ORRI:	5.000000			5.000000		
	ROYALTY:	12.500000			12.500000		
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY	67.650000			67.650000		
	WILLIAMS PRODUCTION COMPANY	14.850000			14.850000		
	TOTAL	100.000000			100.000000		
	REMARKS: SAN JUAN 32-7 UNIT #205						
SF-078460	T32N R7W SEC. 20	LOTS 1, 2, 3, 4, 7, E/2 NW/4	342.97	TRACT: 002			3.3965290
	ORRI:	5.000000			5.000000		
	ROYALTY:	12.500000			12.500000		
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS	67.650000			67.650000		
	WILLIAMS PRODUCTION COMPANY	14.850000			14.850000		
	TOTAL	100.000000			100.000000		
	REMARKS: SAN JUAN 32-7 UNIT #233 SAN JUAN 32-7 UNIT #238						
SF-078460	T32N R7W SEC. 17 SEC. 19 SEC. 20	LOTS 3, 4, 5, 6, 11, 12, 13, 14 LOTS 9, 10, 15 LOTS 1, 2, SE/4	718.12	TRACT: 002A			7.111747
	ORRI:	5.000000			5.000000		
	ROYALTY:	12.500000			12.500000		
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY	67.650000			67.650000		
	WILLIAMS PRODUCTION COMPANY	14.850000			14.850000		
	TOTAL	100.000000			100.000000		
	REMARKS: SAN JUAN 32-7 UNIT #240 SAN JUAN 32-7 UNIT #241 SAN JUAN 32-7 UNIT #244						
	EFFECTIVE 10/1/2000						
	PAGE 1						
	32-7 24th fc expansion						

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV

THE 024TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1, 2, 3, 4	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.501536
REMARKS:	SAN JUAN 32-7 UNIT #207	TOTAL			100.000000	100.000000	0.792263
SF-078472	T32N R7W SEC. 29 NE/4 NW/4, SE/4 SW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 003A	5.000000 12.500000 64.267500 3.382500 14.850000	5.000000 12.500000 64.267500 3.382500 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #235	TOTAL			100.000000	100.000000	2.438486
SF-078472	T32N R7W SEC. 29 LOTS 3, 4, SE/4	246.23	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY	TRACT: 003B	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #238	TOTAL			100.000000	100.000000	1.584526
SF-078472	T32N R7W SEC. 27 NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 003C	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #206	TOTAL			100.000000	100.000000	

EFFECTIVE 10/1/2000

PAGE 3

32-7 24th to expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV

THE 024TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078542	T32N R7W SEC. 35 SE/4	160.00	TRACT: 005				1.584526
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				20.625000	20.625000	
	WILLIAMS PRODUCTION COMPANY				61.875000	61.875000	
	TOTAL				100.000000	100.000000	
SF-078542	T32N R7W SEC. 35 SW/4	160.00	TRACT: 005A				1.584526
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS L.P.				20.625000	20.625000	
	WILLIAMS PRODUCTION COMPANY				61.875000	61.875000	
	TOTAL				100.000000	100.000000	
SF-078543	T32N R7W SEC. 27 LOTS 5, 6, 7, 8 SEC. 35 NE/4	313.48	TRACT: 006				3.104481
	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	
SF-078543	T32N R7W SEC. 35 NW/4	160.00	TRACT: 006A				1.584526
	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 #209						
REMARKS:	SAN JUAN 32-7 UNIT #207						
REMARKS:	SAN JUAN 32-7 UNIT #211R						
REMARKS:	SAN JUAN 32-7 UNIT #211R						

EFFECTIVE 10/1/2000

PAGE 4

32-7 24th fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV

THE 024TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078543	T32N R7W SEC. 33	N/2 320.00		TRACT: 006B			3.169051
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #242						
SF-078543	T32N R7W SEC. 27	SE/4 160.00		TRACT: 006C			1.584525
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #206						
NM-2995	T32N R7W SEC. 21	W/2 NW/4 80.00		TRACT: 007 FORMER UNIT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	0.000000	
	WORKING INTEREST:						
	SOUTHLAND ROYALTY COMPANY				87.500000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #224 COM						
NM-83503	T32N R7W SEC. 31	LOTS 5,6,7,8,9 189.74		TRACT: 008 FORMER UNIT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	0.000000	
	WORKING INTEREST:						
	CNG PRODUCING COMPANY				87.500000	0.000000	
	TOTAL				0.000000	0.000000	
REMARKS:	GRASSY CANYON #3 (CA NM 87178)						

EFFECTIVE 10/1/2000

PAGE 5

32-7 24th fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV
THE 024TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T32N R7W	230.80		TRACT: 008A			0.000000
	SEC. 33	LOTS 1, 2, 3, 4, W/2 SE/4	ORRI: ROYALTY: WORKING INTEREST: COLEMAN OIL & GAS, INC	FORMER UNIT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	
	REMARKS:	MIDDLE MESA COM #3 (CA NM 99454)	TOTAL		100.000000	0.000000	
NM-28749	T31N R7W	160.00		TRACT: 009			0.000000
	SEC. 10	NE/4	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	FORMER UNIT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	
	REMARKS:	FEDERAL G NO. 4 (CA NM 87094)	TOTAL		100.000000	0.000000	
SF-078996	T31N R7W	1777.82		TRACT: 010			17.606257
	SEC. 3	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4	ORRI: ROYALTY: WORKING INTEREST:		5.000000 12.500000	5.000000 12.500000	
	SEC. 4	LOT 5, E/2 SE/4, SW/4 SE/4	PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
	SEC. 5	LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4	WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	SEC. 6	LOTS 12, 14, 15, S/2 SE/4					
	SEC. 7	LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4	TOTAL		100.000000	100.000000	
	SEC. 8	ALL					
	REMARKS:	SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #217 SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232					

EFFECTIVE 10/1/2000

PAGE 6

32-7 24th fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV

THE 024TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996		436.40		TRACT: 010A			4.321793
SEC. 5	LOT 9		ORRI:		5.000000	5.000000	
SEC. 6	LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4		ROYALTY:		12.500000	12.500000	
SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		WORKING INTEREST:		67.650000	67.650000	
			PHILLIPS-NEW MEXICO PARTNERS		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
REMARKS:	SAN JUAN 32-7 UNIT #220		TOTAL		100.000000	100.000000	
	SAN JUAN 32-7 UNIT #228						
SF-078996		323.15		TRACT: 010B			3.200246
SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI:		5.000000	5.000000	
SEC. 5	LOT 5		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:		64.267500	64.267500	
			PHILLIPS-NEW MEXICO PARTNERS		3.382500	3.382500	
			SAN JUAN BASIN PARTNERSHIP		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
REMARKS:	SAN JUAN 32-7 UNIT #216		TOTAL		100.000000	100.000000	
SF-078998		1318.91		TRACT: 011			13.061541
SEC. 9	N/2		ORRI:		5.000000	5.000000	
SEC. 17	ALL		ROYALTY:		12.500000	12.500000	
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST:		67.650000	67.650000	
			PHILLIPS-SAN JUAN PARTNERS, L.P.		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
REMARKS:	SAN JUAN 32-7 UNIT #6		TOTAL		100.000000	100.000000	
	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)						
	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
	SAN JUAN 32-7 UNIT #229						
	SAN JUAN 32-7 UNIT #231						

EFFECTIVE 10/1/2000

PAGE 7

32-7 24th fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV

THE 024TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W SEC. 33 E/2 SE/4	80.00	TRACT: 011A				0.792263
	ORRI:	5.000000				5.000000	
	ROYALTY:	12.500000				12.500000	
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY	67.650000				67.650000	
	WILLIAMS PRODUCTION COMPANY	14.850000				14.850000	
REMARKS:	MIDDLE MESA COM #3 (CA NM 99454)						
	TOTAL	100.000000				100.000000	
E-503-13	T32N R7W SEC. 32 E/2 W/2 SEC. 36 ALL	800.00	TRACT: 017A				7.922627
	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 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215						
	TOTAL	100.000000				100.000000	
E-503-13	T32N R7W SEC. 32 E/2	320.00	TRACT: 017B				3.169051
	ORRI:	5.000000				5.000000	
	ROYALTY:	12.500000				12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS	64.267500				64.267500	
	SAN JUAN BASIN PARTNERSHIP	3.382500				3.382500	
	WILLIAMS PRODUCTION COMPANY	14.850000				14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #234						
	TOTAL	100.000000				100.000000	
NMLG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00	TRACT: 018 FORMER UNIT				0.000000
	ORRI:	0.000000				0.000000	
	ROYALTY:	12.500000				12.500000	
	WORKING INTEREST:						
	HALLOWOOD ENERGY COMPANIES, ET AL.	87.500000				87.500000	
REMARKS:	FEDERAL G NO. 4 (CA NM-87094)						
	TOTAL	100.000000				100.000000	

EFFECTIVE 10/1/2000

PAGE 8

32-7 24th fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV
THE 024TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N RTW	13.36		TRACT: 021			0.132308
	SEC. 18 EAST 441 FEET OF NE/4 NE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	
REMARKS:	SAN JUAN 32-7 UNIT #3	TOTAL			100.000000	100.000000	
FEE	T32N RTW	80.00		TRACT: 021A			0.792263
	SEC. 21 W/2 NE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	
REMARKS:	SAN JUAN 32-7 UNIT #241	TOTAL			100.000000	100.000000	
FEE	T32N RTW	80.00		TRACT: 021B			0.792263
	SEC. 21 E/2 NW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 68.162500 3.587500 15.750000	0.000000 12.500000 68.162500 3.587500 15.750000	
REMARKS:	SAN JUAN UNIT #224 COM	TOTAL			100.000000	100.000000	
FEE	T32N RTW	306.64		TRACT: 022			3.036743
	SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	
REMARKS:	SAN JUAN 32-7 UNIT #3	TOTAL			100.000000	100.000000	
EFFECTIVE	10/1/2000						32-7 24th fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV

THE 024TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	240.00		TRACT: 022A			2.376788
	SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 65.825500 3.464500 15.210000	3.000000 12.500000 65.825500 3.464500 15.210000	
REMARKS:	SAN JUAN 32-7 UNIT #235		TOTAL		100.000000	100.000000	
FEE	T32N R7W	40.00		TRACT: 022B			0.396131
	SEC. 20 SW/4 SW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	
REMARKS:	SAN JUAN 32-7 UNIT #233		TOTAL		100.000000	100.000000	
FEE	T32N R7W	200.00		TRACT: 022C			1.980657
	SEC. 19 NW/4 NE/4, E/2 NE/4, E/2 SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	
REMARKS:	SAN JUAN 32-7 UNIT #233		TOTAL		100.000000	100.000000	

EFFECTIVE 10/1/2000

PAGE 10

32-7 24th fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV
THE 024TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRELLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	160.00		TRACT: 023A			1.584526
SEC. 21	SW/4		ORRI:		0.000000	0.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		68.162500	68.162500	
			SAN JUAN BASIN PARTNERSHIP		3.587500	3.587500	
			WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
REMARKS:	SAN JUAN 32-7 UNIT #224 COM		TOTAL		100.000000	100.000000	2.772920
FEE	T32N R7W	280.00		TRACT: 024			
SEC. 31	E/2 SE/4, SE/4 NE/4		ORRI:		0.000000	0.000000	
SEC. 32	W/2 W/2		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		71.750000	71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
REMARKS:	SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)		TOTAL		100.000000	100.000000	
FEE	T31N R7W	160.00		TRACT: 026			0.000000
SEC. 3	E/2 SW/4, S/2 SE/4		ORRI:		0.000000	0.000000	
			ROYALTY:		20.000000	0.000000	
			WORKING INTEREST:				
			HALLWOOD ENERGY COMPANIES, ET AL		80.000000	0.000000	
REMARKS:	YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)		TOTAL		100.000000	0.000000	
FEE	T31N R7W	42.45		TRACT: 027			0.000000
SEC. 5	TRACT 53		ORRI:		0.000000	0.000000	
SEC. 6	TRACT 53		ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:				
			AMOCO PRODUCTION COMPANY, ET AL		87.500000	0.000000	
REMARKS:	IDB ACREAGE		TOTAL		100.000000	0.000000	

EFFECTIVE 10/1/2000

PAGE 11

32-7 24th fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV

THE 024TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W	160.00		TRACT: 028			0.000000
	SEC. 10 NW/4		ORRI:	FORMER UNIT	0.000000	0.000000	
			ROYALTY:		25.000000	0.000000	
			WORKING INTEREST:				
			HALLWOOD ENERGY COMPANIES, ET AL		75.000000	0.000000	
REMARKS:	YAGER COM N 5 (CA NMNM 87095)	TOTAL			100.000000	0.000000	
FEE	T31N R7W	120.00		TRACT: 030			0.000000
	SEC. 7	40 ACRES OF TRACT 55	ORRI:	FORMER UNIT	0.000000	0.000000	
	SEC. 18 NW/4 SE/4, SW/4 NE/4		ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:				
			KINDERMAC PARTNERS, ET AL		87.500000	0.000000	
		TOTAL			100.000000	0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #213 COM(CA NM 84048)						
	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
FEE	T31N R7W	40.00		TRACT: 031			0.000000
	SEC. 18	40 ACRES OF TRACT 55	ORRI:	FORMER UNIT	0.000000	0.000000	
			ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:				
			KINDERMAC PARTNERS, ET AL		87.500000	0.000000	
		TOTAL			100.000000	0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)						

EFFECTIVE 10/1/2000

PAGE 12

32-7 24th fc expansion

11/14/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV
THE 024TH EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W	40.00		TRACT: 032			0.000000
	SEC. 18	SE/4 SE/4	ORR: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL	FORMER UNIT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	
REMARKS: SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)					TOTAL 100.000000	0.000000	

TOTAL	10097.66 - COMMITTED	100.000000
	1222.99 - NON COMMITTED	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXV
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31 NORTH, RANGE 7 WEST

SECTION 3:	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4
SECTION 4:	LOTS 5, 6, 7, 8, S/2 (ALL)
SECTION 5:	LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6:	LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4
SECTION 7:	LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8:	ALL
SECTION 9:	N/2
SECTION 17:	ALL
SECTION 18:	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4, E/2 NE/4

DESCRIPTION OF NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31 NORTH, RANGE 7 WEST

SECTION 2:	W/2 SW/4
SECTION 3:	E/2 SW/4, S/2 SE/4
SECTION 5:	TRACT 53
SECTION 6:	TRACT 53
SECTION 7:	TRACT 55
SECTION 10:	N/2
SECTION 18:	NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32 NORTH, RANGE 7 WEST

SECTION 17:	LOTS 3, 4, 5, 6, 11, 12, 13, 14
SECTION 18:	E/2
SECTION 20:	LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4
SECTION 19:	LOTS 9, 10, 15, NW/4 NE/4, E/2 NE/4, E/2 SE/4
SECTION 21:	SW/4, E/2 NW/4, E/2
SECTION 22:	LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, SW/4
SECTION 27:	ALL
SECTION 29:	ALL
SECTION 31:	E/2 SE/4, SE/4 SE/4
SECTION 32:	ALL
SECTION 33:	N/2, E/2 SE/4
SECTION 35:	ALL
SECTION 36:	ALL

TOWNSHIP 32 NORTH, RANGE 7 WEST

SECTION 21:	W/2 NW/4
SECTION 31:	LOTS 5, 6, 7, 8, 9
SECTION 33:	LOTS 1, 2, 3, 4

TOTAL COMMITTED:

10097.66

TOTAL ACRES NON-COMMITTED:

1222.99

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

11320.65



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

November 1, 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 32-7 UNIT
#14-08-001-441
COMMERCIALITY DETERMINATION
SAN JUAN 32-7 UNIT #244
SAN JUAN COUNTY, NEW MEXICO
CONTRACT C40463

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 7, 1952, Phillips Petroleum Company (Phillips), as Unit Operator, has determined that the San Juan 32-7 Unit #244 well is capable of producing unitized substances in paying quantities from the Fruitland formation. Phillips hereby requests confirmation of this paying well determination. A summary of production and economic data is enclosed for the well.

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

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

Respectfully yours,

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

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

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #244

Fruitland Coal

W/2 Section 17, 32N-7W

San Juan Co., NM

Date Spud: 8/18/2000
Date of Completion: 9/10/2000
Date of First Delivery: 10/19/2000

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
0.17910 Prod Equip
9.11410

Estimated Gross Annual Production and Operating Expenses

Period	Year	Gas MCF {4}	Operating Expense, \$ {3}
1	2000	17,217	8,750
2	2001	147,264	35,000
3	2002	173,375	35,000
4	2003	160,998	35,000
5	2004	138,573	35,000
6	2005	119,271	35,000
7	2006	102,657	35,000
8	2007	88,358	35,000
9	2008	76,050	35,000
10	2009	65,457	35,000
11	2010	56,339	35,000
12	2011	48,492	35,000
13	2012	41,737	35,000
14	2013	35,924	35,000
15	2014	30,920	35,000
16	2015	26,613	35,000
Total		<u>1,329,244</u>	

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 a 15 year period.
{4} The gas forecast is conservative (no inclining production). Flat through 2002 followed by a simple exponential decline (15%/year).

Phillips Petroleum Company

Monthly Production Data

San Juan 32-7 Unit #244
Fruitland Coal
W/2 Section 17, 32N-7W
San Juan Co., NM

2000 Monthly Production @ 15.025#

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
2000	Oct	886	407
2000	Nov	5,357	1,360
2000	Dec	10,974	0
3 mos. 2000		<u>17,217</u>	<u>1,767</u>

2001 Monthly Production @ 15.025#

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
2001	Jan	13,390	1,110
2001	Feb	11,507	994
2001	Mar	4,469	0
2001	Apr	11,066	1,580
2001	May	10,470	805
2001	Jun	11,213	864
2001	Jul	12,869	996
2001	Aug	14,139	
2001	Sep	14,441	
9 mos. 2001		<u>103,564</u>	<u>6,349</u>

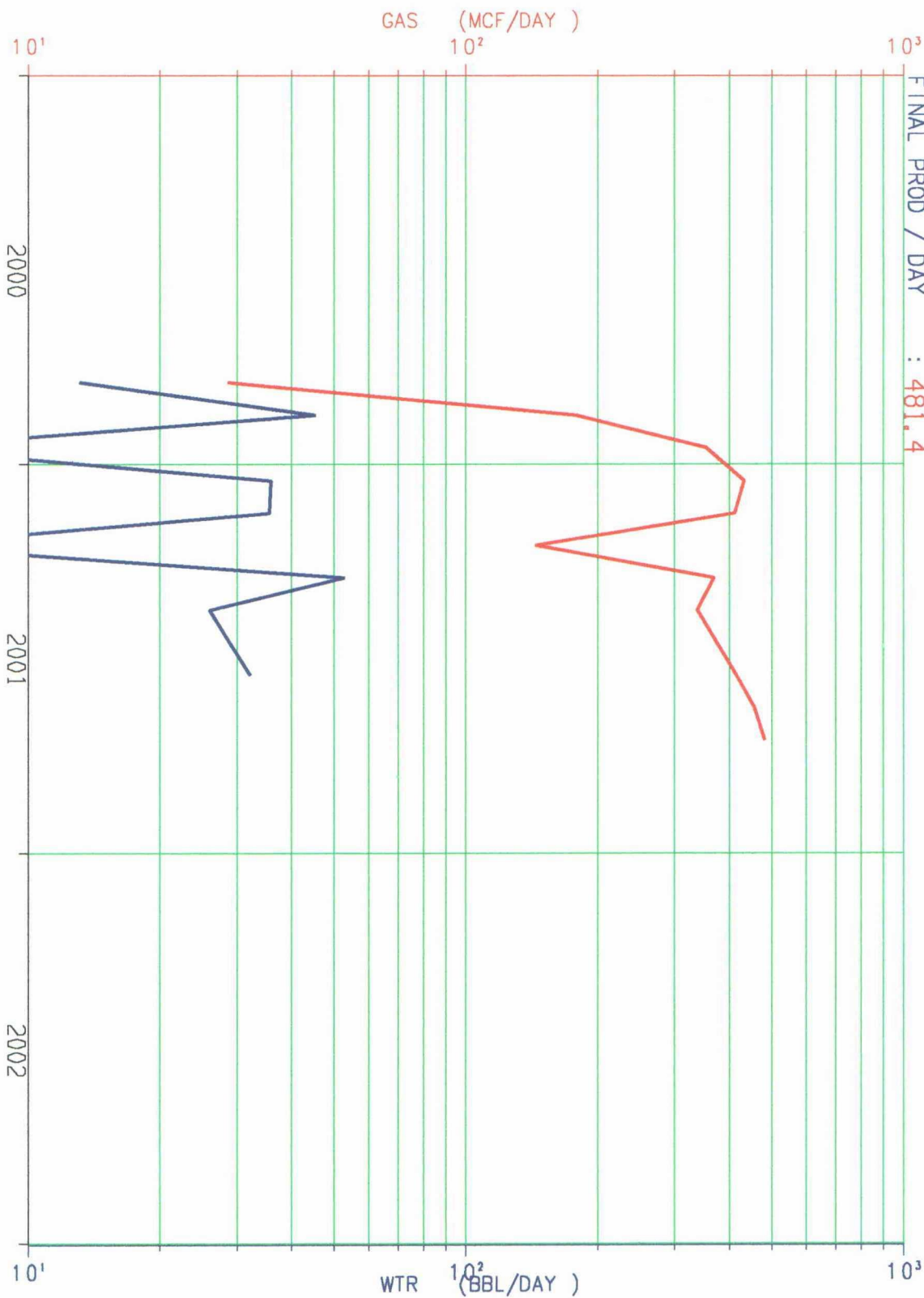
10/0-9/1

ASSOC.

Current Cums

INITIAL PROD / DAY : 555.8
REMAINING LIFE : 1.00
EXP (0.00) DECL % : 15.00
CUM PRODUCTION : 120784.
FINAL PROD / DAY : 481.4

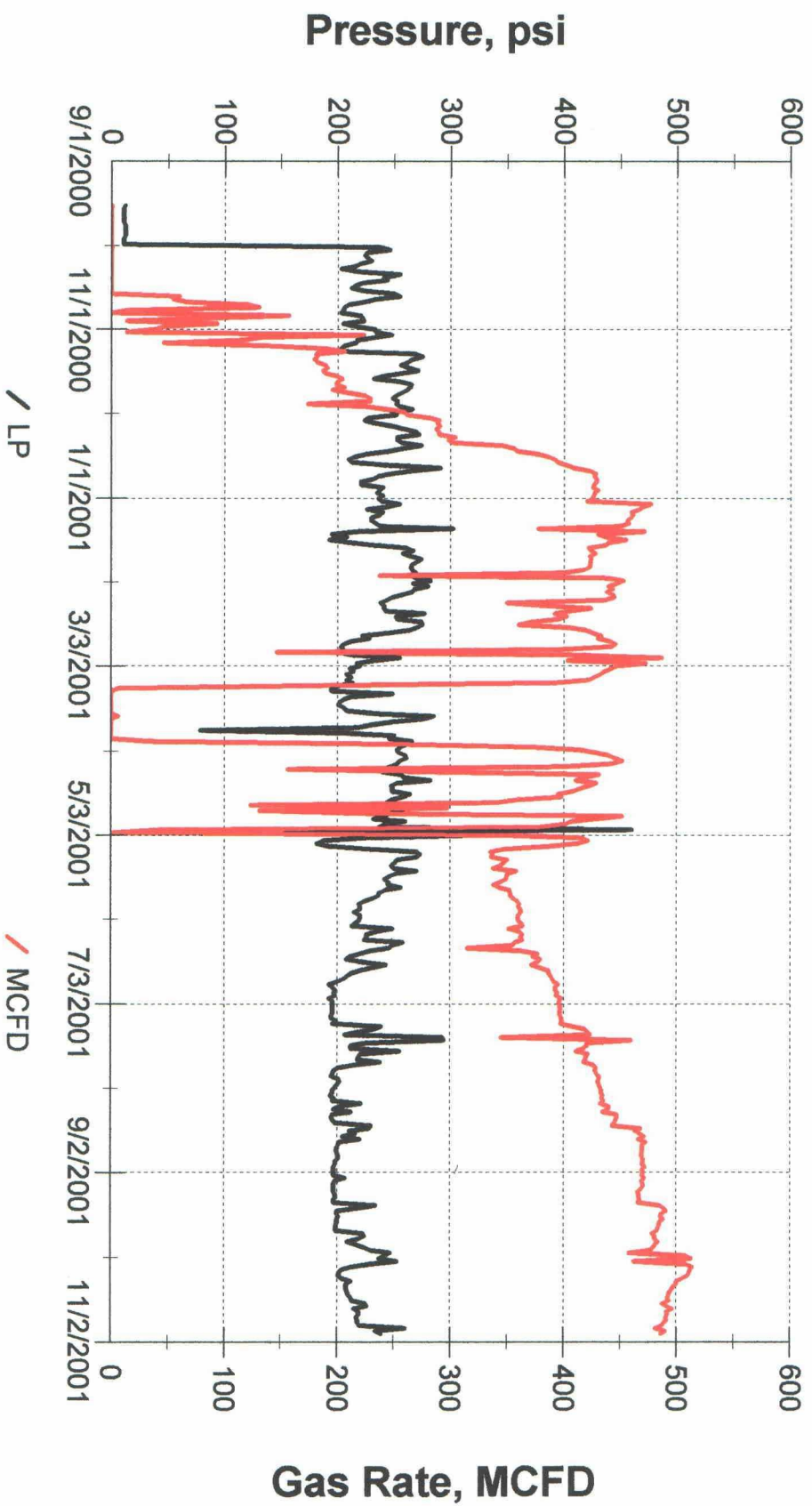
120784. MCF GAS
8115. BBL WTR



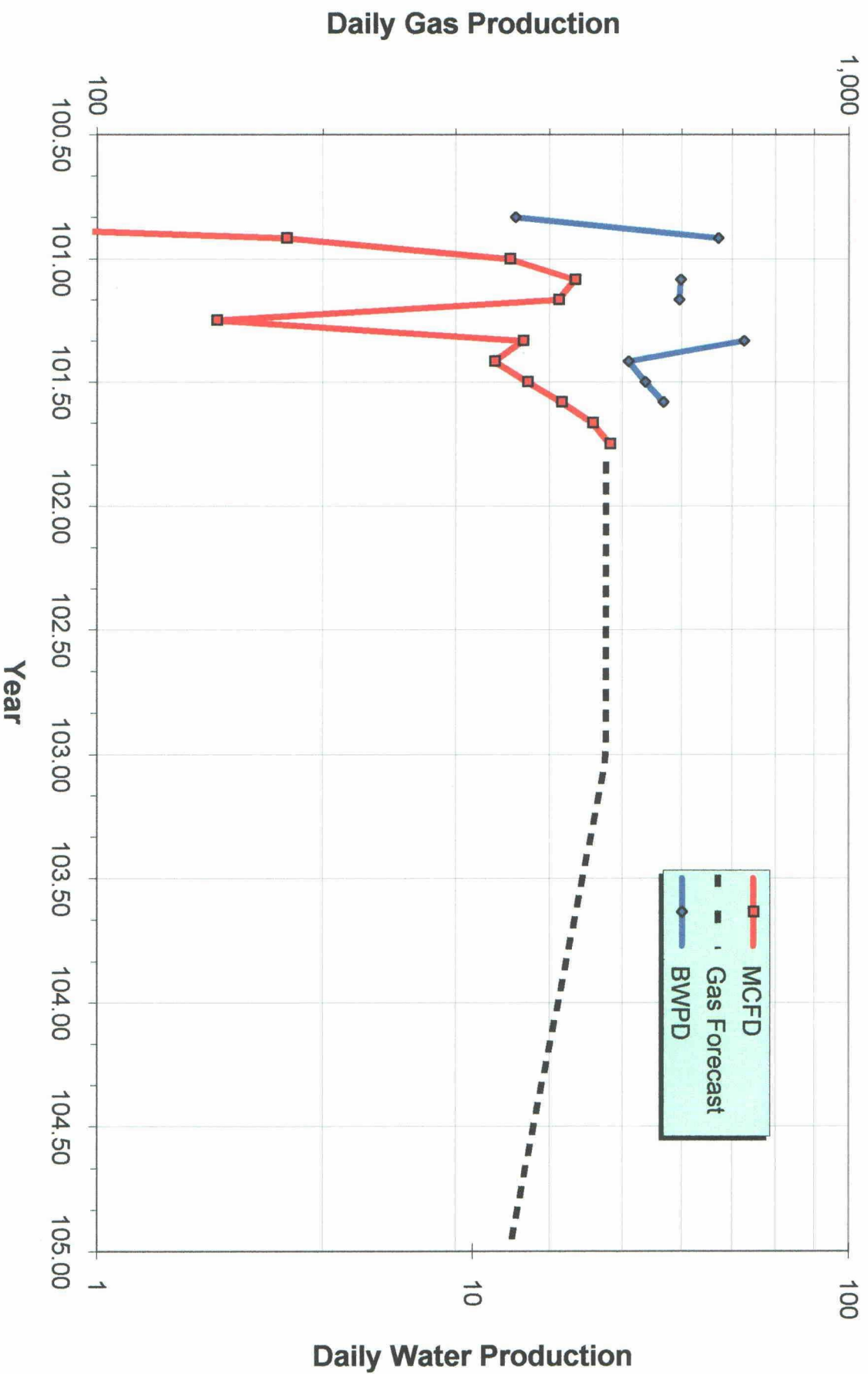
LEASE- 650514 : SAN JUAN 32-7 UNIT #244 FC
RESVR- 028 : BASIN FRUITLAND COAL NO
WELL - 000244 CUM MCF =125250.

F8C1101
ZONE-650514028000244 F8C1101
API-30045302030000 THRU 2/01

Raw Telemetry Data for SJ 32-7 #244



San Juan 32-7 Unit #244





PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

November 1, 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 32-7 UNIT
#14-08-001-441
COMMERCIALITY DETERMINATION
SAN JUAN 32-7 UNIT #244
SAN JUAN COUNTY, NEW MEXICO
CONTRACT C40463

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 7, 1952, Phillips Petroleum Company (Phillips), as Unit Operator, has determined that the San Juan 32-7 Unit #244 well is capable of producing unitized substances in paying quantities from the Fruitland formation. Phillips hereby requests confirmation of this paying well determination. A summary of production and economic data is enclosed for the well.

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

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

Respectfully yours,

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

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

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #244

Fruitland Coal

W/2 Section 17, 32N-7W

San Juan Co., NM

Date Spud: 8/18/2000
Date of Completion: 9/10/2000
Date of First Delivery: 10/19/2000

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
0.17910 Prod Equip
9.11410

Estimated Gross Annual Production and Operating Expenses

Period	Year	Gas MCF {4}	Operating Expense, \$ {3}
1	2000	17,217	8,750
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3	2002	173,375	35,000
4	2003	160,998	35,000
5	2004	138,573	35,000
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8	2007	88,358	35,000
9	2008	76,050	35,000
10	2009	65,457	35,000
11	2010	56,339	35,000
12	2011	48,492	35,000
13	2012	41,737	35,000
14	2013	35,924	35,000
15	2014	30,920	35,000
16	2015	26,613	35,000

Total 1,329,244

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 a 15 year period.
- {4} The gas forecast is conservative (no inclining production). Flat through 2002 followed by a simple exponential decline (15%/year).

Phillips Petroleum Company

Monthly Production Data

San Juan 32-7 Unit #244
 Fruitland Coal
 W/2 Section 17, 32N-7W
 San Juan Co., NM

2000 Monthly Production @ 15.025#

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
2000	Oct	886	407
2000	Nov	5,357	1,360
2000	Dec	10,974	0

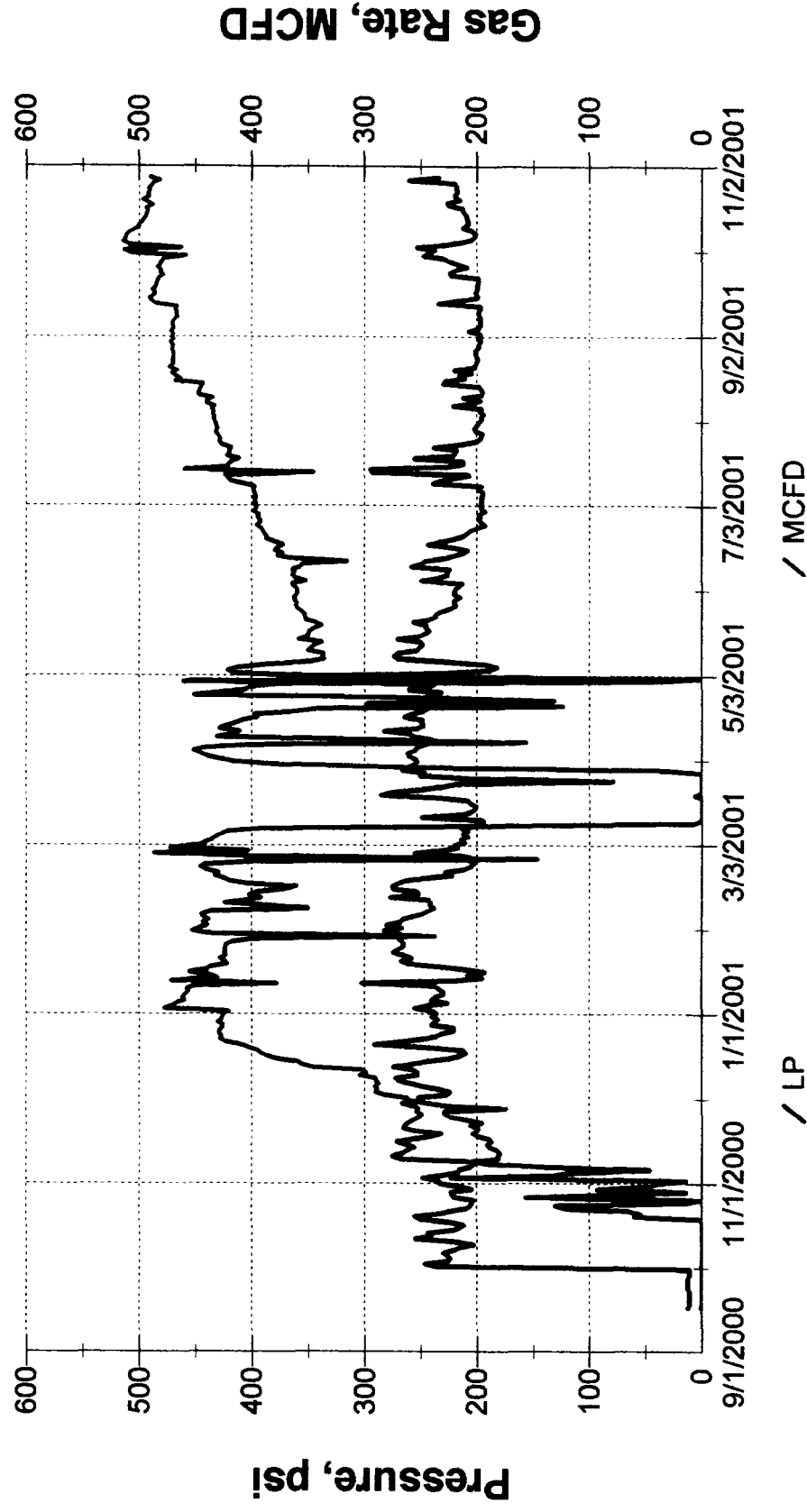
3 mos. 2000 17,217 1,767

2001 Monthly Production @ 15.025#

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
2001	Jan	13,390	1,110
2001	Feb	11,507	994
2001	Mar	4,469	0
2001	Apr	11,066	1,580
2001	May	10,470	805
2001	Jun	11,213	864
2001	Jul	12,869	996
2001	Aug	14,139	
2001	Sep	14,441	

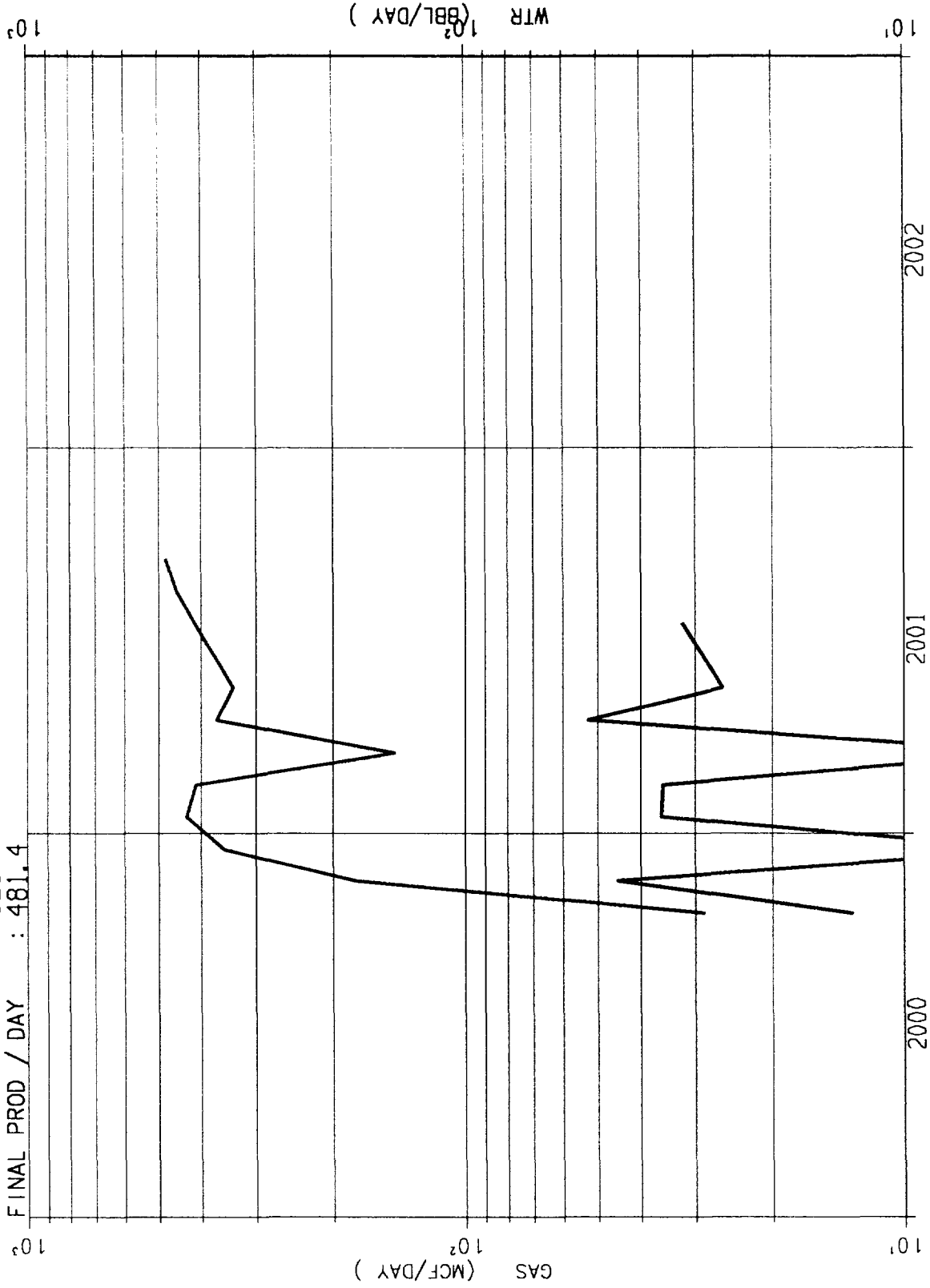
9 mos. 2001 103,564 6,349

Raw Telemetry Data for SJ 32-7 #244



10/0-9/1
 INITIAL PROD / DAY : 555.8
 REMAINING LIFE : 1.00
 EXP (0.00) DECL % : 15.00
 CUM PRODUCTION : 120784.
 FINAL PROD / DAY : 481.4

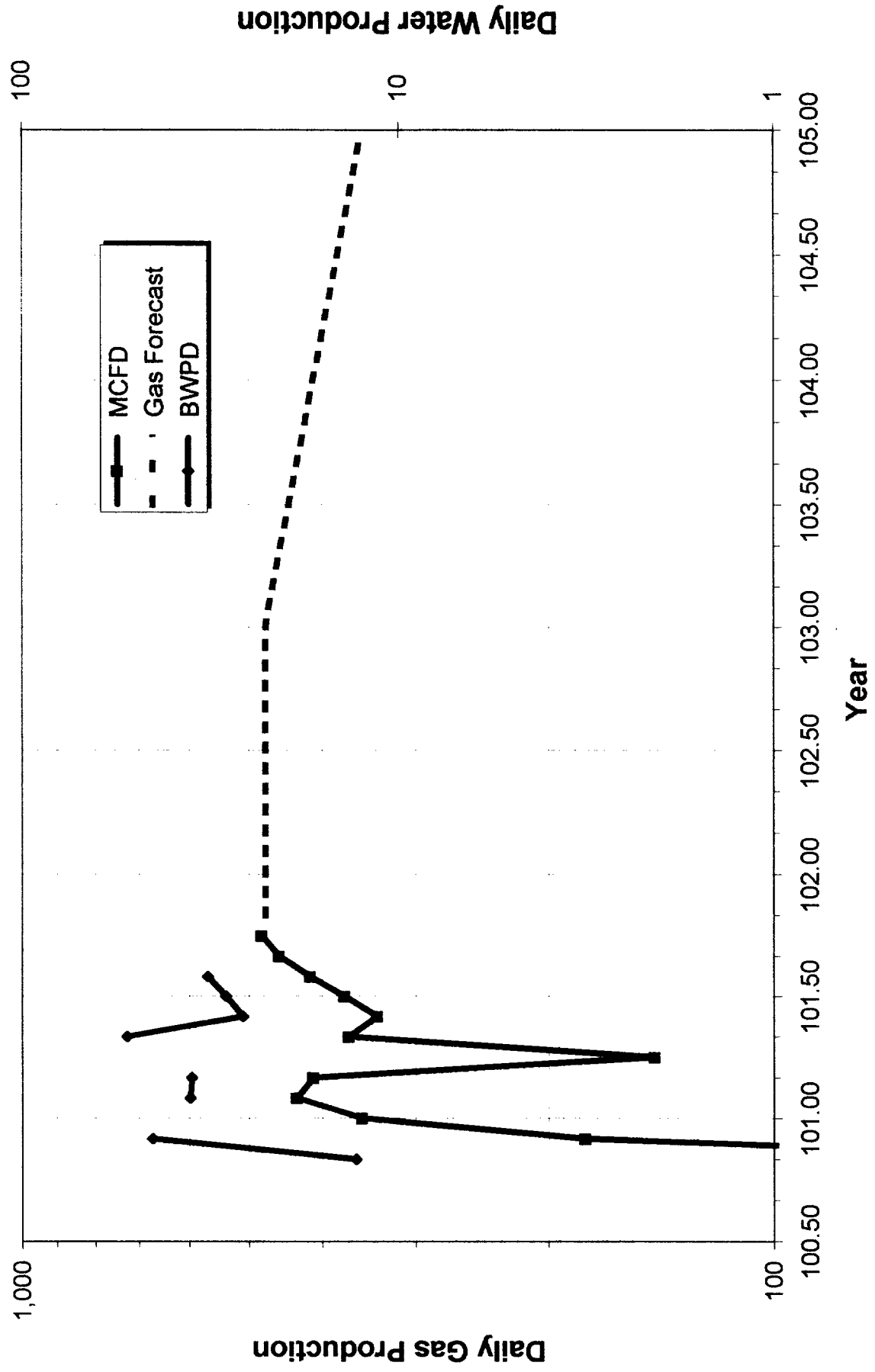
ASSOC.
 Current Cums
 120784. MCF GAS
 8115. BBL WTR



LEASE 650514 : SAN JUAN 32-7 UNIT #244 FC
 RESVR- 028 : BASIN FRUITLAND COAL NQ
 WELL - 000244 CUM MCF =125250.

F8C1101
 ZONE-650514028000244 F8C1101
 API-30045302030000 THRU 2/01

San Juan 32-7 Unit #244





PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

OIL CONSERVATION DIV

01 NOV -2 PM 1:53

420

October 30, 2001

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 32-7 UNIT
#14-08-001-441
TWENTY-FIRST EXPANSION – EFFECTIVE 5-1-99
TWENTY-SECOND EXPANSION – EFFECTIVE 6-1-99
FRUITLAND PARTICIPATING AREA
SAN JUAN COUNTY, NEW MEXICO
C40463, LCN 650115, 651115

Ladies and Gentlemen:

Enclosed is a replacement 'page 9' to the Schedule XXIII exhibit correcting Tract 22C Remarks, from San Juan 32-7 Unit #233 to San Juan 32-7 Unit #240.

I am sorry for the inconvenience caused by this error.

Respectfully yours,

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

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 20 SW/4 SW/4	40.00	TRACT: 022B ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	0.413435
	REMARKS: SAN JUAN 32-7 UNIT #233		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 19 NW/4 NE/4, E/2 NE/4, E/2 SE/4	200.00	TRACT: 022C ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	2.067175
	REMARKS: SAN JUAN 32-7 UNIT #240		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 21 SW/4	160.00	TRACT: 023A ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 68.162500 3.587500 15.750000	0.000000 12.500000 68.162500 3.587500 15.750000	1.653740
	REMARKS: SAN JUAN 32-7 UNIT #224 COM		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 31 E/2 SE/4, SE/4 NE/4 SEC. 32 W/2 W/2	280.00	TRACT: 024 ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	2.894045
	REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)		TOTAL		100.000000	100.000000	
	EFFECTIVE 6/1/1999		PAGE 9				32-7 22nd fc expansion

10/26/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N RTW	40.00		TRACT: 022B			0.413435
	SEC. 20 SW/4 SW/4		ORRI:		3.000000	3.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		69.290000	69.290000	
			WILLIAMS PRODUCTION COMPANY		15.210000	15.210000	
	REMARKS: SAN JUAN 32-7 UNIT #233		TOTAL		100.000000	100.000000	
FEE	T32N RTW	200.00		TRACT: 022C			2.067175
	SEC. 19 NW/4 NE/4, E/2 NE/4		ORRI:		3.000000	3.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS PETROLEUM COMPANY		69.290000	69.290000	
			WILLIAMS PRODUCTION COMPANY		15.210000	15.210000	
	REMARKS: SAN JUAN 32-7 UNIT #240		TOTAL		100.000000	100.000000	
FEE	T32N RTW	160.00		TRACT: 023A			1.653740
	SEC. 21 SW/4		ORRI:		0.000000	0.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		68.162500	68.162500	
			SAN JUAN BASIN PARTNERSHIP		3.587500	3.587500	
			WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
	REMARKS: SAN JUAN 32-7 UNIT #224 COM		TOTAL		100.000000	100.000000	
FEE	T32N RTW	280.00		TRACT: 024			2.894045
	SEC. 31 E/2 SE/4, SE/4 NE/4		ORRI:		0.000000	0.000000	
	SEC. 32 W/2 W/2		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		71.750000	71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
	REMARKS: SAN JUAN 32-7 UNIT #215		TOTAL		100.000000	100.000000	
	GRASSY CANYON #3 (CA NM 87178)						
EFFECTIVE	6/1/1999		PAGE 9				32-7 22nd fc expansion



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

October 24, 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 32-7 UNIT
#14-08-001-441
COMMERCIALITY DETERMINATION
MIDDLE MESA COM #3 WELL
SAN JUAN COUNTY, NEW MEXICO
CONTRACT C40463

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 7, 1952, Phillips Petroleum Company (Phillips), as Unit Operator, has determined that the Middle Mesa Com #3 well is capable of producing unitized substances in paying quantities from the Fruitland formation. The Middle Mesa Com #3 is a communitized well, with lands lying outside the boundaries of the San Juan 32-7 Unit, therefore, only the lands located within the unit boundary are being proposed for inclusion the Fruitland Coal participating area. Phillips hereby requests confirmation of this paying well determination. A summary of production and economic data is enclosed for the well.

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

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

Respectfully yours,

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

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

cc: Jerry Foster (r)C40463

Phillips Petroleum Company

Commerciality Determination

Middle Mesa Com #3
Fruitland Coal
S/2 Section 33, 32N-7W
San Juan Co., NM

Date Spud: 09/16/98
Date of Completion: 10/06/98
Date of First Delivery: 10/14/98

Total Well Costs: \$460,000 {1}
Current Gas Price (\$/mcf): \$1.38 {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	1998	28,098	18,000
2	1999	1,084,032	72,000
3	2000	1,571,962	72,000
4	2001	1,254,685	72,000
5	2002	948,271	72,000
6	2003	716,687	72,000
7	2004	541,661	72,000
8	2005	409,378	72,000
9	2006	309,402	72,000
10	2007	233,841	72,000
11	2008	176,733	72,000
12	2009	133,572	72,000
13	2010	100,951	72,000
14	2011	76,298	72,000
15	2012	57,664	72,000
Total		<u>7,643,235</u>	

Notes:

- {1} Total well costs include drilling, completion, gathering lines and surface facilities.
- {2} Gas price is the approximate netback price received at completion.
- {3} Operating costs are approximate over a 15 year period and assume wellhead compression.
- {4} The gas forecast assumes a simple exponential decline (28%/yr).

Phillips Petroleum Company

Commerciality Determination

Middle Mesa Com #3
Fruitland Coal
S/2 Section 33, 32N-7W
San Juan Co., NM

Monthly Production Data

1998 Monthly Production @ 15.025#

Yr	Mo	Gas MCF	Water BBLS
1998	Oct	28,098	571
1998	Nov		
1998	Dec		
3 mos. 1998		<u>28,098</u>	<u>571</u>

1999 Monthly Production @ 15.025#

Yr	Mo	Gas MCF	Water BBLS
1999	Jan	77,722	1,466
1999	Feb	85,567	1,304
1999	Mar	95,370	1,288
1999	Apr	93,054	639
1999	May	63,019	219
1999	Jun	81,644	358
1999	Jul	81,330	308
1999	Aug	86,231	415
1999	Sep	83,627	161
1999	Oct	85,976	339
1999	Nov	116,740	645
1999	Dec	133,752	343
12 mos. 1999		<u>1,084,032</u>	<u>2,569</u>

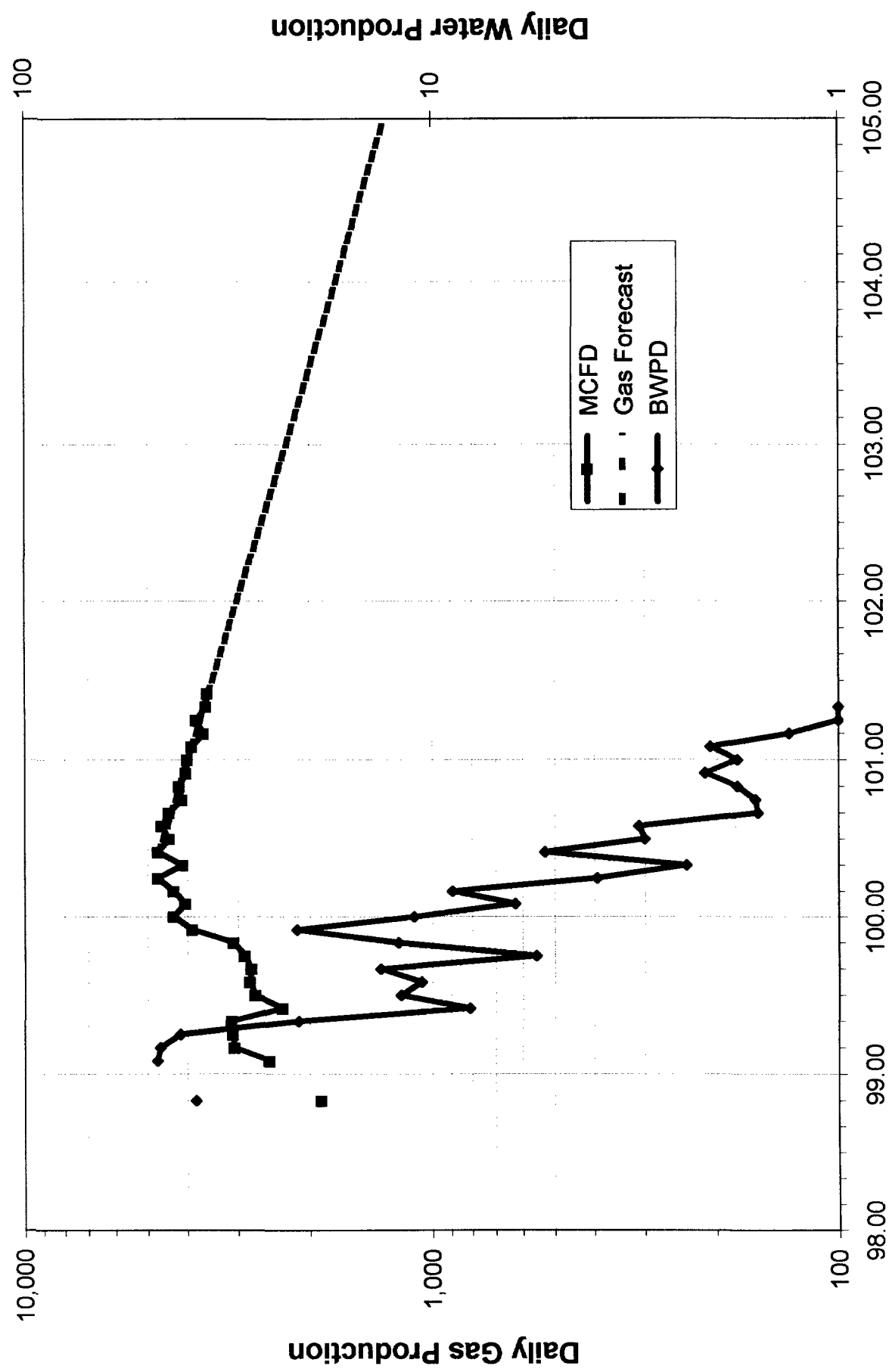
2000 Monthly Production @ 15.025#

Yr	Mo	Gas MCF	Water BBLS
2000	Jan	125,275	194
2000	Feb	125,335	259
2000	Mar	146,150	122
2000	Apr	123,136	71
2000	May	146,286	164
2000	Jun	132,829	90
2000	Jul	138,325	93
2000	Aug	137,326	49
2000	Sep	123,643	48
2000	Oct	129,533	55
2000	Nov	120,603	64
2000	Dec	123,521	55
12 mos. 2000		<u>1,571,962</u>	<u>1,209</u>

2001 Monthly Production @ 15.025#

Yr	Mo	Gas MCF	Water BBLS
2001	Jan	120,401	64
2001	Feb	101,774	37
2001	Mar	117,464	31
2001	Apr	107,593	30
2001	May	110,386	
5 mos. 2001		<u>557,618</u>	<u>162</u>

Middle Mesa Com #3





PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

October 16, 2001

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 32-7 UNIT
#14-08-001-441
TWENTY-FIRST EXPANSION – EFFECTIVE 5-1-99
TWENTY-SECOND EXPANSION – EFFECTIVE 6-1-99
FRUITLAND PARTICIPATING AREA
SAN JUAN COUNTY, NEW MEXICO
C40463, LCN 650115, 651115

Ladies and Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 16, 1952, 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-First and Twenty-Second Expansions of the Participating Area established for the Fruitland Formation is respectfully submitted for your approval as follows:

TWENTY-FIRST EXPANDED PARTICIPATING AREA
EFFECTIVE MAY 1, 1999

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
E/2 Section 21-32N-7W	328.97	#241

The San Juan 32-7 Unit #241 Well was completed April 21, 1999, with cumulative gas production of 627,463 MCF through November 30, 2000. The spacing unit for this well is described as the E/2 of Section 21-32N-7W.

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

TWENTY-SECOND EXPANDED PARTICIPATING AREA
EFFECTIVE JUNE 1, 1999

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
W/2 Section 22-32N-7W	337.56	#205
E/2 Section 19-32N-7W	326.53	#240

The San Juan 32-7 Unit #205 Well was completed May 17, 1999, with cumulative gas production of 598,312 MCF through November 30, 2000. The spacing unit for this well is described as the W/2 Section 22-32N-7W.

This well was deemed commercial per letter dated October 5, 2001 from the Bureau of Land Management.

The San Juan 32-7 Unit #240 Well was completed May 28, 1999, with cumulative gas production of 220,581 MCF through November 30, 2000. The spacing unit for this well is described as the E/2 Section 19-32N-7W.

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

Enclosed herewith are XXII for the Twenty-First Expanded Participating Area and Schedule XXIII for the Twenty-Second Expanded Participating Area for the Fruitland Formation. These schedules describe the participating areas and indicate the percentages of unitized substances allotted 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-First and Twenty-Second Expansions of the San Juan 32-7 Unit Fruitland Participating Area.

Unless this application is disapproved or contested the Twenty-First Expanded Participating Area is effective as of May 1, 1999 and the Twenty-Second Expanded Participating Area is effective as of June 1, 1999. Copies of this application are being sent to the Unit Working Interest owners.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Skip Fraker", written over a horizontal line.

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

cc: San Juan 32-7 Unit Owners
Jerry Foster (r)C40463

The signatory approvals below are for the Twenty-First and Twenty-Second Expanded Participating Area of the Fruitland Formation in the San Juan 32-7 Unit, #14-08-001-441.

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 XXII
THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078459	T32N R7W SEC. 22 LOTS 1, 2, 7, 8, 9, 10, 11 & 12	331.40	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY	TRACT: 001	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	3.677748
	REMARKS: SAN JUAN 32-7 UNIT #203R		TOTAL		100.000000	100.000000	
SF-078460	T32N R7W SEC. 20 LOTS 1, 2, 3, 4, 7, E/2 NW/4 SEC. 29 LOTS 1, 2	342.97	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY	TRACT: 002	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	3.806147
	REMARKS: SAN JUAN 32-7 UNIT #233 SAN JUAN 32-7 UNIT #238		TOTAL		100.000000	100.000000	
SF-078460	T32N R7W SEC. 20 LOTS 1, 2, SE/4	248.97	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 002A	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	2.762972
	REMARKS: SAN JUAN 32-7 UNIT #241		TOTAL		100.000000	100.000000	
SF-078472	T32N R7W SEC. 27 LOTS 1, 2, 3, 4	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.682620
	REMARKS: SAN JUAN 32-7 UNIT #207		TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 29 NE/4 NW/4, SE/4 SW/4	80.00	TRACT: 003A				0.887809
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS				64.267500	64.267500	
	SAN JUAN BASIN PARTNERSHIP				3.382500	3.382500	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
SF-078472	T32N R7W SEC. 29 LOTS 3, 4, SE/4	246.23	TRACT: 003B				2.732564
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
SF-078472	T32N R7W SEC. 27 NE/4	160.00	TRACT: 003C				1.775617
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
SF-078542	T32N R7W SEC. 35 SE/4	160.00	TRACT: 005				1.775617
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				20.625000	20.625000	
	WILLIAMS PRODUCTION COMPANY				61.875000	61.875000	
	TOTAL				100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #209						

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII
THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078542	REMARKS: SAN JUAN 32-7 UNIT #209	160.00		TRACT:005A	100.000000	100.000000	1.775617
	T32N R7W						
	SEC. 35 SW/4						
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS L.P.				20.625000	20.625000	
	WILLIAMS PRODUCTION COMPANY				61.875000	61.875000	
	TOTAL				100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #211R						
SF-078543	T32N R7W	313.48		TRACT: 006			3.478879
	SEC. 27 LOTS 5, 6, 7, 8				5.000000	5.000000	
	SEC. 35 NE/4				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 #207 SAN JUAN 32-7 UNIT #209						
SF-078543	T32N R7W	160.00		TRACT: 006A			1.775617
	SEC. 35 NW/4				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 #211R						
SF-078543	T32N R7W	320.00		TRACT: 006B			3.551235
	SEC. 33 N/2				5.000000	5.000000	
	ORRI:				12.500000	12.500000	
	ROYALTY:						
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #242						

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII
THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078543	T32N R7W SEC. 27 SE/4	160.00	TRACT: 006C ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.775617
	REMARKS: SAN JUAN 32-7 UNIT #206		TOTAL		100.000000	100.000000	
NM-2995	T32N R7W SEC. 21 W/2 NW/4	80.00	TRACT: 007 FORMER UNIT ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY		0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #224 COM		TOTAL		100.000000	0.000000	
NM-83503	T32N R7W SEC. 31 LOTS 5,6,7,8,9	189.74	TRACT: 008 FORMER UNIT ORRI: ROYALTY: WORKING INTEREST: CNG PRODUCING COMPANY		0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: GRASSY CANYON #3 (CA NM 87178)		TOTAL		0.000000	0.000000	
NM-28749	T31N R7W SEC. 10 NE/4	160.00	TRACT: 009 FORMER UNIT ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL		0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: FEDERAL G NO. 4 (CA NM 87094)		TOTAL		100.000000	0.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII
THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	1777.82		TRACT: 010			19.72951
SEC. 3	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
SEC. 4	LOT 5, E/2 SE/4, SW/4 SE/4		WORKING INTEREST:				
SEC. 5	LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
SEC. 6	LOTS 12, 14, 15, S/2 SE/4						
SEC. 7	LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4		TOTAL		100.000000	100.000000	
SEC. 8	ALL						
REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #217 SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232							
SF-078996	T31N R7W	436.40		TRACT: 010A			4.842997
SEC. 5	LOT 9		ORRI:		5.000000	5.000000	
SEC. 6	LOTS 8, 9, 10, 11, 13, NW/4 SE/4, NE/4 SW/4		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		PHILLIPS-NEW MEXICO PARTNERS		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
REMARKS: SAN JUAN 32-7 UNIT #220 SAN JUAN 32-7 UNIT #228							
			TOTAL		100.000000	100.000000	
SF-078996	T31N R7W	323.15		TRACT: 010B			3.586192
SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI:		5.000000	5.000000	
SEC. 5	LOT 5		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		64.267500	64.267500	
			SAN JUAN BASIN PARTNERSHIP		3.382500	3.382500	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
REMARKS: SAN JUAN 32-7 UNIT #216							
			TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII
THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTU PARTICIPATIO
SF-078998	T31N R7W	1318.91		TRACT: 011			14.63
SEC. 9	N/2		ORRI:		5.000000	5.000000	
SEC. 17	ALL		ROYALTY:		12.500000	12.500000	
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
	REMARKS: SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231		TOTAL		100.000000	100.000000	
E-503-13	T32N R7W	800.00		TRACT: 017A			8.87
SEC. 32	E/2 W/2		ORRI:		5.000000	5.000000	
SEC. 36	ALL		ROYALTY:		12.500000	12.500000	
	REMARKS: SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
	TOTAL				100.000000	0.000000	
E-503-13	T32N R7W	320.00		TRACT: 017B			3.55
SEC. 32	E/2		ORRI:		5.000000	5.000000	
	REMARKS: SAN JUAN 32-7 UNIT #234		ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		12.500000 64.267500 3.382500 14.850000	12.500000 64.267500 3.382500 14.850000	
	TOTAL				100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII

THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM LG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 018 FORMER UNIT	0.000000 12.500000 87.500000	0.000000 12.500000 87.500000	0.000000
REMARKS: FEDERAL G NO. 4 (CA NM-87094)							
FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 021	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	0.148264
REMARKS: SAN JUAN 32-7 UNIT #3							
FEE	T32N R7W SEC. 21 W/2 NE/4	80.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 021A	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	0.887809
REMARKS: SAN JUAN 32-7 UNIT #241							
FEE	T32N R7W SEC. 21 E/2 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 021B	0.000000 12.500000 68.162500 3.587500 15.750000	0.000000 12.500000 68.162500 3.587500 15.750000	0.887809
REMARKS: SAN JUAN UNIT #224 COM							
TOTAL					100.000000	100.000000	

10/15/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII
THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	306.64		TRACT: 022			3.402971
	SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	
FEE	REMARKS: SAN JUAN 32-7 UNIT #3 T32N R7W	240.00	TOTAL	TRACT: 022A	100.000000	100.000000	2.663426
	SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 65.825500 3.464500 15.210000	3.000000 12.500000 65.825500 3.464500 15.210000	
FEE	REMARKS: SAN JUAN 32-7 UNIT #235 T32N R7W	40.00	TOTAL	TRACT: 022B	100.000000	100.000000	0.443904
	SEC. 20 SW/4 SW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	
FEE	REMARKS: SAN JUAN 32-7 UNIT #233 T32N R7W	160.00	TOTAL	TRACT: 023A	100.000000	100.000000	1.775617
	SEC. 21 SW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 68.162500 3.587500 15.750000	0.000000 12.500000 68.162500 3.587500 15.750000	
	REMARKS: SAN JUAN 32-7 UNIT #224 COM		TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII

THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	280.00		TRACT: 024			3.107331
	SEC. 31 E/2 SE/4, SE/4 NE/4		ORRI:		0.000000	0.000000	
	SEC. 32 W/2 W/2		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		71.750000	71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
	REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)		TOTAL		100.000000	100.000000	
FEE	T31N R7W	160.00		TRACT: 026			0.000000
	SEC. 3 E/2 SW/4, S/2 SE/4		ORRI:	FORMER UNIT	0.000000	0.000000	
			ROYALTY:		20.000000	0.000000	
			WORKING INTEREST:				
			HALLWOOD ENERGY COMPANIES, ET AL		80.000000	0.000000	
	REMARKS: YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)		TOTAL		100.000000	0.000000	
FEE	T31N R7W	42.45		TRACT: 027			0.000000
	SEC. 5 TRACT 53		ORRI:	FORMER UNIT	0.000000	0.000000	
	SEC. 6 TRACT 53		ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:				
			AMOCO PRODUCTION COMPANY, ET AL		87.500000	0.000000	
	REMARKS: IDB ACREAGE		TOTAL		100.000000	0.000000	
FEE	T31N R7W	160.00		TRACT: 028			0.000000
	SEC. 10 NW/4		ORRI:	FORMER UNIT	0.000000	0.000000	
			ROYALTY:		25.000000	0.000000	
			WORKING INTEREST:				
			HALLWOOD ENERGY COMPANIES, ET AL		75.000000	0.000000	
	REMARKS: YAGER COM N 5 (CA NMNM 87095)		TOTAL		100.000000	0.000000	

10/15/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII
THE 021ST EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W	120.00					0.000000
	SEC. 7 40 ACRES OF TRACT 55		ORRI:	TRACT: 030	0.000000	0.000000	
	SEC. 18 NW/4 SE/4, SW/4 NE/4		ROYALTY:	FORMER UNIT	12.500000	0.000000	
			WORKING INTEREST:				
			KINDERMAC PARTNERS, ET AL		87.500000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS: SAN JUAN 32-7 UNIT #213 COM(CA NM 84048)							
SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)							
FEE	T31N R7W	40.00					0.000000
	SEC. 18 40 ACRES OF TRACT 55		ORRI:	TRACT: 031	0.000000	0.000000	
			ROYALTY:	FORMER UNIT	12.500000	0.000000	
			WORKING INTEREST:				
			KINDERMAC PARTNERS, ET AL		87.500000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS: SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)							
FEE	T31N R7W	40.00					0.000000
	SEC. 18 SE/4 SE/4		ORRI:	TRACT: 032	0.000000	0.000000	
			ROYALTY:	FORMER UNIT	12.500000	0.000000	
			WORKING INTEREST:				
			SOUTHLAND ROYALTY COMPANY, ET AL		87.500000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS: SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)							
TOTAL							
					9010.95 - COMMITTED		
					1072.19 - NON COMMITTED		
						100.000000	

EFFECTIVE 5/1/1999

PAGE 10

32-7 21st ft expansion

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

<u>TOWNSHIP 31 NORTH, RANGE 7 WEST</u>	
SECTION 3:	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4
SECTION 4:	LOTS 5, 6, 7, 8, S/2 (ALL)
SECTION 5:	LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6:	LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4
SECTION 7:	LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8:	ALL
SECTION 9:	N/2
SECTION 17:	ALL
SECTION 18:	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4, E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

<u>TOWNSHIP 31 NORTH, RANGE 7 WEST</u>	
SECTION 2:	W/2 SW/4
SECTION 3:	E/2 SW/4, S/2 SE/4
SECTION 5:	TRACT 53
SECTION 6:	TRACT 53
SECTION 7:	TRACT 55
SECTION 10:	N/2
SECTION 18:	NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32 NORTH, RANGE 7 WEST

SECTION 18:	E/2
SECTION 20:	LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4
SECTION 21:	SW/4, E/2 NW/4, E/2
SECTION 22:	LOTS 1, 2, 7, 8, 9, 10, 11 & 12
SECTION 27:	ALL
SECTION 29:	ALL
SECTION 31:	E/2 SE/4, SE/4 SE/4
SECTION 32:	ALL
SECTION 33:	N/2
SECTION 35:	ALL
SECTION 36:	ALL

TOWNSHIP 32 NORTH, RANGE 7 WEST

SECTION 21:	W/2 NW/4
SECTION 31:	LOTS 5, 6, 7, 8, 9

TOTAL COMMITTED:

9010.95

TOTAL ACRES NON-COMMITTED:

1072.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

10083.14

10/15/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W	40.00		TRACT: 031 FORMER UNIT			0.000000
	SEC. 18	40 ACRES OF TRACT 55	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL		0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	
	REMARKS:	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)					
		TOTAL			100.000000	0.000000	
FEE	T31N R7W	40.00		TRACT: 032 FORMER UNIT			0.000000
	SEC. 18	SE/4 SE/4	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL		0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	
	REMARKS:	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)					
		TOTAL			100.000000	0.000000	

TOTAL 9675.04 - COMMITTED
1072.19 - NON COMMITTED

100.000000

EFFECTIVE 6/1/1999

PAGE 11

32-7 22nd fc expansion

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXII
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:		DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:	
<u>TOWNSHIP 31 NORTH, RANGE 7 WEST</u>		<u>TOWNSHIP 31 NORTH, RANGE 7 WEST</u>	
SECTION 3:	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4	SECTION 2:	W/2 SW/4
SECTION 4:	LOTS 5, 6, 7, 8, S/2 (ALL)	SECTION 3:	E/2 SW/4, S/2 SE/4
SECTION 5:	LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4	SECTION 5:	TRACT 53
SECTION 6:	LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4	SECTION 6:	TRACT 53
SECTION 7:	LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4	SECTION 7:	TRACT 55
SECTION 8:	ALL	SECTION 10:	N/2
SECTION 9:	N/2	SECTION 18:	NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55
SECTION 17:	ALL		
SECTION 18:	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4, E/2 NE/4		

<u>TOWNSHIP 32 NORTH, RANGE 7 WEST</u>		<u>TOWNSHIP 32 NORTH, RANGE 7 WEST</u>	
SECTION 18:	E/2	SECTION 21:	W/2 NW/4
SECTION 20:	LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4 SW/4, E/2 NW/4, E/2	SECTION 31:	LOTS 5, 6, 7, 8, 9
SECTION 21:	SW/4, E/2 NW/4, E/2		
SECTION 22:	LOTS 1, 2, 7, 8, 9, 10, 11 & 12		
SECTION 27:	ALL		
SECTION 29:	ALL		
SECTION 31:	E/2 SE/4, SE/4 SE/4		
SECTION 32:	ALL		
SECTION 33:	N/2		
SECTION 35:	ALL		
SECTION 36:	ALL		
TOTAL COMMITTED:	9010.95	TOTAL ACRES NON-COMMITTED:	1072.19
TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:	10083.14		

10/16/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078459	T32N R7W SEC. 22	331.40	TRACT: 001				3.425309
	LOTS 1, 2, 7, 8, 9, 10, 11, 12		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L. P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #203R		TOTAL		100.000000	100.000000	
SF-078459	T32N R7W SEC. 22	337.56	TRACT: 001A				3.488978
	LOTS 3, 4, 5, 6, SW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #205		TOTAL		100.000000	100.000000	
SF-078460	T32N R7W SEC. 20	342.97	TRACT: 002				3.544895
	LOTS 1, 2, 3, 4, 7, E/2 NW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #233 SAN JUAN 32-7 UNIT #238		TOTAL		100.000000	100.000000	
SF-078460	T32N R7W SEC. 19	375.50	TRACT: 002A				3.881121
	LOTS 9, 10, 15		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #240 SAN JUAN 32-7 UNIT #241 SAN JUAN 32-7 UNIT #244		TOTAL		100.000000	100.000000	

EFFECTIVE 6/1/1999

PAGE 1

32-7 22nd fc expansion

10/15/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1, 2, 3, 4	151.62	TRACT: 003				1.567125
	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	
SF-078472	REMARKS: SAN JUAN 32-7 UNIT #207 T32N R7W SEC. 29 NE/4 NW/4, SE/4 SW/4	80.00	TRACT: 003A				0.826870
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS				64.267500	64.267500	
	SAN JUAN BASIN PARTNERSHIP				3.382500	3.382500	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
SF-078472	REMARKS: SAN JUAN 32-7 UNIT #235 T32N R7W SEC. 29 LOTS 3, 4, SE/4	246.23	TRACT: 003B				2.545002
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
SF-078472	REMARKS: SAN JUAN 32-7 UNIT #238 T32N R7W SEC. 27 NE/4	160.00	TRACT: 003C				1.653740
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #206						
	TOTAL				100.000000	100.000000	

EFFECTIVE 6/1/1999

PAGE 2

32-7 22nd fc expansion

10/15/2001

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XXIII
 THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRELLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078542	T32N R7W SEC. 35 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005	5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	1.653740
	REMARKS: SAN JUAN 32-7 UNIT #209	TOTAL			100.000000	100.000000	
SF-078542	T32N R7W SEC. 35 SW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS L.P. WILLIAMS PRODUCTION COMPANY	TRACT:005A	5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	1.653740
	REMARKS: SAN JUAN 32-7 UNIT #211R	TOTAL			100.000000	100.000000	
SF-078543	T32N R7W SEC. 27 SEC. 35 LOTS 5, 6, 7, 8 NE/4	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	3.240090
	REMARKS: SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209	TOTAL			100.000000	100.000000	
SF-078543	T32N R7W SEC. 35 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006A	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.653740
	REMARKS: SAN JUAN 32-7 UNIT #211R	TOTAL			100.000000	100.000000	

EFFECTIVE 6/1/1999

PAGE 3

32-7 22nd fc expansion

10/15/2001

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XXIII
 THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078543	T32N R7W SEC. 33 N/2	320.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY	TRACT: 006B	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	3.307480
REMARKS:	SAN JUAN 32-7 UNIT #242	TOTAL			100.000000	100.000000	
SF-078543	T32N R7W SEC. 27 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 006C	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.653740
REMARKS:	SAN JUAN 32-7 UNIT #206	TOTAL			100.000000	100.000000	
NM-2995	T32N R7W SEC. 21 W/2 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY	TRACT: 007 FORMER UNIT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	SAN JUAN 32-7 UNIT #224 COM	TOTAL			100.000000	0.000000	
NM-83503	T32N R7W SEC. 31 LOTS 5,6,7,8,9	189.74	ORRI: ROYALTY: WORKING INTEREST: CNG PRODUCING COMPANY	TRACT: 008 FORMER UNIT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	GRASSY CANYON #3 (CA NM 87178)	TOTAL			0.000000	0.000000	

EFFECTIVE 6/1/1999

PAGE 4

32-7 22nd fc expansion

10/15/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T31N R7W NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	FEDERAL G NO. 4 (CA NM 87094)	TOTAL			100.000000	0.000000	
SF-078996	T31N R7W	1777.82	TRACT: 010				18.375324
SEC. 3	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4	ORRI:			5.000000	5.000000	
SEC. 4	LOT 5, E/2 SE/4, SW/4 SE/4	ROYALTY:			12.500000	12.500000	
SEC. 5	LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4	WORKING INTEREST:			67.650000	67.650000	
SEC. 6	LOTS 12, 14, 15, S/2 SE/4	PHILLIPS-SAN JUAN PARTNERS, L.P.			14.850000	14.850000	
SEC. 7	LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4	WILLIAMS PRODUCTION COMPANY					
SEC. 8	ALL	TOTAL			100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #217 SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232						

10/15/2001

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XXIII
 THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	436.40		TRACT: 010A			4.510576
SEC. 5	LOT 9		ORRI:		5.000000	5.000000	
SEC. 6	LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4		ROYALTY:		12.500000	12.500000	
SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #220 SAN JUAN 32-7 UNIT #228		TOTAL		100.000000	100.000000	
SF-078996	T31N R7W	323.15		TRACT: 010B			3.340038
SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI:		5.000000	5.000000	
SEC. 5	LOT 5		ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		12.500000 64.267500 3.382500 14.850000	12.500000 64.267500 3.382500 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #216		TOTAL		100.000000	100.000000	
SF-078998	T31N R7W	1318.91		TRACT: 011			13.632088
SEC. 9	N/2		ORRI:		5.000000	5.000000	
SEC. 17	ALL		ROYALTY:		12.500000	12.500000	
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231		TOTAL		100.000000	100.000000	

EFFECTIVE 6/1/1999

PAGE 6

32-7 22nd fc expansion

10/15/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W	800.00		TRACT: 017A			8.268700
	SEC. 32 E/2 W/2		ORRI:		5.000000	5.000000	
	SEC. 36 ALL		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
REMARKS:	SAN JUAN 32-7 UNIT #204		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
	SAN JUAN 32-7 UNIT #210		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	SAN JUAN 32-7 UNIT #215						
	TOTAL	100.000000				0.000000	
E-503-13	T32N R7W	320.00		TRACT: 017B			3.307480
	SEC. 32 E/2		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		64.267500	64.267500	
			SAN JUAN BASIN PARTNERSHIP		3.382500	3.382500	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	TOTAL	100.000000				100.000000	
NM LG 3876	T31N R7W	80.00		TRACT: 018			0.000000
	SEC. 2 W/2 SW/4		ORRI:	FORMER UNIT	0.000000	0.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			HALLWOOD ENERGY COMPANIES, ET AL		87.500000	87.500000	
	TOTAL	100.000000				100.000000	
REMARKS:	FEDERAL G NO. 4 (CA NM-87094)						
FEE	T32N R7W	13.36		TRACT: 021			0.138087
	SEC. 18 EAST 441 FEET OF NE/4 NE/4		ORRI:		0.000000	0.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		71.750000	71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	15.750000	
	TOTAL	100.000000				100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #3						

EFFECTIVE 6/1/1999

10/15/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 21 W/2 NE/4	80.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 021A	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	0.826870
	REMARKS: SAN JUAN 32-7 UNIT #241		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 21 E/2 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 021B	0.000000 12.500000 68.162500 3.587500 15.750000	0.000000 12.500000 68.162500 3.587500 15.750000	0.826870
	REMARKS: SAN JUAN UNIT #224 COM		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 022	3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	3.169392
	REMARKS: SAN JUAN 32-7 UNIT #3		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 022A	3.000000 12.500000 65.825500 3.464500 15.210000	3.000000 12.500000 65.825500 3.464500 15.210000	2.480610
	REMARKS: SAN JUAN 32-7 UNIT #235		TOTAL		100.000000	100.000000	

EFFECTIVE 6/1/1999

10/15/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 20 SW/4 SW/4	40.00	TRACT: 022B				0.413435
	ORRI:	3.000000			3.000000		
	ROYALTY:	12.500000			12.500000		
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS	69.290000			69.290000		
	WILLIAMS PRODUCTION COMPANY	15.210000			15.210000		
	TOTAL	100.000000			100.000000		
FEE	REMARKS: SAN JUAN 32-7 UNIT #233						
	T32N R7W SEC. 19 NW/4 NE/4, E/2 NE/4, E/2 SE/4	200.00	TRACT: 022C				2.067175
	ORRI:	3.000000			3.000000		
	ROYALTY:	12.500000			12.500000		
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY	69.290000			69.290000		
	WILLIAMS PRODUCTION COMPANY	15.210000			15.210000		
	TOTAL	100.000000			100.000000		
FEE	REMARKS: SAN JUAN 32-7 UNIT #233						
	T32N R7W SEC. 21 SW/4	160.00	TRACT: 023A				1.653740
	ORRI:	0.000000			0.000000		
	ROYALTY:	12.500000			12.500000		
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS	68.162500			68.162500		
	SAN JUAN BASIN PARTNERSHIP	3.587500			3.587500		
	WILLIAMS PRODUCTION COMPANY	15.750000			15.750000		
	TOTAL	100.000000			100.000000		
FEE	REMARKS: SAN JUAN 32-7 UNIT #224 COM						
	T32N R7W SEC. 31 E/2 SE/4, SE/4 NE/4	280.00	TRACT: 024				2.894045
	ORRI:	0.000000			0.000000		
	ROYALTY:	12.500000			12.500000		
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.	71.750000			71.750000		
	WILLIAMS PRODUCTION COMPANY	15.750000			15.750000		
	TOTAL	100.000000			100.000000		
	REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)						
	TOTAL	100.000000			100.000000		
EFFECTIVE	6/1/1999						

10/15/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 026 FORMER UNIT	0.000000 20.000000 80.000000	0.000000 0.000000 0.000000	0.000000
REMARKS: YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)							
TOTAL					100.000000	0.000000	
FEE	T31N R7W SEC. 5 TRACT 53 SEC. 6 TRACT 53	42.45	ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION COMPANY, ET AL	TRACT: 027 FORMER UNIT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS: IDB ACREAGE							
TOTAL					100.000000	0.000000	
FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT	0.000000 25.000000 75.000000	0.000000 0.000000 0.000000	0.000000
REMARKS: YAGER COM N 5 (CA NMNM 87095)							
TOTAL					100.000000	0.000000	
FEE	T31N R7W SEC. 7 40 ACRES OF TRACT 55 SEC. 18 NW/4 SE/4, SW/4 NE/4	120.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
TOTAL					100.000000	0.000000	

REMARKS: SAN JUAN 32-7 UNIT #213 COM(CA NM 84048)
SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)

EFFECTIVE 6/1/1999

PAGE 10

32-7 22nd fc expansion

10/15/2001

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
THE 022ND EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W	40.00		TRACT: 031			0.000000
	SEC. 18	40 ACRES OF TRACT 55		FORMER UNIT	0.000000	0.000000	
			ORRI:		12.500000	0.000000	
			ROYALTY:				
			WORKING INTEREST:				
			KINDERMAC PARTNERS, ET AL		87.500000	0.000000	
			TOTAL		100.000000	0.000000	
	REMARKS:	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)					
FEE	T31N R7W	40.00		TRACT: 032			0.000000
	SEC. 18	SE/4 SE/4		FORMER UNIT	0.000000	0.000000	
			ORRI:		12.500000	0.000000	
			ROYALTY:				
			WORKING INTEREST:				
			SOUTHLAND ROYALTY COMPANY, ET AL		87.500000	0.000000	
			TOTAL		100.000000	0.000000	
	REMARKS:	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)					

TOTAL	9675.04 - COMMITTED	100.000000
	1072.19 - NON COMMITTED	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXIII
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

<u>TOWNSHIP 31 NORTH, RANGE 7 WEST</u>	
SECTION 3:	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4
SECTION 4:	LOTS 5, 6, 7, 8, S/2 (ALL)
SECTION 5:	LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6:	LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4
SECTION 7:	LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8:	ALL
SECTION 9:	N/2
SECTION 17:	ALL
SECTION 18:	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4, E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

<u>TOWNSHIP 31 NORTH, RANGE 7 WEST</u>	
SECTION 2:	W/2 SW/4
SECTION 3:	E/2 SW/4, S/2 SE/4
SECTION 5:	TRACT 53
SECTION 6:	TRACT 53
SECTION 7:	TRACT 55
SECTION 10:	N/2
SECTION 18:	NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32 NORTH, RANGE 7 WEST

SECTION 18:	E/2
SECTION 20:	LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4
SECTION 19:	LOTS 9, 10, 15, NW/4 NE/4, E/2 NE/4, E/2 SE/4 SW/4, E/2 NW/4, E/2
SECTION 21:	LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, SW/4
SECTION 22:	ALL
SECTION 27:	ALL
SECTION 29:	ALL
SECTION 31:	E/2 SE/4, SE/4 SE/4
SECTION 32:	ALL
SECTION 33:	N/2
SECTION 35:	ALL
SECTION 36:	ALL

TOWNSHIP 32 NORTH, RANGE 7 WEST

SECTION 21:	W/2 NW/4
SECTION 31:	LOTS 5, 6, 7, 8, 9

TOTAL COMMITTED:

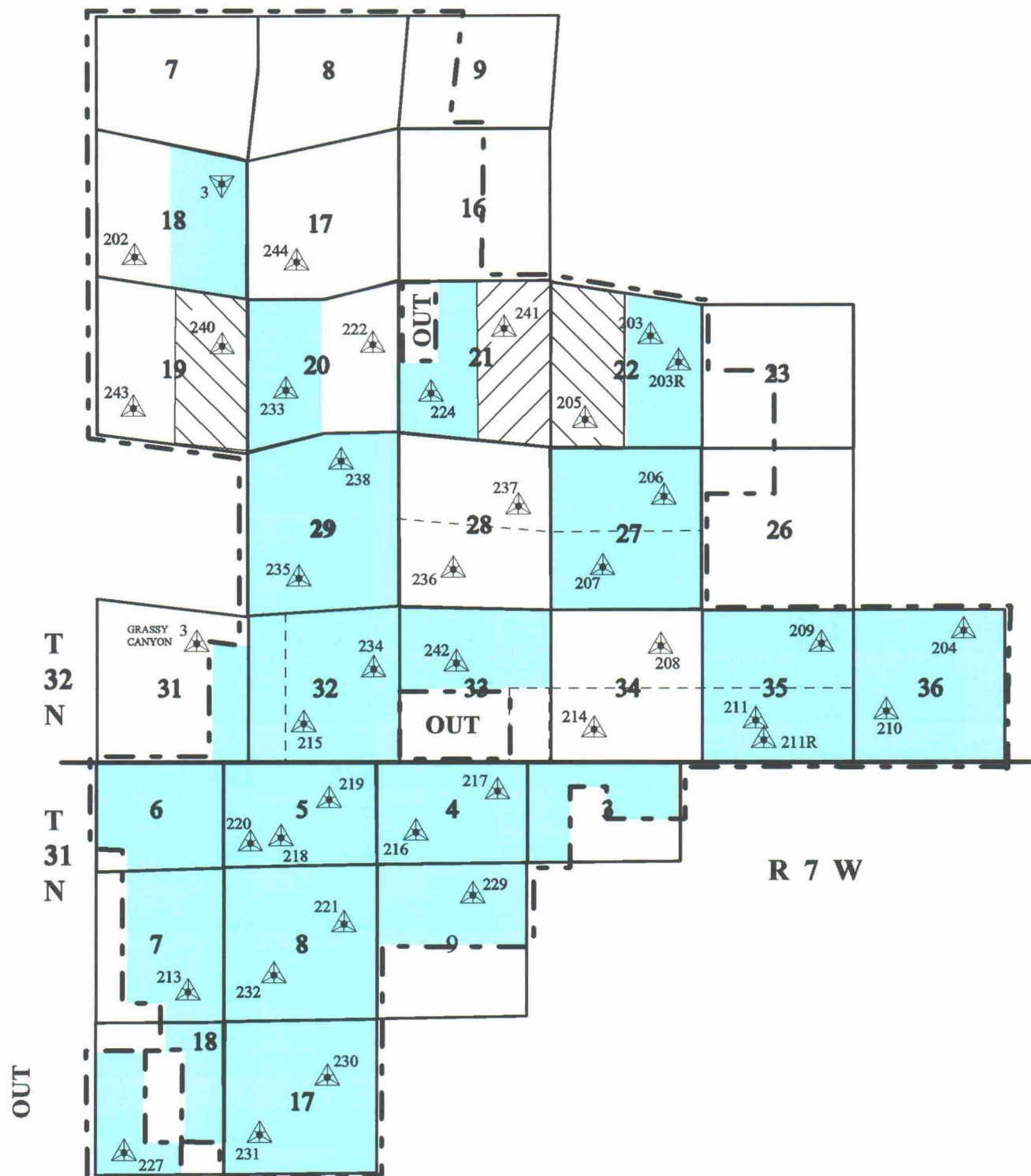
9675.04

TOTAL ACRES NON-COMMITTED:

1072.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

10747.23



△ FRUITLAND COAL WELL

EXISTING FRUITLAND COAL PARTICIPATING AREA

21th EXPANSION - FRUITLAND COAL PARTICIPATING AREA - Effective 5-1-99

22th EXPANSION - FRUITLAND COAL PARTICIPATING AREA - Effective 6-1-99

PHILLIPS PETROLEUM CO.

SAN JUAN 32-7 UNIT
San Juan County, New Mexico

October 16, 2001



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

RECEIVED
OCT 10 2001
OIL CONSERVATION
DIVISION

September 28, 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 32-7 UNIT
#14-08-001-441
COMMERCIALITY DETERMINATION
SAN JUAN 32-7 UNIT #205 WELL
SAN JUAN COUNTY, NEW MEXICO
CONTRACT C40463

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 7, 1952, Phillips Petroleum Company (Phillips), as Unit Operator, has determined that the San Juan 32-7 Unit #205 well is capable of producing unitized substances in paying quantities from the Fruitland formation. Phillips hereby requests confirmation of this paying well determination. A summary of production and economic data is enclosed for the well.

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

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

Respectfully yours,

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

cc: Jerry Foster (r)C40463

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #205

Fruitland Coal

W/2 Section 22, 32N-7W

San Juan Co., NM

Date Spud: 04/22/1999

Date of Completion: 05/17/1999

Date of First Delivery: 05/21/1999

Total Well Costs: \$500,000

Current Gas Price (\$/mcf): \$1.38

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	Operating Expense, \$
1	1999	150,502	14,583
2	2000	657,255	25,000
3	2001	652,730	25,000
4	2002	561,810	25,000
5	2003	483,555	25,000
6	2004	416,200	25,000
7	2005	358,227	25,000
8	2006	308,329	25,000
9	2007	265,382	25,000
10	2008	228,416	25,000
11	2009	196,600	25,000
12	2010	169,216	25,000
13	2011	145,646	25,000
14	2012	125,359	25,000
15	2013	107,898	25,000

Total 4,827,124

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #205

Fruitland Coal

W/2 Section 22, 32N-7W

San Juan Co., NM

Comments / Explanations:

The forecast assumes a simple exponential decline (15%/yr) from the current production level (1950 MCFD). The max pitot during completion was +/- 1.3 MMCFD.

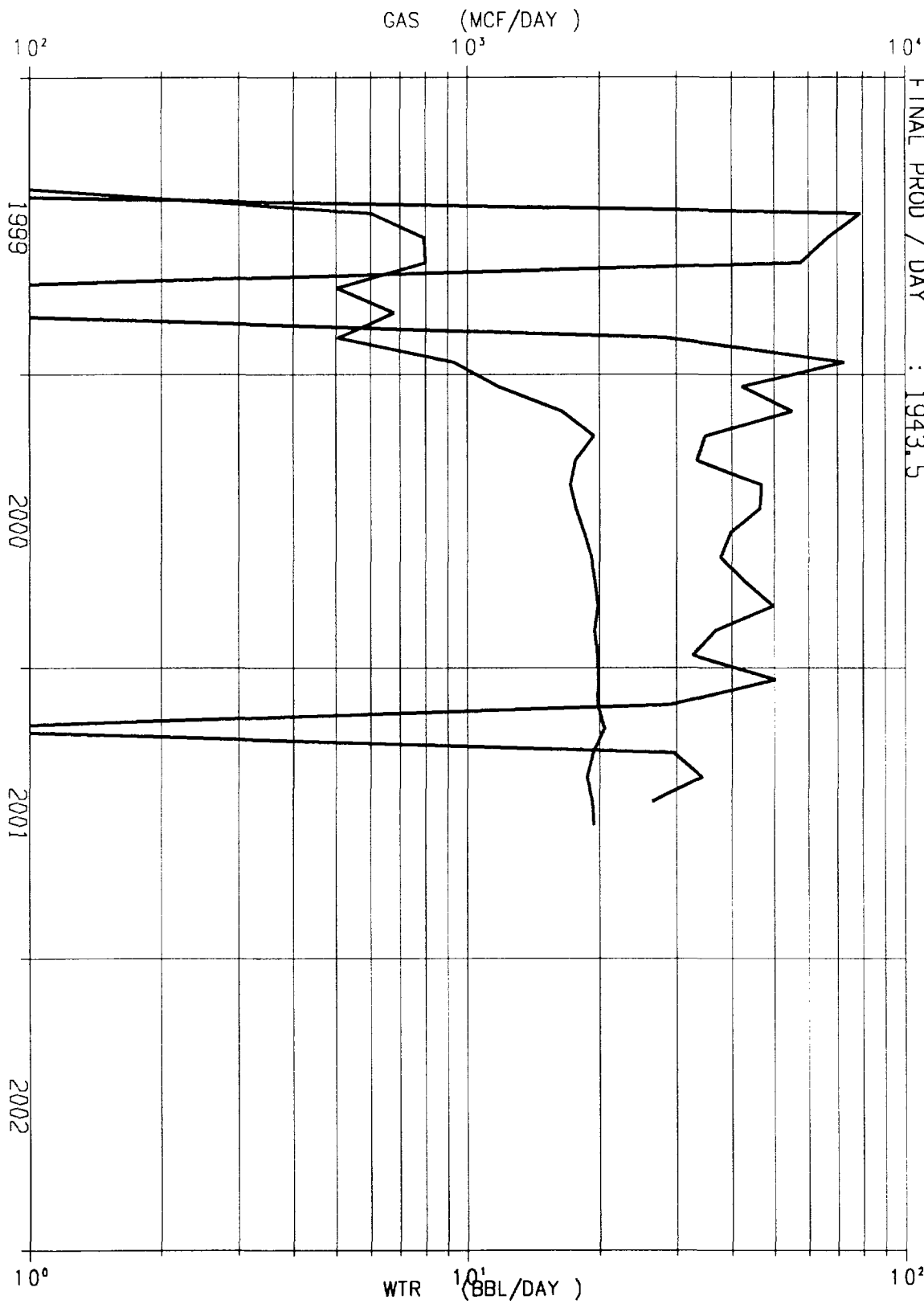
Operating costs are an approximate average over a 15 year period. Total well costs include drilling, completion, gathering lines and surface facility costs and are typical for the area. Gas price is the netback price received in 1999.

Monthly Production @ 15.025#

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
1999	May	2,958	2
1999	Jun	18,067	2,368
1999	Jul	24,636	2,062
1999	Aug	24,865	1,783
1999	Sep	15,011	0
1999	Oct	20,997	0
1999	Nov	15,136	845
1999	Dec	28,832	2,248
8 mos. 1999		<u>150,502</u>	<u>9,308</u>
2000	Jan	36,472	1,311
2000	Feb	47,584	1,599
2000	Mar	60,189	1,080
2000	Apr	52,781	999
2000	May	53,101	1,449
2000	Jun	53,014	1,392
2000	Jul	57,132	1,232
2000	Aug	59,367	1,169
2000	Sep	58,608	1,284
2000	Oct	61,574	1,543
2000	Nov	58,490	0
11 mos. 2000		<u>598,312</u>	<u>13,058</u>

5/99-7/1
 INITIAL PROD / DAY : 2706.7
 REMAINING LIFE : 2.25
 EXP (0.00) DECL % : 15.00
 CUM PRODUCTN-MUNITS : 1223.
 FINAL PROD / DAY : 1943.5

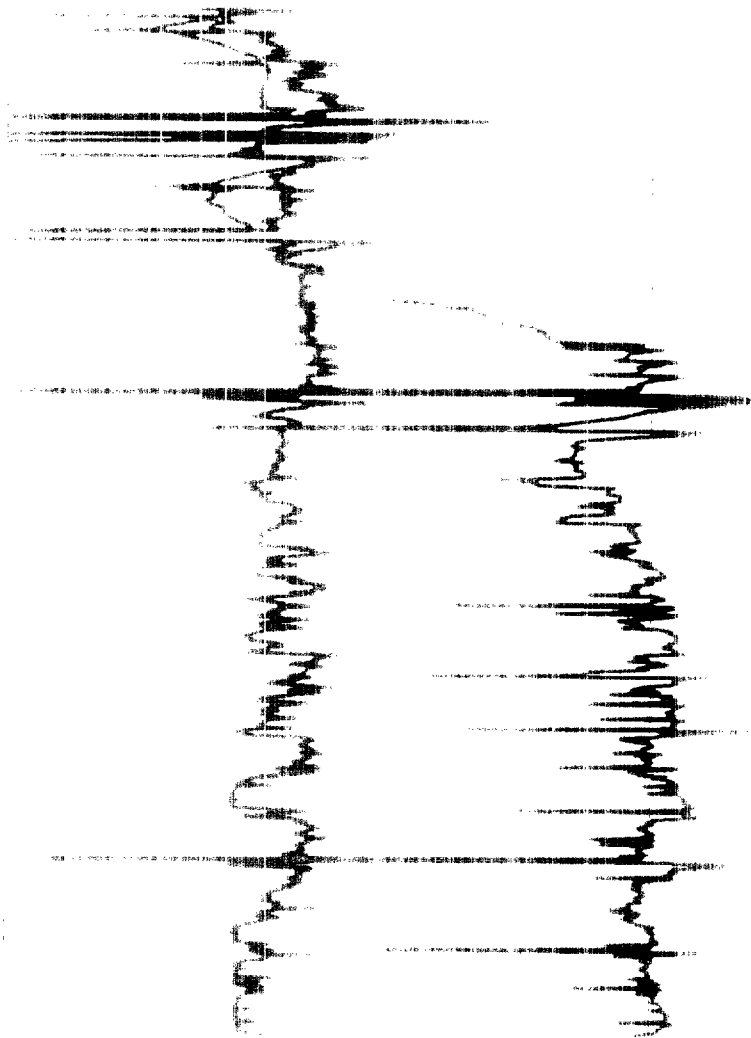
ASSOC. Current Cums
 1223. MMCF GAS
 29529. BBL WTR



LEASE- 650446 : SAN JUAN 32-7 UNIT #205 FC
 RESVR- 028 : BASIN
 WELL - 000205 CUM MMCF = 1288.

F8B8401
 ZONE-650446028000205 F8B8401
 API-30045296070000 THRU 2/01

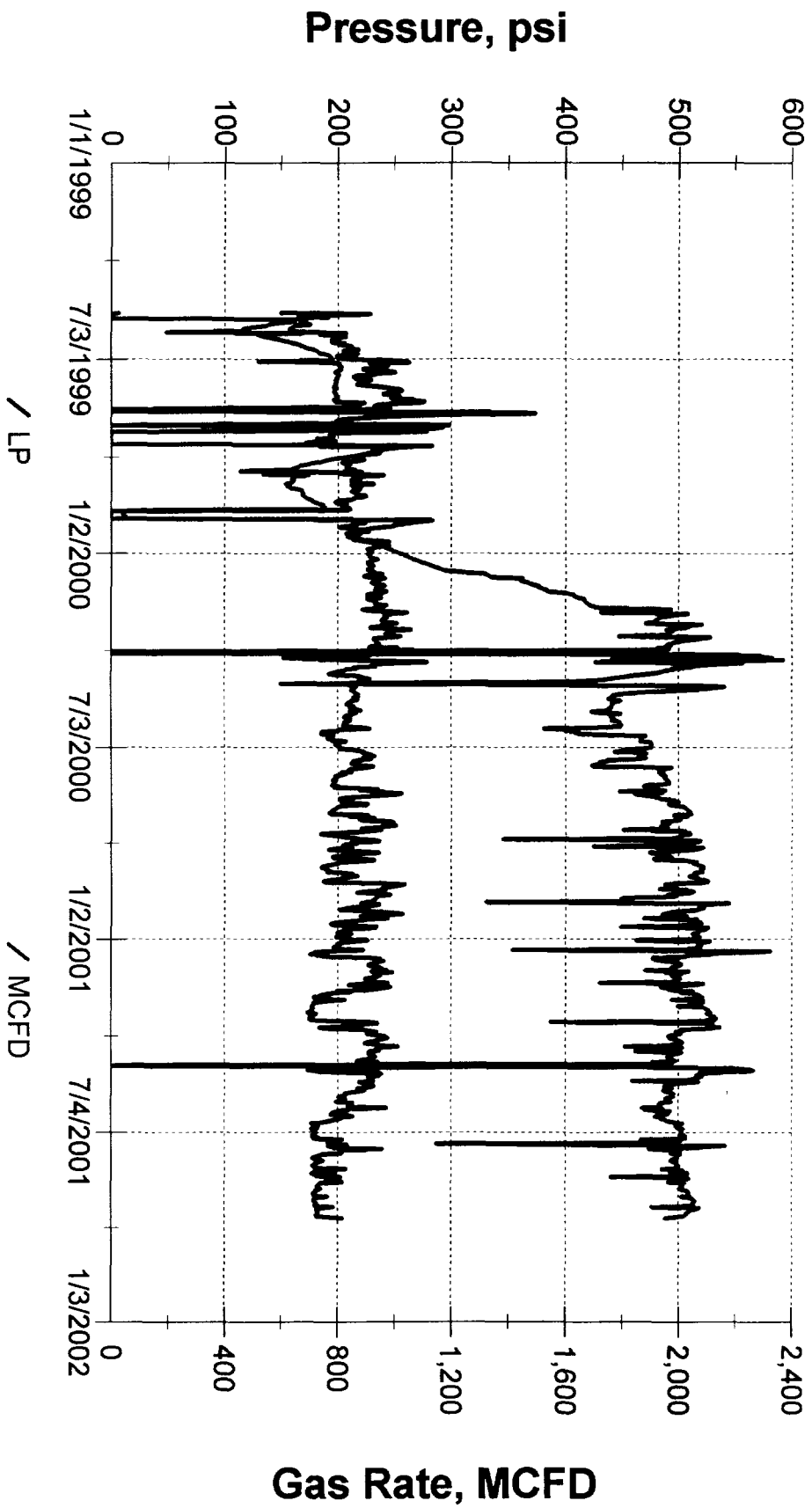
Pressure, psi



San Juan 32.7 #205

Gas Rate: MCFD

San Juan 32-7 #205



Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #205
Fruitland Coal
W/2 Section 22, 32N-7W
San Juan Co., NM

Date Spud: 04/22/1999
Date of Completion: 05/17/1999
Date of First Delivery: 05/21/1999

Total Well Costs: \$500,000

Current Gas Price (\$/mcf): \$1.38

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	4.00000	School
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12	2010	169,216	25,000
13	2011	145,646	25,000
14	2012	125,359	25,000
15	2013	107,898	25,000
Total		<u>4,827,124</u>	

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #205

Fruitland Coal

W/2 Section 22, 32N-7W

San Juan Co., NM

Comments / Explanations:

The forecast assumes a simple exponential decline (15%/yr) from the current production level (1950 MCFD). The max pitot during completion was +/- 1.3 MMCFD.

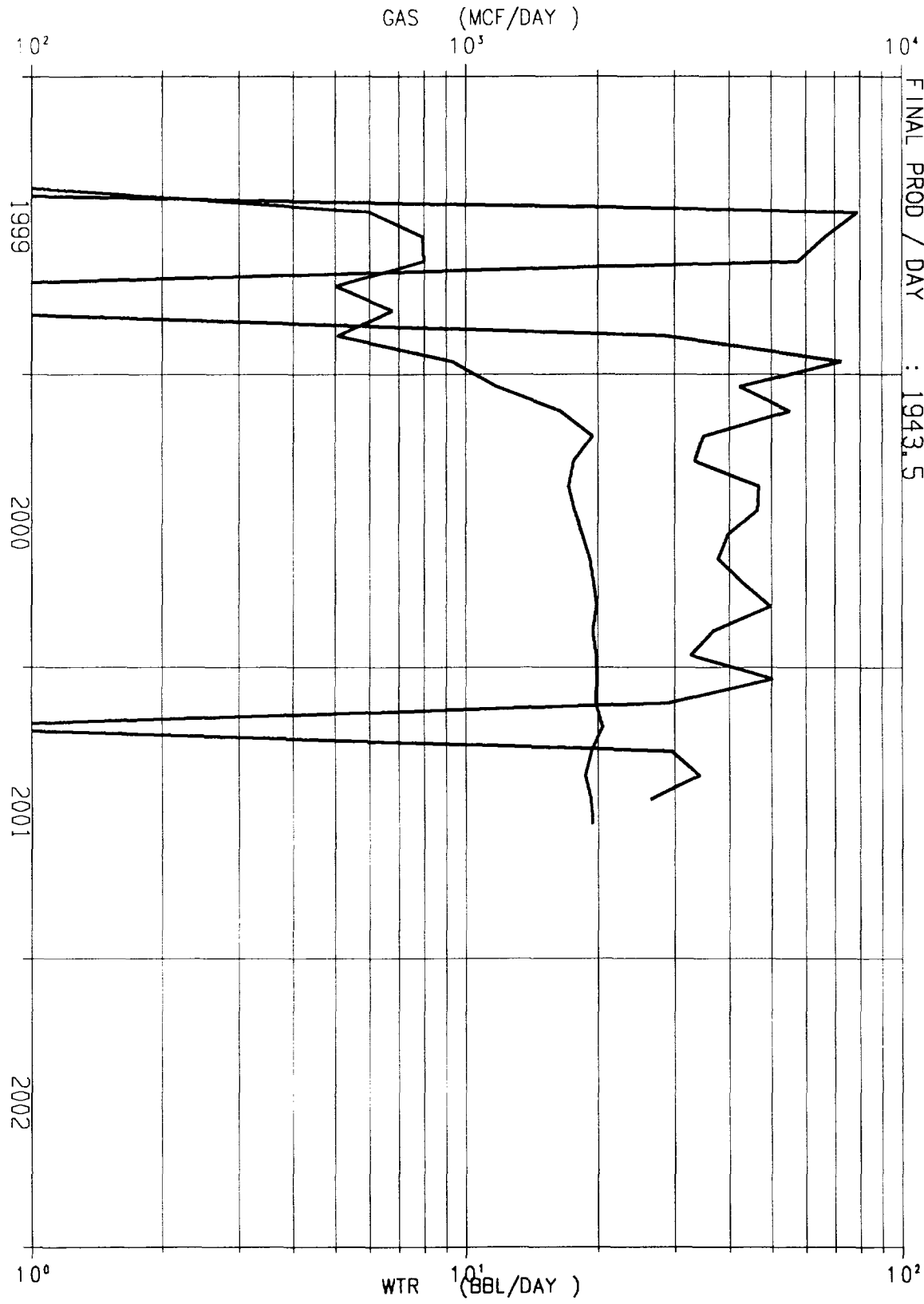
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2000	Jun	53,014	1,392
2000	Jul	57,132	1,232
2000	Aug	59,367	1,169
2000	Sep	58,608	1,284
2000	Oct	61,574	1,543
2000	Nov	58,490	0
11 mos. 2000		<u>598,312</u>	<u>13,058</u>

5/99-7/1
 INITIAL PROD / DAY : 2706.7
 REMAINING LIFE : 2.25
 EXP (0.00) DECL % : 15.00
 CUM PRODUCTN-MUNITS : 1223.
 FINAL PROD / DAY : 1943.5

ASSOC. Current Cums
 1223. MMCF GAS
 29529. BBL WTR

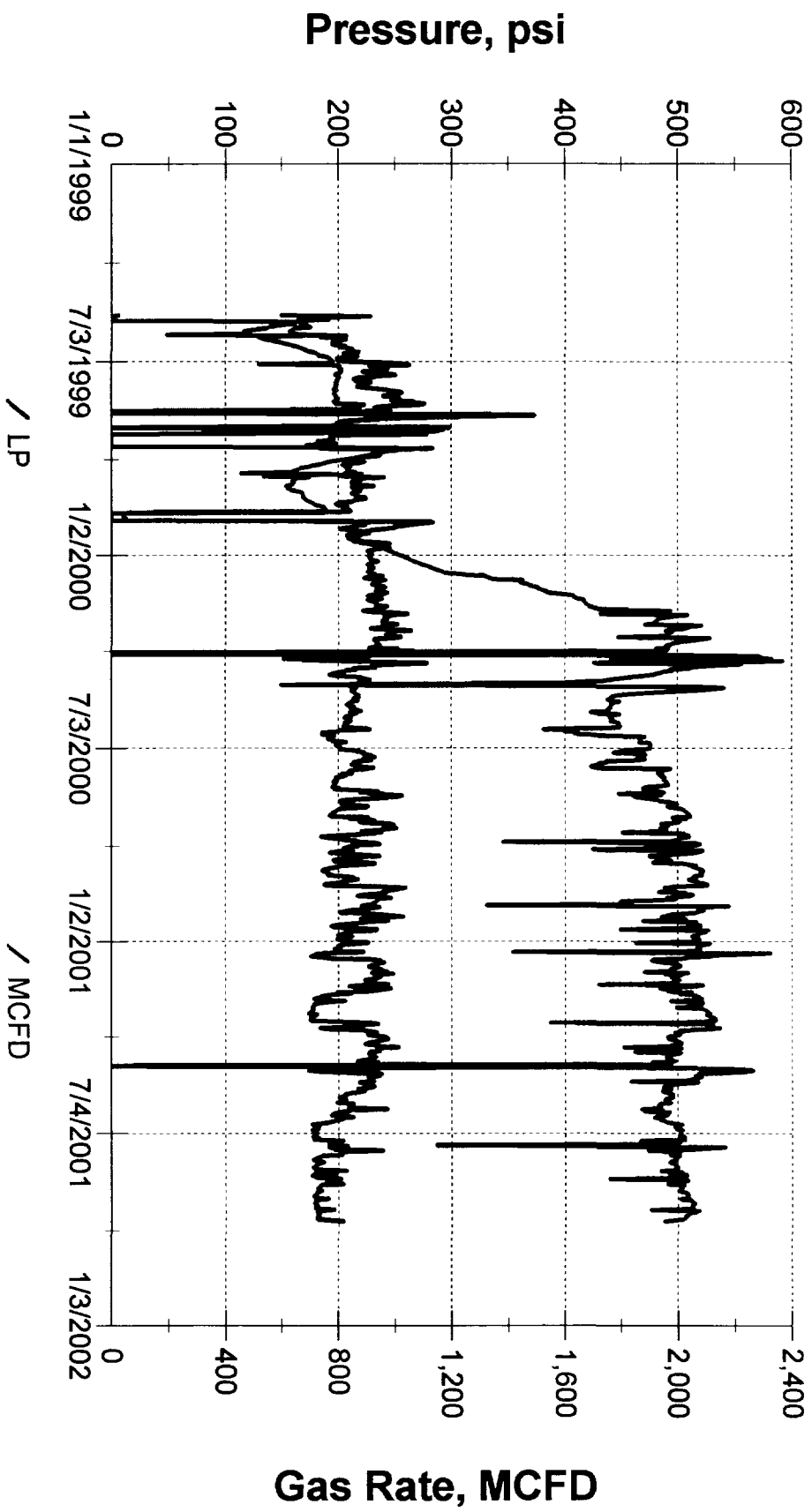


LEASE- 650446 : SAN JUAN 32-7 UNIT #205 FC
 RESVR- 028 : BASIN
 WELL - 000205 CUM MMCF = 1288.

FRUITLAND COAL NO

F8B8401
 ZONE-650446028000205 F8B8401
 API-30045296070000 THRU 2/01

San Juan 32-7 #205





PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

September 28, 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 32-7 UNIT
#14-08-001-441
COMMERCIALITY DETERMINATION
SAN JUAN 32-7 UNIT #205 WELL
SAN JUAN COUNTY, NEW MEXICO
CONTRACT C40463

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 7, 1952, Phillips Petroleum Company (Phillips), as Unit Operator, has determined that the San Juan 32-7 Unit #205 well is capable of producing unitized substances in paying quantities from the Fruitland formation. Phillips hereby requests confirmation of this paying well determination. A summary of production and economic data is enclosed for the well.

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

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

Respectfully yours,

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

cc: Jerry Foster (r)C40463



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

APR 9 2001

April 5, 2001

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 32-7 Unit
#14-08-001-441
San Juan County, New Mexico
First Amended 2001 Plan of Development

Ladies and Gentlemen:

By letter dated February 19, 2001 Philips Petroleum Company (Phillips), as Unit Operator, filed the 2001 Initial Plan of Development (POD).

It is now proposed that the POD be amended to include the addition of one (1) 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 32-7 Unit #243	W/2 Section 19-32N-7W	Fruitland Coal	Drill

The Fruitland Coal drillblock for this well is not located within the Pictured Cliffs Participating Area and the drill block is owned by Phillips Petroleum Company and Williams Production Company.

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 32-7 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
Steve Jones

BUREAU OF LAND MANAGEMENT

DATE

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

DATE



OIL CONSERVATION DIVISION
STATE OF NEW MEXICO

4/9/2001

DATE



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

February 19, 2001

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 32-7 UNIT
#14-08-001-441
Rio Arriba County, New Mexico
2001 Plan of Development
Contract C40463

Gentlemen:

By letter dated December 27, 1999, Phillips Petroleum Company (Phillips) as Unit Operator filed the 2000 Plan of Development (POD) which was amended by letter dated October 2, 2000 (First Amendment). The initial POD indicated eight (8) wells were planned to be drilled in 2000 with the subsequent amendment adding one (1) well. The 2000 status is shown below:

1. Attached is a Unit production map.
2. The following wells were drilled in 2000.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
San Juan 32-7 Unit #39B	W/2(PC&MV) Section 23-32N-7W	Pictured Cliffs/Mesaverde

The #39B well was drilled as a Mesaverde infill and a Pictured Cliffs drillblock. The #19A, #35M, #44M and #92 wells were not drilled and will be carried over into 2001.

3. The following wells were recompleted in 2000.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
NONE		

2000 Summary-There was One (1) Mesaverde/Pictured Cliffs commingle well drilled.

The Participating Areas which have been established in the 32-7 Unit are:

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Twentieth	12/1/98
Pictured Cliffs	Tenth	11/1/98
Mesaverde	Twenty-Third	1/1/82
Dakota	Third	5/1/81

Pursuant to Section 10 of the San Juan 32-7 Unit Agreement, Phillips, as Unit Operator hereby submits the following wells for the 2001 POD:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-7 Unit #19A	SW/4,NW/4 SE/4, Lot 6, 7, 8 in Sec. 4 & Lot 5 Section 5-31N-7W	Pictured Cliffs/Mesaverde	Drill
San Juan 32-7 Unit #35M	W/2(MV), N/2(DK) Section 22-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit#44M	E/2(MV), S/2(DK) Section 22-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #92	E/2 Section 22-32N-7W	Pictured Cliffs	Drill
San Juan 32-7 Unit #243	W/2 Section 19-32N-7W	Fruitland Coal	Drill

The San Juan 32-7 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

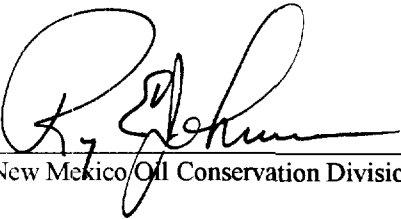
**SAN JUAN 32-7 UNIT #14-08-001-441
2001 INITIAL PLAN OF DEVELOPMENT**

Bureau of Land Management

Date

New Mexico Commissioner of Public Lands

Date



New Mexico Oil Conservation Division

2-23-2001
Date

cc: San Juan 32-7 Unit Owners
J. L. Mathis (r) C40463
W. D. Jaap (r) local supervisors

R-7-W

- △ FRUITLAND Kfc
 - * PICTURED CLIFFS Kpc
 - ⊗ MESAVERDE Kmv
 - ⬢ GALLUP Kgl
 - ⊠ DAKOTA Kd
 - ⊙ ALL PRODUCTION BELOW CRETACEOUS
- Kch CLIFFHOUSE
 Km MENEFEE
 Kpl POINT LOOKOUT
 Kt TOCITO
 Kgh GREENHORN

T
32
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N

PHILLIPS PETR. CO.

5525 HWY. 64 FARMINGTON, N.M. 87401

SAN JUAN 32-7 UNIT

SAN JUAN CO., NEW MEXICO

POSTED TO: 12-15-2000

NOT TO SCALE

S.J. 32-7 Unit

R-7-W



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 32-7 UNIT
#14-08-001-441
COMMERCIALITY DETERMINATION
SAN JUAN 32-7 UNIT #240 WELL
SAN JUAN 32-7 UNIT #241 WELL
SAN JUAN COUNTY, NEW MEXICO
CONTRACT C40463

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 7, 1952, Phillips Petroleum Company (Phillips), as Unit Operator, has determined that the San Juan 32-7 Unit #240 & #241 wells are capable of producing unitized substances in paying quantities from the Fruitland formation. Phillips hereby 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 related to this matter.

Respectfully yours

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

cc: J. L. Mathis (r)C40463

**SAN JUAN 32-7 UNIT
FRUITLAND COAL OWNERS**

PHILLIPS PETROLEUM COMPANY

PHILLIPS – NEW MEXICO PARTNERS, L.P.

PHILLIPS – SAN JUAN LIMITED PARTNERSHIP

SAN JUAN LIMITED PARTNERSHIP

WILLIAMS PRODUCTION COMPANY

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #240
Fruitland Coal
E/2 Section 19, 32N-7W
San Juan Co., NM

Date Spud: 04/23/99
 Date of Completion: 05/28/99
 Date of First Delivery: 06/03/99

Total Well Costs: \$500,000

Current Gas Price (\$/mcf): \$1.38

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

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	1999	108,336	14,583
2	2000	237,955	25,000
3	2001	191,377	25,000
4	2002	163,081	25,000
5	2003	138,968	25,000
6	2004	118,421	25,000
7	2005	100,912	25,000
8	2006	85,992	25,000
9	2007	73,277	25,000
10	2008	62,443	25,000
11	2009	53,210	25,000
12	2010	45,343	25,000
13	2011	38,639	25,000
14	2012	32,926	25,000
15	2013	28,058	25,000

Total 1,478,937

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #240
Fruitland Coal
E/2 Section 19, 32N-7W
San Juan Co., NM

Comments / Explanations:

The forecast assumes a simple exponential decline (16%/yr) from the current production level (575 MCFD). The max pitot during completion was +/- 2.0 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	Jun	9,013	560
1999	Jul	15,221	1,040
1999	Aug	16,123	720
1999	Sep	12,639	0
1999	Oct	17,356	0
1999	Nov	15,632	981
1999	Dec	22,352	705
7 mos. 1999		<u>108,336</u>	<u>4,006</u>
2000	Jan	21,847	598
2000	Feb	20,237	667
2000	Mar	20,694	642
2000	Apr	19,483	961
2000	May	21,821	860
2000	Jun	19,959	777
2000	Jul	20,576	649
2000	Aug	20,198	445
2000	Sep	18,876	17
2000	Oct	19,530	822
2000	Nov	17,360	0
11 mos. 2000		<u>220,581</u>	<u>6,438</u>

12/99-11/0

ASSOC. Current Cums
328212. MCF GAS
10417. BBL WTR

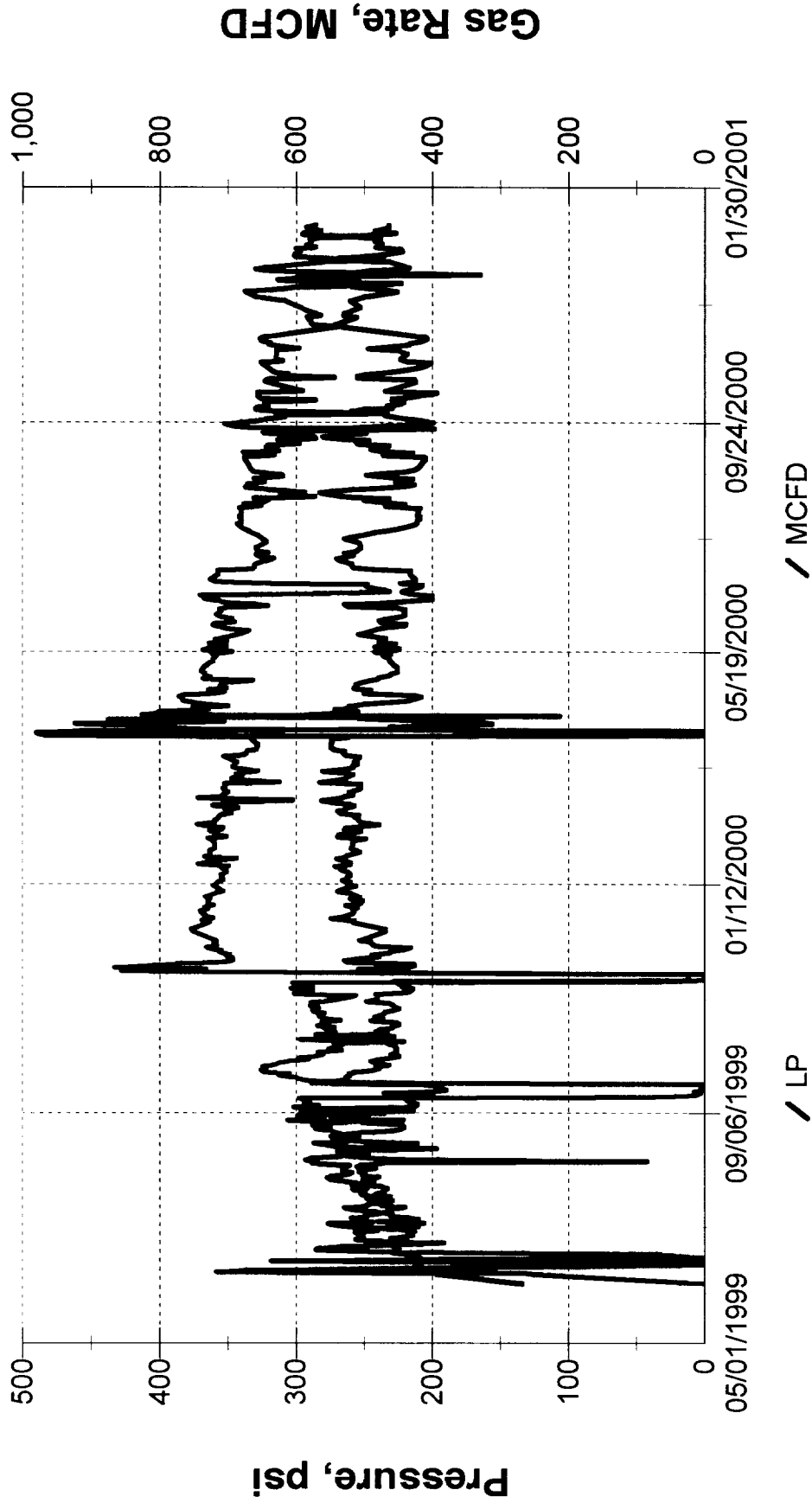
INITIAL PROD / DAY : 723.1
REMAINING LIFE : 1.00
EXP (0.00) DECL % : 15.69
CUM PRODUCTION : 242227.
FINAL PROD / DAY : 578.7



F8B6501
ZONE-650425028000240 F8B6501
API-30045298740000 THRU 2/00

LEASE- 650425 : SAN JUAN 32-7 UNIT #240
RESVR- 028 : BASIN FRUITLAND COAL NQ
WELL - 000240 CUM MCF =328917.

Raw Telemetry Data for SJ 32-7 #240



Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #241
Fruitland Coal
E/2 Section 21, 32N-7W
San Juan Co., NM

Date Spud: 03/27/99
Date of Completion: 04/21/99
Date of First Delivery: 04/30/99

Total Well Costs: \$500,000

Current Gas Price (\$/mcf): \$1.38

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

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	1999	428,618	16,667
2	2000	685,500	25,000
3	2001	642,688	25,000
4	2002	553,167	25,000
5	2003	476,116	25,000
6	2004	409,797	25,000
7	2005	352,716	25,000
8	2006	303,586	25,000
9	2007	261,299	25,000
10	2008	224,902	25,000
11	2009	193,576	25,000
12	2010	166,612	25,000
13	2011	143,405	25,000
14	2012	123,430	25,000
15	2013	106,238	25,000

Total 5,071,648

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #241
Fruitland Coal
E/2 Section 21, 32N-7W
San Juan Co., NM

Comments / Explanations:

The forecast assumes a simple exponential decline (15%/yr) from the current production level (1920 MCFD in November). The max pitot during completion was +/- 3.0 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.

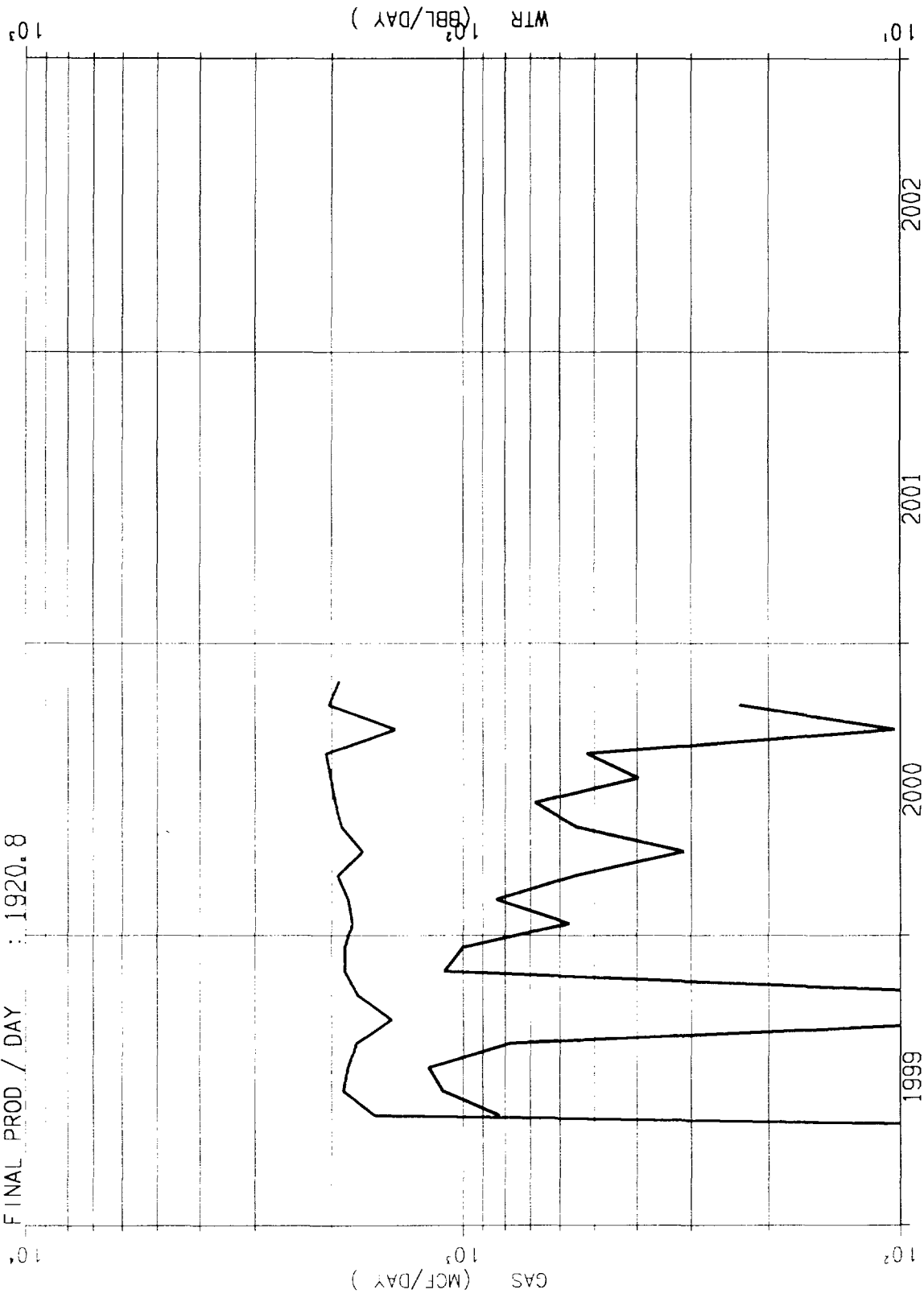
Monthly Production @ 15.025#

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
1999	May	49,379	2,562
1999	Jun	56,415	3,331
1999	Jul	56,916	3,709
1999	Aug	54,440	2,412
1999	Sep	43,804	0
1999	Oct	53,936	0
1999	Nov	55,905	3,310
1999	Dec	57,823	3,097
8 mos. 1999		<u>428,618</u>	<u>18,421</u>
2000	Jan	55,716	1,773
2000	Feb	53,270	2,430
2000	Mar	60,128	1,716
2000	Apr	50,934	935
2000	May	58,747	1,702
2000	Jun	58,949	2,049
2000	Jul	62,397	1,232
2000	Aug	63,944	1,614
2000	Sep	42,871	309
2000	Oct	62,883	723
2000	Nov	57,624	0
11 mos. 2000		<u>627,463</u>	<u>14,483</u>

4/99-11/0

ASSOC. Current Cums
1054. MMCF GAS
32817. BBL WTR

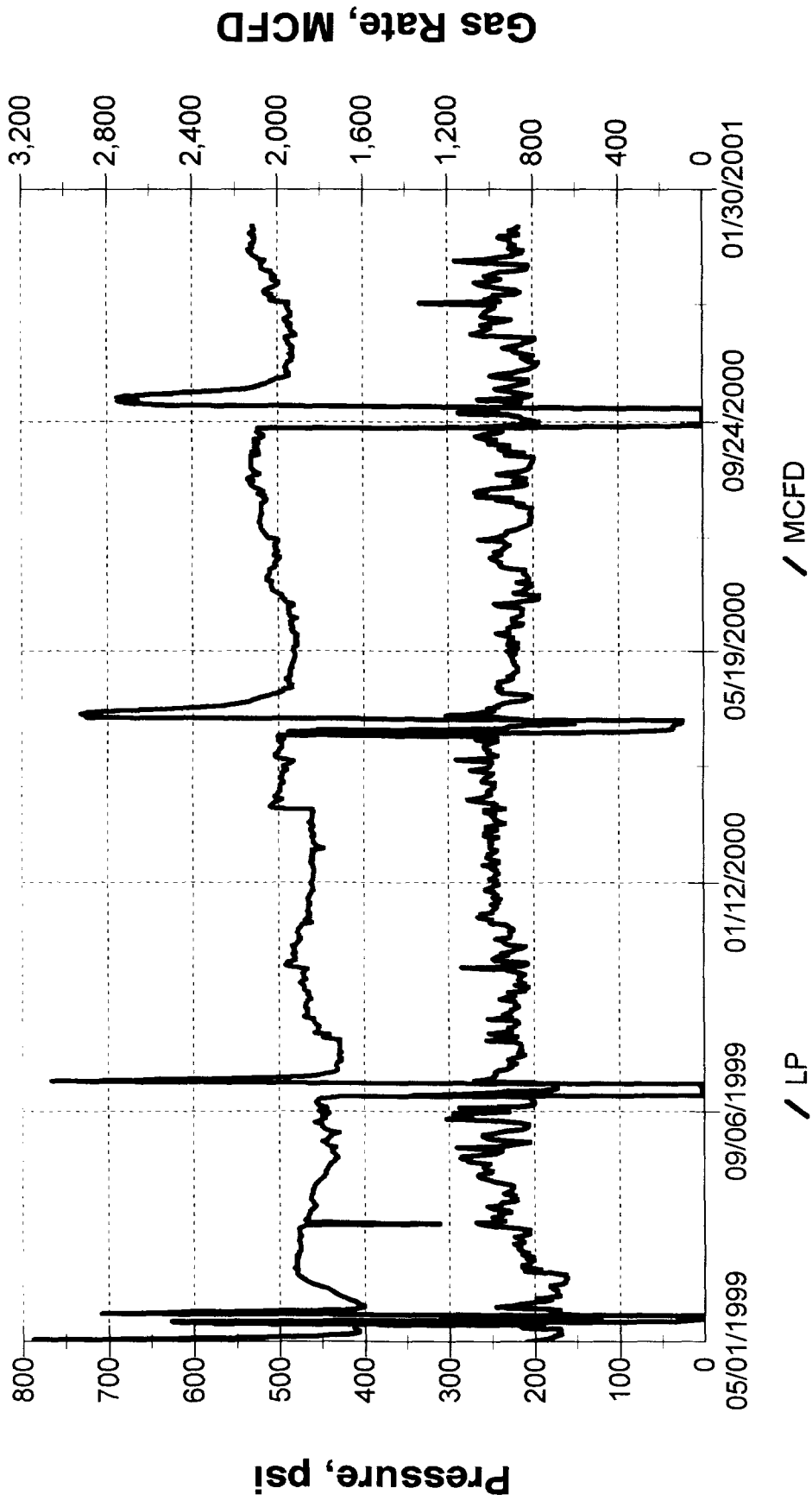
INITIAL PROD / DAY : 2450.9
REMAINING LIFE : 1.67
EXP (0.00) DECL % : 15.00
CUM PRODUCTN-MUNITS : 1054.
FINAL PROD / DAY : 1920.8



LEASE- 650444 : SAN JUAN 32-7 UNIT #241 FC
RESVR- 028 : BASIN FRUITLAND COAL NQ
WELL - 000241 CUM MMCF= 1056.

F8B8201
ZONE-650444028000241 F8B8201
API-30045295460000 THRU 2/00

Raw Telemetry Data for SJ 32-7 #241





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 32-7 Unit
#14-08-001-441
San Juan County, New Mexico
First Amended 2000 Plan of Development

Ladies and Gentlemen:

By letter dated December 27, 1999 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 one (1) well to be recompleted which was not included in the Initial POD.

The proposed well to be drilled is as follows:

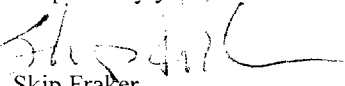
<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-7 Unit #19	W/2 Section 4-31N-7W	Pictured Cliffs	Recompletion

The Pictured Cliffs drillblock for this well is not located within the Pictured Cliffs Participating Area and the drill block is owned by Phillips Petroleum Company and Williams Production Company.

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 your,


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

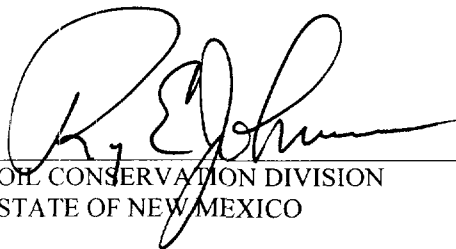
Cc: J. L. Mathis
W. D. Jaap
Mike Larimer

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

July 10, 2000

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

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

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

RE: SAN JUAN 32-7 UNIT
#14-08-001-441
ELEVENTH EXPANSION - EFFECTIVE 9-1-99
SAN JUAN COUNTY, NEW MEXICO
C40463, LCN 650107

Ladies and Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement #14-08-001-441, approved December 16, 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 Eleventh Expansion of the Participating Area established for the Pictured Cliffs Formation is respectfully submitted for your approval as follows:

Eleventh Expanded Participating Area
Effective December 1, 1999

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well No.</u>
NW/4, Section 26, T32N, R7W	160.00	89

The San Juan 32-7 Unit #89 was drilled and completed into the Pictured Cliffs Formation on November 15, 1999 with cumulative gas production of 64,633 mcf through March 31, 2000. The drillblock unit for this well is described as the SW/4 of Section 26-32N-7W, Rio Arriba County, New Mexico.

San Juan 32-7 Unit
Eleventh Expansion - Effective 12-1-99
Pictured Cliffs Formation
July 10, 2000
Page 2

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

Enclosed herewith is Schedule XII for the Eleventh Expanded Participating Area for the Pictured Cliffs Formation. These schedules describe the participating area and indicates the percentage of unitized substances allocated to the unit tracts according to the Pictured Cliffs Formation ownership of such tracts. Also included is a map reflection the existing Participating Area and the Proposed Eleventh Expansion of the San Juan 32-7 Unit Pictured Cliffs Formation Participating Area.

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

Respectfully your,

A handwritten signature in black ink, appearing to read "Skip Fraker", with a stylized, cursive script.

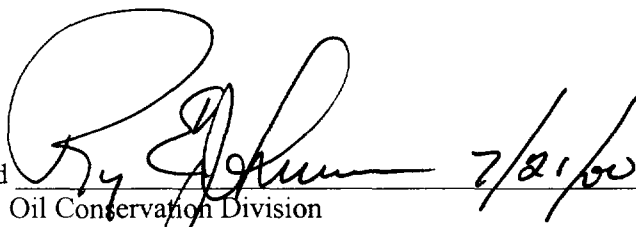
Skip Fraker
Southwestern Region-Land Dept.
(505) 599-3428

San Juan 32-7 Unit
Eleventh Expansion - Effective 12-1-99
Pictured Cliffs Formation
July 10, 2000
Page 3

The signatory approvals below are for the Eleventh Expanded Participating Areas of the Pictured Cliffs Formation in the San Juan 32-7 Unit #14-08-001-441.

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

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

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

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

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XII
 11TH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
 SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
USA SF-078459	Township 32 North, Range 7 West Section 22: LOTS 3, 4, 5, 6 SW/4	337.56	ORRI: ROYALTY: WORKING INTEREST: Phillip Production Company Williams Production Company TOTAL	Tract: 001	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	8.963237%
USA SF-078472	Township 32 North, Range 7 West Section 26: N/2NW/4 Section 27: LOTS 1, 2, 3, 4, NE/4 Section 28: NE/4	551.62	ORRI: ROYALTY: WORKING INTEREST: Phillip Production Company Williams Production Company TOTAL	Tract: 003	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	14.647177%
USA NM-2995	Township 32 North, Range 7 West Section 26: SE/4NW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: Burlington Resources Oil & Gas Company TOTAL	Tract: 004	0.000000 12.500000 87.500000 100.000000	0.000000 0.000000 0.000000 0.000000	0.000000
USA SF-078542	Township 32 North, Range 7 West Section 28: SE/4 Section 34: N/2 Section 35: S/2	800.00	ORRI: ROYALTY: WORKING INTEREST: Williams Production Company Phillip Production Company TOTAL	Tract: 005	5.000000 12.500000 61.875000 20.625000 100.000000	5.000000 12.500000 61.875000 20.625000 100.000000	21.242416%
USA SF-078543	Township 32 North, Range 7 West Section 27: LOTS 5, 6, 7, 8, SE/4 Section 33: N/2 Section 35: N/2	953.48	ORRI: ROYALTY: WORKING INTEREST: Phillip Production Company Williams Production Company TOTAL	Tract: 006	5.000000 12.500000 67.650000 14.850000 100.000000	5.000000 12.500000 67.650000 14.850000 100.000000	25.317773%

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
11TH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRIILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
USA SF-078996	Township 31 North, Range 7 West	403.39		Tract: 010			10.711223%
	Section 3: LOTS 5, 6, 7, 8, N/2SE/4, W/2SW/4		ORRI: ROYALTY: WORKING INTEREST:		5.000000 12.500000	5.000000 12.500000	
	Section 4: LOT 5, E/2SE/4, SW/4SE/4		Phillip Production Company Williams Production Company		67.650000 14.850000	67.650000 14.850000	
	TOTAL				100.000000	100.000000	
USA SF-078998	Township 32 North, Range 7 West	400.00		Tract: 011			10.621208%
	Section 33: E/2SE/4		ORRI:		5.000000	5.000000	
	Section 34: S/2		ROYALTY: WORKING INTEREST: Phillip Production Company Williams Production Company		12.500000 67.650000 14.850000	12.500000 67.650000 14.850000	
	TOTAL				100.000000	100.000000	
USA NM-2995	Township 32 North, Range 7 West	40.00		Tract: 012			0.000000%
	Section 26: SW/4NW/4		ORRI:		0.000000	0.000000	
			ROYALTY: WORKING INTEREST: Burlington Resources Oil & Gas Company		12.500000 87.500000	0.000000 0.000000	
	TOTAL				100.000000	0.000000	
NM-E-503-13	Township 32 North, Range 7 West	320.00		Tract: 017-A			8.496966%
	Section 32: E/2		ORRI:		5.000000	5.000000	
			ROYALTY: WORKING INTEREST: Phillip Production Company Williams Production Company		12.500000 67.650000 14.850000	12.500000 67.650000 14.850000	
	TOTAL				100.000000	100.000000	
FEE	Township 31 North, Range 7 West	160.00		Tract: 026			0.000000%
	Section 3: E/2SW/4, S/2SE/4		ORRI:		0.000000	0.000000	
			ROYALTY: WORKING INTEREST: Hallwood Petroleum, Inc.		20.000000 80.000000	0.000000 0.000000	
	TOTAL				100.000000	0.000000	

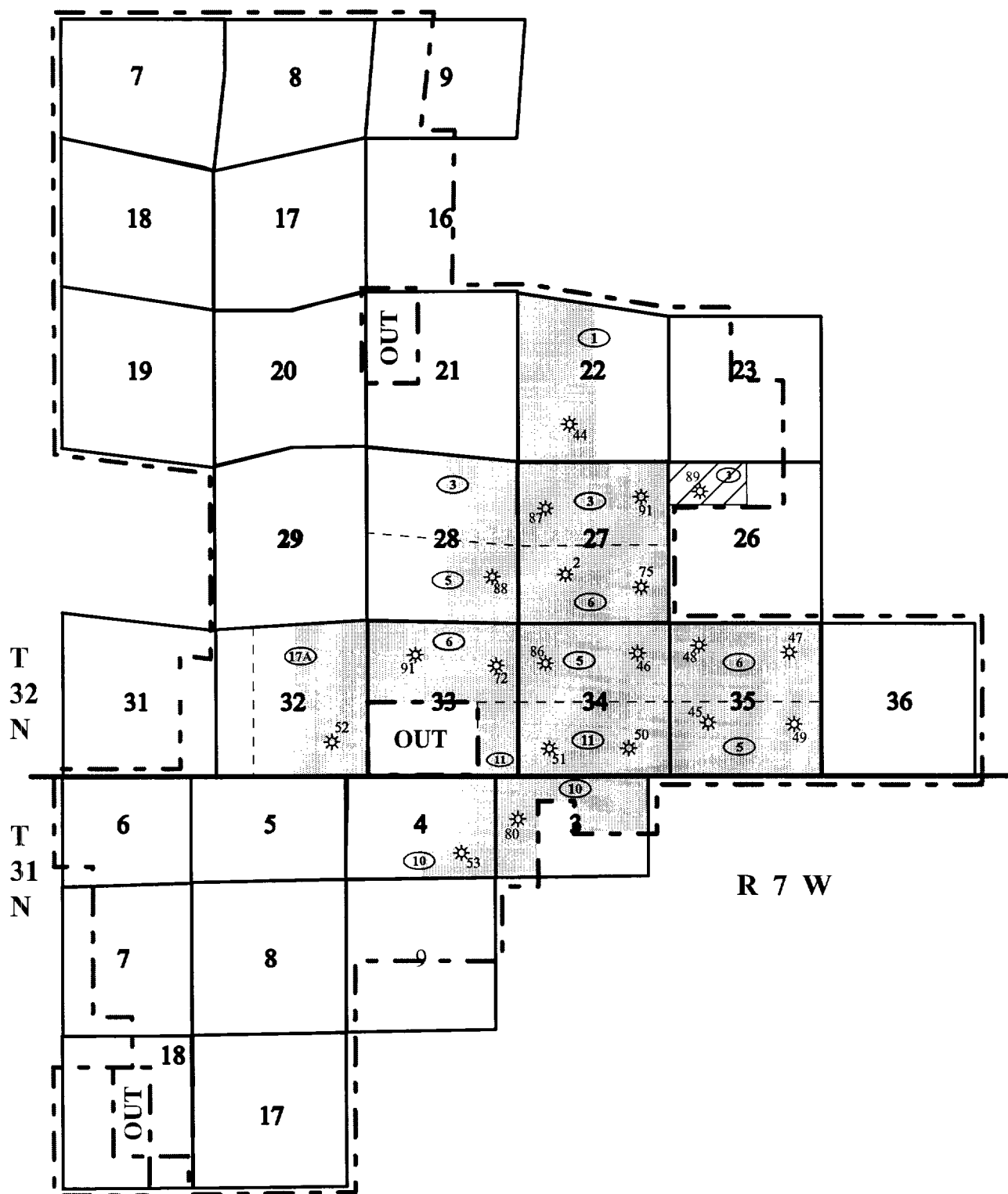
SCHEDULE XII
11TH EXPANDED PARTICIPATING AREA FOR THE PICTURED CLIFFS FORMATION
SAN JUAN 32-7 UNIT AREA

RECAPITULATION

TOWNSHIP 31N, RANGE 7W, N.M.P.M.
SECTION 3: LOTS 5, 6, 7, 8, S/2
SECTION 4: LOT 5, E/2SE/4, SW/4SE/4

TOWNSHIP 32N, RANGE 7W, N.M.P.M.
SECTION 22: LOTS 3, 4, 5, 6, SW/4
SECTION 26: NW/4
SECTION 27: ALL
SECTION 28: E/2
SECTION 32: E/2
SECTION 33: E/2SE/4, N/2
SECTION 34: ALL
SECTION 35: ALL

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA	4006.05
TOTAL NUMBER OF ACRES COMMITTED TO PARTICIPATING AREA	3766.05
TOTAL NUMBER OF ACRES NOT COMMITTED TO PARTICIPATING AREA	240.00



EXISTING PICTURED CLIFFS
PARTICIPATING AREA



11th EXPANSION - PICTURED CLIFFS
PARTICIPATING AREA - Effective 12-1-99

PHILLIPS PETROLEUM CO.

SAN JUAN 32-7 UNIT
San Juan County, New Mexico

June 30, 2000



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

June 22, 2000

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

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

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

RE: SAN JUAN 32-7 UNIT
#14-08-001-441
NINTH & TENTH EXPANSIONS
PICTURED CLIFFS FORMATION
San Juan County, New Mexico
C40463, LCN 650107

Ladies and Gentlemen:

There were certain errors in the exhibits that have been corrected in the enclosed exhibits.

I apologize any inconvenience this error may have caused you.

Respectfully your,

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

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

06/22/2000

PHILLIPS PETROLEUM COMPANY
SCHEDULE X
THE 009 EXPANDED PARTICIPATING AREA FOR PICTURED CLIFFS FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUA PARTICIPATION
SF-078459	T32N R7W	337.56		TRACT: 001			10.028371%
	SEC. 22	LOTS 3, 4, 5, 6	ORRI:		5.000000	5.000000	
		SW/4	ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS PETROLEUM COMPANY		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
SF-078472	T32N R7W	311.62		TRACT: 003			9.257735%
	SEC. 27	LOTS 1, 2, 3, 4,	ORRI:		5.000000	5.000000	
		NE/4	ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS PETROLEUM COMPANY		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
SF-078542	T32N R7W	640.00		TRACT: 005			19.013384%
	SEC. 34	N/2	ORRI:		5.000000	5.000000	
	SEC. 35	S/2	ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			WILLIAMS PRODUCTION COMPANY		61.875000	61.875000	
			PHILLIPS PETROLEUM COMPANY		20.625000	20.625000	
			TOTAL		100.000000	100.000000	

EFFECTIVE 07/01/98

06/22/2000

PHILLIPS PETROLEUM COMPANY
SCHEDULE X
THE 009 EXPANDED PARTICIPATING AREA FOR PICTURED CLIFFS FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUA PARTICIPATION
SF-078543	T32N R7W	953.48		TRACT: 006			28.326377%
	SEC. 27 LOTS 5, 6, 7, 8, SE/4	ORRI: ROYALTY: WORKING INTEREST:			5.000000 12.500000	5.000000 12.500000	
	SEC. 33 N/2	PHILLIPS PETROLEUM COMPANY			67.650000	67.650000	
	SEC. 35 N/2	WILLIAMS PRODUCTION COMPANY			14.850000	14.850000	
	TOTAL				100.000000	100.000000	
SF-078996	T31N R7W	403.39		TRACT: 010			11.984076%
	SEC. 3 LOTS 5, 6, 7, 8, N/2SE/4, W/2SW/4	ORRI: ROYALTY: WORKING INTEREST:			5.000000 12.500000	5.000000 12.500000	
	SEC. 4 LOT 5, E/2SE/4, SW/4SE/4	PHILLIPS PETROLEUM COMPANY			67.650000	67.650000	
		WILLIAMS PRODUCTION COMPANY			14.850000	14.850000	
	TOTAL				100.000000	100.000000	

06/22/2000

PHILLIPS PETROLEUM COMPANY
SCHEDULE X
THE 009 EXPANDED PARTICIPATING AREA FOR PICTURED CLIFFS FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUA PARTICIPATION
SF-078998	T32N R7W SEC. 33 E/2SE/4 SEC. 34 S/2	400.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 011	5.000000 12.500000 67.650000 14.850000	5.000000 0.000000 67.650000 14.850000	11.883365%
	TOTAL				100.000000	0.000000	
NM-E-503-13	T32N R7W SEC. 32 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 017-A	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	9.506692%
	TOTAL				100.000000	100.000000	
FEE	T31N R7W SEC. 3 E/2SW/4,S/2SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD PETROLEUM, INC.	TRACT: 026	0.000000 20.000000 80.000000	0.000000 0.000000 0.000000	0.000000%
	TOTAL				100.000000	0.000000	

06/22/2000

PHILLIPS PETROLEUM COMPANY
SCHEDULE X
THE 009 EXPANDED PARTICIPATING AREA FOR PICTURED CLIFFS FORMATION
SAN JUAN 32-7 UNIT AREA

RECAPITULATION

TOWNSHIP 31N, RANGE 7W, N.M.P.M.
SECTION 3 :LOTS 5, 6, 7, 8, S/2
SECTION 4 :LOT 5, E/2SE/4, SW/4SE/4

TOWNSHIP 32N, RANGE 7W, N.M.P.M.
SECTION 22 :LOTS 3, 4, 5, 6, SW/4
SECTION 27 :ALL
SECTION 32 :E/2
SECTION 33 :E/2SE/4, N/
SECTION 34 :ALL
SECTION 35 :ALL

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA	3526.05
TOTAL NUMBER OF ACRES COMMITTED TO PARTICIPATING AREA	3366.05
TOTAL NUMBER OF ACRES NOT COMMITTED TO PARTICIPATING AREA	160.00

PHILLIPS PETROLEUM COMPANY
SCHEDULE XI
THE 010 EXPANDED PARTICIPATING AREA FOR PICTURED CLIFFS FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUA PARTICIPATION
SF-078459	T32N R7W SEC. 22 LOTS 3, 4, 5, 6 SW/4	337.56	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 001	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	9.157770%
	TOTAL				100.000000	100.000000	
SF-078472	T32N R7W SEC. 27 LOTS 1, 2, 3, 4, NE/4	471.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	12.794730%
	TOTAL				100.000000	100.000000	
SF-078542	T32N R7W SEC. 34 N/2 SEC. 35 S/2	800.00	ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS PETROLEUM COMPANY	TRACT: 005	5.000000 12.500000 61.875000 20.625000	5.000000 12.500000 61.875000 20.625000	21.703450%
	TOTAL				100.000000	100.000000	

06/22/2000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XI
THE 010 EXPANDED PARTICIPATING AREA FOR PICTURED CLIFFS FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUA PARTICIPATION
SF-078543	T32N R7W	953.48		TRACT: 006			25.867260%
	SEC. 27 LOTS 5, 6, 7, 8, SE/4	ORRI: ROYALTY:			5.000000 12.500000	5.000000 12.500000	
	SEC. 33 N/2	WORKING INTEREST:	PHILLIPS PETROLEUM COMPANY		67.650000	67.650000	
	SEC. 35 N/2		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	TOTAL				100.000000	100.000000	
SF-078996	T31N R7W	403.39		TRACT: 010			10.943690%
	SEC. 3 LOTS 5, 6, 7, 8, N/2SE/4, W/2SW/4	ORRI: ROYALTY:			5.000000 12.500000	5.000000 12.500000	
	SEC. 4 LOT 5, E/2SE/4, SW/4SE/4	WORKING INTEREST:	PHILLIPS PETROLEUM COMPANY		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	TOTAL				100.000000	100.000000	

06/22/2000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XI
THE 010 EXPANDED PARTICIPATING AREA FOR PICTURED CLIFFS FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUA PARTICIPATION
SF-078998	T32N R7W SEC. 33 E/2SE/4 SEC. 34 S/2	400.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 011	5.000000 12.500000 67.650000 14.850000	5.000000 0.000000 67.650000 14.850000	10.851730%
	TOTAL				100.000000	0.000000	
NM-E-503-13	T32N R7W SEC. 32 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 017-A	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	8.681380%
	TOTAL				100.000000	100.000000	
FEE	T31N R7W SEC. 3 E/2SW/4,S/2SE/4	160.00	TRACT: 026 ORRI: ROYALTY: WORKING INTEREST: HALLWOOD PETROLEUM, INC.		0.000000 20.000000 80.000000	0.000000 0.000000 0.000000	0.000000%
	TOTAL				100.000000	0.000000	

EFFECTIVE 11/01/98

PAGE 3

32-7 PICTURED CLIFFS 10TH

06/22/2000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XI
THE 010 EXPANDED PARTICIPATING AREA FOR PICTURED CLIFFS FORMATION
SAN JUAN 32-7 UNIT AREA

RECAPITULATION

TOWNSHIP 31N, RANGE 7W, N.M.P.M.
SECTION 3 : LOTS 5, 6, 7, 8, S/2
SECTION 4 : LOT 5, E/2SE/4, SW/4SE/4

TOWNSHIP 32N, RANGE 7W, N.M.P.M.
SECTION 22 : LOTS 3, 4, 5, 6, SW/4
SECTION 27 : ALL
SECTION 28 : E/2
SECTION 32 : E/2
SECTION 33 : E/2SE/4, N/
SECTION 34 : ALL
SECTION 35 : ALL

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA	3846.05
TOTAL NUMBER OF ACRES COMMITTED TO PARTICIPATING AREA	3686.05
TOTAL NUMBER OF ACRES NOT COMMITTED TO PARTICIPATING AREA	160.00



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

April 24, 2000

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

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

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

RE: SAN JUAN 32-7 UNIT
#14-08-001-441
COMMERCIALITY DETERMINATION
SAN JUAN 32-7 UNIT #89
W/2 SECTION 26, T32N, R7W
SAN JUAN COUNTY, NEW MEXICO
C40463

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, Phillips Petroleum Company (Phillips) has determined that the San Juan 32-7 Unit #89 well is capable of producing unitized substances in paying quantities from the Pictured Cliffs formation. Phillips requests confirmation of this paying well determination. A summary of production and economic data is enclosed for the well.

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

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

Very truly yours,

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

CC: J.L Mathis (r) C40463

**SAN JUAN 32-7 UNIT
PICTURED CLIFFS PARTICIPATING AREA OWNERS**

PHILLIPS PETROLEUM COMPANY
WILLIAMS PRODUCTION COMPANY

SAN JUAN 32-7 UNIT #89 DRILL BLOCK OWNERS

PHILLIPS PETROLEUM COMPANY
WILLIAMS PRODUCTION COMPANY
BURLINGTON RESOURCES OIL & GAS COMPANY

[illegible]

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #89

Pictured Cliffs

Unit D Sec. 26 T32N-R7W

San Juan Co., NM

Date of First Delivery: 12/07/99

Total Well Costs: \$217,564

Avg. Gas Price (\$/mcf): \$1.77

BLM Royalty: 12.5%

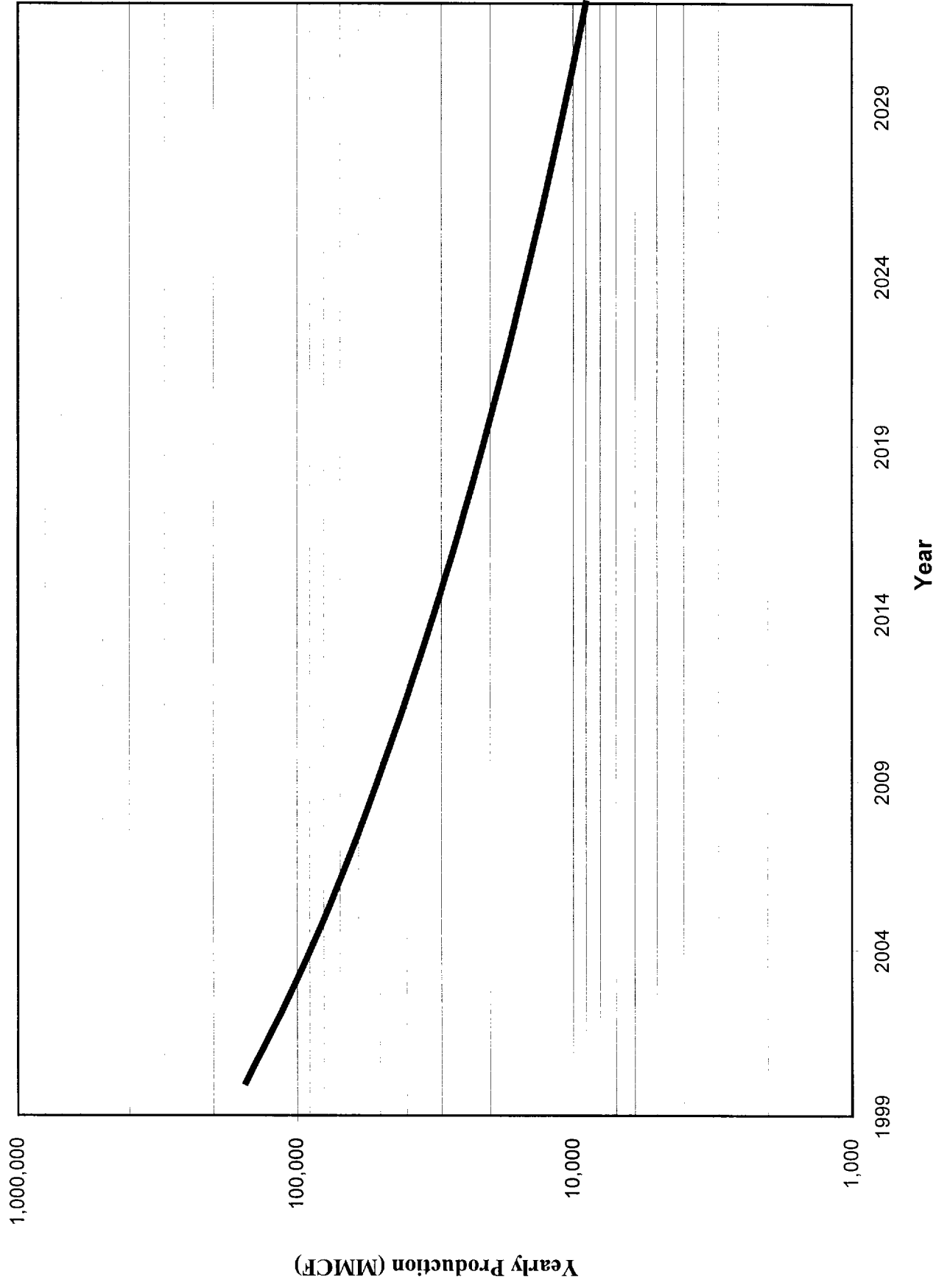
% Production Taxes:	3.750000	Severance
	4.000000	School
	1.036150	Ad Valorem
	0.190000	Conservation
	<u>0.6900759</u>	Prod Equip
	9.6662259	

Estimated Gross Annual Production and Operating Expenses

Period	Year	Gas MCF	Operating Expense, \$
1	1999	27,633 (actual)	393
2	2000	152,702	4,716
3	2001	132,348	4,716
4	2002	115,449	4,716
5	2003	101,303	4,716
6	2004	89,373	4,716
7	2005	79,242	4,716
8	2006	70,582	4,716
9	2007	63,138	4,716
10	2008	56,702	4,716
11	2009	51,110	4,716
12	2010	46,229	4,716
13	2011	41,949	4,716
14	2012	38,180	4,716
15	2013	34,848	4,716

Total 1,100,789

32-7 Unit #89 Pictured Cliffs Forecast
LCN 650482



CASE : CD 32-7 #89X ** ECONOMICS CASE SUMMARY **
 DESCRIPTION: COMMERCIALITY DETERMINATION 32-7 #89 PC WORKING INT : 41.000%
 CASE REVENUE INT : 33.825% OIL REV INT : 33.825% GAS REV INT : 33.825%
 CASE LIFE -FIRST MO-YR : 12-1999 PROD MO-YR : 12-1999 LAST YEAR : 2013
 MEASURES OF MERIT

AARR (%)	:	97.6	NET CASH FLOW SUMMARY (M\$)	:	89.2
BREAKEYEN POINT (YRS.)	:	1.2	CAPITAL OUTLAY	:	659.0
PAYOUT (YRS.)	:	1.2	TOTAL REVENUE	:	90.9
ENTER	:	4.3	TOTAL EXPENSES	:	568.1
ECONOMIC LIFE (YRS.)	:	14.1	IBRT	:	186.8
RESERVES SUMMARY	:		CURRENT INCOME TAX	:	
OIL-GROSS MBBLs	:		SALVAGE	:	
NET MBBLs	:		CASH RETURNED	:	381.3
NET REVENUE (M\$)	:		CASH FLOW	:	292.1
BBL/DAY TO PAYOUT:	:		NET PRESENT VALUE (M\$)	:	P.I.
GAS_GROSS MCF	:	1100.8	@ 13.0 %:	:	2.66
NET MCF	:	372.3	@ 5.3 %:	:	3.43
NET REVENUE (M\$)	:	659.0	@ 6.0 %:	:	3.33
MCF/DAY TO PAYOUT:	:	449.7	@ 6.9 %:	:	3.23

ENTER 'X' FOR CHANGE MENU (RECOMPUTED) OR 'E' FOR FINAL OPTION MENU :
 PRESS "ENTER" TO CONTINUE... GOWEE_CASE_DISP :



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

April 24, 2000

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

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

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

RE: SAN JUAN 31-6 UNIT
#14-08-001-464
COMMERCIALITY DETERMINATION
SAN JUAN 31-6 UNIT #3R
E/2 SECTION 6, T30N, R6W
SAN JUAN COUNTY, NEW MEXICO
C49866

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 31-6 Unit Agreement, #14-08-001-464, Phillips Petroleum Company (Phillips) has determined that the San Juan 31-6 Unit #3R well is not capable of producing unitized substances in paying quantities from the Dakota formation. Phillips requests confirmation of this non-commercial well determination. A summary of production and economic data is enclosed for the well.

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

Very truly yours,

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

CC: J.L. Mathis (r) C49866

**SAN JUAN 31-6 UNIT
DAKOTA PARTICIPATING AREA OWNERS**

PHILLIPS PETROLEUM COMPANY
AMOCO PRODUCTION COMPANY
BURLINGTON RESOURCES OIL & GAS COMPANY
ST JOHNS OPERATING #1 L3
FOUR STAR OIL & GAS COMPANY
WISER OIL COMPANY

SAN JUAN 31-6 UNIT #3R DRILL BLOCK OWNERS

BURLINGTON RESOURCES OIL & GAS COMPANY

Phillips Petroleum Company

Commerciality Determination

San Juan 31-6 Unit #3R

Dakota

Unit G Sec. 6 T30N-R6W

Rio Arriba Co., NM

Date of First Delivery: 12/10/99

Total Well Costs: \$475,000

Avg. Gas Price (\$/mcf): \$1.88

BLM Royalty: 12.5%

% Production Taxes:	3.7500000	Severance
	4.0000000	School
	1.1732500	Ad Valorem
	0.1900000	Conservation
	<u>0.7813845</u>	Prod Equip
	9.8946345	

Estimated Gross Annual Production and Operating Expenses

Period	Year	Gas MCF	Operating Expense, \$
1	1999	15,168 (actual)	856
2	2000	25,450	3,424
3	2001	22,058	3,424
4	2002	19,241	3,424
5	2003	16,884	3,424
6	2004	14,896	3,424
7	2005	13,207	3,424
8	2006	11,764	3,424
9	2007	10,523	3,424
10	2008	9,450	3,424
11	2009	8,518	3,424
12	2010	7,705	3,424
13	2011	6,991	3,424
14	2012	6,363	3,424
15	2013	5,808	3,424

Total 178,859

Phillips Petroleum Company

Commerciality Determination

San Juan 31-6 Unit #3R

Dakota

Unit G Sec. 6 T30N-R6W

Rio Arriba Co., NM

This well is a new drill Dakota.

Average drilling costs for a stand alone Dakota were used.

Operating costs are an average of actual costs to date

The gas price is an average of actual prices with actual transportation costs removed.

Recommend that this well be determined non-commercial.

Actual Production

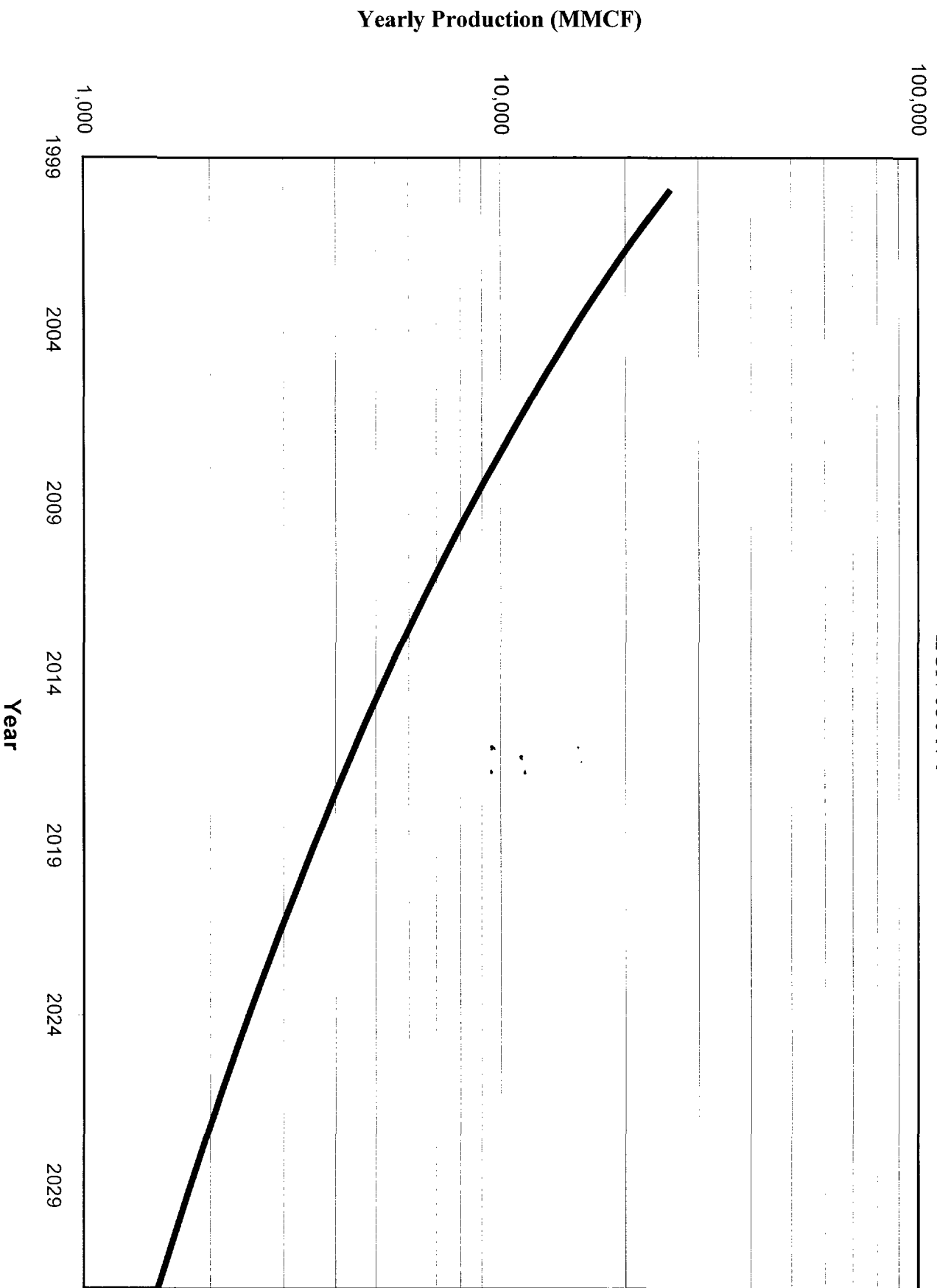
Month	Production
Sep-99	4,276 MCF
Oct-99	5,533 MCF
Nov-99	3,997 MCF
Dec-99	1,362 MCF
Jan-00	1,648 MCF
Feb-00	2,857 MCF
Mar-00	753 MCF

CASE : CD 31-6 3R ** ECONOMICS CASE SUMMARY **
DESCRIPTION: COMMERCIALITY DETERMINATION 31-6 #3R DK WORKING INT : 100.000%
CASE REVENUE INT : 87.500% OIL REV INT : 87.500% GAS REV INT : 87.500%
CASE LIFE -FIRST MO-YR : 9-1999 PROD MO-YR : 9-1999 LAST YEAR : 2013

MEASURES OF MERIT		NET CASH FLOW SUMMARY (M\$)	
AARR (%)	: -11.5	CAPITAL OUTLAY	: 475.0
BREAKEVEN POINT (YRS.)	:	TOTAL REVENUE	: 319.2
PAYOUT (YRS.)	:	TOTAL EXPENSES	: 80.4
ENTER	: .5	IBRT	: 238.8
ECONOMIC LIFE (YRS.)	: 14.3	CURRENT INCOME TAX	:
RESERVES SUMMARY		SALVAGE	:
OIL-GROSS MBBLs	:	CASH RETURNED	: 238.8
NET MBBLs	:	CASH FLOW	: -236.2
NET REVENUE (M\$)	:	NET PRESENT VALUE (M\$)	P.I.
BBL/DAY TO PAYOUT:	:	@ 13.0 %:	-326.8
GAS_GROSS MMCF	: 194.0	@ 5.3 %:	-283.8
NET MMCF	: 169.8	@ 6.0 %:	-288.9
NET REVENUE (M\$)	: 319.2	@ 6.9 %:	-294.9
MCF/DAY TO PAYOUT:	:		.38

PRESS "ENTER" TO CONTINUE... GOWEE_CASE_SUM

31-6 Unit #3R Dakota Forecast
LCN 650474





PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

April 24, 2000

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

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

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

RE: SAN JUAN 31-6 UNIT
#14-08-001-464
COMMERCIALITY DETERMINATION
SAN JUAN 31-6 UNIT #16M
W/2 SECTION 33, T31N, R6W
SAN JUAN COUNTY, NEW MEXICO
C49866

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 31-6 Unit Agreement, #14-08-001-464, Phillips Petroleum Company (Phillips) has determined that the San Juan 31-6 Unit #16M well is capable of producing unitized substances in paying quantities from the Dakota formation. Phillips requests confirmation of this paying well determination. A summary of production and economic data is enclosed for the well.

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

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

Very truly yours,

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

CC: J.L. Mathis (r) C49866

**SAN JUAN 31-6 UNIT
DAKOTA PARTICIPATING AREA OWNERS**

PHILLIPS PETROLEUM COMPANY
AMOCO PRODUCTION COMPANY
BURLINGTON RESOURCES OIL & GAS COMPANY
ST JOHNS OPERATING #1 L3
FOUR STAR OIL & GAS COMPANY
WISER OIL COMPANY

SAN JUAN 31-6 UNIT #16M DRILL BLOCK OWNERS

BURLINGTON RESOURCES OIL & GAS COMPANY

Phillips Petroleum Company

Commerciality Determination

San Juan 31-6 Unit #16M

Dakota

Unit C Sec. 33 T31N-R6W

Rio Arriba Co., NM

Date of First Delivery: 09/15/99

Total Well Costs: \$475,000

Avg. Gas Price (\$/mcf): \$1.88

BLM Royalty: 12.5%

% Production Taxes:	3.7500000	Severance
	4.0000000	School
	1.1732500	Ad Valorem
	0.1900000	Conservation
	<u>0.7813845</u>	Prod Equip
	9.8946345	

Estimated Gross Annual Production and Operating Expenses

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	1999	97,219 (actual)	1,426
2	2000	130,645	5,704
3	2001	113,231	5,704
4	2002	98,773	5,704
5	2003	86,671	5,704
6	2004	76,464	5,704
7	2005	67,796	5,704
8	2006	60,387	5,704
9	2007	54,018	5,704
10	2008	48,512	5,704
11	2009	43,728	5,704
12	2010	39,552	5,704
13	2011	35,889	5,704
14	2012	32,665	5,704
15	2013	29,815	5,704

Total 918,144

Phillips Petroleum Company

Commerciality Determination

San Juan 31-6 Unit #16M

Dakota

Unit C Sec. 33 T31N-R6W

Rio Arriba Co., NM

This well is a new drill Dakota.

Average drilling costs for a stand alone Dakota were used.

Operating costs are an average of actual costs to date

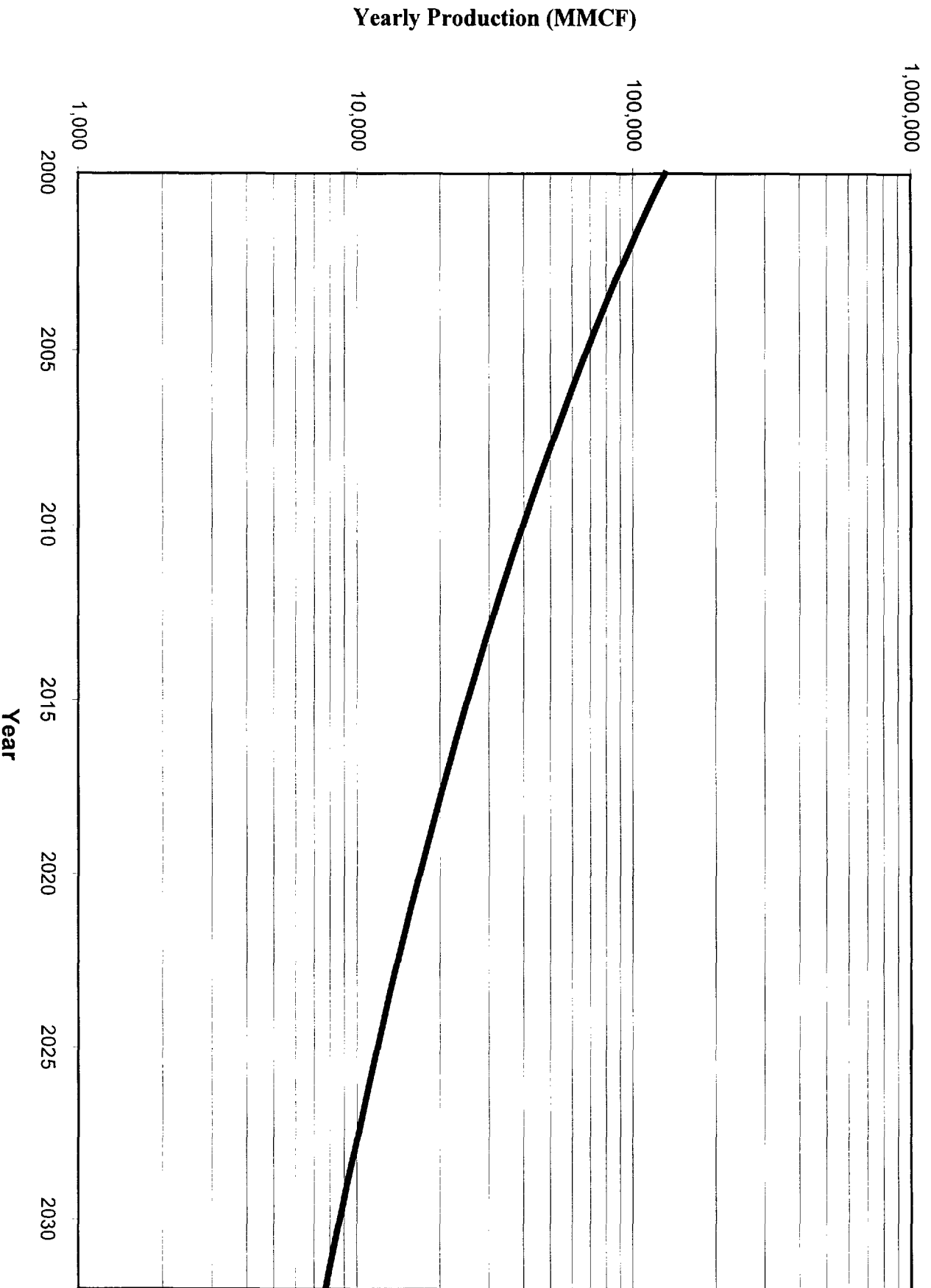
The gas price is an average of actual prices with actual transportation costs removed.

Recommend that this well be determined commercial.

Actual Production

Month	Production
Sep-99	11,802 MCF
Oct-99	19,134 MCF
Nov-99	15,463 MCF
Dec-99	14,308 MCF
Jan-00	12,914 MCF
Feb-00	11,843 MCF
Mar-00	11,755 MCF

**31-6 Unit #16M Dakota Forecast
LCN 650475**



CASE : CD 31-6 16M ** ECONOMICS CASE SUMMARY **
 DESCRIPTION: COMMERCIALITY DETERMINATION 31-6 #16M DK WORKING INT : 100.000%
 CASE REVENUE INT : 87.500% OIL REV INT : 87.500% GAS REV INT : 87.500%
 CASE LIFE -FIRST MO-YR : 9-1999 PROD MO-YR : 9-1999 LAST YEAR : 2013

MEASURES OF MERIT

AARR (%)	:	34.1	NET CASH FLOW SUMMARY(M\$)	:	475.0
BREAKEVEN POINT (YRS.)	:	2.5	CAPITAL OUTLAY	:	1670.3
PAYOUT (YRS.)	:	2.5	TOTAL REVENUE	:	246.5
ENTER	:	2.2	TOTAL EXPENSES	:	1423.7
ECONOMIC LIFE (YRS.)	:	14.3	IBRT	:	370.0
RESERVES SUMMARY	:		CURRENT INCOME TAX	:	
OIL-GROSS MBBLs	:		SALVAGE	:	
NET MBBLs	:		CASH RETURNED	:	1053.7
NET REVENUE(M\$)	:		CASH FLOW	:	578.7
BBL/DAY TO PAYOUT:	:		NET PRESENT VALUE (M\$)	:	P.I.
GAS_GROSS MCF	:	1015.4	@ 13.0 %:		1.45
NET MCF	:	888.4	@ 5.3 %:		1.82
NET REVENUE(M\$)	:	1670.3	@ 6.0 %:		1.77
MCF/DAY TO PAYOUT:	:	391.4	@ 6.9 %:		1.72

PRESS "ENTER" TO CONTINUE...

GOWEE_CASE_SUM



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

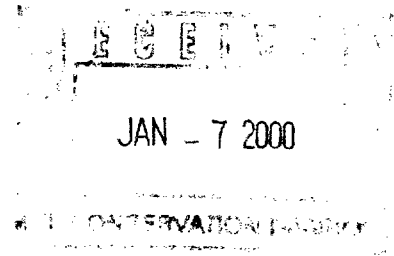
December 27, 1999

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
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 32-7 UNIT
#14-08-001-441
Rio Arriba County, New Mexico
2000 Plan of Development
Contract C40463



Gentlemen:

By letter dated January 12, 1999, Phillips Petroleum Company (Phillips) as Unit Operator filed the 1999 Plan of Development (POD) which was amended by letter dated April 16, 1999 (First Amendment). The initial POD indicated six (6) wells were planned to be drilled in 1999 with the subsequent amendment adding four (4) wells to be drilled and two (2) additional wells to be recompleted. 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 32-7 Unit #89	NW/4 Section 26-32N-7W	Pictured Cliffs
San Juan 32-7 Unit #90	W/2 Section 27-32N-7W	Pictured Cliffs
San Juan 32-7 Unit #91	NW/4 Section 33-32N-7W	Pictured Cliffs
San Juan 32-7 Unit #205	W/2 Section 22-32N-7W	Fruitland Coal
San Juan 32-7 Unit #220	Lot 9 & portion Tract 53 in Sec. 5 & Lots 8, 9, 10, 11, 13, NE/4 SW/4, NW/4 SE/4 & portion Tract 53 in Sec. 6-31N-7W	Fruitland Coal
San Juan 32-7 Unit #228	A portion of Tract 54 in Section 6 & Lots 6, 7, SW/4 NE/4, N/2 SE/4 and a portion of Tract 54 in Section 7-31N-7W	Fruitland Coal
San Juan 32-7 Unit #240	E/2 Section 19-32N-7W	Fruitland Coal
San Juan 32-7 Unit #241	E/2 Section 21-32N-7W	Fruitland Coal

The #89 well was drilled on a drillblock basis and the #90 & #91 wells were infill wells in the Pictured Cliffs Participating Area. The #205, #240 and #241 wells were drilled on a drillblock basis and the #220 and #228 wells were drilled on intervening drillblocks (IDB) in the Fruitland Coal Participating Area. The #202R and #243 wells were not drilled and will be carried over into 2000.

3. The following wells were recompleted in 1999.

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>
San Juan 32-7 Unit #14	E/2 Section 28-32N-7W	Pictured Cliffs
San Juan 32-7 Unit #34	E/2 Section 27-32N-7W	Mesaverde

San Juan 32-7 Unit
2000 Plan of Development
December 27, 1999
Page 2

The Pictured Cliffs recompletion was on a drillblock basis and the Mesaverde recompletion was an infill in the Mesaverde Participating Area.

1999 Summary-There were three (3) Pictured Cliffs wells drilled and five (5) Fruitland coal wells drilled. One (1) Mesaverde well was recompleted into the Pictured Cliffs and downhole commingled and one (1) Dakota well was recompleted into the Mesaverde and downhole commingled. There were three (3) expansions of the Fruitland Coal participating Area (18th, 19th & 20th)* and three (3) expansions of the Pictured Cliffs Participating Area (8th) (9th & 10th)**. All downhole commingle and recompletion operations were conducted in accordance with existing regulatory parameters.

* submitted September 17, 1999, waiting on approval

** submitted December 9, 1999, waiting on approval

The Participating Areas which have been established in the 32-7 Unit are:

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Twentieth *	12/1/98*
Pictured Cliffs	Tenth **	11/1/98**
Mesaverde	Twenty-Third	1/1/82
Dakota	Third	5/1/81

*submitted September 17, 1999, waiting on approval

**submitted December 9, 1999, waiting on approval

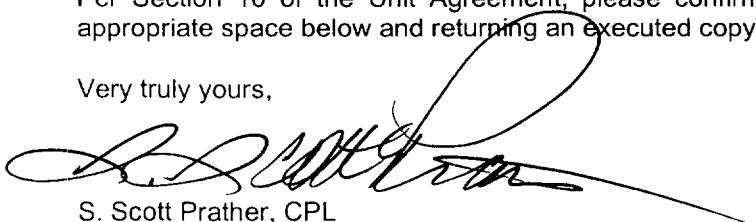
Pursuant to Section 10 of the San Juan 32-7 Unit Agreement, Phillips, as Unit Operator hereby submits the following wells for the 2000 POD:

<u>Well Name</u>	<u>Dedicated Acreage</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-7 Unit #19A	SW/4,NW/4 SE/4, Lot 6, 7, 8 in Sec. 4 & Lot 5 Section 5-31N-7W	Pictured Cliffs/Mesaverde	Drill
San Juan 32-7 Unit #35M	W/2(MV), N/2(DK) Section 22-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #39B	W/2(PC&MV) Section 23-32N-7W	Pictured Cliffs/Mesaverde	Drill
San Juan 32-7 Unit #44M	E/2(MV), S/2(DK) Section 22-32N-7W	Mesaverde/Dakota	Drill
San Juan 32-7 Unit #92	E/2 Section 22-32N-7W	Pictured Cliffs	Drill
San Juan 32-7 Unit #202R	W/2 Section 18-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #243	W/2 Section 19-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #244	W/2 Section 17-32N-7W	Fruitland Coal	Drill

The San Juan 32-7 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 Area
(505) 599-3410

**SAN JUAN 32-7 UNIT #14-08-001-441
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 32-7 Unit Owners
J. L. Mathis (r) C40463
W. D. Jaap (r) local supervisors

**SAN JUAN 32-7 UNIT
FRUITLAND PARTICIPATING AREA OWNERS**

PHILLIPS-NEW MEXICO PARTNERS, L. P.

PHILLIPS-SAN JUAN LTD PARTNERS

SAN JUAN BASIN PARTNERSHIP

WILLIAMS PRODUCTION COMPANY

**SAN JUAN 32-7 UNIT
MESAVERDE PARTICIPATING AREA OWNERS**

PHILLIPS PETROLEUM COMPANY

TAURUS EXPLORATION U. S. A., INC.

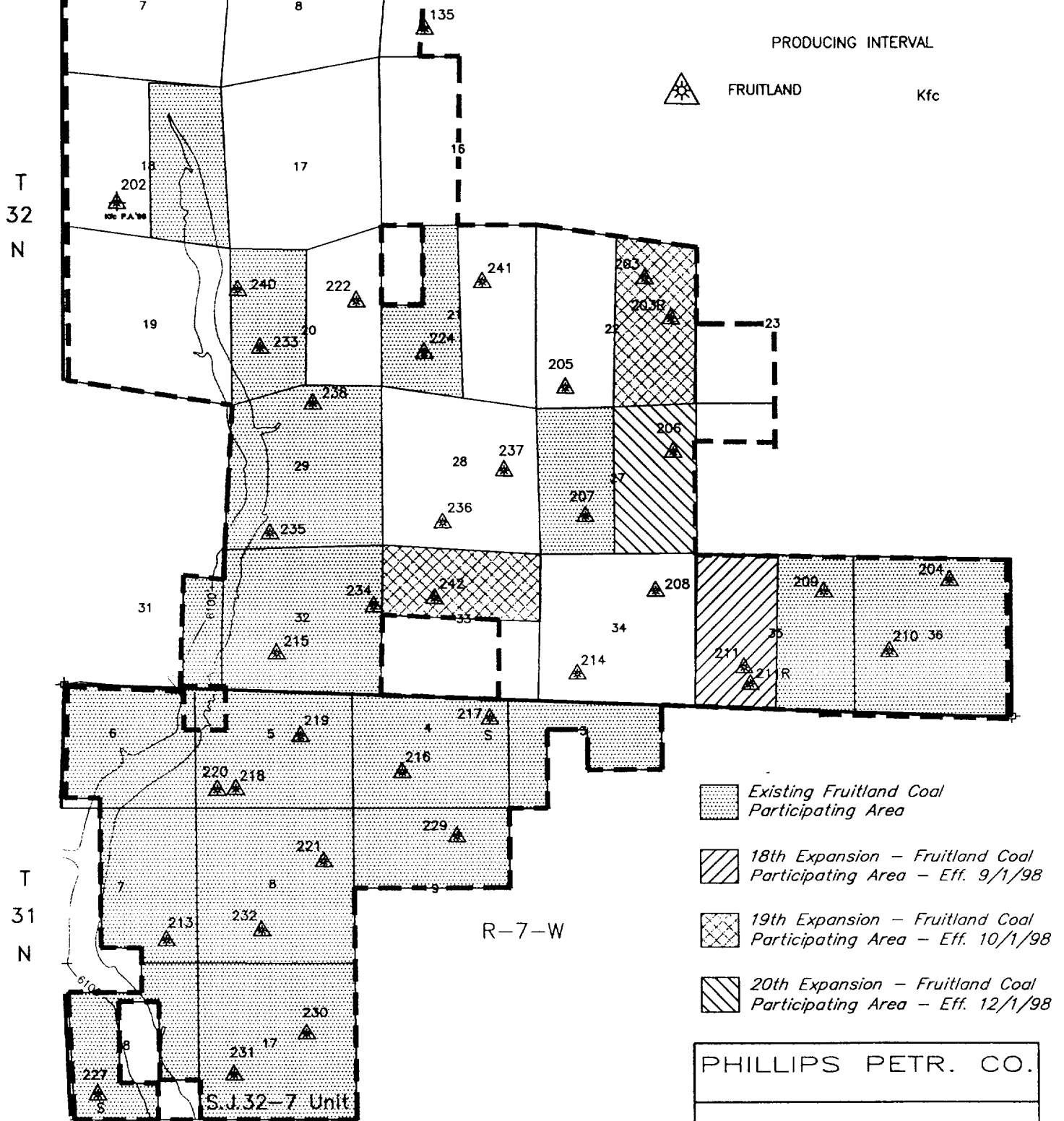
WILLIAMS PRODUCTION COMPANY

**SAN JUAN 32-7 UNIT
PICTURED CLIFFS PARTICIPATING AREA OWNERS**

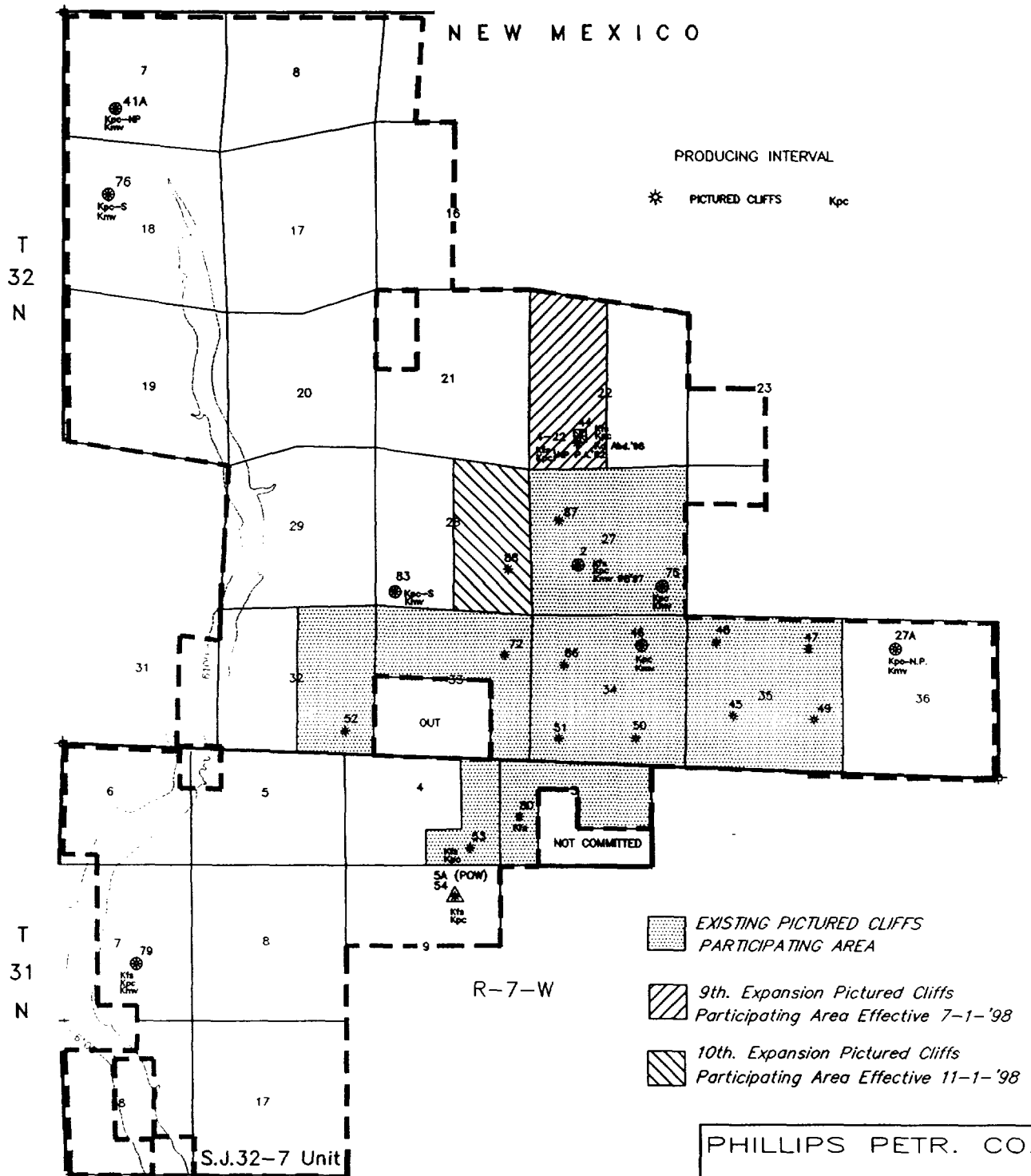
PHILLIPS PETROLEUM COMPANY

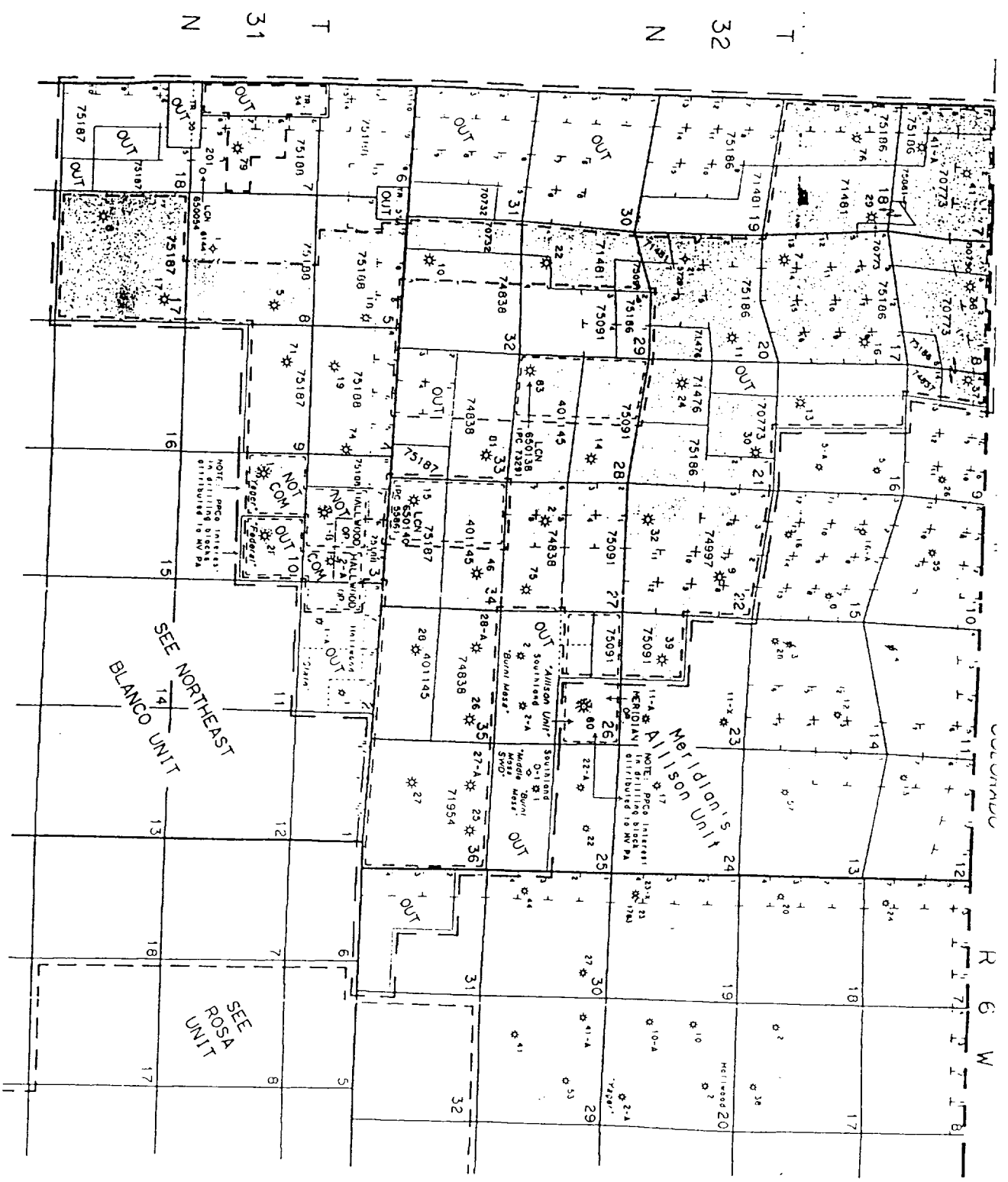
WILLIAMS PRODUCTION COMPANY

COLORADO
NEW MEXICO



COLORADO
NEW MEXICO





SAN JUAN 32-7 UNIT
(MESAVERDE)
PCO - OPERATOR

Map of the Blanco (Mesaverde) Field
Area: 10,400.00 Acres
Data: 10,400.00 Acres
Unit: 10,400.00 Acres
Date: 1/29/80
See also: 10,400.00 Acres
Unit: 10,400.00 Acres
Date: 1/29/80

BLANCO (MESAVERDE) FIELD
SAN JUAN CO., NM
Scale: 1" = 4000'
1/29/80



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

November 12, 1999

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 32-7 UNIT
#14-08-001-441
COMMERCIALITY DETERMINATION
SAN JUAN 32-7 UNIT #44 WELL ✓
W/2 SECTION 22-32N-7W
SAN JUAN 32-7 UNIT #88 WELL ✓
E/2 SECTION 28-32N-7W
SAN JUAN COUNTY, NEW MEXICO
C40463

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 16, 1952, Phillips Petroleum Company (Phillips) has determined that the San Juan 32-7 Unit #44 and #88 Wells are capable of producing unitized substances in paying quantities from the Pictured Cliffs formation. Phillips requests confirmation of these paying well determinations. A summary of production and economic data is enclosed for each well.

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

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

Very truly yours,

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

cc: J. L. Mathis (r) C40463

SAN JUAN 32-7 UNIT
PICTURED CLIFFS PARTICIPATING AREA OWNERS

PHILLIPS PETROLEUM COMPANY

WILLIAMS PRODUCTION COMPANY

Z 464 537 235

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #44

Pictured Cliffs

W/2 Section 22, 32N-7W

San Juan Co., NM

This existing Dakota well was completed in the Pictured Cliffs Sept. 1998 by Phillips.

Average well costs for a single Pictured Cliffs well were used in this determination.

The gas price is actual average for 32-7 #44, with transportation costs removed.

Recommend that this well be determined commercial.

Actual Production

Month	Production
Aug-98	4,964 MCF
Sep-98	3,092 MCF
Oct-98	4,473 MCF
Nov-98	4,650 MCF
Dec-98	4,482 MCF
Jan-99	2,708 MCF
Feb-99	3,230 MCF
Mar-99	3,330 MCF
Apr-99	3,758 MCF
May-99	2,783 MCF
Jun-99	2,917 MCF
Jul-99	2,753 MCF
Aug-99	3,098 MCF

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #44

Pictured Cliffs

W/2 Section 22, 32N-7W

San Juan Co., NM

Date of First Delivery: 09/03/98

Total Well Costs: \$234,000

1999 Avg. Gas Price (\$/mcf): \$2.02

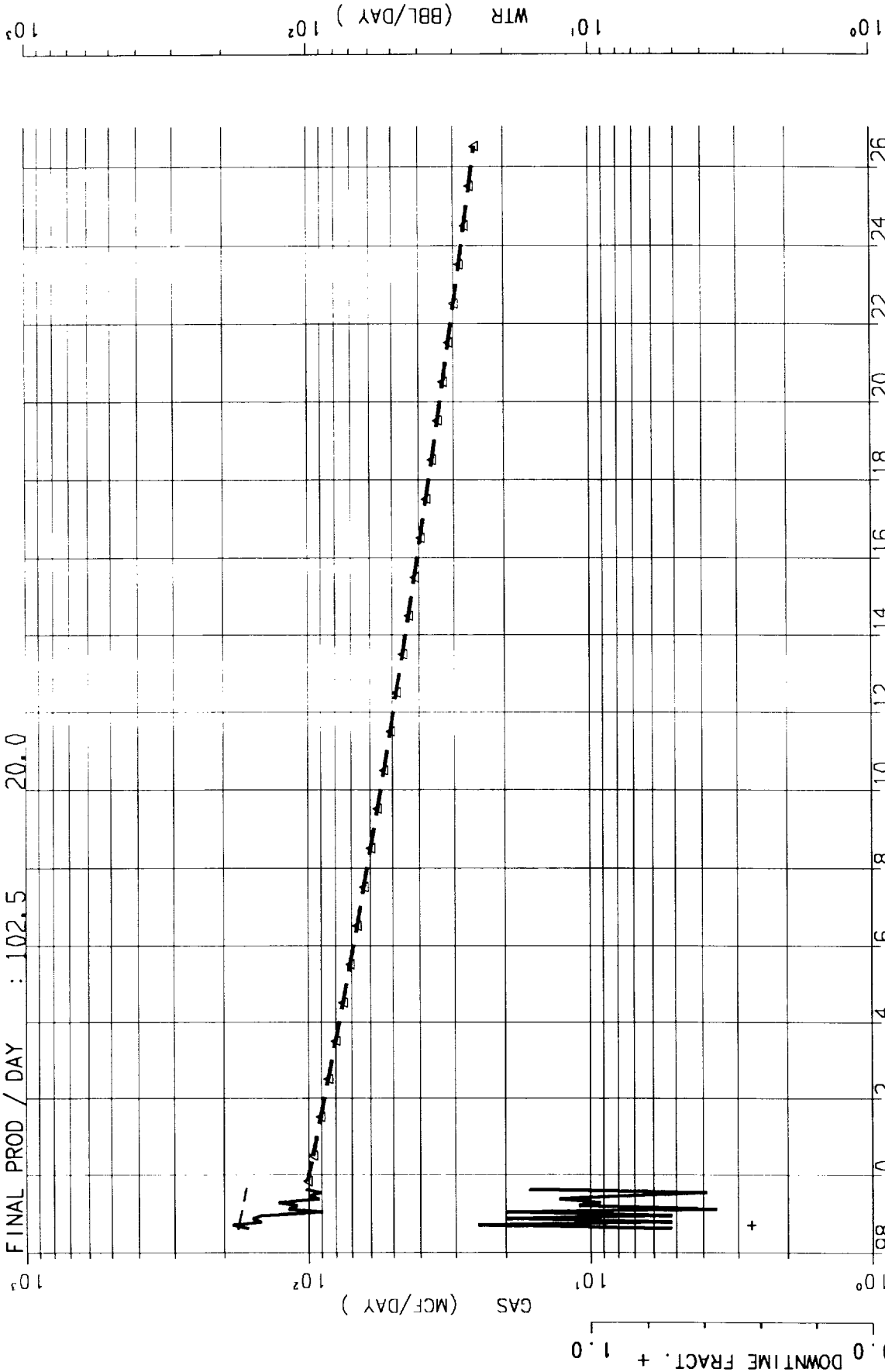
BLM Royalty: 12.5%

% 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	Operating Expense, \$
1	1998	21,661 (actual)	2,000
2	1999	36,871	6,000
3	2000	35,266	6,000
4	2001	33,002	6,000
5	2002	30,927	6,000
6	2003	29,022	6,000
7	2004	27,271	6,000
8	2005	25,657	6,000
9	2006	24,167	6,000
10	2007	22,791	6,000
11	2008	21,517	6,000
12	2009	20,336	6,000
13	2010	19,239	6,000
14	2011	18,220	6,000
15	2012	17,271	6,000
Total		<u>383,218</u>	

8/98-8/99 9/99-LIFE ASSOC. Current Cums
 INITIAL PROD / DAY : 179.3 102.2 0.0 47427. MCF GAS
 REMAINING LIFE : 1.08 32.71
 HYPR(0.33) DECL % : 7.00 6.83 4113. BBL WTR
 CUM PRODUCTION : 47427. 541652. 0.
 FINAL PROD / DAY : 102.5 20.0



L996102
 ZONE-650443006000044 L996102
 API-30045213290000 THRU 99/08

LEASE- 650443 : SAN JUAN 32-7 UNIT #44 PC
 RESVR- 006 : LOS PINOS SOUTH FRUITLAND PC
 WELL - 000044 CUM MCF = 47421.

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #88

Pictured Cliffs

E/2 Section 28, 32N-7W

San Juan Co., NM

Date of First Delivery: 10/23/98

Total Well Costs: \$196,410

June 1998 Avg. Gas Price (\$/mcf): \$2.21

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	Operating Expense, \$
1	1998	94,237 (actual)	900
2	1999	216,374	3,600
3	2000	163,348	3,600
4	2001	134,173	3,600
5	2002	111,541	3,600
6	2003	93,718	3,600
7	2004	79,492	3,600
8	2005	68,000	3,600
9	2006	58,617	3,600
10	2007	50,881	3,600
11	2008	44,445	3,600
12	2009	39,049	3,600
13	2010	34,491	3,600
14	2011	30,614	3,600
15	2012	27,295	3,600
Total		<u>1,246,275</u>	

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #88

Pictured Cliffs

E/2 Section 28, 32N-7W

San Juan Co., NM

This Pictured Cliffs well was drilled and completed in the Pictured Cliffs from Sept. 1998 to Oct. 1998 by Phillips.

Actual well costs were used in this determination.

The operating costs for 1999 are actual.

The gas price is an average for 1999 for the 32-7 #88, with transportation costs removed.

Recommend that this well be determined commercial.

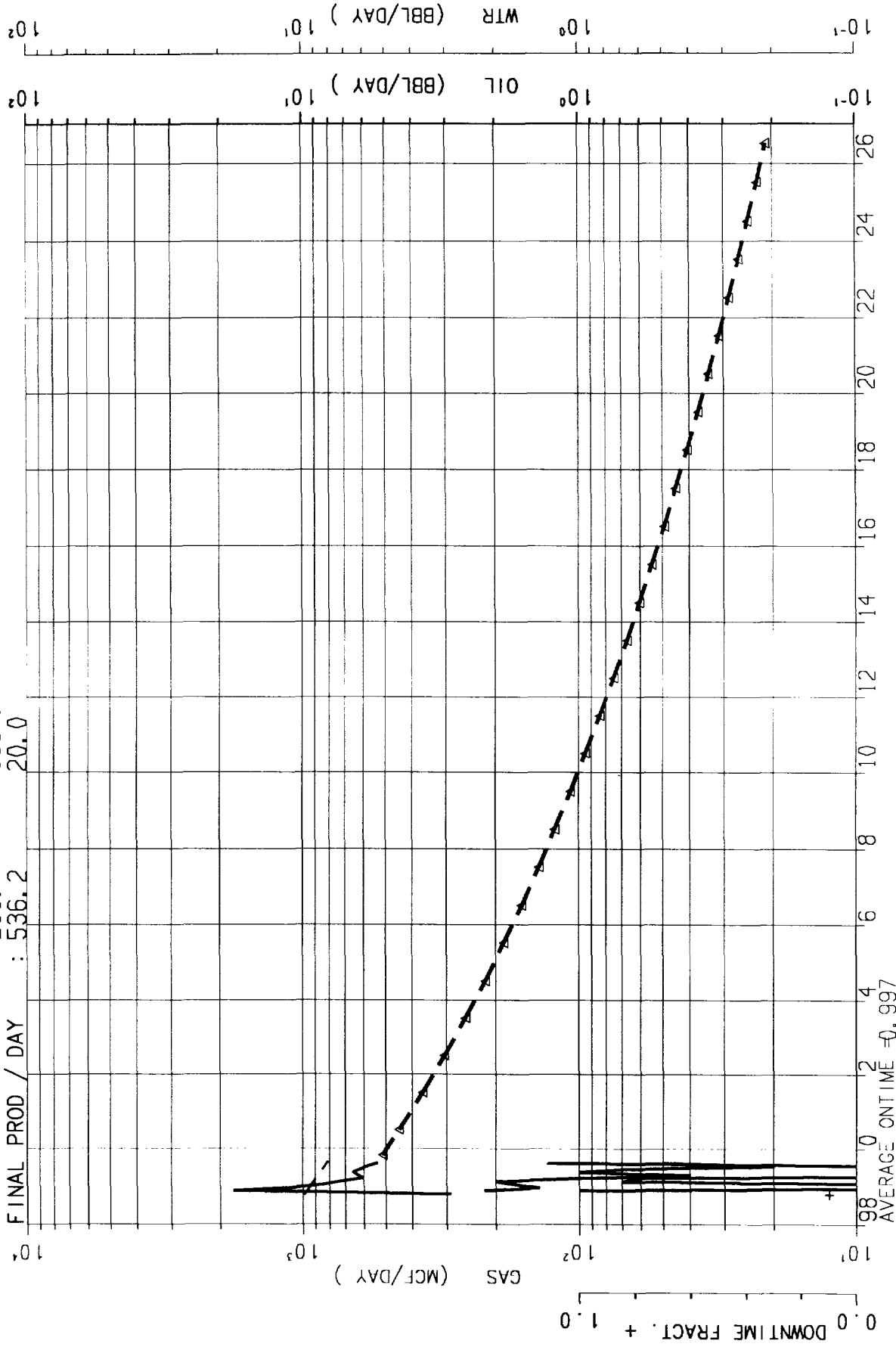
Actual Production

Month	Production
Oct-98	8,519 MCF
Nov-98	52,322 MCF
Dec-98	33,396 MCF
Jan-99	25,507 MCF
Feb-99	20,017 MCF
Mar-99	18,319 MCF
Apr-99	18,402 MCF
May-99	19,830 MCF
Jun-99	18,098 MCF
Jul-99	17,586 MCF
Aug-99	16,206 MCF

10/98-8/99 9/99-LIFE

INITIAL PROD / DAY : 995.7 531.4
 REMAINING LIFE : 0.92 27.58
 HYPR(0.33) DECL % : 23.00 21.51
 CUM PRODUCTN-MUNITS : 255. 1197.
 FINAL PROD / DAY : 536.2 20.0

Current Cums
 254562. MCF GAS
 335. BBL OIL
 108. BBL WTR



LEASE- 650452 : SAN JUAN 32-7 UNIT #14 & #88 F/P
 RESVR- 006 : LOS PINOS SOUTH FRUITLAND PC
 WELL - 000088 CUM MCF =254555.

F063501
 ZONE-6504520060000088 F063501
 API-30045296560000 THRU 99/09



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

September 17, 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 32-7 UNIT
#14-08-001-441
EIGHTEENTH EXPANSION – EFFECTIVE 9-1-98
NINETEENTH EXPANSION – EFFECTIVE 10-1-98
TWENTIETH EXPANSION – EFFECTIVE 12-1-98
FRUITLAND PARTICIPATING AREA
SAN JUAN COUNTY, NEW MEXICO
C40463, LCN 650115, 651115

Ladies and Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 16, 1952, 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 Eighteenth, Nineteenth and Twentieth Expansions of the Participating Area established for the Fruitland Formation is respectfully submitted for your approval as follows:

EIGHTEENTH EXPANDED PARTICIPATING AREA
EFFECTIVE SEPTEMBER 1, 1998

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
W/2 Section 35-32N-7W	320.00	#211R

The San Juan 32-7 Unit #211R Well was completed August 22, 1998, with cumulative gas production of 208,333 MCF through May 31, 1999. The spacing unit for this well is described as the W/2 of Section 35-32N-7W.

This well was deemed commercial per letter dated August 18, 1999 from the Bureau of Land Management.

NINETEENTH EXPANDED PARTICIPATING AREA
EFFECTIVE OCTOBER 1, 1998

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
E/2 Section 22-32N-7W (Lots 1, 2, 7, 8, 9, 10, 11 & 12)	331.40	#203R
N/2 Section 33-32N-7W	320.00	#242

The San Juan 32-7 Unit #203R Well was completed September 7, 1998, with cumulative gas production of 467,656 MCF through May 31, 1999. The spacing unit for this well is described as the E/2 (Lots 1, 2, 7, 8, 9, 10, 11 & 12) Section 22-32N-7W.

The San Juan 32-7 Unit #242 Well was completed September 15, 1998, with cumulative gas production of 494,215 MCF through May 31, 1999. The spacing unit for this well is described as the N/2 Section 33-32N-7W (per one time waiver granted August 11, 1998 for a N/2 dedication).

These wells were deemed commercial per letter dated August 18, 1999, from the Bureau of Land Management.

TWENTIETH EXPANDED PARTICIPATING AREA
EFFECTIVE DECEMBER 1, 1998

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
E/2 Section 27-32N-7W	320.00	#206

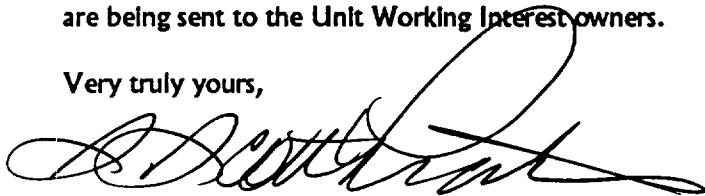
The San Juan 32-7 Unit #206 Well was completed November 1, 1998, with cumulative gas production of 95,720 MCF through May 31, 1999. The spacing unit for this well is described as the E/2 Section 27-32N-7W.

This well was deemed commercial per letter dated August 18, 1999, from the Bureau of Land Management.

Enclosed herewith are XIX for the Eighteenth Expanded Participating Area, Schedule XX for the Nineteenth Expanded Participating Area and Schedule XXI for the Twentieth Expanded Participating Area for the Fruitland Formation. These schedules describe the participating areas and indicate the percentages of unitized substances allotted 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 Eighteenth, Nineteenth and Twentieth Expansions of the San Juan 32-7 Unit Fruitland Participating Area.

Unless this application is disapproved or contested the Eighteenth Expanded Participating Area is effective as of September 1, 1998, the Nineteenth Expanded Participating Area is effective as of October 1, 1998 and the Twentieth Expanded Participating Area is effective as of December 1, 1998. Copies of this application are being sent to the Unit Working Interest owners.

Very truly yours,



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

The signatory approvals below are for the Eighteenth, Nineteenth and Twentieth Expanded Participating Area of the Fruitland Formation in the San Juan 32-7 Unit, #14-08-001-441.

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 32-7 Unit Owners
W. D. Jaap (r)Supervisors
J. L. Mathis (r)C40463

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIX
THE 018 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078460	T32N R7W	342.97		TRACT: 002			4.448040
	SEC. 20 LOTS 1, 2, 3, 4, 7, E/2 NW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
	SEC. 29 LOTS 1, 2				67.650000 14.850000	67.650000 14.850000	
	REMARKS: SAN JUAN 32-7 UNIT #233 SAN JUAN 32-7 UNIT #238		TOTAL		100.000000	100.000000	
SF-078472	T32N R7W	151.62		TRACT: 003			1.966390
	SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/4)		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
	REMARKS: SAN JUAN 32-7 UNIT #207		TOTAL		100.000000	100.000000	
SF-078472	T32N R7W	80.00		TRACT: 003A			1.037540
	SEC. 29 NE/4 NW/4, SE/4 SW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 64.267500 3.382500 14.850000	5.000000 12.500000 64.267500 3.382500 14.850000	
	REMARKS: SAN JUAN 32-7 UNIT #235		TOTAL		100.000000	100.000000	

EFFECTIVE 09/01/98

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIX
THE 018 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 29 LOTS 3, 4, SE/4	246.23	TRACT: 003B ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	3.193400
REMARKS: SAN JUAN 32-7 UNIT #238					TOTAL	100.000000	100.000000
SF-078542	T32N R7W SEC. 35 SE/4	160.00	TRACT: 005 ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	2.075070
REMARKS: SAN JUAN 32-7 UNIT #209					TOTAL	100.000000	100.000000
SF-078542	T32N R7W SEC. 35 SW/4	160.00	TRACT: 005A ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	2.075070
REMARKS: SAN JUAN 32-7 UNIT #211R					TOTAL	100.000000	100.000000

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIX
THE 018 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078543	T32N R7W	313.48		TRACT: 006			4.065580
	SEC. 27 LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4) SEC. 35 NE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
	TOTAL				100.000000	100.000000	
SF-078543	T32N R7W	160.00		TRACT: 006A			2.075070
	SEC: 35 NW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
	TOTAL				100.000000	100.000000	
NM-2995	T32N R7W	80.00		TRACT: 007			0.000000
	SEC. 21 W/2 NW/4		ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY	FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	
	TOTAL				100.000000	0.000000	
	REMARKS: SAN JUAN 32-7 UNIT #211R						
	REMARKS: SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209						

EFFECTIVE 09/01/98

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIX
THE 018 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-83603	T32N R7W SEC. 31 LOTS 5,6,7,8,9	189.74	ORRI: ROYALTY: WORKING INTEREST: CNG PRODUCING COMPANY	TRACT: 008 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS: GRASSY CANYON #3 (CA NM 87178)					TOTAL	0.000000	
NM-28749	T31N R7W SEC. 10 NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS: FEDERAL G NO. 4 (CA NM 87094)					TOTAL	100.000000	0.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIX
THE 018 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	1777.82		TRACT: 010			23.056890
SEC. 3	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4	ORRI: ROYALTY:			5.000000 12.500000	5.000000 12.500000	
SEC. 4	LOT 5, E/2 SE/4, SW/4 SE/4	WORKING INTEREST:					
SEC. 5	LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4	PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY			67.650000 14.850000	67.650000 14.850000	
SEC. 6	LOTS 12, 14, 15, S/2 SE/4						
SEC. 7	LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4	TOTAL			100.000000	100.000000	
SEC. 8	ALL						

REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376)

FEDERAL G NO. 4 (CA NM 87094)

SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)

SAN JUAN 32-7 UNIT #217

SAN JUAN 32-7 UNIT #218

SAN JUAN 32-7 UNIT #219

SAN JUAN 32-7 UNIT #221

SAN JUAN 32-7 UNIT #232

SF-078996	T31N R7W	436.40	TRACT: 010A				5.659760
SEC. 5	LOT 9	ORRI:			5.000000	5.000000	
SEC. 6	LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4	ROYALTY: WORKING INTEREST:			12.500000	12.500000	
SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4	PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY			67.650000 14.850000	67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #220 SAN JUAN 32-7 UNIT #228	TOTAL			100.000000	100.000000	

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIX
THE 018 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N RTW	323.15		TRACT: 010B			4.191000
SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 64.267500 3.382500 14.850000	5.000000 12.500000 64.267500 3.382500 14.850000	
SEC. 5	LOT 5						
			TOTAL		100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #216						
SF-078998	T31N RTW	1318.91		TRACT: 011			17.105200
SEC. 9	N/2		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
SEC. 17	ALL						
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4						
			TOTAL		100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231						

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIX
THE 018 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W	800.00		TRACT: 017A			10.375350
SEC. 32	E/2 W/2		ORRI:		5.000000	5.000000	
SEC. 36	ALL		ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:				
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	0.000000	
			WILLIAMS PRODUCTION COMPANY		14.850000	0.000000	
			TOTAL		100.000000	0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215						
E-503-13	T32N R7W	320.00		TRACT: 017B			4.150140
SEC. 32	E/2		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS-NEW MEXICO PARTNERS		64.267500	64.267500	
			SAN JUAN BASIN PARTNERSHIP		3.382500	3.382500	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
			TOTAL		100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #234						
NM LG 3876	T31N R7W	80.00		TRACT: 018			0.000000
SEC. 2	W/2 SW/4		ORRI:	FORMER UNIT TRACT	0.000000	0.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			HALLWOOD ENERGY COMPANIES, ET AL		87.500000	87.500000	
			TOTAL		100.000000	100.000000	
REMARKS:	FEDERAL G NO. 4 (CA NM-87094)						

EFFECTIVE 09/01/98

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIX
THE 018 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 021	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	0.173270
REMARKS: SAN JUAN 32-7 UNIT #3							
FEE	T32N R7W SEC. 21 E/2 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 021B	0.000000 12.500000 68.162500 3.587500 15.750000	0.000000 12.500000 68.162500 3.587500 15.750000	1.037540
REMARKS: SAN JUAN UNIT #224 COM							
FEE	T32N R7W SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 022	3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	3.976870
REMARKS: SAN JUAN 32-7 UNIT #3							
TOTAL					100.000000	100.000000	

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIX
THE 018 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	240.00		TRACT: 022A			3.112610
	SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 65.825500 3.464500 15.210000	3.000000 12.500000 65.825500 3.464500 15.210000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #235						
FEE	T32N R7W	40.00		TRACT: 022B			0.518770
	SEC. 20 SW/4 SW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #233						
FEE	T32N R7W	160.00		TRACT: 023A			2.075070
	SEC. 21 SW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 68.162500 3.587500 15.750000	0.000000 12.500000 68.162500 3.587500 15.750000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #224 COM						

EFFECTIVE 09/01/98

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIX
THE 018 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 31 E/2 SE/4, SE/4 NE/4 SEC. 32 W/2 W/2	280.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 024	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	3.631370
REMARKS:	SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)						
TOTAL		100.000000				100.000000	
FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 026 FORMER UNIT TRACT	0.000000 20.000000 80.000000	0.000000 0.000000 0.000000	0.000000
REMARKS:	YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)						
TOTAL		100.000000				0.000000	
FEE	T31N R7W SEC. 5 TRACT 53 SEC. 6 TRACT 53	42.45	ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION COMPANY, ET AL	TRACT: 027 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	IDB ACREAGE						
TOTAL		100.000000				0.000000	
FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 25.000000 75.000000	0.000000 0.000000 0.000000	0.000000
REMARKS:	YAGER COM N 5 (CA NMNM 87095)						
TOTAL		100.000000				0.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIX
THE 018 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 7 40 ACRES OF TRACT 55 SEC. 18 NW/4 SE/4, SW/4 NE/4	120.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS: SAN JUAN 32-7 UNIT #213 COM(CA NM 840 TOTAL SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)							
FEE	T31N R7W SEC. 18 40 ACRES OF TRACT 55	40.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 031 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS: SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) TOTAL							
FEE	T31N R7W SEC. 18 SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL	TRACT: 032 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS: SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) TOTAL							
TOTAL					7710.58 - COMMITTED	1072.19 - NON COMMITTED	100.000000

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIX
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W

SECTION 3	: LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4
SECTION 4	: LOTS 5, 6, 7, 8, S/2 (ALL)
SECTION 5	: LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6	: LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4
SECTION 7	: LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8	: ALL
SECTION 9	: N/2
SECTION 17	: ALL
SECTION 18	: LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
SECTION 18	: E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W

SECTION 2	: W/2 SW/4
SECTION 3	: E/2 SW/4, S/2 SE/4
SECTION 5	: TRACT 53
SECTION 6	: TRACT 53
SECTION 7	: TRACT 55
SECTION 10	: N/2
SECTION 18	: NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32N, RANGE 7W

SECTION 18	: E/2
SECTION 20	: LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4
SECTION 21	: SW/4, E/2 NW/4
SECTION 27	: LOTS 1, 2, 3, 4, 5, 6, 7, 8
SECTION 29	: ALL
SECTION 31	: E/2 SE/4, SE/4 SE/4
SECTION 32	: ALL
SECTION 35	: ALL
SECTION 36	: ALL

TOWNSHIP 32N, RANGE 7W

SECTION 21	: W/2 NW/4
SECTION 31	: LOTS 5, 6, 7, 8, 9,

TOTAL COMMITTED: 7710.58

TOTAL ACRES NON-COMMITTED: 1072.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 8782.77

EFFECTIVE 09/01/98

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XX
THE 019 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078459	T32N R7W SEC. 22 LOTS 1, 2, 7, 8, 9, 10, 11 & 12	331.40	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 001	5.000000 12.500000 67.500000 14.850000	5.000000 12.500000 67.500000 14.850000	3.963180
REMARKS: SAN JUAN 32-7 UNIT #203R					TOTAL 100.000000	100.000000	
SF-078460	T32N R7W SEC. 20 LOTS 1, 2, 3, 4, 7, E/2 NW/4 SEC. 29 LOTS 1, 2	342.97	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY	TRACT: 002	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	4.101540
REMARKS: SAN JUAN 32-7 UNIT #233 SAN JUAN 32-7 UNIT #238					TOTAL 100.000000	100.000000	
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/4)	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.813210
REMARKS: SAN JUAN 32-7 UNIT #207					TOTAL 100.000000	100.000000	

EFFECTIVE 10/01/98

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XX
THE 019 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N RTW SEC. 29 NE/4 NW/4, SE/4 SW/4	80.00		TRACT: 003A			0.956710
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS				64.267500	64.267500	
	SAN JUAN BASIN PARTNERSHIP				3.382500	3.382500	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #235						
SF-078472	T32N RTW SEC. 29 LOTS 3, 4, SE/4	246.23		TRACT: 003B			2.944640
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #238						
SF-078542	T32N RTW SEC. 35 SE/4	160.00		TRACT: 005			1.913420
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				20.625000	20.625000	
	WILLIAMS PRODUCTION COMPANY				61.875000	61.875000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #209						

EFFECTIVE 10/01/98

PHILLIPS PETROLEUM COMPANY
SCHEDULE XX
THE 019 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078542	T32N R7W SEC. 35 SW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005A	5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	1.913420
	TOTAL				100.000000	100.000000	
SF-078543	T32N R7W SEC. 27 SEC. 35 REMARKS: SAN JUAN 32-7 UNIT #211R SAN JUAN 32-7 UNIT #209	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	3.748870
	TOTAL				100.000000	100.000000	
SF-078543	T32N R7W SEC. 35 NW/4 REMARKS: SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006A	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.913420
	TOTAL				100.000000	100.000000	

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XX
THE 019 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078543	T32N R7W SEC. 33 N/2	320.00		TRACT: 006B			3.826850
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY				67.650000	67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
REMARKS: SAN JUAN 32-7 UNIT #242							
NM-2995	T32N R7W SEC. 21 W/2 NW/4	80.00		TRACT: 007 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	0.000000	
	WORKING INTEREST:						
	SOUTHLAND ROYALTY COMPANY				87.500000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS: SAN JUAN 32-7 UNIT #224 COM							
NM-83503	T32N R7W SEC. 31 LOTS 5,6,7,8,9	189.74		TRACT: 008 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	0.000000	
	WORKING INTEREST:						
	CNG PRODUCING COMPANY				87.500000	0.000000	
	TOTAL				0.000000	0.000000	
REMARKS: GRASSY CANYON #3 (CA NM 87178)							

EFFECTIVE 10/01/98

PAGE 4

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PHILLIPS PETROLEUM COMPANY
SCHEDULE XX
THE 019 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T31N R7W	160.00		TRACT: 009			0.000000
	SEC. 10 NE/4		ORRI:	FORMER UNIT TRACT	0.000000	0.000000	
			ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:				
			HALLOWOOD ENERGY COMPANIES, ET AL		87.500000	0.000000	
			TOTAL		100.000000	0.000000	
REMARKS: FEDERAL G NO. 4 (CA NM 87094)							
SF-078996	T31N R7W	1777.82		TRACT: 010			21.260750
	SEC. 3		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
	SEC. 4		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
	SEC. 5		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	SEC. 6						
	SEC. 7						
			TOTAL		100.000000	100.000000	
	SEC. 8						
			ALL				
REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376)							
FEDERAL G NO. 4 (CA NM 87094)							
SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)							
SAN JUAN 32-7 UNIT #217							
SAN JUAN 32-7 UNIT #218							
SAN JUAN 32-7 UNIT #219							
SAN JUAN 32-7 UNIT #221							
SAN JUAN 32-7 UNIT #232							

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XX
THE 019 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N RTW	436.40		TRACT: 010A			5.21860
SEC. 5	LOT 9		ORRI:		5.000000	5.000000	
SEC. 6	LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4		ROYALTY:		12.500000	12.500000	
SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #220 SAN JUAN 32-7 UNIT #228						
SF-078996	T31N RTW	323.15		TRACT: 010B			3.864520
SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI:		5.000000	5.000000	
SEC. 5	LOT 5		ROYALTY:		12.500000	12.500000	
	WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY				64.267500 3.382500 14.850000	64.267500 3.382500 14.850000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #216						

EFFECTIVE 10/01/98

PAGE 6

32719THexpansion.123

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XX
THE 019 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078998							
T31N R7W		1318.91		TRACT: 011			15.772700
SEC. 9	N/2		ORRI:		5.000000	5.000000	
SEC. 17	ALL		ROYALTY:		12.500000	12.500000	
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:	TOTAL						
	SAN JUAN 32-7 UNIT #6					100.000000	100.000000
	SAN JUAN 32-7 UNIT #213 COM (CA NM 84046)						
	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
	SAN JUAN 32-7 UNIT #229						
	SAN JUAN 32-7 UNIT #231						
E-503-13	T32N R7W	800.00		TRACT: 017A			9.567110
SEC. 32	E/2 W/2		ORRI:		5.000000	5.000000	
SEC. 36	ALL		ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		12.500000 67.650000 14.850000	0.000000 0.000000 0.000000	
REMARKS:	TOTAL					100.000000	0.000000
	SAN JUAN 32-7 UNIT #204						
	SAN JUAN 32-7 UNIT #210						
	SAN JUAN 32-7 UNIT #215						

EFFECTIVE 10/01/98

PAGE 7

32719THexpansion.123

PHILLIPS PETROLEUM COMPANY
SCHEDULE XX
THE 019 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W SEC. 32 E/2	320.00		TRACT: 017B			3.826850
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS				64.267500	64.267500	
	SAN JUAN BASIN PARTNERSHIP				3.382500	3.382500	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
REMARKS: SAN JUAN 32-7 UNIT #234							
NM LG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00		TRACT: 018 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	HALLWOOD ENERGY COMPANIES, ET AL				87.500000	87.500000	
	TOTAL				100.000000	100.000000	
REMARKS: FEDERAL G NO. 4 (CA NM-87094)							
FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36		TRACT: 021			0.159770
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				71.750000	71.750000	
	WILLIAMS PRODUCTION COMPANY				15.750000	15.750000	
	TOTAL				100.000000	100.000000	
REMARKS: SAN JUAN 32-7 UNIT #3							

PHILLIPS PETROLEUM COMPANY
SCHEDULE XX
THE 019 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	80.00		TRACT: 021B			0.956710
	SEC. 21 E/2 NW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 68.162500 3.587500 15.750000	0.000000 12.500000 68.162500 3.587500 15.750000	
	REMARKS: SAN JUAN UNIT #224 COM		TOTAL		100.000000	100.000000	
FEE	T32N R7W	306.64		TRACT: 022			3.667070
	SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	
	REMARKS: SAN JUAN 32-7 UNIT #3		TOTAL		100.000000	100.000000	

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XX
THE 019 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 022A	3.000000 12.500000 65.825500 3.464500 15.210000	3.000000 12.500000 65.825500 3.464500 15.210000	2.870130
REMARKS:	SAN JUAN 32-7 UNIT #235						
FEE	T32N R7W SEC. 20 SW/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY	TRACT: 022B	3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	0.478360
REMARKS:	SAN JUAN 32-7 UNIT #233						
FEE	T32N R7W SEC. 21 SW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 023A	0.000000 12.500000 68.162500 3.587500 15.750000	0.000000 12.500000 68.162500 3.587500 15.750000	1.913420
REMARKS:	SAN JUAN 32-7 UNIT #224 COM						
TOTAL					100.000000	100.000000	

EFFECTIVE 10/01/98

PAGE 10

32719THexpansion.123

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XX
THE 019 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 31 E/2 SE/4, SE/4 NE/4 SEC. 32 W/2 W/2	280.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 024	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	3.348490
	REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)		TOTAL		100.000000	100.000000	
FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 026 FORMER UNIT TRACT	0.000000 20.000000 80.000000	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)		TOTAL		100.000000	0.000000	
FEE	T31N R7W SEC. 5 TRACT 53 SEC. 6 TRACT 53	42.45	ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION COMPANY, ET AL	TRACT: 027 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: IDB ACREAGE		TOTAL		100.000000	0.000000	
FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 25.000000 75.000000	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM N 5 (CA NMNM 87095)		TOTAL		100.000000	0.000000	

EFFECTIVE 10/01/98

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XX
THE 019 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 7 40 ACRES OF TRACT 55 SEC. 18 NW/4 SE/4, SW/4 NE/4	120.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	SAN JUAN 32-7 UNIT #213 COM(CA NM 840 TOTAL SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
FEE	T31N R7W SEC. 18 40 ACRES OF TRACT 55	40.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 031 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)						
FEE	T31N R7W SEC. 18 SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL	TRACT: 032 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
TOTAL						100.000000	0.000000
TOTAL						8361.98 - COMMITTED	100.000000
						1072.19 - NON COMMITTED	

EFFECTIVE 10/01/98

PAGE 12

32719THexpansion.123

09/15/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XX
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP	31N, RANGE	7W
SECTION 3	: LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4	
SECTION 4	: LOTS 5, 6, 7, 8, S/2 (ALL)	
SECTION 5	: LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4	
SECTION 6	: LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4	
SECTION 7	: LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4	
SECTION 8	: ALL	
SECTION 9	: N/2	
SECTION 17	: ALL	
SECTION 18	: LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4	
SECTION 18	: E/2 NE/4	

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP	31N, RANGE	7W
SECTION 2	: W/2 SW/4	
SECTION 3	: E/2 SW/4, S/2 SE/4	
SECTION 5	: TRACT 53	
SECTION 6	: TRACT 53	
SECTION 7	: TRACT 55	
SECTION 10	: N/2	
SECTION 18	: NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55	

TOWNSHIP	32N, RANGE	7W
SECTION 18	: E/2	
SECTION 20	: LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4	
SECTION 21	: SW/4, E/2 NW/4	
SECTION 22	: LOTS 1, 2, 7, 8, 9, 10, 11 & 12	
SECTION 27	: LOTS 1, 2, 3, 4, 5, 6, 7, 8	
SECTION 29	: ALL	
SECTION 31	: E/2 SE/4, SE/4 SE/4	
SECTION 32	: ALL	
SECTION 33	: N/2	
SECTION 35	: ALL	
SECTION 36	: ALL	

TOWNSHIP	32N, RANGE	7W
SECTION 21	: W/2 NW/4	
SECTION 31	: LOTS 5, 6, 7, 8, 9	

TOTAL COMMITTED: 8361.98

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 9434.17

TOTAL ACRES NON-COMMITTED:

1072.19

EFFECTIVE 10/01/98

PAGE 1

32719TH expansion.123

09/16/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
THE 020 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078459	T32N R7W SEC. 22 LOTS 1, 2, 7, 8, 9, 10, 11 & 12	331.40	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 001	5.000000 12.500000 67.500000 14.850000	5.000000 12.500000 67.500000 14.850000	3.817100
REMARKS: SAN JUAN 32-7 UNIT #203A					TOTAL 100.000000	100.000000	
SF-078460	T32N R7W SEC. 20 LOTS 1, 2, 3, 4, 7, E/2 NW/4 SEC. 29 LOTS 1, 2	342.97	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY	TRACT: 002	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	3.950370
REMARKS: SAN JUAN 32-7 UNIT #233 SAN JUAN 32-7 UNIT #238					TOTAL 100.000000	100.000000	
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/4)	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.746380
REMARKS: SAN JUAN 32-7 UNIT #207					TOTAL 100.000000	100.000000	

EFFECTIVE 12/01/98

09/16/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
THE 020 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 29 NE/4 NW/4, SE/4 SW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 003A	5.000000 12.500000 64.267500 3.382500 14.850000	5.000000 12.500000 64.267500 3.382500 14.850000	0.921440
REMARKS: SAN JUAN 32-7 UNIT #235					TOTAL	100.000000	100.000000
SF-078472	T32N R7W SEC. 29 LOTS 3, 4, SE/4	246.23	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY	TRACT: 003B	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	2.836100
REMARKS: SAN JUAN 32-7 UNIT #238					TOTAL	100.000000	100.000000
SF-078472	T32N R7W SEC. 27 NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 003C	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.842900
REMARKS: SAN JUAN 32-7 UNIT #206					TOTAL	100.000000	100.000000

09/16/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
THE 020 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078642	T32N R7W SEC. 35 SE/4	160.00		TRACT: 005			1,842900
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				20.625000	20.625000	
	WILLIAMS PRODUCTION COMPANY				61.875000	61.875000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #209						
SF-078642	T32N R7W SEC. 35 SW/4	160.00		TRACT: 005A			1,842900
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				20.625000	20.625000	
	WILLIAMS PRODUCTION COMPANY				61.875000	61.875000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #211R						
SF-078643	T32N R7W SEC. 27	313.48		TRACT: 006			3,610700
	LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4)				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 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209						

EFFECTIVE 12/01/98

PAGE 3

32720THexpansion.123

09/16/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
THE 020 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078543	T32N R7W SEC: 35 NW/4	160.00		TRACT: 006A			1,842900
	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 #211R						3,685800
SF-078543	T32N R7W SEC: 33 N/2	320.00		TRACT: 006B			
	ORRI:				5,000000	5,000000	
	ROYALTY:				12,500000	12,500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS				67,650000	67,650000	
	WILLIAMS PRODUCTION COMPANY				14,850000	14,850000	
	TOTAL				100,000000	100,000000	
	REMARKS: SAN JUAN 32-7 UNIT #242						
SF-078543	T32N R7W SEC: 27 SE/4	160.00		TRACT: 006C			1,842900
	ORRI:				5,000000	5,000000	
	ROYALTY:				12,500000	12,500000	
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY				67,650000	67,650000	
	WILLIAMS PRODUCTION COMPANY				14,850000	14,850000	
	TOTAL				100,000000	100,000000	
	REMARKS: SAN JUAN 32-7 UNIT #206						

EFFECTIVE 12/01/98

09/16/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
THE 020 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-2995	T32N R7W SEC. 21 W/2 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY	TRACT: 007 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS: SAN JUAN 32-7 UNIT #224 COM					TOTAL	100.000000	0.000000
NM-83503	T32N R7W SEC. 31 LOTS 5,6,7,8,9	189.74	ORRI: ROYALTY: WORKING INTEREST: CNG PRODUCING COMPANY	TRACT: 008 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS: GRASSY CANYON #3 (CA NM 87178)					TOTAL	0.000000	0.000000
NM-28749	T31N R7W SEC. 10 NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS: FEDERAL G NO. 4 (CA NM 87094)					TOTAL	100.000000	0.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
THE 020 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	1777.82		TRACT: 010			20.477130
SEC. 3	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4		ORRI: ROYALTY: WORKING INTEREST:		5.000000 12.500000	5.000000 12.500000	
SEC. 4	LOT 5, E/2 SE/4, SW/4 SE/4						
SEC. 5	LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
SEC. 6	LOTS 12, 14, 15, S/2 SE/4						
SEC. 7	LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4		TOTAL		100.000000	100.000000	
SEC. 8	ALL						
REMARKS:	SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #217 SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232						
SF-078996	T31N R7W	436.40		TRACT: 010A			5.026500
SEC. 5	LOT 9		ORRI:		5.000000	5.000000	
SEC. 6	LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4		ROYALTY: WORKING INTEREST:		12.500000	12.500000	
SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #220 SAN JUAN 32-7 UNIT #228						
	TOTAL				100.000000	100.000000	

09/16/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
THE 020 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	323.15		TRACT: 010B			3.722080
SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 64.267500 3.382500 14.850000	5.000000 12.500000 64.267500 3.382500 14.850000	
SEC. 5	LOT 5						
			TOTAL		100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #216						
SF-078998	T31N R7W	1318.91		TRACT: 011			15.191350
SEC. 9	N/2		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
SEC. 17	ALL						
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4						
			TOTAL		100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231						

EFFECTIVE 12/01/98

PAGE 7

32720THexpansion.123

09/16/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
THE 020 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W E/2 W/2 SEC. 32 ALL	800.00		TRACT: 017A			9.214480
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	0.000000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				67.650000	0.000000	
	WILLIAMS PRODUCTION COMPANY				14.850000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215						
E-503-13	T32N R7W E/2 SEC. 32	320.00		TRACT: 017B			3.685800
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-NEW MEXICO PARTNERS				64.267500	64.267500	
	SAN JUAN BASIN PARTNERSHIP				3.382500	3.382500	
	WILLIAMS PRODUCTION COMPANY				14.850000	14.850000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #234						
NM LG 3876	T31N R7W W/2 SW/4 SEC. 2	80.00		TRACT: 018 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	HALLWOOD ENERGY COMPANIES, ET AL				87.500000	87.500000	
	TOTAL				100.000000	100.000000	
REMARKS:	FEDERAL G NO. 4 (CA NM-87094)						

EFFECTIVE 12/01/98

PAGE 8

32720THexpansion.123

09/16/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
THE 020 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N RTW	13.36		TRACT: 021			0.153880
	SEC. 18 EAST 441 FEET OF NE/4 NE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #3						
FEE	T32N RTW	80.00		TRACT: 021B			0.921440
	SEC. 21 E/2 NW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 68.162500 3.587500 15.750000	0.000000 12.500000 68.162500 3.587500 15.750000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN UNIT #224 COM						
FEE	T32N RTW	306.64		TRACT: 022			3.531910
	SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #3						

EFFECTIVE 12/01/98

09/16/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
THE 020 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00	TRACT: 022A ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 65.825500 3.464500 15.210000	3.000000 12.500000 65.825500 3.464500 15.210000	2.764350
	REMARKS: SAN JUAN 32-7 UNIT #235		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 20 SW/4 SW/4	40.00	TRACT: 022B ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	0.460720
	REMARKS: SAN JUAN 32-7 UNIT #233		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 21 SW/4	160.00	TRACT: 023A ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-NEW MEXICO PARTNERS SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 68.162500 3.587500 15.750000	0.000000 12.500000 68.162500 3.587500 15.750000	1.842900
	REMARKS: SAN JUAN 32-7 UNIT #224 COM		TOTAL		100.000000	100.000000	

EFFECTIVE 12/01/98

09/16/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
THE 020 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 31 E/2 SE/4, SE/4 NE/4 SEC. 32 W/2 W/2	280.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 024	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	3.225070
	REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)		TOTAL		100.000000		
FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 026 FORMER UNIT TRACT	0.000000 20.000000 80.000000	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)		TOTAL		100.000000	0.000000	
FEE	T31N R7W SEC. 5 TRACT 53 SEC. 6 TRACT 53	42.45	ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION COMPANY, ET AL	TRACT: 027 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: IDB ACREAGE		TOTAL		100.000000	0.000000	
FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 25.000000 75.000000	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM N 5 (CA NMNM 87095)		TOTAL		100.000000	0.000000	

EFFECTIVE 12/01/98

09/16/1999

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
THE 020 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W	120.00		TRACT: 030 FORMER UNIT TRACT			0.000000
	SEC. 7 40 ACRES OF TRACT 55		ORRI:		0.000000	0.000000	
	SEC. 18 NW/4 SE/4, SW/4 NE/4		ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:				
			KINDERMAC PARTNERS, ET AL		87.500000	0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #213 COM(CA NM 840 TOTAL SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
FEE	T31N R7W	40.00		TRACT: 031 FORMER UNIT TRACT			0.000000
	SEC. 18 40 ACRES OF TRACT 55		ORRI:		0.000000	0.000000	
			ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:				
			KINDERMAC PARTNERS, ET AL		87.500000	0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)						
		TOTAL			100.000000	0.000000	
FEE	T31N R7W	40.00		TRACT: 032 FORMER UNIT TRACT			0.000000
	SEC. 18 SE/4 SE/4		ORRI:		0.000000	0.000000	
			ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:				
			SOUTHLAND ROYALTY COMPANY, ET AL		87.500000	0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
		TOTAL			100.000000	0.000000	
		TOTAL	8681.98 - COMMITTED				
			1072.19 - NON COMMITTED				
							100.000000

EFFECTIVE 12/01/98

PHILLIPS PETROLEUM COMPANY
SCHEDULE XXI
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W	
SECTION 3	: LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4
SECTION 4	: LOTS 5, 6, 7, 8, S/2 (ALL)
SECTION 5	: LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6	: LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4
SECTION 7	: LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8	: ALL
SECTION 9	: N/2
SECTION 17	: ALL
SECTION 18	: LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
SECTION 18	: E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W	
SECTION 2	: W/2 SW/4
SECTION 3	: E/2 SW/4, S/2 SE/4
SECTION 5	: TRACT 53
SECTION 6	: TRACT 53
SECTION 7	: TRACT 55
SECTION 10	: N/2
SECTION 18	: NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32N, RANGE 7W	
SECTION 18	: E/2
SECTION 20	: LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4
SECTION 21	: SW/4, E/2 NW/4
SECTION 22	: LOTS 1, 2, 7, 8, 9, 10, 11 & 12
SECTION 27	: ALL
SECTION 29	: ALL
SECTION 31	: E/2 SE/4, SE/4 SE/4
SECTION 32	: ALL
SECTION 33	: N/2
SECTION 35	: ALL
SECTION 36	: ALL

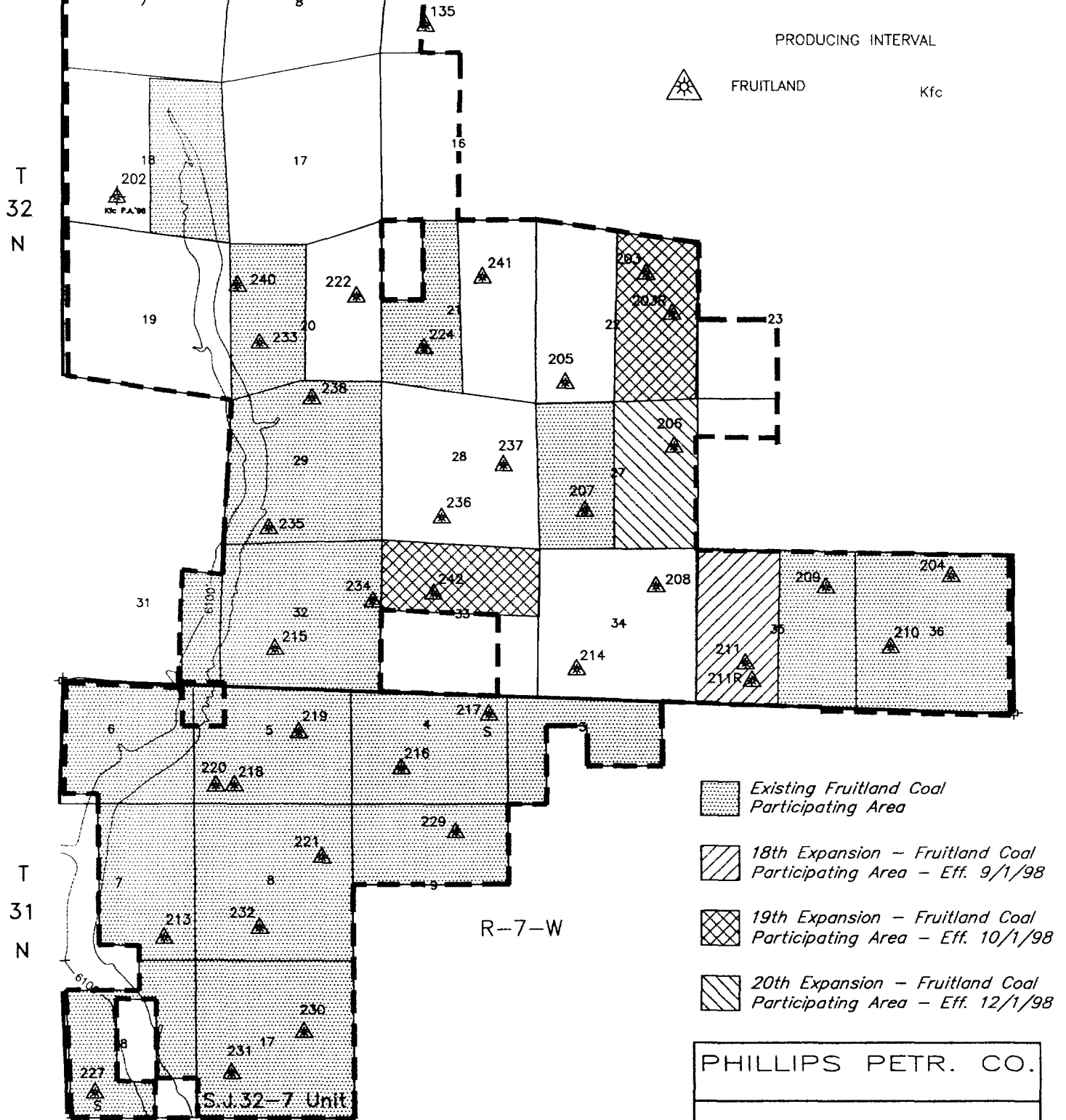
TOWNSHIP 32N, RANGE 7W	
SECTION 21	: W/2 NW/4
SECTION 31	: LOTS 5, 6, 7, 8, 9

TOTAL COMMITTED: 8681.98

TOTAL ACRES NON-COMMITTED: 1072.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 9754.17

COLORADO
NEW MEXICO



PHILLIPS PETR. CO.

SAN JUAN 32-7 UNIT
FRUITLAND COAL PARTICIPATING AREA
SAN JUAN CO, NM

October 1, 1999

J. Hopkins



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

July 21, 1999

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 32-7 UNIT
#14-08-001-441
COMMERCIALITY DETERMINATION
SAN JUAN 32-7 UNIT #203R WELL
SAN JUAN 32-7 UNIT #206 WELL
SAN JUAN 32-7 UNIT #211R WELL
SAN JUAN 32-7 UNIT #242 WELL
SAN JUAN COUNTY, NEW MEXICO
CONTRACT C40463

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 7, 1952, Phillips Petroleum Company (Phillips), as Unit Operator, has determined that the San Juan 32-7 Unit #203R, #206, #211R & #242 wells are capable of producing unitized substances in paying quantities from the Fruitland formation. Phillips hereby 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 related to this matter.

Very truly yours,

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

cc: J. L. Mathis (r)C40463

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #203R
Fruitland Coal
E/2 Section 22, 32N-7W
San Juan Co., NM

Date of First Delivery: 09/17/98

Total Well Costs: \$477,995

Current Gas Price (\$/mcf): \$1.38

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

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	1998	160,729	11,351
2	1999	703,607	38,916
3	2000	564,906	38,916
4	2001	452,720	38,916
5	2002	368,382	38,916
6	2003	303,758	38,916
7	2004	253,408	38,916
8	2005	213,599	38,916
9	2006	181,710	38,916
10	2007	155,866	38,916
11	2008	134,699	38,916
12	2009	117,198	38,916
13	2010	102,601	38,916
14	2011	90,331	38,916
15	2012	79,942	38,916

Total 3,883,456

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #203R
Fruitland Coal
E/2 Section 22, 32N-7W
San Juan Co., NM

Comments / Explanations:

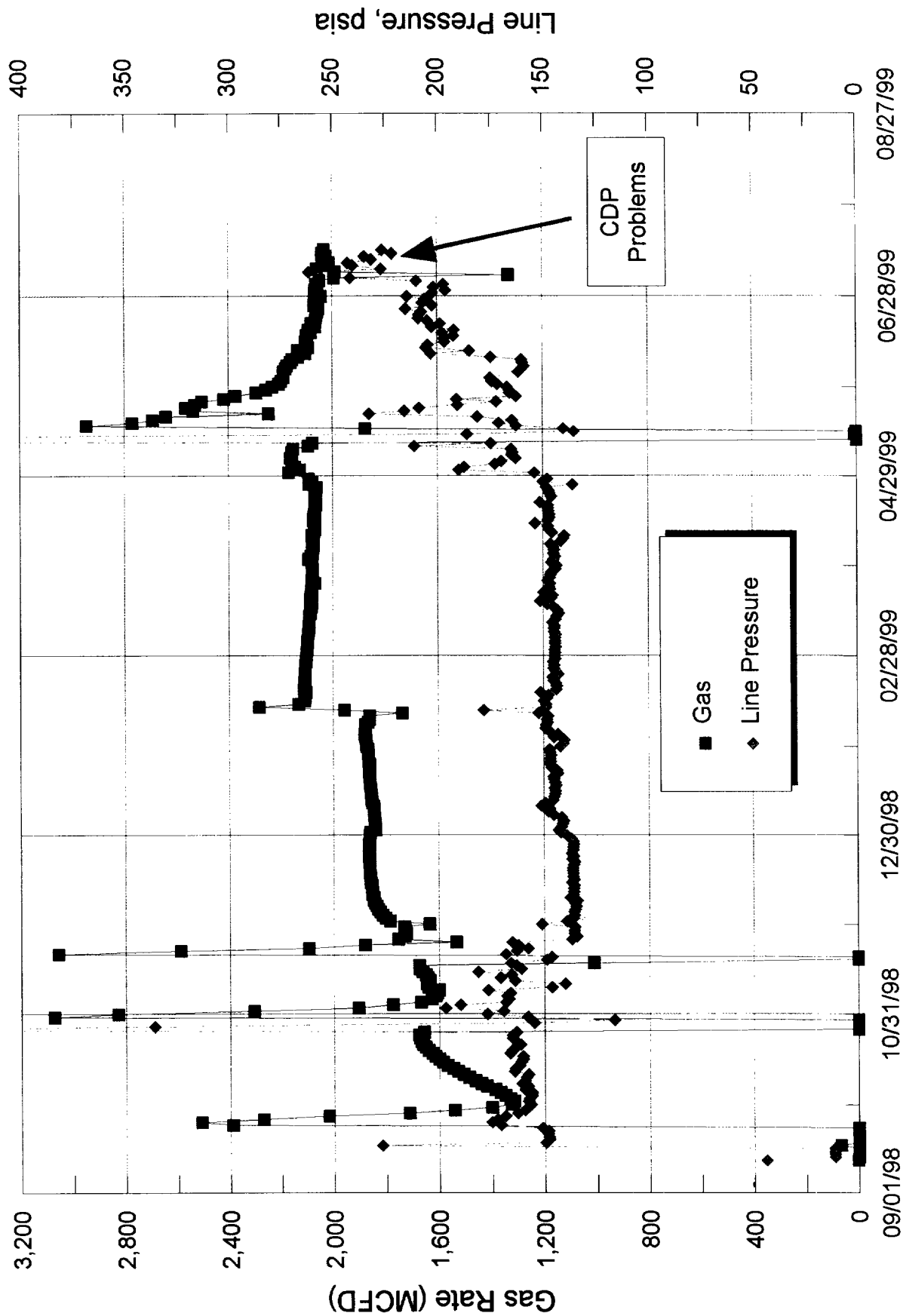
Forecast is a simple decline from current production level. Operating costs are an approximate average over a 15 year period. Total well costs include drilling, completion and surface costs.

Gas gatherer is currently experiencing problems at the receipt point (CDP). The problem is expected to be fixed by year-end. With additional line pressure reduction, and de-watering the well should come close to the 2900 MCFD max pitot that it reached during completion. Thus, the forecast is considered conservative.

Monthly Production @ 15.025#

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
1998	Sep	13,781	0
1998	Oct	43,275	1,326
1998	Nov	49,099	1,331
1998	Dec	54,574	1,829
Total 1998		<u>160,729</u>	<u>4,486</u>
1999	Jan	57,584	1,154
1999	Feb	56,839	1,352
1999	Mar	64,968	1,410
1999	Apr	62,904	295
1999	May	64,632	0
5 mos. 1999		<u>306,927</u>	<u>4,211</u>

Raw Telemetry Data for SJ 32-7 #203R



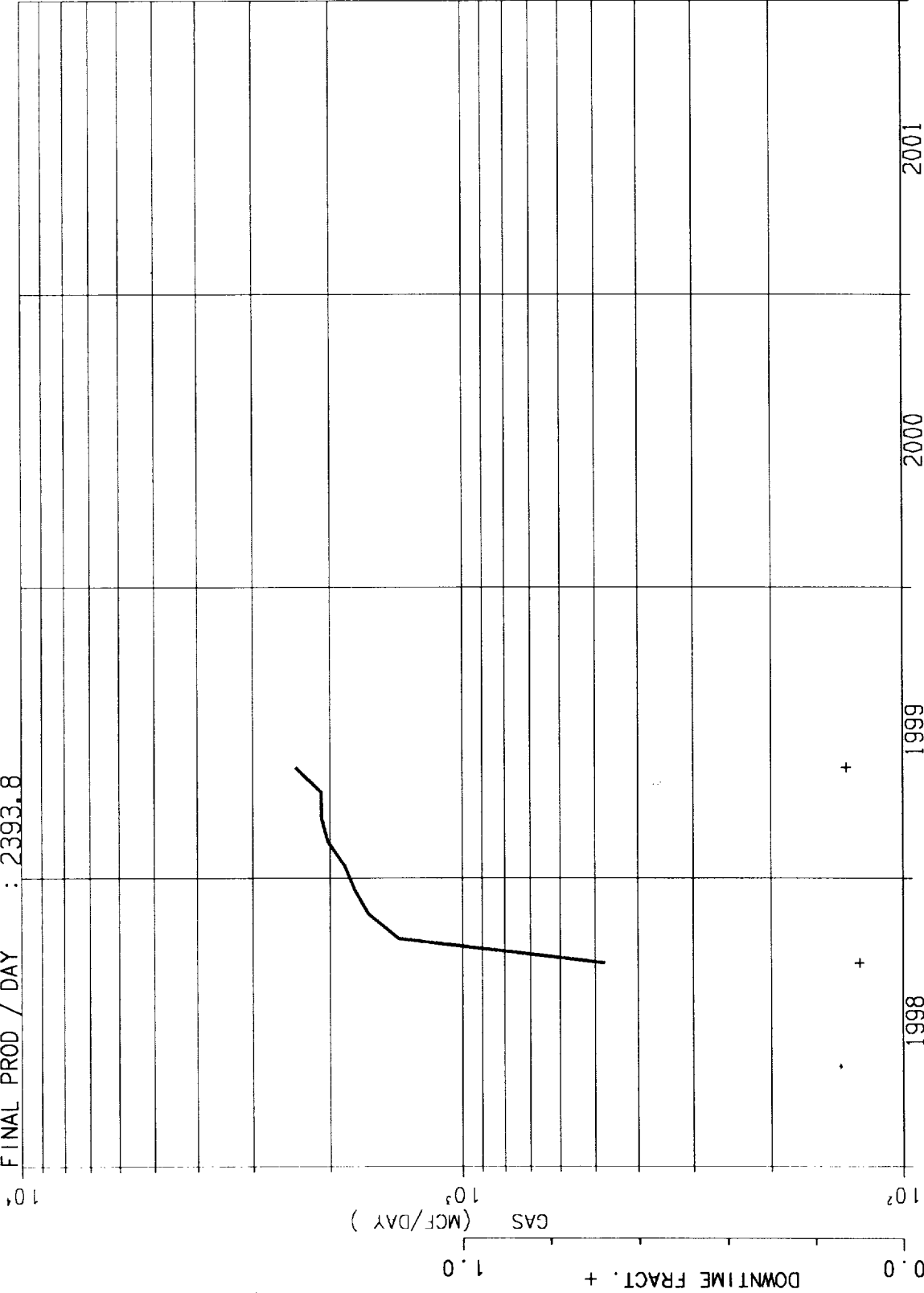
9/98-5/99

ASSOC.

Current Cums

INITIAL PROD / DAY : 2658.9
 REMAINING LIFE : 0.75
 EXP (0.00) DECL % : 15.00
 CUM PRODUCTION : 467663.
 FINAL PROD / DAY : 2393.8

467663. MCF GAS
 8698. BBL WTR



AVERAGE ONTIME = 0.982

LEASE- 650447 : SAN JUAN 32-7 UNIT #203R FC
 RESVR- 029 : BASIN
 WELL - 00203R CUM MCF = 467656.

F8B8101
 ZONE-6504470290000203RF8B8101
 API-30045296230000 THRU 99/05

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #206
Fruitland Coal
E/2 Section 27, 32N-7W
San Juan Co., NM

Date of First Delivery: 12/03/98

Total Well Costs: \$491,137

Current Gas Price (\$/mcf): \$1.38

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	1998	1,289	3,184
2	1999	332,439	38,213
3	2000	338,943	38,213
4	2001	271,632	38,213
5	2002	221,029	38,213
6	2003	182,255	38,213
7	2004	152,045	38,213
8	2005	128,160	38,213
9	2006	109,026	38,213
10	2007	93,520	38,213
11	2008	80,819	38,213
12	2009	70,319	38,213
13	2010	61,561	38,213
14	2011	54,199	38,213
15	2012	47,965	38,213

Total 2,145,200

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #206
Fruitland Coal
E/2 Section 27, 32N-7W
San Juan Co., NM

Comments / Explanations:

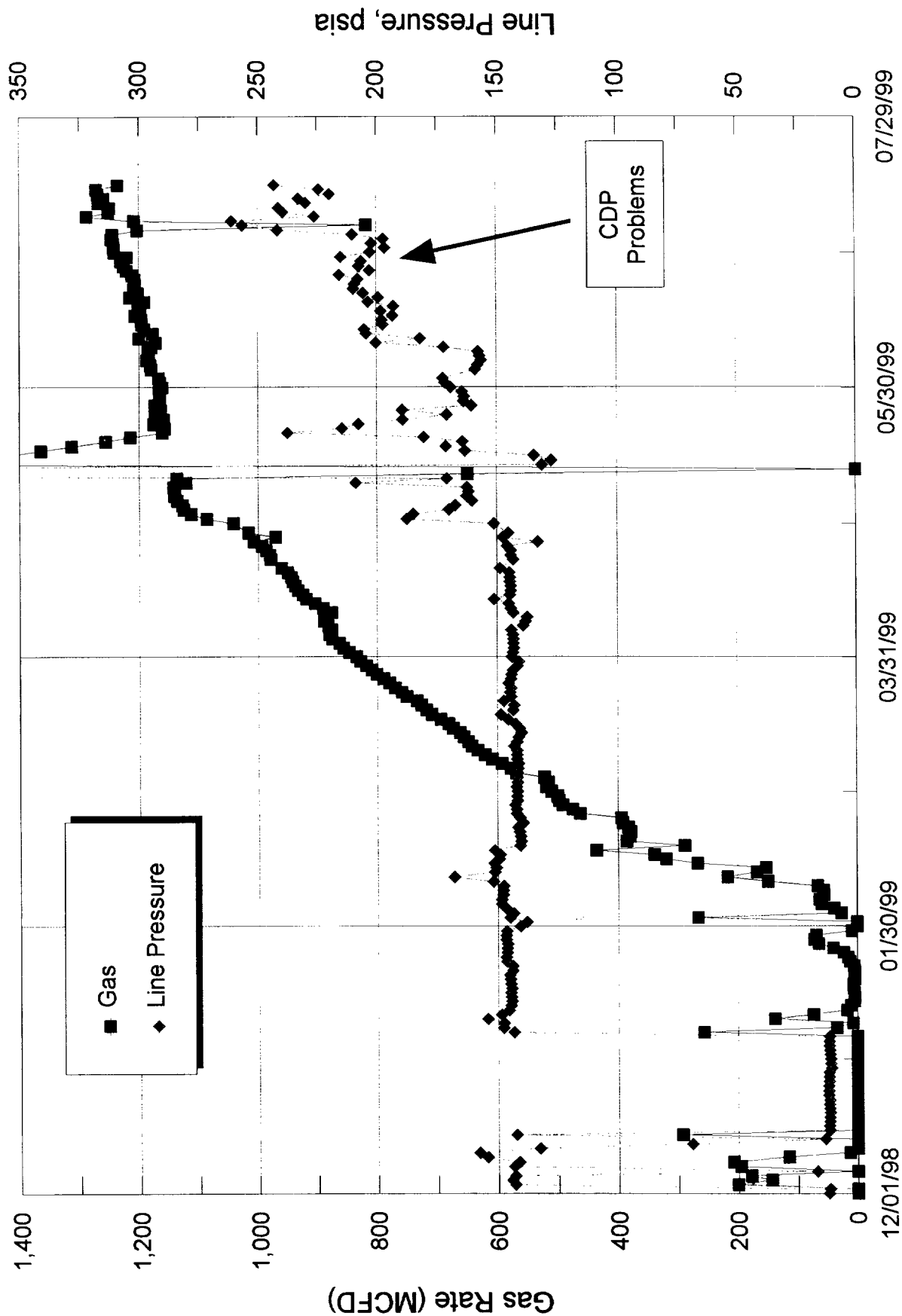
Forecast is a simple decline from current production level. Operating costs are an approximate average over a 15 year period. Total well costs include drilling, completion and surface costs.

The well initially experienced problems with water loading. A pumping unit was installed. The installation and operating costs of the pumping unit were averaged over the 15 year period. The gas gatherer is currently experiencing problems at the receipt point (CDP). The problem is expected to be corrected by year-end. With additional line pressure reduction and de-watering, the well should continue to increase in productivity. Thus, the forecast is considered conservative.

Monthly Production @ 15.025#

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
1998	Dec	1,289	640
Total 1998		<u>1,289</u>	<u>640</u>
1999	Jan	1,192	23
1999	Feb	7,821	17
1999	Mar	21,421	1733
1999	Apr	28,470	501
1999	May	35,527	0
5 mos. 1999		<u>94,431</u>	<u>2,274</u>

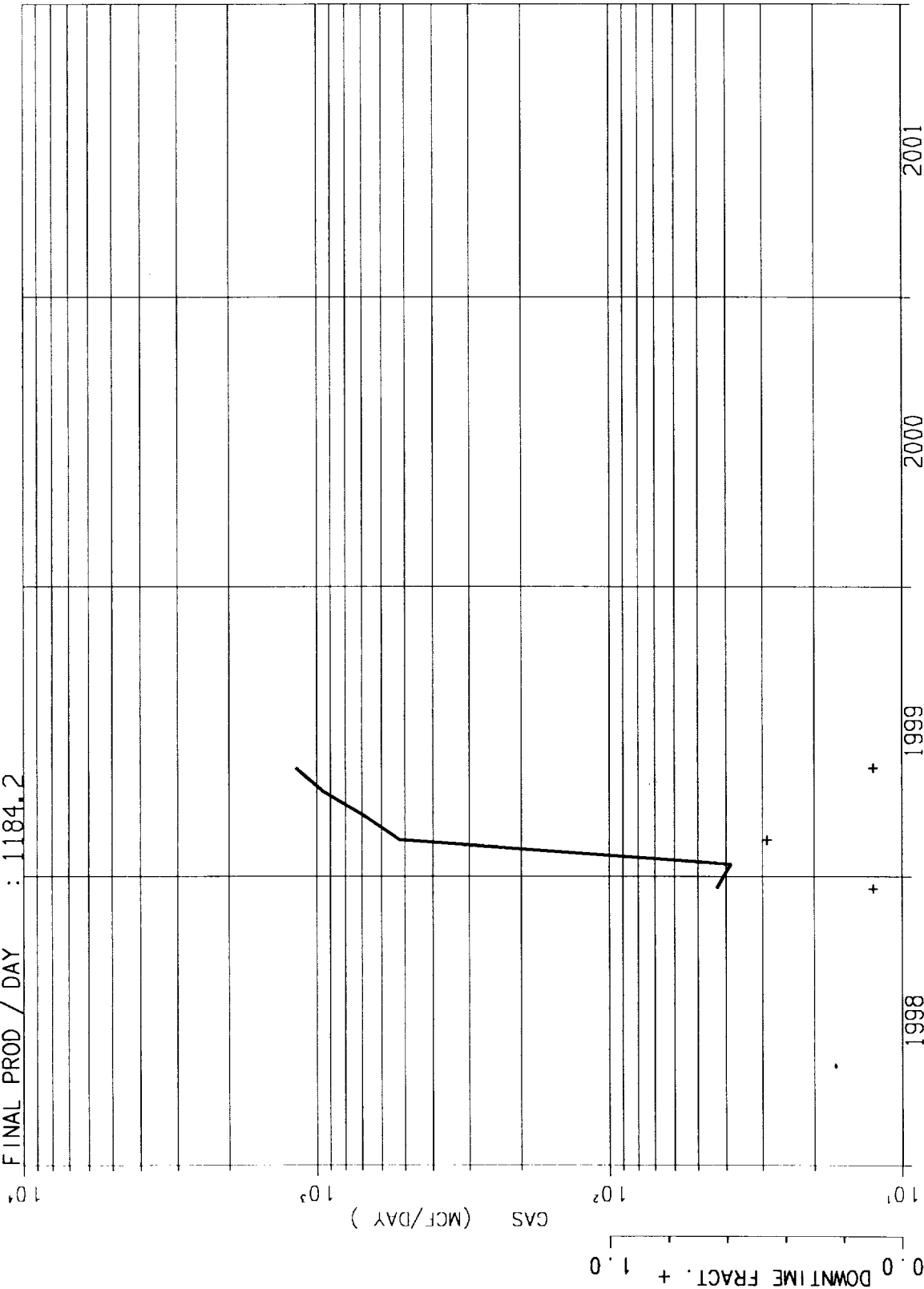
Raw Telemetry Data for SJ 32-7 #206



12/98-5/99

INITIAL PROD / DAY : 1260.4
REMAINING LIFE : 0.50
EXP (0.00) DECL % : 15.00
CUM PRODUCTION : 95735.
FINAL PROD / DAY : 1184.2

ASSOC. Current Cums
95735. MCF GAS
2911. BBL WTR



AVERAGE ONTIME = 0.912

LEASE- 650445 : SAN JUAN 32-7 UNIT #206 FC
RESVR- 028 : BASIN
WELL - 000206 CUM MCF = 95720.

F8B8301
ZONE-650445028000206 F8B8301
API-30045296020000 THRU 99/05

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #211R
Fruitland Coal
W/2 Section 35, 32N-7W
San Juan Co., NM

Date of First Delivery: 09/02/98

Total Well Costs: \$493,474

Current Gas Price (\$/mcf): \$1.38

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	1998	86,030	8,083
2	1999	283,433	24,250
3	2000	245,505	24,250
4	2001	214,310	24,250
5	2002	188,395	24,250
6	2003	166,664	24,250
7	2004	148,287	24,250
8	2005	132,627	24,250
9	2006	119,189	24,250
10	2007	107,582	24,250
11	2008	97,499	24,250
12	2009	88,690	24,250
13	2010	80,957	24,250
14	2011	74,136	24,250
15	2012	68,093	24,250
Total		2,101,398	

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #211R
Fruitland Coal
W/2 Section 35, 32N-7W
San Juan Co., NM

Comments / Explanations:

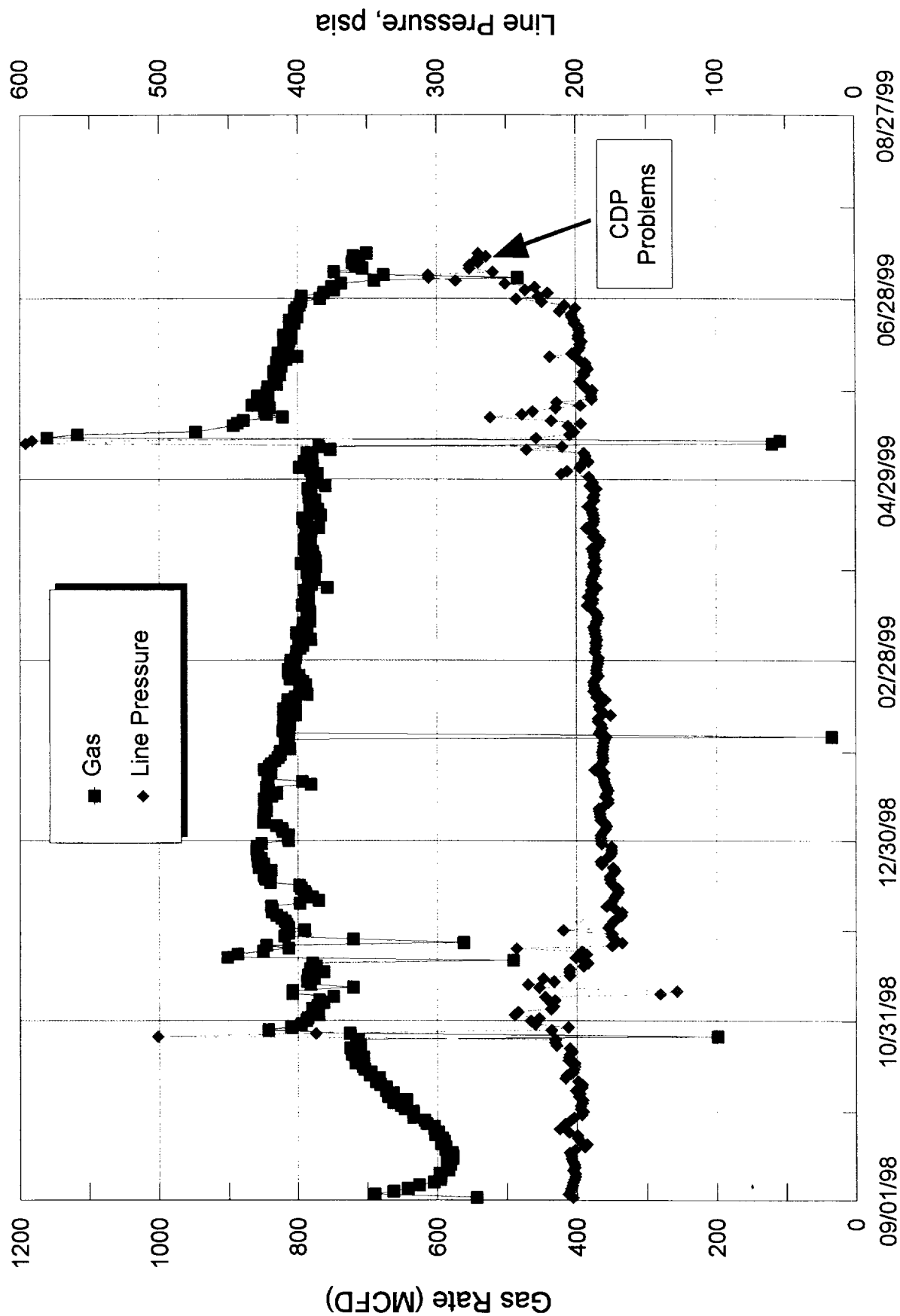
Forecast is a simple decline from current production level. Operating costs are an approximate average over a 15 year period. Total well costs include drilling, completion and surface costs.

Gas gatherer is currently experiencing problems at the receipt point (CDP). The problem is expected to be fixed by year-end. With additional line pressure reductions, the well should come close to the 1920 MCFD max pitot that it reached during completion. Thus, the forecast used here is conservative.

Monthly Production @ 15.025#

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
1998	Sep	17,312	0
1998	Oct	21,144	8
1998	Nov	23,008	602
1998	Dec	24,566	282
Total 1998		<u>86,030</u>	<u>892</u>
1999	Jan	25,825	680
1999	Feb	22,653	483
1999	Mar	24,495	427
1999	Apr	23,657	535
1999	May	25,673	0
5 mos. 1999		<u>122,303</u>	<u>2,125</u>

Raw Telemetry Data for SJ 32-7 #211R



9/98-5/99

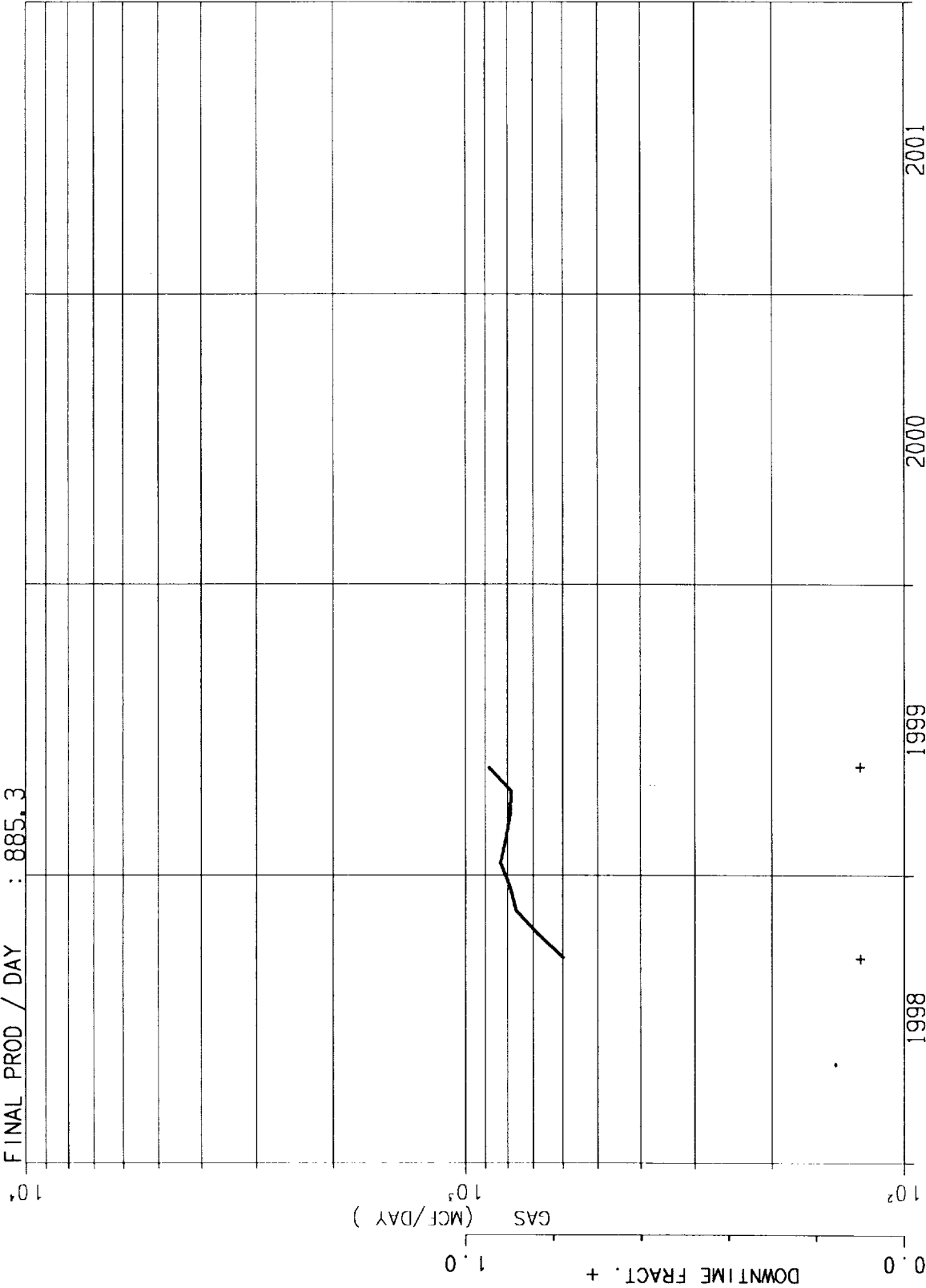
ASSOC.

Current Cums

INITIAL PROD / DAY : 983.7
REMAINING LIFE : 0.75
EXP (0.00) DECL % : 15.00
CUM PRODUCTION : 208331.
FINAL PROD / DAY : 885.3

208331. MCF GAS

3019. BBL WTR



AVERAGE ONTIME = 0.989

LEASE- 650430 : SAN JUAN 32-7 UNIT #211R
RESVR- 029 : BASIN
WELL - 00211R CUM MCF = 208333.
FRUIT COAL LP NQ

F8B7901
ZONE-650430029000211RF8B7901
API-30045295560000 THRU 99/05

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #242
Fruitland Coal
N/2 Section 33, 32N-7W
San Juan Co., NM

Date of First Delivery: 09/25/98

Total Well Costs: \$428,946

Current Gas Price (\$/mcf): \$1.38

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

<u>Period</u>	<u>Year</u>	<u>Gas MCF</u>	<u>Operating Expense, \$</u>
1	1998	184,357	9,004
2	1999	766,039	36,018
3	2000	649,642	36,018
4	2001	520,628	36,018
5	2002	423,639	36,018
6	2003	349,322	36,018
7	2004	291,420	36,018
8	2005	245,639	36,018
9	2006	208,967	36,018
10	2007	179,246	36,018
11	2008	154,904	36,018
12	2009	134,777	36,018
13	2010	117,991	36,018
14	2011	103,881	36,018
15	2012	91,933	36,018

Total 4,422,385

Phillips Petroleum Company

Commerciality Determination

San Juan 32-7 Unit #242
Fruitland Coal
N/2 Section 33, 32N-7W
San Juan Co., NM

Comments / Explanations:

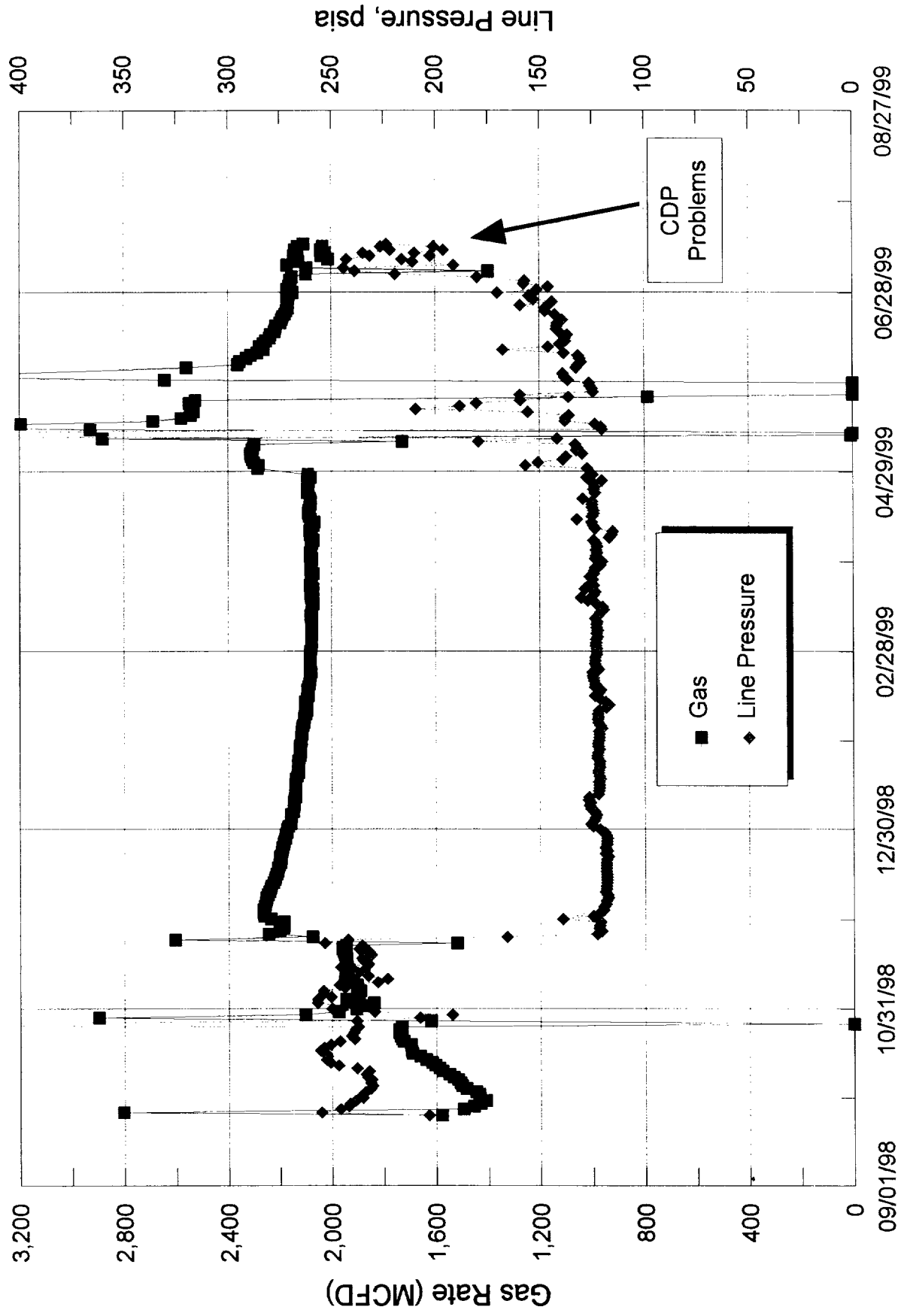
Forecast is a simple decline from current production level. Operating costs are an approximate average over a 15 year period. Total well costs include drilling, completion and surface costs.

Gas gatherer is currently experiencing problems at the receipt point (CDP). The problem is expected to be fixed by year-end. With additional line pressure reduction, and de-watering the well should continue to increase in productivity.

Monthly Production @ 15.025#

<u>Yr</u>	<u>Mo</u>	<u>Gas MCF</u>	<u>Water BBLS</u>
1998	Sep	10,077	0
1998	Oct	49,939	969
1998	Nov	59,009	982
1998	Dec	65,332	1,374
Total 1998		<u>184,357</u>	<u>3,325</u>
1999	Jan	65,592	962
1999	Feb	58,124	982
1999	Mar	64,080	900
1999	Apr	62,928	1,147
1999	May	59,134	0
5 mos. 1999		<u>309,858</u>	<u>3,991</u>

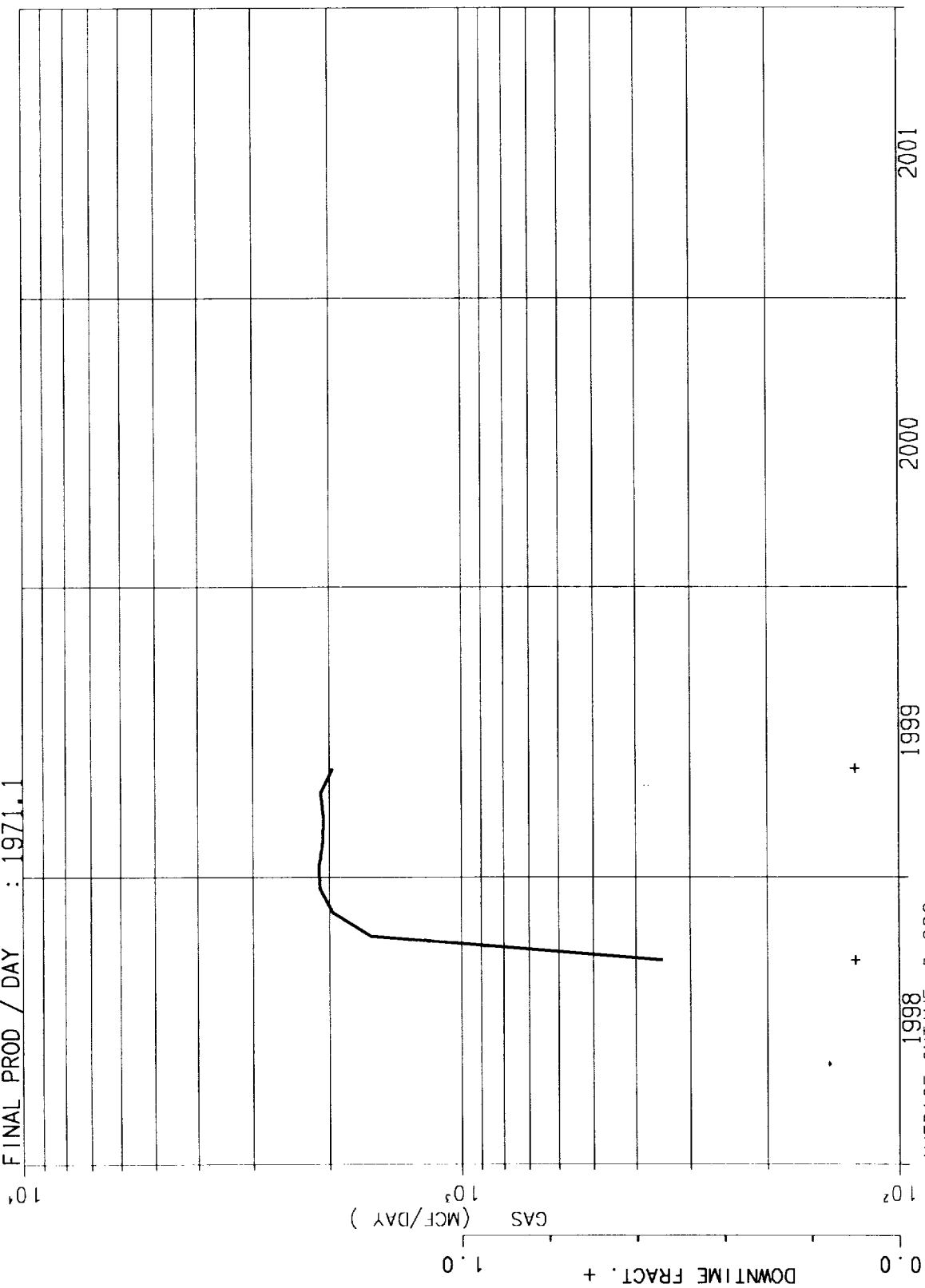
Raw Telemetry Data for SJ 32-7 #242



9/98-5/99

INITIAL PROD / DAY : 2066.7
REMAINING LIFE : 0.75
HYPR(0.28) DECL % : 1.10
CUM PRODUCTION : 494236.
FINAL PROD / DAY : 1971.1

ASSOC. Current Cums
494236. MCF GAS
7313. BBL WTR



AVERAGE ONTIME = 0.993

LEASE- 650448 : SAN JUAN 32-7 UNIT #242 FC
RESVR- 028 : BASIN FRUITLAND COAL NQ
WELL - 000242 CUM MCF = 494215.

F8B8001
ZONE-650448028000242 F8B8001
API-30045296540000 THRU 99/05

#420



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

20

April 16, 1999

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

Commissioner Public Lands (2 copies)
State of New Mexico
Attn: Mr. Ray Powell
P. O. Box 1148
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 32-7 UNIT
#14-08-001-441
SAN JUAN COUNTY, NEW MEXICO
FIRST AMENDED 1999 PLAN OF DEVELOPMENT
CONTRACT C40463

Ladies and Gentlemen:

By letter dated January 12, 1999, Phillips Petroleum Company (Phillips), as Unit Operator, filed the 1999 Initial Plan of Development (POD).

It is now proposed that the POD be amended to include the addition of four (4) new wells to be drilled and two (2) wells to be recompleted, which were not originally included in the Initial POD. Phillips has notified all working interest owners in accordance with the terms and provisions of the Unit Operating Agreement.

The proposed wells to be added are as follows:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-7 Unit #89	NW/4 Section 26-32N-7W	Pictured Cliffs	Drill
San Juan 32-7 Unit #90	W/2 Section 27-32N-7W	Pictured Cliffs	Drill
San Juan 32-7 Unit #91	NW/4 Section 33-32N-7W	Pictured Cliffs	Drill
San Juan 32-7 Unit #243	W/2 Section 19-32N-7W	Fruitland	Drill
San Juan 32-7 Unit #14	E/2 Section 28-32N-7W	Pictured Cliffs	Recomplete
San Juan 32-7 Unit #34	E/2 Section 27-32N-7W	Mesaverde	Recomplete

The Pictured Cliffs drillblock for the #89 well is owned 41%-Phillips, 9%-Williams Production Company, 50%-Burlington Resources Oil & Gas Company and is not located within the Pictured Cliffs PA. The Pictured Cliffs drillblocks for the #90 & #91 wells are located within the Pictured Cliffs PA.

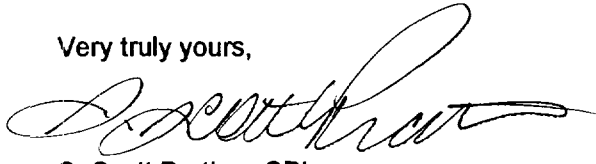
The Fruitland drillblock for the #243 well is owned 82%-Phillips, 18%-Williams Production Company and is not located within the Fruitland PA.

The Pictured Cliffs drillblock for the #14 well recompletion is owned 53.50%-Phillips 46.50%-Williams Production Company and is not located within the Pictured Cliffs PA. The Mesaverde drillblock for the #34 well recompletion is located within the Mesaverde PA.

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 of the Unit Operating Agreement.

Per Section 10 of the San Juan 32-7 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 the letter to the attention of the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "S. Scott Prather", with a stylized flourish at the end.

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

cc: J. L. Mathis (r) C40463
San Juan 32-7 Unit Owners

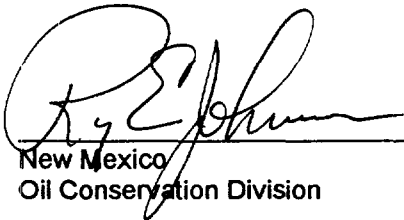
SAN JUAN 32-7 UNIT #14-08-001-441
FIRST AMENDED 1998 INITIAL PLAN OF DEVELOPMENT

Bureau of Land Management

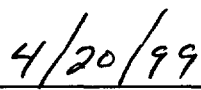
Date

New Mexico
Commissioner of Public Lands

Date



New Mexico
Oil Conservation Division



Date

cc: San Juan 32-7 Unit Owners
J. L. Mathis (r) G. F. 5464
W. D. Jaap (r) local Supervisors

**SAN JUAN 32-7 UNIT
PICTURED CLIFFS PARTICIPATING AREA OWNERS**

PHILLIPS PETROLEUM COMPANY

WILLIAMS PRODUCTION COMPANY

**SAN JUAN 32-7 UNIT
MESAVERDE PARTICIPATING AREA OWNERS**

PHILLIPS PETROLEUM COMPANY

TAURUS EXPLORATION U.S.A., INC.

WILLIAMS PRODUCTION COMPANY



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

April 13, 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 1148
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 32-7 UNIT
#14-08-001-441
EIGHT EXPANSION – EFFECTIVE 8/1/97
PICTURED CLIFFS FORMATION PARTICIPATING AREA
SAN JUAN COUNTY, NEW MEXICO
C40463, LCN 650107

Ladies and Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement #14-08-001-441, approved December 16, 1952, Phillips Petroleum Company, as Unit Operator, determined on the date indicated below that the well listed below was 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 August 1, 1997

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well No.</u>
W/2 Section 27-32N-7W	305.10	2

The San Juan 32-7 Unit #2 Well was recompleted from the Mesaverde Formation into the Pictured Cliffs Formation on July 27, 1997 with cumulative gas production of 122,726 MCF through December 31, 1997. The drillblock unit for this well is described as the W/2 of Section 27-32N-7W, San Juan County, New Mexico.

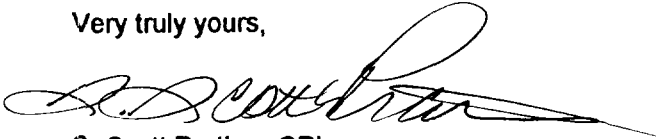
This well was deemed commercial per letter dated January 20, 1999, from the Bureau of Land Management.

San Juan 32-7 Unit
Eighth Expansion
April 13, 1999
Page 2

Enclosed herewith is Schedule IX for the Eighth Expanded Participating Area for the Pictured Cliffs Formation. This schedule describes the participating area and indicates the percentage of unitized substances allocated to the unit tracts according to the Pictured Cliffs Formation ownership of such tracts. Also included is a map reflecting the existing Participating Area and proposed Eighth Expansion of the San Juan 32-7 Unit Pictured Cliffs Formation Participating Area.

Unless this application is disapproved or contested, the Eighth Expanded Participating Area is effective as of August 1, 1997. Copies of this application are being provided to the Unit Working Interest Owners.

Very truly yours,

A handwritten signature in black ink, appearing to read 'S. Scott Prather', written over a horizontal line.

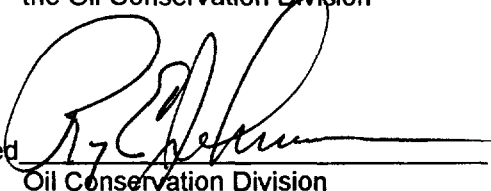
S. Scott Prather, CPL
Senior Landman
San Juan Basin
(505) 599-3410

San Juan 32-7 Unit
Eighth Expansion
April 13, 1999
Page 3

The signatory approvals below are for the Eighth Expanded Participating Areas of the Pictured Cliffs Formation in the San Juan 32-7 Unit #14-08-001-441.

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 32-7 Unit Owners
W. D. Jaap (r) Supervisors
J. L. Mathis (r) C40463

PHILLIPS PETROLEUM COMPANY
SCHEDULE IX
THE 008 EXPANDED PARTICIPATING AREA FOR PICTURED CLIFFS FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1, 2, 3, 4 NE/4	311.63	TRACT: 003 ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	10.28616%
	TOTAL				100.000000	100.000000	
SF-078542	T32N R7W SEC. 34 SEC. 35 S/2	640.00	TRACT: 005 ORRI: ROYALTY: WORKING INTEREST: WILLIAMS PRODUCTION COMPANY PHILLIPS PETROLEUM COMPANY		5.000000 12.500000 61.875000 20.625000	5.000000 12.500000 61.875000 20.625000	21.132644%
	TOTAL				100.000000	100.000000	
SF-078543	T32N R7W SEC. 27 LOTS 5, 6, 7, 8 SE/4 SEC. 33 N/2 SEC. 35 N/2	953.48	TRACT: 006 ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	31.483677%
	TOTAL				100.000000	100.000000	
SF-078996	T31N R7W SEC. 3 LOTS 5, 6, 7, 8 N/2SE/4, W/2SW/4 SEC. 4 LOT 5 E/2SE/4, SW/4SE/4	403.39	TRACT: 010 ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	13.319639%
	TOTAL				100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE IX
THE 008 EXPANDED PARTICIPATING AREA FOR PICTURED CLIFFS FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078998	T32N R7W	400.00		TRACT: 011			13.207902%
SEC. 33	E2SE/4		ORRI:		5.000000	5.000000	
SEC. 34	S/2		ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:		67.650000	67.650000	
			PHILLIPS PETROLEUM COMPANY		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
			TOTAL		100.000000	0.000000	
NM-E-503-13	T32N R7W	320.00		TRACT: 017-A			10.566322%
SEC. 32	E/2		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:		67.650000	67.650000	
			PHILLIPS PETROLEUM COMPANY		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
			TOTAL		100.000000	100.000000	
FEE	T31N R7W	160.00		TRACT: 026			0.000000%
SEC. 3	E2SW/4 S/2SE/4		ORRI:		0.000000	0.000000	
			ROYALTY:		20.000000	20.000000	
			WORKING INTEREST:		80.000000	80.000000	
			HALLWOOD PETROLEUM, INC.				
			TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE IX
THE 008 EXPANDED PARTICIPATING AREA FOR PICTURED CLIFFS FORMATION
SAN JUAN 32-7 UNIT AREA
RECAPITULATION

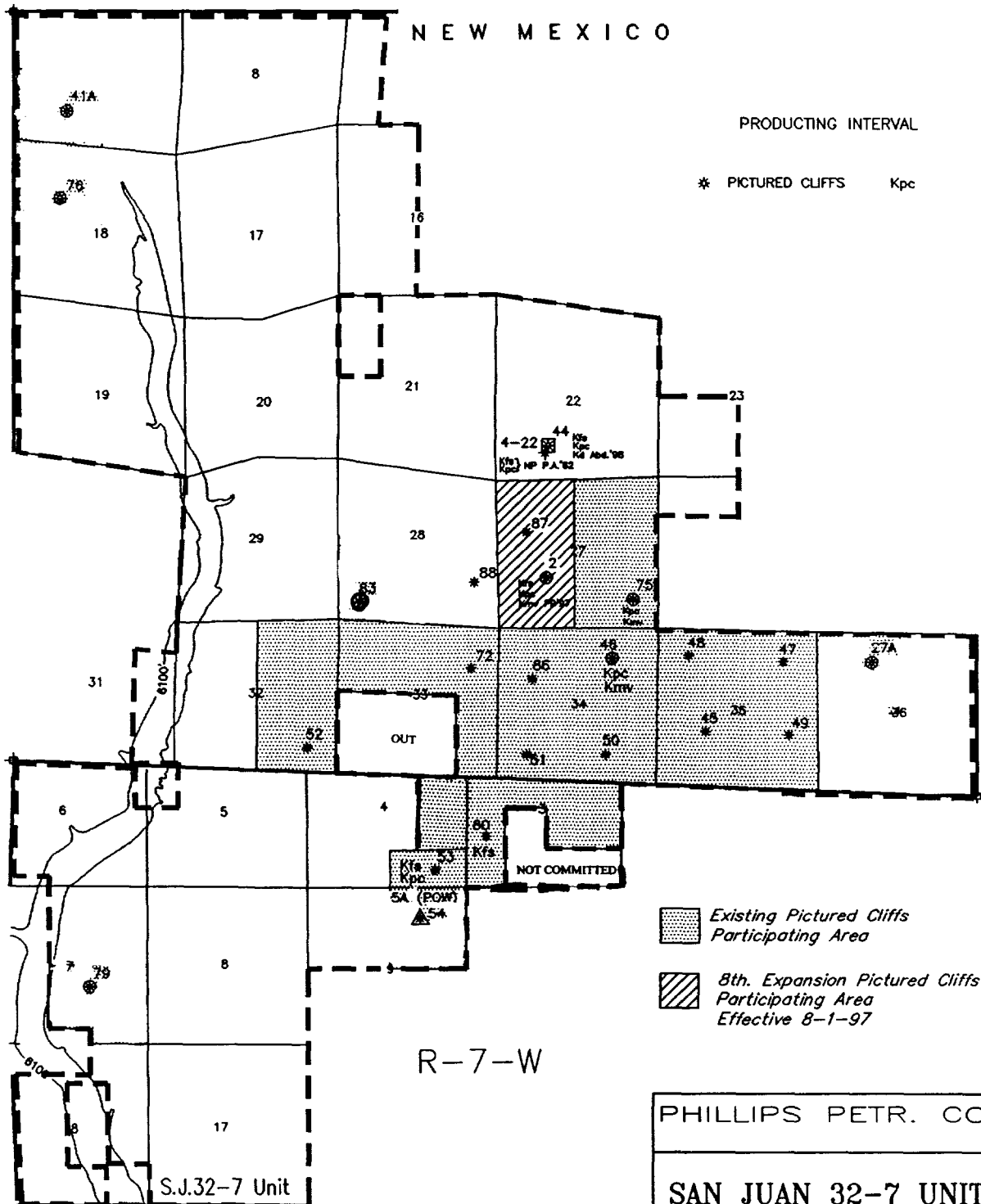
TOWNSHIP 31N, RANGE 7W, N.M.P.M.
SECTION 3 :LOTS 5, 6, 7, 8, S/2
SECTION 4 :LOT 5, E/2SE/4, SW/4SE/4

TOWNSHIP 32N, RANGE 7W, N.M.P.M.
SECTION 27 :ALL
SECTION 32 :E/2
SECTION 33 :E/2SE/4, N/2
SECTION 34 :ALL
SECTION 35 :ALL

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA 3188.49
TOTAL NUMBER OF ACRES COMMITTED TO PARTICIPATING AREA 3028.49
TOTAL NUMBER OF ACRES NOT COMMITTED TO PARTICIPATING AR 160.00

COLORADO
NEW MEXICO

T
32
N



PRODUCING INTERVAL

* PICTURED CLIFFS Kpc

Existing Pictured Cliffs
Participating Area

8th. Expansion Pictured Cliffs
Participating Area
Effective 8-1-97

PHILLIPS PETR. CO.

SAN JUAN 32-7 UNIT

SAN JUAN CO, NM

April 1, 1999

J. Hopkins



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)-827-5713

PLANNING
(505)-827-5752

January 29, 1999

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

Attn: Mr. S. Scott Prather

Re: 1998 Plan of Development
Second and Third Amendments
San Juan 32-7 Unit
San Juan County, New Mexico

Dear Mr. Prather:

The Commissioner of Public Lands has, of this date, approved the Second and Third Amendments to the 1998 Plans of Development for the San Juan 32-7 Unit. Our approval is subject to like approval by all other 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 cursive script, 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

"WE WORK FOR EDUCATION"



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 32-7 UNIT
#14-08-001-441
SAN JUAN COUNTY, NEW MEXICO
1999 PLAN OF DEVELOPMENT
G. F. 5464

Gentlemen:

By letter dated January 21, 1998, Phillips Petroleum Company (Phillips) as Unit Operator filed the 1998 Plan of Development (POD) which was amended by Phillips letters of April 1, July 8 and August 7, 1998. The POD indicated 12 wells were planned for 1998 and the amendments in April and August listed three (3) proposed well. The 1998 status is shown below.

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

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>
San Juan 32-7 Unit #86	W/2 Section 34-32N-7W	Pictured Cliffs
San Juan 32-7 Unit #87	W/2 Section 27-32N-7W	Pictured Cliffs
San Juan 32-7 Unit #88	W/2 Section 28-32N-7W	Pictured Cliffs
San Juan 32-7 Unit #203R	E/2 Section 22-32N-7W	Fruitland Coal
San Juan 32-7 Unit #206	E/2 Section 27-32N-7W	Fruitland Coal
San Juan 32-7 Unit #211R	W/2 Section 35-32N-7W	Fruitland Coal
San Juan 32-7 Unit #242	N/2 Section 33-32N-7W	Fruitland Coal

The #86 well is within the existing Pictured Cliffs Participating Area. The #87, #88 (Pictured Cliffs) wells and #203R, #206, #211R and #242 (Fruitland Coal) wells were each drilled on a drillblock basis. The #205, #220, #228, #240 and #241 were not drilled and will be carried into 1999.

1999 PLAN OF DEVELOPMENT
SAN JUAN 32-7 UNIT
PAGE 2

3. The following wells were recompleted in 1998.

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>
San Juan 32-7 Unit #44	SW/4 Section 22-32N-7W	Pictured Cliffs

The #44 well was recompleted on a drillblock not within the Pictured Cliffs Participating Area. The #21 and #35 wells were not recompleted.

4. The following wells were downhole commingled in 1998.

None

1998 Summary-One (1) well was drilled and completed within the existing Pictured Cliffs Participating Area, two (2) wells were drilled and completed and one (1) well was recompleted in the Pictured Cliffs formation on a drillblock basis. Four (4) wells were drilled and completed in the Fruitland Coal on a drillblock basis. There were no expansions of any Participating Area and all recompletion operations were conducted in accordance with existing regulatory parameters.

The Participating Areas which have been established in the San Juan 32-7 Unit are:

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Seventeenth	12/01/94
Pictured Cliffs	Seventh	1/1/82
Mesaverde	Twenty-Third	1/1/82
Dakota	Third	5/1/81

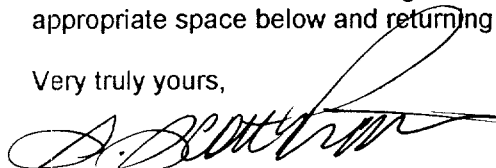
Pursuant to Section 10 of the San Juan 32-7 Unit Agreement, Phillips, as Unit Operator hereby submits the following wells for the 1999 POD:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-7 Unit #202R	SW/4 Section 18-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #205	SW/4 Section 22-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #220	NE/4 Section 6-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #228	NE/4 Section 7-31N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #240	NE/4 Section 19-32N-7W	Fruitland Coal	Drill
San Juan 32-7 Unit #241	NE/4 Section 21-32N-7W	Fruitland Coal	Drill

The San Juan 32-7 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

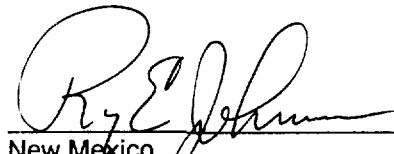
**SAN JUAN 32-7 UNIT #14-08-001-441
1999 INITIAL PLAN OF DEVELOPMENT**

Bureau of Land Management

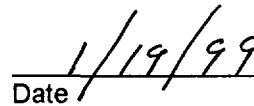
Date

New Mexico
Commissioner of Public Lands

Date



New Mexico
Oil Conservation Division



Date

cc: San Juan 32-7 Unit Owners
J. L. Mathis (r) G. F. 5464
W. D. Jaap (r) local supervisors

SAN JUAN 32-7 UNIT
FRUITLAND PARTICIPATING AREA OWNERS

MP SAN JUAN LP
C/O MCELVAIN OIL & GAS PROPERTIES

GEORGE BROOME

JAMES FULLERTON

MCHUGH COMPANIES

CENTRAL RESOURCES

PHILLIPS-NEW MEXICO PARTNERS, L. P.

PHILLIPS-SAN JUAN LTD PARTNERS

SAN JUAN BASIN PARTNERSHIP

WILLIAMS PRODUCTION COMPANY

BURLINGTON RESOURCES

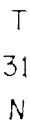
**SAN JUAN 32-7 UNIT
MESAVERDE PARTICIPATING AREA OWNERS**

PHILLIPS PETROLEUM COMPANY

TAURUS EXPLORATION U.S.A., INC.

WILLIAMS PRODUCTION COMPANY

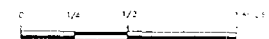
T
32
N



PHILLIPS PETROLEUM COMPANY
FARMINGTON AREA

S. J. 32-7 UNIT
San Juan County, New Mexico

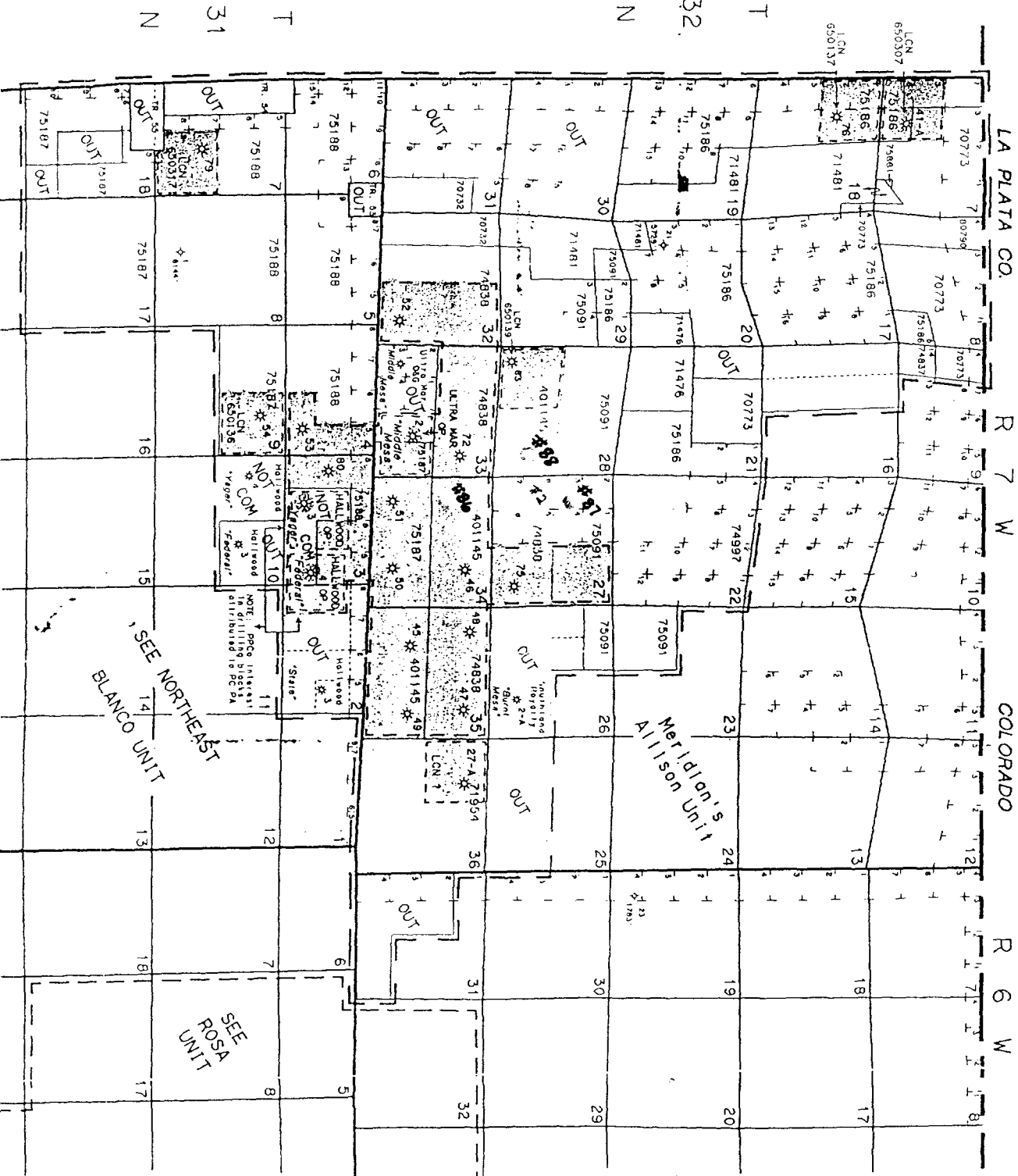
FRUITLAND PA



SCALE

JANUARY 26, 1948:

30045029

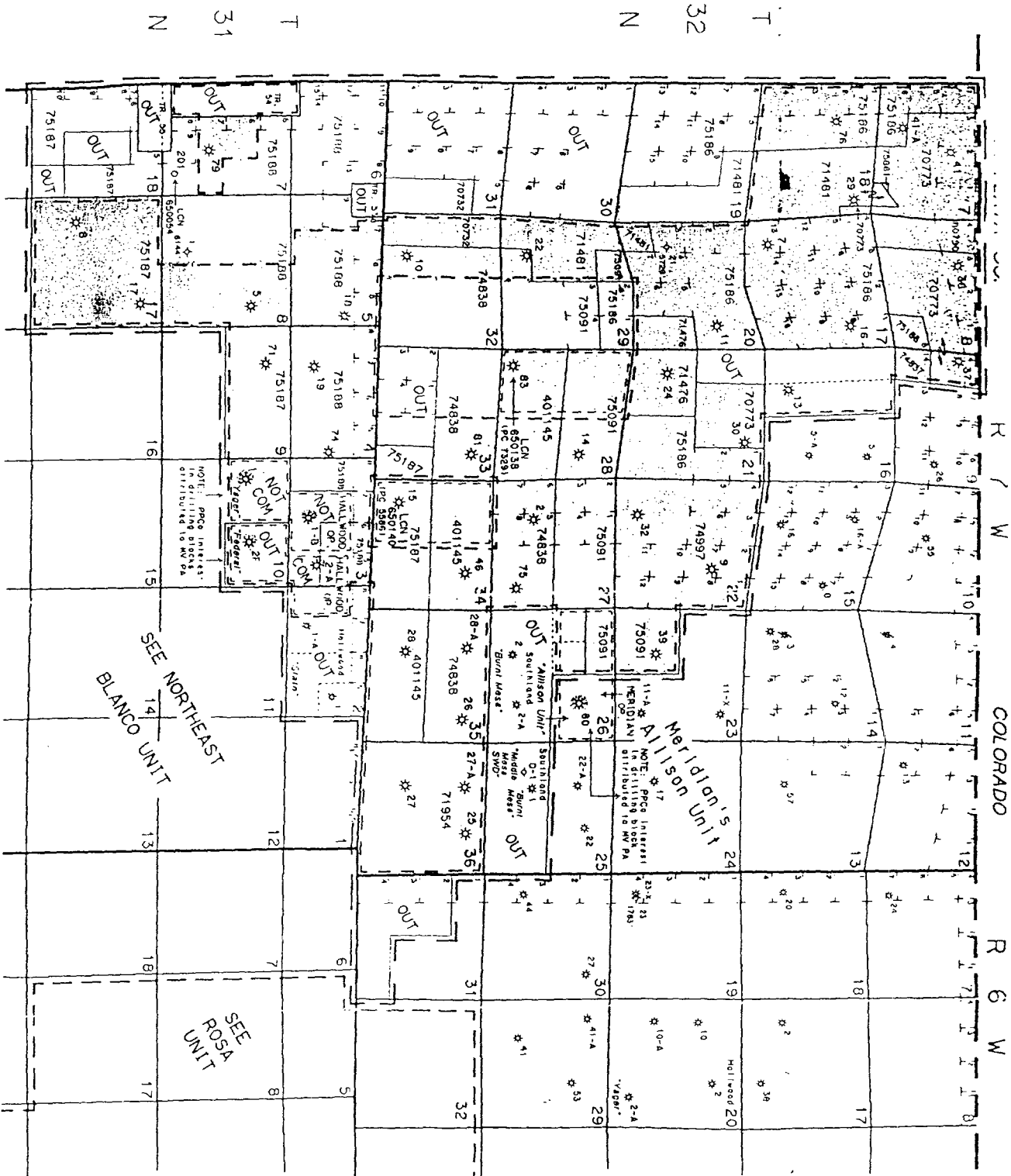


SAN JUAN 32-7 UNIT
(PICTURED CLIFFS)
PCCO - OPERATOR

ALBINO FIELD
(PICTURED CLIFFS)
S. LOS PINOS FRUITLAND
(PICTURED CLIFFS)
SAN JUAN CO., NM
Scale: 1" = 4000'

OUT - acreage eliminated from unit
NOT COMMITTED - follows oil completion to
join the unit by any existing interest
owner in a tract
See dist. 30045027 for tract numbers
and acreages
UNIT BOUNDARY
117,828.51 ac. unit area
PICTURED CLIFFS Participating
Area 13,043.39 (100%) ac..
2,723.39 (21%) ac..
TIN Expedition Eff. 1-1-1982

30045030

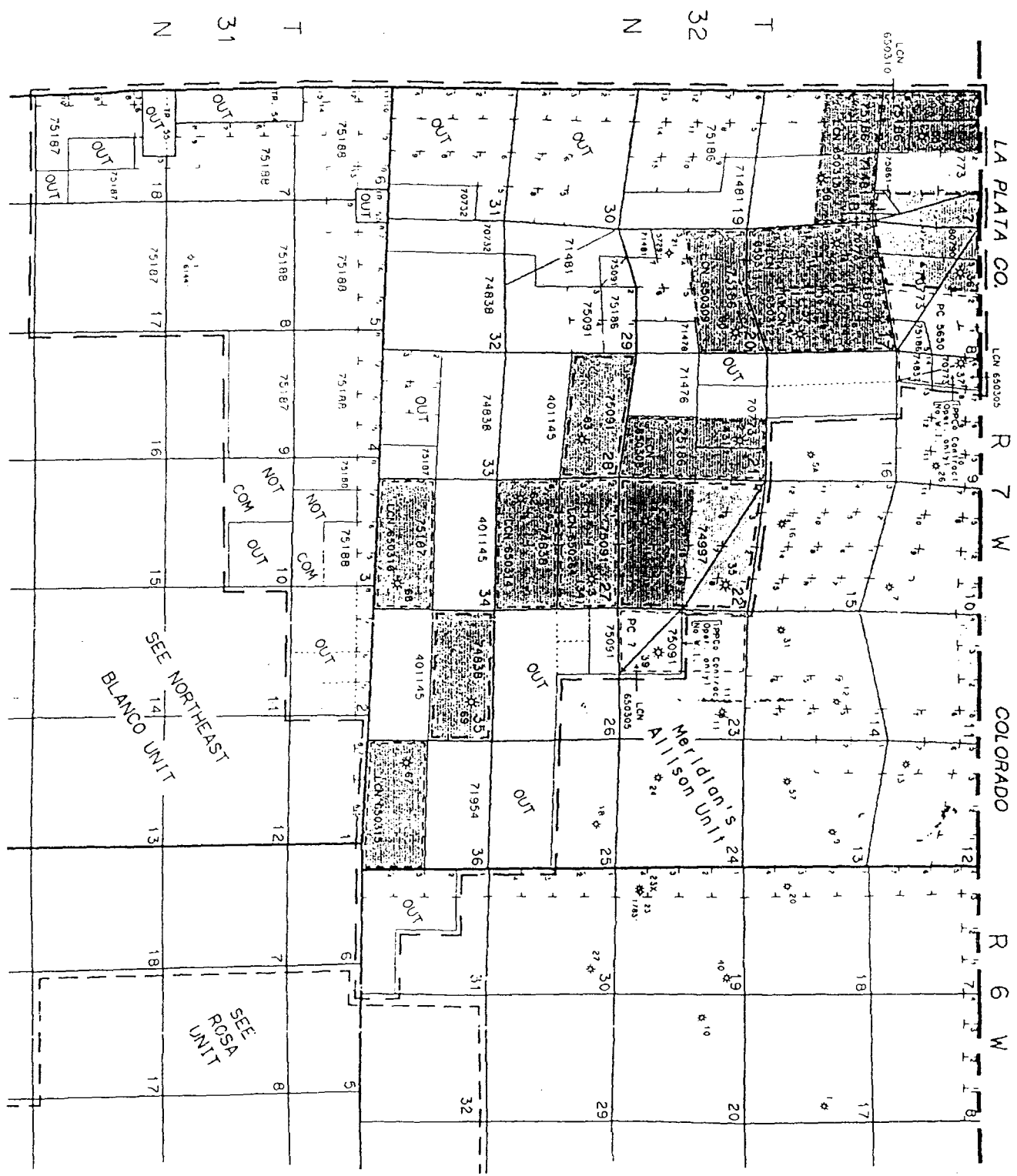


SAN JUAN 32-7 UNIT
(MESAVERDE)
PPCO - OPERATOR

Mesaverde Participating
Area 111,440.54 Total ac.
Owned or controlled 111,440.54
2nd Generation Etc. 111,440.54
INT. DOMINION
(17,828.51 ac. unit 6002)
OUT - Acreage eliminated from unit
NOT COMMITTED - (allure of commitment to
15th in the unit by any working interest
owner in a tract)
See Plot 30050027 for tract numbers
and acreages

BLANCO (MESAVERDE) FIELD
SAN JUAN CO., NM
Scale: 1" = 4000'
1/31/80

Plot
30075031



LA PLATA CO. R 7 W COLORADO R 6 W

San Juan 32-7 Unit
(Dakota)
Poco - Operator

Scale: 1" = 4000'

1/91 JD

#420



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)-827-5713

PLANNING
(505)-827-5752

September 1, 1998

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

Attn: Mr. S. Scott Prather

Re: 1998 Plan of Development
First Amendment
San Juan 32-7 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

A handwritten signature in cursive script, appearing to read "Jami Bailey".

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

RP/JB/cpm
pc: Reader File

OCD

BLM

"WE WORK FOR EDUCATION"



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

AUG 11 1998

August 7, 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 32-7 UNIT
#14-08-001-441
SAN JUAN COUNTY, NEW MEXICO
THIRD AMENDED 1998 PLAN OF DEVELOPMENT
G. F. 5464**

Ladies & Gentlemen:

By letter dated January 21, 1998, Phillips Petroleum Company (Phillips), as Unit Operator, filed the 1998 Initial Plan of Development (POD). By letter dated April 1, 1998, the First Amended POD was filed and by letter dated July 8, 1998 the Second Amended POD was filed.

It is now proposed that the POD be amended to include the addition of two (2) new wells to be drilled, which were not originally included in the Initial POD. Phillips has contacted all working interest owners in accordance with the terms and provisions of the Unit Operating Agreement.

The proposed wells to be drilled are as follows:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-7 Unit #87	W/2 Section 27-32N-7W	Pictured Cliffs	Drill
San Juan 32-7 Unit #88	E/2 Section 28-32N-7W	Pictured Cliffs	Drill

The Pictured Cliffs drillblocks for the #87 & #88 wells are owned as follows:

<u>Well No.</u>	<u>Owner</u>	<u>Interest</u>
87	Phillips Petroleum Company	82.00%
	Williams Production Company	18.00%
88	Phillips Petroleum Company	53.50%
	Williams Production Company	46.50%

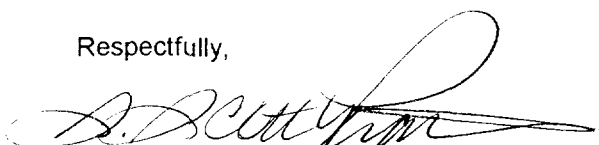
San Juan 32-7 Unit
Third Amended 1998 Plan of Development
G. F. 5464
August 7, 1998
Page 2

Neither of these drillblocks is currently located within the Pictured Cliffs PA.

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 San Juan 32-7 Unit Agreement, please confirm your approval of this Third Amendment to the POD by executing in the appropriate space and returning one copy of this letter to my attention.

Respectfully,

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

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

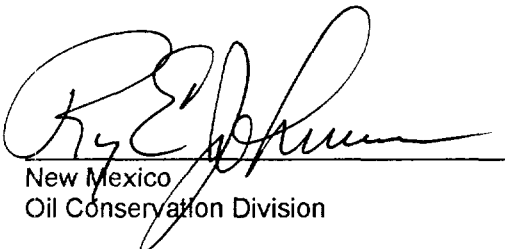
**SAN JUAN 32-7 UNIT #14-08-001-441
THIRD AMENDED 1998 INITIAL PLAN OF DEVELOPMENT**

Bureau of Land Management

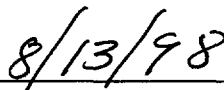
Date

New Mexico
Commissioner of Public Lands

Date



New Mexico
Oil Conservation Division



Date

cc: San Juan 32-7 Unit Owners
J. L. Mathis (r) G. F. 5464
W. D. Jaap (r) local Supervisors



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

July 8, 1998

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

Commission 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 32-7 UNIT
#14-08-001-441
SAN JUAN COUNTY, NEW MEXICO
SECOND AMENDED 1998 PLAN OF DEVELOPMENT
G. F. 5464**

Gentlemen:

By letter dated January 21, 1998, Phillips Petroleum Company (Phillips) as Unit Operator, filed the 1998 Initial Plan of Development (POD). By letter dated April 1, 1998, the First Amended POD was filed.

It is now proposed that the POD be amended to reflect a change in well name and location for a well included in the original POD. Phillips has contacted all working interest owners in accordance with the terms and provisions of the Unit Operating Agreement.

The proposed changes are as follows:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>	<u>Operation</u>
(Former) Fed. Com. 33 #1	W/2 Section 33-32N-7W	Fruitland	Drill
(New) San Juan 32-7 Unit #242	N/2 Section 33-32N-7W	Fruitland	Drill

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 the Second Amendment to the POD by signing in the appropriate space below and returning an executed copy to my attention.

Respectfully,

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

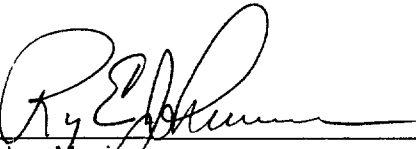
SAN JUAN 32-7 UNIT #14-08-001-441
SECOND AMENDED 1998 INITIAL PLAN OF DEVELOPMENT

Bureau of Land Management

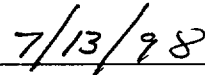
Date

New Mexico
Commissioner of Public Lands

Date



New Mexico
Oil Conservation Division



Date

cc: San Juan 32-7 Unit Owners
J. L. Mathis (r)G. F. 5464
W. D. Jaap (r)local Supervisors

**SAN JUAN 32-7 UNIT
FRUITLAND PARTICIPATING AREA OWNERS**

PHILLIPS-NEW MEXICO PARTNERS, L. P.

PHILLIPS-SAN JUAN LTD PARTNERS

SAN JUAN BASIN PARTNERSHIP

TAURUS EXPLORATION U.S.A., INC.

WILLIAMS PRODUCTION COMPANY



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)-827-5713

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 32-7 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: *For Anthony H. Nunez*
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
pc: Reader File

OCD

BLM



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

April 1, 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 32-7 UNIT**
#14-08-001-441
SAN JUAN COUNTY, NEW MEXICO
FIRST AMENDED 1998 PLAN OF DEVELOPMENT
G. F. 5464

Gentlemen:

By letter dated January 21, 1998, Phillips Petroleum Company (Phillips), as Unit Operator, filed the 1998 Initial Plan of Development (POD).

It is now proposed that the POD be amended to reflect a change in the formation designated for two wells in said POD and the addition to the POD of one well to be recompleted, which was not originally included in the POD. Phillips has contacted all working interest owners in accordance with the terms and provisions of the Unit Operating Agreement.

The proposed corrections are as follows:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-7 Unit #36	W/2 Section 34-32N-7W	Pictured Cliffs	Drill
San Juan 32-7 Unit #44	SW/4 Section 22-32N-7W	Pictured Cliffs	Recomplete

The Proposed well to be added is as follows:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>	<u>Operating</u>
San Juan 32-7 Unit #21	SW/4 Section 20-32N-7W	Mesaverde	Recomplete

San Juan 32-7 Unit
First Amended 1998 Plan of Development
March 31, 1998
Page 2

The Pictured Cliffs completion in the #86 well is within the Pictured Cliffs PA. The Pictured Cliffs completion drillblock for the #44 well is owned as follows:

<u>Owner</u>	<u>Interest</u>
Phillips Petroleum Company	82%
Williams Production Company	18%

The Mesaverde completion in the #21 well is within the Mesaverde PA.

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 First Amendment to the POD by signing in the appropriate space below and returning an executed copy to my attention.

Respectfully,

A handwritten signature in black ink, appearing to read 'S. Scott Prather', with a long, sweeping horizontal line extending to the right.

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

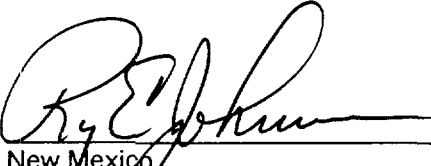
San Juan 32-7 Unit #14-08-001-441
First Amended 1998 Initial Plan of Development

Bureau of Land Management

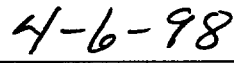
Date

New Mexico
Commissioner of Public Lands

Date



New Mexico
Oil Conservation Division



Date

cc: San Juan 32-7 Unit Owners
J. L. Mathis (r)G. F. 5464
W. D. Jaap (r)local supervisors

**SAN JUAN 32-7 UNIT
WORKING INTEREST OWNERS**

PHILLIPS-NEW MEXICO PARTNERS, L. P.

PHILLIPS PETROLEUM COMPANY

PHILLIPS-SAN JUAN LTD PARTNERS

SAN JUAN BASIN PARTNERSHIP .

TAURUS EXPLORATION U. S. S., INC.

WILLIAMS PRODUCTION COMPANY

4/20



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY 64 NBU 2004

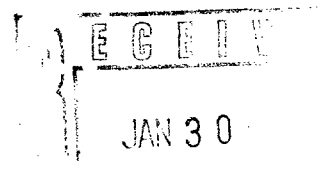
January 21, 1998

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 32-7 UNIT**
#14-08-001-441
SAN JUAN COUNTY, NEW MEXICO
1998 PLAN OF DEVELOPMENT
G. F. 5464



Gentlemen:

By letter dated March 7, 1997, Phillips Petroleum Company (Phillips) as Unit Operator filed the 1997 Plan of Development (POD) which was amended by Phillips letter of June 6, 1997. The POD indicated two wells were planned for recompletion and perforation in 1997 and the amendment in June listed five proposed wells to be drilled. The 1997 status is shown below.

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

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>
San Juan 32-7 Unit #230	E/2 Section 17-31N-7W	Fruitland

This well is located within the existing Fruitland Participating Area.
The San Juan 32-7 Unit #86, #220, #228 and #240 (submitted by amendment) were not drilled and will be carried over into the 1998 POD.

3. The following well was recompleted in 1997:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>
San Juan 32-7 Unit #2	SW/4 Section 27-32N-7W	Pictured Cliffs

The #2 well was abandoned in the Mesaverde and recompleted in the Pictured Cliffs on lands not located within the PA. The San Juan 32-7 Unit #35 was proposed for recompletion in the Mesaverde, but was not done and will be carried forward to the 1998 POD. The San Juan 32-7 Unit #79 was proposed for perforation in the Fruitland but was not done.

4. No wells were downhole commingled in 1997.

1997 Summary - All wells drilled were on lands located within existing Participating Areas. There were no expansions of any Participating Area and all recompletion operations were conducted in accordance to existing regulatory parameters.

The Participating Areas which have been established in the San Juan 32-7 Unit are:

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland Coal	Seventeenth	12/1/94
Pictured Cliffs	Seventh	1/1/82
Mesaverde	Twenty-Third	11/1/82
Dakota	Third	5/1/81

Pursuant to Section 10 of the San Juan 32-7 Unit Agreement, Phillips, as Unit Operator hereby submits the following wells for the 1998 POD.

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>	<u>Operation</u>
San Juan 32-7 Unit #86	W/2 Section 34-32N-7W	Mesaverde	Drill
San Juan 32-7 Unit #203R	E/2 Section 22-32N-7W	Fruitland	Drill
San Juan 32-7 Unit #205	W/2 Section 22-32N-7W	Fruitland	Drill
San Juan 32-7 Unit #206	E/2 Section 27-32N-7W	Fruitland	Drill
San Juan 32-7 Unit #211R	W/2 Section 35-32N-7W	Fruitland	Drill
San Juan 32-7 Unit #220	W/2 Section 5-31N-7W	Fruitland	Drill
San Juan 32-7 Unit #228	E/2 Section 7-32N-7W	Fruitland	Drill
San Juan 32-7 Unit #240	W/2 Section 20-32N-7W	Fruitland	Drill
San Juan 32-7 Unit #241	E/2 Section 21-32N-7W	Fruitland	Drill
Fed Com. 33 #1	W/2 Section 33-32N-7W	Fruitland	Drill
San Juan 32-7 Unit #44	SW/4 Section 22-32N-7W	Mesaverde	Recomplete
San Juan 32-7 Unit #35	NE/4 Section 22-32N-7W	Mesaverde	Recomplete

The San Juan 32-7 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,



SAN JUAN 32-7 UNIT #14-08-001-441
1998 INITIAL PLAN OF DEVELOPMENT

BUREAU OF LAND MANAGEMENT

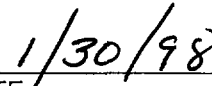
DATE

NEW MEXICO
COMMISSIONER OF PUBLIC LANDS

DATE



NEW MEXICO
OIL CONSERVATION DIVISION



DATE

cc: San Juan 32-7 Unit Owners
J. L. Mathis-G. F. 5464
C. D. Richard - local Supervisors

**SAN JUAN 32-7 UNIT
PARTICIPATING AREA OWNERS**

PHILLIPS-NEW MEXICO PARTNERS, L. P.

PHILLIPS-SAN JUAN LTD PARTNERS

PHILLIPS PETROLEUM COMPANY

SAN JUAN BASIN PARTNERSHIP

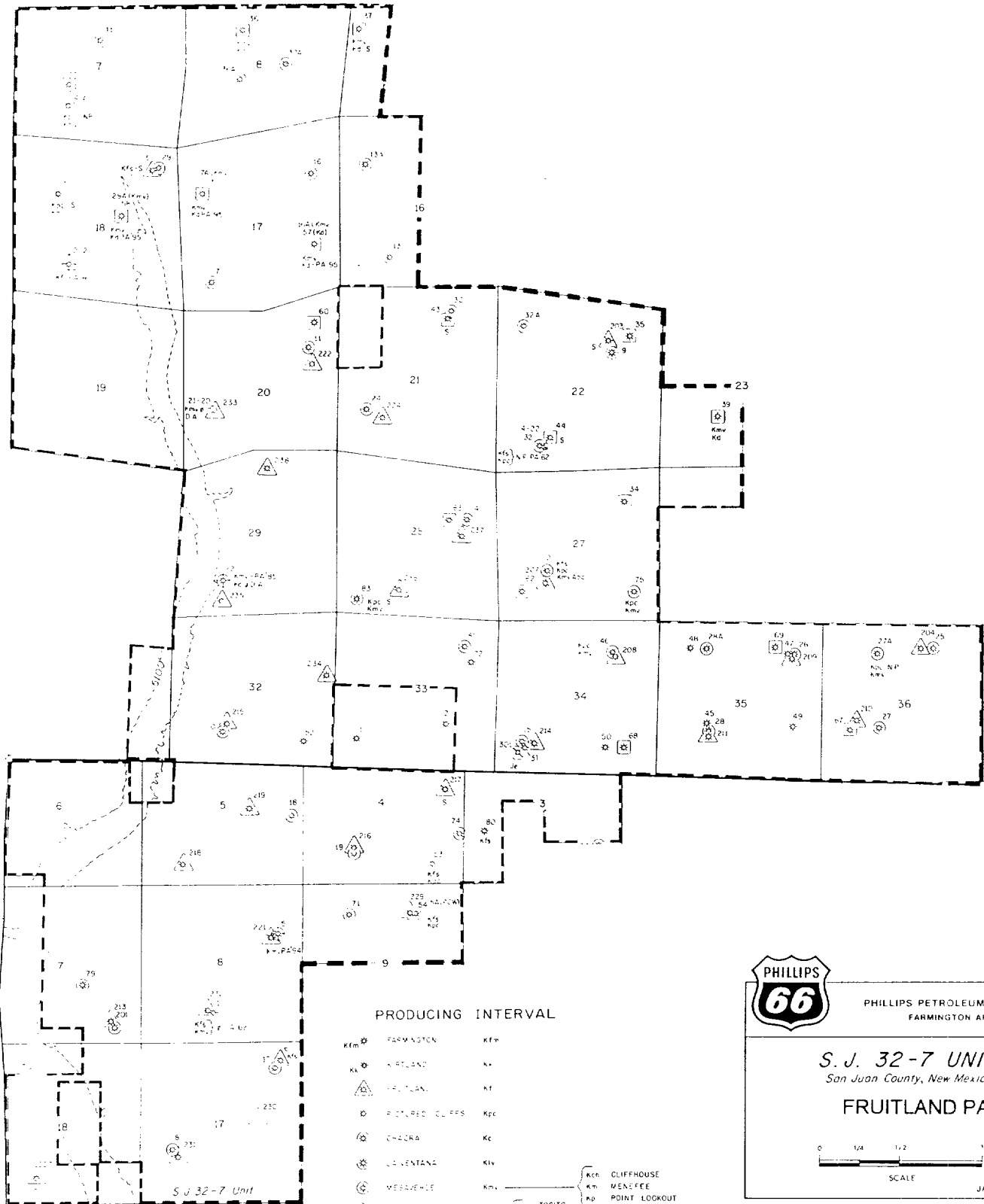
TAURUS EXPLORATION U. S. A., INC.

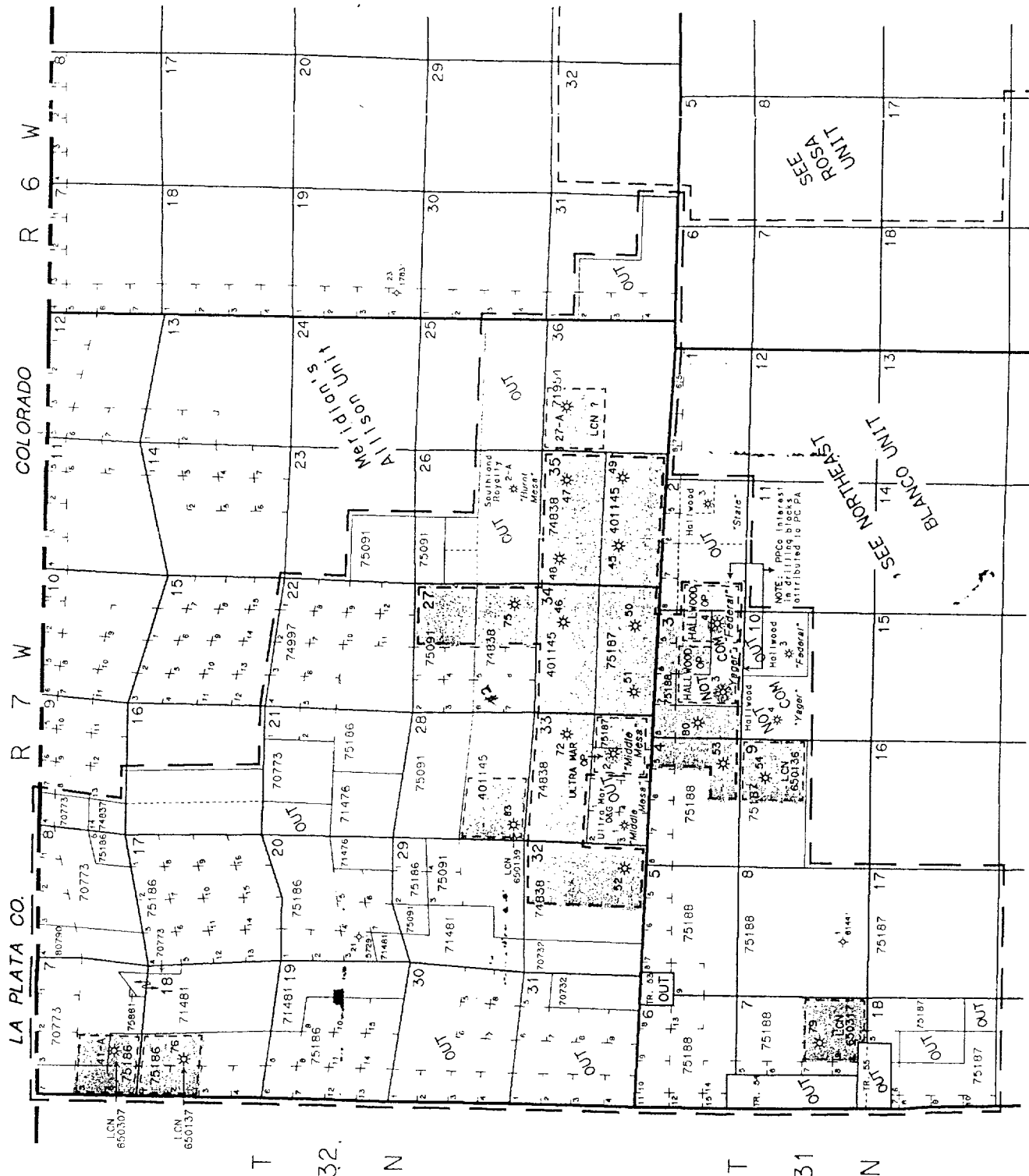
WILLIAMS PRODUCTION COMPANY

R-7-W

T
32
N

T
31
N





SAN JUAN 32-7 UNIT
(PICTURED CLIFFS)
PPCo - OPERATOR

Pictured Cliffs Participating
Area 13,043.39 total ac.,
2,723.39 committed
7th Expansion Eff. 1-1-1982

UNIT BOUNDARY
(17,828.51 ac. unit area)

OUT - Acctge eliminated from unit
NOT COMPLETED - failure of commitment to
join the unit by any working interest
owner in a tract

See plot 30045027 for tract numbers
and acreages

ALBINO FIELD
(PICTURED CLIFFS)
S. LOS PINOS FRUITLAND
PICTURED CLIFFS FIELD
(PICTURED CLIFFS)
SAN JUAN CO., NM
Scale: 1" = 4000'

LA PLATA CO.

R 7 W

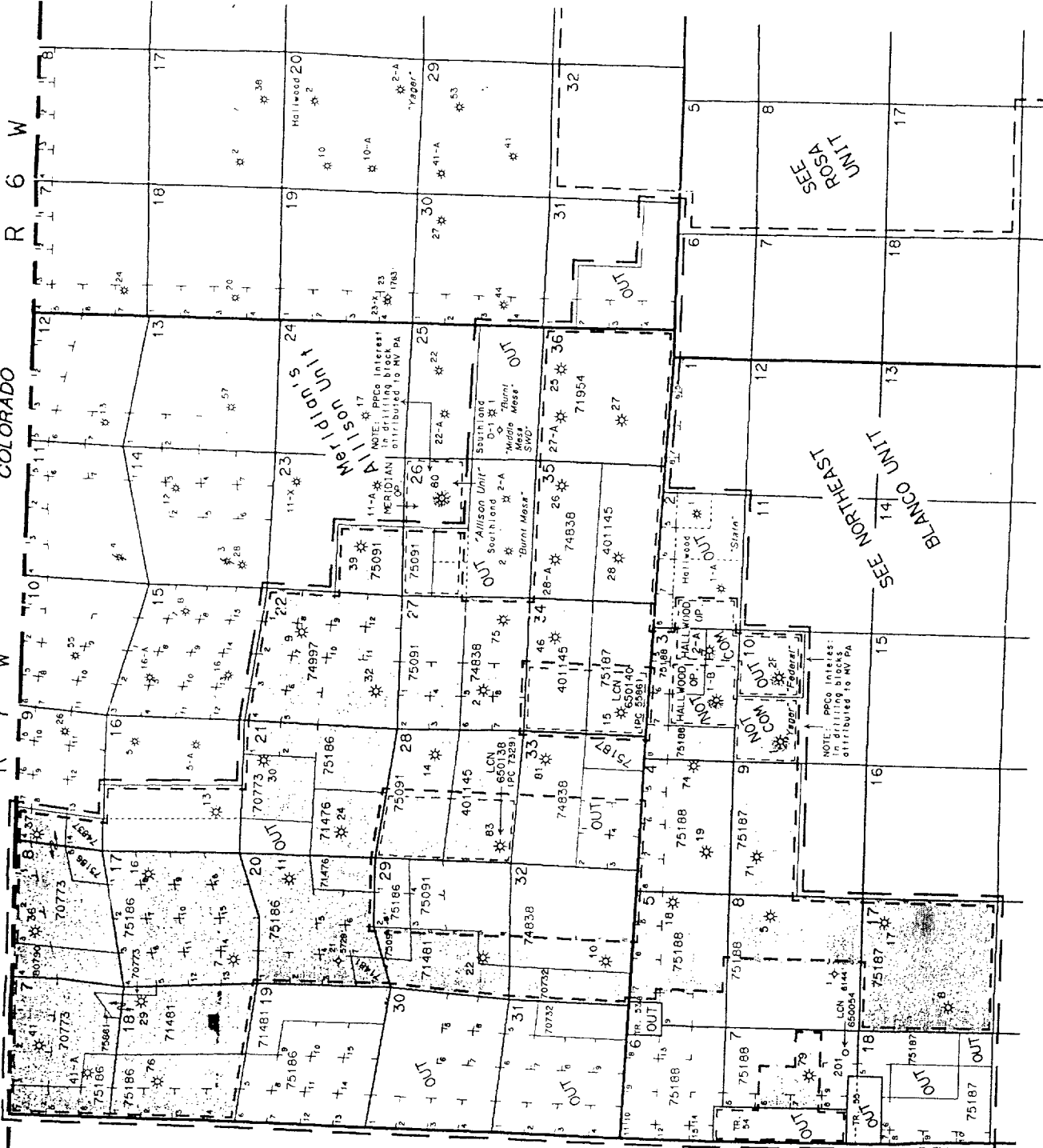
COLORADO

R 6 W

T

32

N



SAN JUAN 32-7 UNIT
(MESAVERDE)
PPCO - OPERATOR

Mesaverde Participating
Area (11,440.54 total ac.,
23rd Expansion E.P. 11-1-82)

UNIT BOUNDARY
(17,628.51 ac unit area)

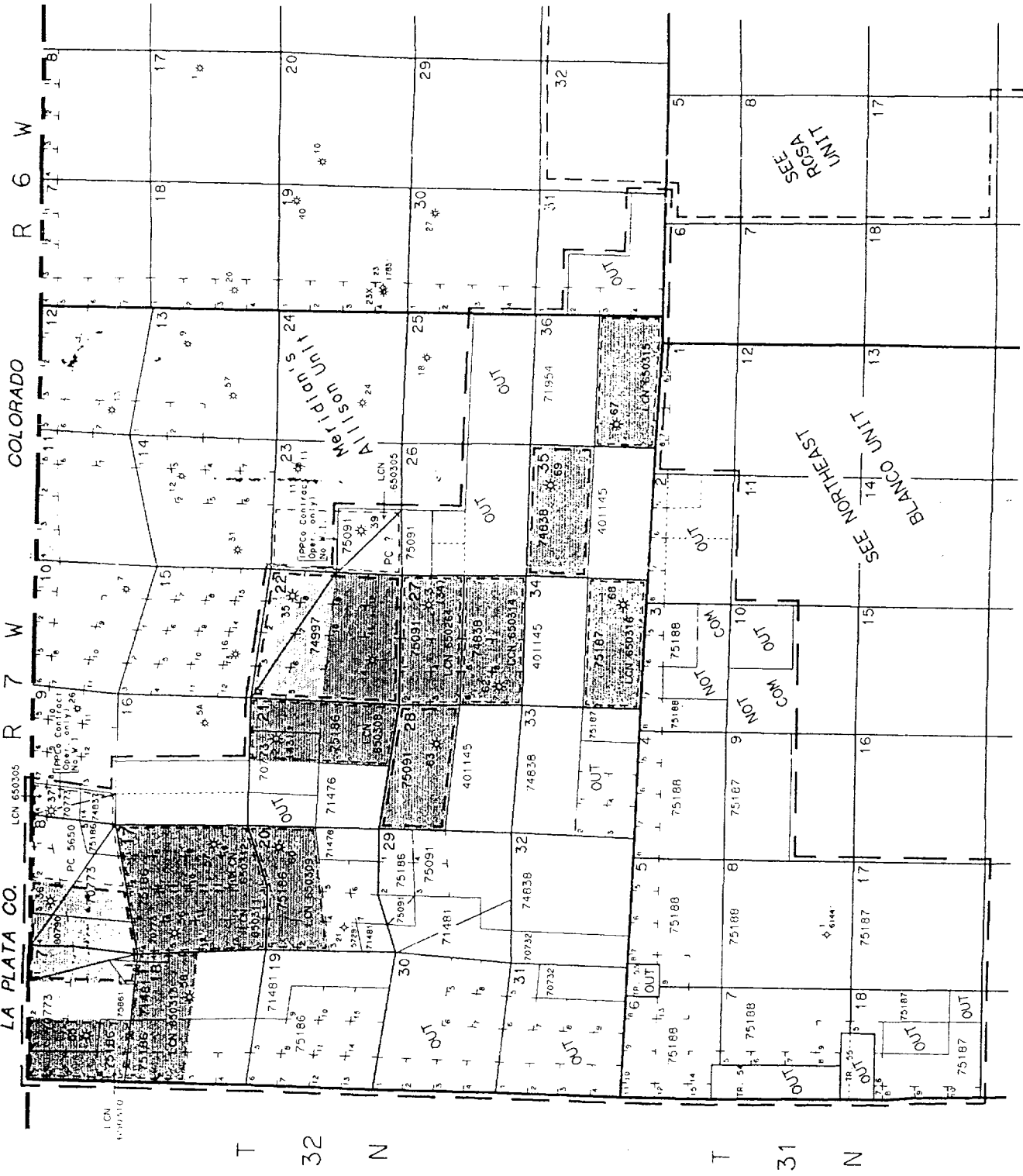
OUT - Acreage eliminated from unit

NOT COMMITTED - failure of commitment to
join the unit by only working interest
owner, in a tract

See plat 30045027 for tract numbers
and acreages

BLANCO (MESAVERDE) FIELD
SAN JUAN CO., NM
Scale: 1" = 4000'

1/91 JD



SAN JUAN 32-7 UNIT
(DAKOTA)
PPCO - OPERATOR

--- Dakota Participating Area
11,607.34 ac. 1
Std. Extension E.R. 5-1-81
UNIT BOUNDARY
117,828.31 ac. unit area
OUT - Accreage eliminated from unit
NOT COMMITTED - Portion of commitment to
join the unit by any working interest
owner in a tract
See plat 30045027 for tract numbers
and acreages

BASIN (DAKOTA) FIELD
SAN JUAN CO., NM
Scale: 1" = 4000'
1/91 JD

Plot
30045031



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5795

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

June 25, 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 32-7 Unit
First Amendment
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 by Pete Martinez*
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

420
JUN 12 1997

CONSERVATION DIVISION

June 6, 1997

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, NM 87501-1148

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

RE: SAN JUAN 32-7 UNIT
#14-08-001-441
RIO ARRIBA COUNTY, NEW MEXICO
FIRST AMENDED 1997 PLAN OF DEVELOPMENT
G. F. 5464

Gentlemen:

By letter dated May 7, 1997, Phillips Petroleum Company ("Phillips"), as Unit Operator, filed the 1997 Initial Plan of Development ("POD").

It is now proposed that additional wells be drilled this year. Phillips has contacted all working interest as to these additional wells.

The proposed wells are described as follows:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>
San Juan 32-7 Unit #86	NW/4 Section 34-T32N-R7W	Pictured Cliffs
San Juan 32-7 Unit #220	SW/4 Section 5-T31N-R7W	Fruitland
San Juan 32-7 Unit #228	SE/4 Section 7-T31N-R7W	Fruitland
San Juan 32-7 Unit #230	NE/4 Section 17-T31N-R7W	Fruitland
San Juan 32-7 Unit #240	NE/4 Section 19-T32N-R7W	Fruitland

The #86 well is within the Pictured Cliffs Participating Area. The #220, #228 and #230 wells are located within the Fruitland Participating Area. The drillblock for the #240 well is owned by Phillips Petroleum Company (82%) and Williams Production Company (18%).

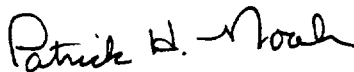
SAN JUAN 32-7 UNIT
#14-08-001-441
RIO ARriba COUNTY, NEW MEXICO
FIRST AMENDED 1997 PLAN OF DEVELOPMENT
JUNE 6, 1997
PAGE 2

The San Juan 32-7 Unit Working interest owners have been contacted with respect to this POD and are being furnished 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) 399-3410

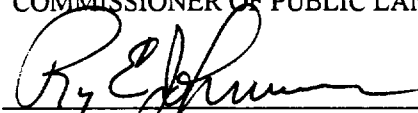
**SAN JUAN 32-7 UNIT #14-08-001-441
1997 PLAN OF DEVELOPMENT
FIRST AMENDED**

BUREAU OF LAND MANAGEMENT

DATE

NEW MEXICO
COMMISSIONER OF PUBLIC LANDS

DATE



NEW MEXICO
OIL CONSERVATION DIVISION

6/24/97
DATE

cc: San Juan 32-7 Owners
J. L. Mathis (r) G. F. 5464
C. D. Richard (r) local supervisors

**SAN JUAN 32-7 UNIT
FRUITLAND/PICTURED CLIFFS OWNERS**

PHILLIPS-NEW MEXICO PARTNERS, L. P.

PHILLIPS PETROLEUM COMPANY

PHILLIPS-SAN JUAN LTD PARTNERS

SAN JUAN BASIN PARTNERSHIP

WILLIAMS PRODUCTION COMPANY



420

COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5795

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

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 32-7 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 (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, NM 87501-1148

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

RE: SAN JUAN 32-7 UNIT
#14-08-001-441
RIO ARriba COUNTY, NEW MEXICO
1997 PLAN OF DEVELOPMENT
G. F. 5464

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 the following wells were proposed for possible drilling in 1996:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>
San Juan 32-7 Unit #13A	NW/4 Sec. 16-T32N-R7W	Mesaverde
San Juan 32-7 Unit #32A	NW/4 Sec. 22-T32N-R7W	Mesaverde
San Juan 32-7 Unit #36A	SW/4 Frac. Sec. 8-T32N-R7W	Mesaverde
San Juan 32-7 Unit #37A	SE/4 Frac. Sec. 8-T32N-R7W	Mesaverde
San Juan 32-7 Unit #79	SE/4 Sec. 7-T31N-R7W	Perforate Fruitland Coal

The four Mesaverde wells were completed in 1996. The Fruitland recompletion was not drilled and will be carried forward to the 1997 POD.

The Participating Areas which have been established in the San Juan 32-7 Unit are as follows:

<u>Formation</u>	<u>Revision</u>	<u>Effective</u>
Fruitland coal	Seventeenth	December 1, 1994
Pictured Cliffs	Seventh	January 1, 1982
Mesaverde	Twenty-third	November 1, 1982
Dakota	Third	May 1, 1981

Pursuant to Section 10 of the San Juan 32-7 Unit Agreement, Phillips Petroleum Company, as Unit Operator, has received requests from San Juan 32-7 Unit working interest owners to include the following wells in the 1997 POD:

San Juan 32-7 Unit
#14-08-001-441
Rio Arriba County, New Mexico
1997 Plan of Development
March 7, 1997
Page 2

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>
San Juan 32-7 Unit #35	NE/4 Section 22-T32N-R7W	Complete Mesaverde
San Juan 32-7 Unit #79	SE/4 Section 7-T31N-R7W	Perforate Fruitland

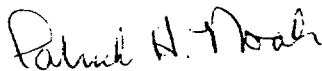
The above-described Mesaverde completion is infill in the San Juan 32-7 Unit Mesaverde Participating Area. The Fruitland Formation drillblock for the proposed perforation of the #79 well is a non-standard drillblock described as Tract 54 in Section 6 and 7 and Lots 6, 7, N/2 SE/4, SW/4 Section 7; all in T31N-R7W.

The San Juan 32-7 Unit working interest owners have been contacted with respect to this POD and are being furnished 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

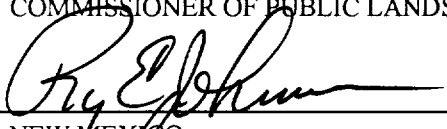
SAN JUAN 32-7 UNIT #14-08-001-441
1997 INITIAL PLAN OF DEVELOPMENT

BUREAU OF LAND MANAGEMENT

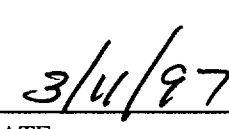
DATE

NEW MEXICO
COMMISSIONER OF PUBLIC LANDS

DATE



NEW MEXICO
OIL CONSERVATION DIVISION



DATE

cc: San Juan 32-7 Owners
J. L. Mathis (r)G. F. 5464
C. D. Richard (r)local supervisors

**SAN JUAN 32-7 UNIT
WORKING INTEREST OWNERS**

BURLINGTON RESOURCES OIL & GAS COMPANY

PHILLIPS PETROLEUM COMPANY

PHILLIPS-SAN JUAN PARTNERS, L. P.

PHILLIPS-NEW MEXICO PARTNERS, L. P.

SAN JUAN BASIN PARTNERSHIP

WILLIAMS PRODUCTION COMPANY



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

March 19, 1996

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

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

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

Attn: Mr. Patrick H. Noah

Re: 1996 Plan of Development
San Juan 32-7 Unit
Rio Arriba County, New Mexico

Dear Mr. Noah:

The Commissioner of Public Lands has 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: 

LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

cc: Reader File

Commissioner's File

OCD

TRD

BLM



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

March 12, 1996

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 32-7 Unit
#14-08-001-441
Rio Arriba County, New Mexico
1996 Plan of Development
G.F.-5464

Gentlemen:

By letter dated March 3, 1995 Phillips Petroleum Company ("Phillips"), as Unit Operator, filed the 1995 Initial Plan of Development ("POD"). The POD indicated that the following wells were proposed for possible drilling in 1995:

<u>Well Number</u>	<u>Location</u>	<u>Formation</u>
San Juan 32-7 #2	W/2 Section 27-32N-7W	Recompletion from Mesaverde to Pictured Cliffs
San Juan 32-7 #56	NW/4 Section 17-32N-7W	Recompletion from Dakota to Mesaverde
San Juan 32-7 #57	SE/4 Section 17-32N-7W	Recompletion from Dakota to Mesaverde
San Juan 32-7 #58	NE/4 Section 18-32N-7W	Recompletion from Dakota to Mesaverde
San Juan 32-7 #206	E/2 Section 27-32N-7W	Fruitland Coal
San Juan 32-7 #220	Lot 9, Tract 53 in Section 5, Lots 8-11, 13, NE/4 SW/4, NW/4 SE/4, Tract 53 in Section 6-31N-7W	Fruitland Coal
San Juan 32-7 #225	W/2 Section 17-32N-7W	Fruitland Coal
San Juan 32-7 #228	N/2 SE/4, SW/4 NE/4, Lots 6 & 7 Section 7; Tract 54 in Sections 6 & 7-31N-7W	Fruitland Coal
San Juan 32-7 #230	E/2 Section 17-31N-7W	Fruitland Coal
San Juan 32-7 Com #239	E/2 Section 33-32N-7W	Fruitland Coal
San Juan 32-7 #240	E/2 Section 19-32N-7W	Fruitland Coal
San Juan 32-7 #241	W/2 Section 19-32N-7W	Fruitland Coal
Middle Mesa Com 32-7 #201	W/2 Section 33-32N-7W	Fruitland Coal

San Juan 32-7 Unit
#14-08-001-441
Rio Arriba County, New Mexico
1996 Plan of Development
G.F.-5464
March 12, 1996
Page 2

The recompletions of the #56, #57 and #58 wells were completed in 1995. The remaining wells were not drilled and will not be carried over to the 1996 POD.

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	Seventeenth	December 1, 1994
Pictured Cliffs	Seventh	January 1, 1982
Mesaverde	Twenty-third	November 1, 1982
Dakota	Third	May 1, 1981

Pursuant to Section 10 of the San Juan 32-7 Unit Agreement, Phillips Petroleum Company, as Unit Operator, has received requests from San Juan 32-7 Unit working interest owners to include the following wells in the 1996 POD:

<u>Well Number</u>	<u>Location</u>	<u>Formation</u>
San Juan 32-7 #13A	NW/4 Section 16-32N-7W	Mesaverde
San Juan 32-7 #32A	NW/4 Section 22-32N-7W	Mesaverde
San Juan 32-7 #36A	SW/4 Fractional Section 8-32N-7W	Mesaverde
San Juan 32-7 #37A	SE/4 Fractional Section 8-32N-7W	Mesaverde
San Juan 32-7 #79	SE/4 Section 7-31N-7W	Perforate Fruitland Coal

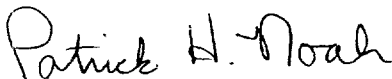
The above-described Mesaverde wells are infill wells in the San Juan 32-7 Unit Mesaverde Participating Area. The Fruitland Formation drillblock for the proposed perforation of the #79 well is a non-standard drillblock described as Tract 54 in Section 6 and 7 and Lots 6, 7, N/2 SE/4, SW/4 NE/4 Section 7; all in T31N-R7W.

The San Juan 32-7 Unit working interest owners have been contacted with respect to this POD and are being furnished 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 32-7 Unit
#14-08-001-441
Rio Arriba County, New Mexico
1996 Plan of Development
G.F.-5464
March 12, 1996
Page 3

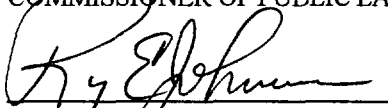
SAN JUAN 32-7 UNIT #14-08-001-441
1996 INITIAL PLAN OF DEVELOPMENT

BUREAU OF LAND MANAGEMENT

DATE

NEW MEXICO
COMMISSIONER OF PUBLIC LANDS

DATE



NEW MEXICO
OIL CONSERVATION DIVISION

3/15/96

DATE

cc: San Juan 32-7 Owners
J.L. Mathis (r)G.F.-5464
C.D. Richard (r)local supervisors

**SAN JUAN 32-7 UNIT
WORKING INTEREST OWNERS**

Elizabeth Calloway

Meridian Oil Production Inc.

Phillips Petroleum Company

Phillips-San Juan Partners, L.P.

San Juan Basin Partnership

Fred E. Turner

J. Glenn Turner, Jr.

John L. Turner

Mary Francis Turner, Jr.

Williams Production Company



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:

February 15, 1996

San Juan 32-7(FR PA)
3180 (07400)

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

Dear Mr. Noah:

We have reviewed your application for the 12th through 17th revision to the Fruitland Participating Area (PA) in the San Juan 32-7 Unit. Your application for the 12th, 13th, 14th, 15th, 16th, and 17th revisions of the San Juan 32-7 Unit Fruitland PA are hereby approved. Effective dates of the revisions are listed below. Each of the wells listed below are to be reported under the San Juan 32-7 Fruitland PA number.

Revision	Well Number	Location	Lease Number	Effective Date
12th	No. 229	N/2 9-31N-7W	NMSF-078998	7/1/91
	No. 232	W/2 8-31N-7W	NMSF-078996	
13th	No. 234	E/2 32-32N-7W	State	10/1/92
	No. 235	W/2 29-32N-7W	NMSF-078472	
14th	No. 224	W/2 21-32N-7W	Patented	11/1/92
	No. 216	Portion 4&5-31N-7W	NMSF-078996	
15th	No. 233	W/2 20-32N-7W	NMSF-078460	12/1/92
16th	No. 238	E/2 29-32N-7W	NMSF-078460	1/1/93
17th	No. 217	Portion 3&4 31N-7W	NMSF-078996	12/1/94

In addition to the above, the 12th Revision included additional acreage in the Participating area from an intervening drill block and from Well No. 3 Grassy Canyon, located on non-committed acreage. Communitization Agreements are required where the spacing unit for any well that included non-committed acreage in the spacing unit. Copies of the approved Exhibit B's are enclosed.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order 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 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 call Duane Spencer at (505) 599-6350.

Sincerely,

/s/ Duane Spencer

Duane W. Spencer
Team Leader-Petroleum Management

Enclosures-6

1-Exh. B-12th Rev.

2-Exh. B-13th Rev.

3-Exh. B-14th Rev.

4-Exh. B-15th Rev.

5-Exh. B-16th Rev.

6-Exh. B-17th Rev.

bcc:

MMS,RMP,MS-3240,Denver, CO w/encl.

NMOCD, Santa Fe, NM ✓

Comm. Pub. Land, Santa Fe, NM



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

February 6, 1996

United States Department of Interior
Bureau of Land Management
Farmington Resource Area
1235 La Plata Hwy.
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 32-7 UNIT
#14-08-001-441, OGRID NO. 099208, 017654
FRUITLAND PARTICIPATING AREA APPLICATION

Twelfth Expansion	-Effective	07/01/91
Thirteenth Expansion	-Effective	10/01/92
Fourteenth Expansion	-Effective	11/01/92
Fifteenth Expansion	-Effective	12/01/92
Sixteenth Expansion	-Effective	01/01/93
Seventeenth Expansion	-Effective	12/01/94

Notice of Completion of Non-Commercial Wells

San Juan 32-7 Unit #202
San Juan 32-7 Unit #203
San Juan 32-7 Unit #211
San Juan 32-7 Unit #214
San Juan 32-7 Unit #222
San Juan 32-7 Unit #236
San Juan 32-7 Unit #237
Rio Arriba County, New Mexico
G.F.-5464, LCN 650115

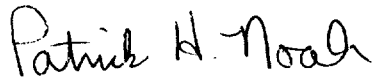
SAN JUAN 32-7 UNIT
#14-08-001-441, OGRID NO. 099208, 017654
FRUITLAND PARTICIPATING AREA APPLICATION
FEBRUARY 6, 1996
PAGE 2

Gentlemen:

By letter dated January 2, 1996 Phillips Petroleum Company, as Operator of the San Juan 32-7 Unit, submitted its application for the Twelfth through Seventeenth Expanded Participating Area for the Fruitland Formation. Tract 10A was incorrectly described in the exhibits submitted with that application.

Enclosed are corrected exhibits for the Twelfth through Seventeenth Expansions.

Very truly yours,

A handwritten signature in black ink that reads "Patrick H. Noah". The signature is written in a cursive, slightly slanted style.

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

cc: J.L. Mathis (r) G.F. 5464

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIII
THE 012 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/4)	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	2.896364
	REMARKS: SAN JUAN 32-7 UNIT #207		TOTAL		100.000000	
SF-078542	T32N R7W SEC. 35 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005	5.000000 12.500000 20.625000 61.875000	3.056445
	REMARKS: SAN JUAN 32-7 UNIT #209		TOTAL		100.000000	
SF-078543	T32N R7W SEC. 27 LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4)	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006	5.000000 12.500000 67.650000 14.850000	5.988340
	REMARKS: SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209		TOTAL		100.000000	
NM-83503	T32N R7W SEC. 31 LOTS 5,6,7,8,9	189.74	ORRI: ROYALTY: WORKING INTEREST: CNG PRODUCING COMPANY	TRACT: 008 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000
	REMARKS: GRASSY CANYON #3 (CA NM 87178)		TOTAL		0.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIII
THE 012 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T31N R7W SEC. 10 NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: FEDERAL G NO. 4 (CA NM 87094)		TOTAL		100.000000 0.000000	
SF-078996	T31N R7W SEC. 3 N/2 SE/4 SEC. 5 LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4 SEC. 6 LOTS 12, 14, 15, S/2 SE/4 SEC. 7 LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4 SEC. 8 ALL	1454.43	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 010	5.000000 12.500000 67.650000 14.850000 100.000000	27.783657
	REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232		TOTAL		100.000000	
SF-078996	T31N R7W SEC. 5 LOT 9 SEC. 6 LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4 SEC. 7 LOTS 6, 7, N/2 SE/4, SW/4 NE/4	436.40	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 010A	5.000000 12.500000 67.650000 14.850000 100.000000	8.336453
	REMARKS: IDB ACREAGE		TOTAL		100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIII
THE 012 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE ACTUAL PARTICIPATION
SF-078998	T31N R7W	1318.91		TRACT: 011		25.194848
SEC. 9	N/2		ORRI:		5.000000	
SEC. 17	ALL		ROYALTY:		12.500000	
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231					
E-503-13	T32N R7W	800.00		TRACT: 017A		15.282224
SEC. 32	E/2 W/2		ORRI:		5.000000	
SEC. 36	ALL		ROYALTY:		0.000000	
			WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		0.000000 0.000000	
			TOTAL		0.000000	
	REMARKS: SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215					
NM LG 3876	T31N R7W	80.00		TRACT: 018 FORMER UNIT TRACT		0.000000
SEC. 2	W/2 SW/4		ORRI:		0.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL		87.500000	
			TOTAL		100.000000	
	REMARKS: FEDERAL G NO. 4 (CA NM-87094)					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIII
THE 012 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 021	0.000000 12.500000 71.750000 15.750000	0.255213
	REMARKS: SAN JUAN 32-7 UNIT #3		TOTAL		100.000000	
FEE	T32N R7W SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 022	3.000000 12.500000 69.290000 15.210000	5.857677
	REMARKS: SAN JUAN 32-7 UNIT #3		TOTAL		100.000000	
FEE	T32N R7W SEC. 31 E/2 SE/4, SE/4 NE/4 SEC. 32 W/2 W/2	280.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 024	0.000000 12.500000 71.750000 15.750000	5.348779
	REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)		TOTAL		100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIII
THE 012 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 026 FORMER UNIT TRACT	0.000000 20.000000 80.000000	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)				100.000000	0.000000	
FEE	T31N R7W SEC. 5 TRACT 53 SEC. 6 TRACT 53	42.45	ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION COMPANY, ET AL	TRACT: 027 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: IDB ACREAGE				100.000000	0.000000	
FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 25.000000 75.000000	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM N 5 (CA NMNM 87095)				100.000000	0.000000	
FEE	T31N R7W SEC. 7 40 ACRES OF TRACT 55 SEC. 18 NW/4 SE/4, SW/4 NE/4	120.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)				100.000000	0.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIII
THE 012 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 18 40 ACRES OF TRACT 55	40.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 031 FORMER UNIT TRACT	0.000000 0.000000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)		TOTAL		100.000000	0.000000	
FEE	T31N R7W SEC. 18 SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL	TRACT: 032 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)		TOTAL		100.000000	0.000000	
	TOTAL		5234.84 - COMMITTED 992.19 - NON COMMITTED				100.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIII
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W	
SECTION 3	: N/2 SE/4
SECTION 5	: LOTS 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6	: LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4
SECTION 7	: LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8	: ALL
SECTION 9	: N/2
SECTION 17	: ALL
SECTION 18	: LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
SECTION 18	: E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W	
SECTION 2	: W/2 SW/4
SECTION 3	: E/2 SW/4, S/2 SE/4
SECTION 5	: TRACT 53
SECTION 6	: TRACT 53
SECTION 7	: TRACT 55
SECTION 1	: N/2
SECTION 1	: NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 5

TOWNSHIP 32N, RANGE 7W

SECTION 18	: E/2
SECTION 27	: LOTS 1, 2, 3, 4, 5, 6, 7, 8
SECTION 31	: E/2 SE/4, SE/4 NE/4
SECTION 32	: W/2
SECTION 35	: E/2
SECTION 36	: ALL

TOWNSHIP 32N, RANGE 7W

SECTION 31

: LOTS 5, 6, 7, 8, 9,

TOTAL COMMITTED:

5234.84

TOTAL ACRES NON-COMMITTED:

992.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

6227.03

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIV
THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/4)	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	2.580836
	REMARKS: SAN JUAN 32-7 UNIT #207		TOTAL		100.000000	
SF-078472	T32N R7W SEC. 29 NE/4 NW/4, SE/4 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 003A	5.000000 12.500000 67.650000 14.850000	1.361739
	REMARKS: SAN JUAN 32-7 UNIT #235		TOTAL		100.000000	
SF-078542	T32N R7W SEC. 35 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005	5.000000 12.500000 20.625000 61.875000	2.723479
	REMARKS: SAN JUAN 32-7 UNIT #209		TOTAL		100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIV
THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078543	T32N R7W	313.48		TRACT: 006		5.335975
	SEC. 27	LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4)	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P., WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	
	SEC. 35	NE/4				
	REMARKS:	SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209	TOTAL	100.000000	100.000000	
NM-83503	T32N R7W	189.74		TRACT: 008 FORMER UNIT TRACT		0.000000
	SEC. 31	LOTS 5,6,7,8,9	ORRI: ROYALTY: WORKING INTEREST: CNG PRODUCING COMPANY	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	
	REMARKS:	GRASSY CANYON #3 (CA NM 87178)	TOTAL	0.000000	0.000000	
NM-28749	T31N R7W	160.00		TRACT: 009 FORMER UNIT TRACT		0.000000
	SEC. 10	NE/4	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	
	REMARKS:	FEDERAL G NO. 4 (CA NM 87094)	TOTAL	100.000000	0.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIV
THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	T31N	R7W	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE ACTUAL PARTICIPATION
SF-078996				1454.43		TRACT: 010		24.756930
SEC. 3			N/2 SE/4		ORRI:		5.000000	
SEC. 5			LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		ROYALTY: WORKING INTEREST:		12.500000	
SEC. 6			LOTS 12, 14, 15, S/2 SE/4		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
SEC. 7			LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4		WILLIAMS PRODUCTION COMPANY		14.850000	
SEC. 8			ALL		TOTAL		100.000000	
REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232								

SF-078996	T31N	R7W	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE ACTUAL PARTICIPATION
				436.40		TRACT: 010A		7.428287
SEC. 5			LOT 9		ORRI:		5.000000	
SEC. 6			LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4		ROYALTY: WORKING INTEREST:		12.500000	
SEC. 7			LOTS 6, 7, N/2 SE/4, SW/4 NE/4		PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	
			TOTAL				100.000000	
REMARKS: IDB ACREAGE								

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIV
THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078998	T31N R7W	1318.91		TRACT: 011		22.450143
	SEC. 9 N/2		ORRI:		5.000000	
	SEC. 17 ALL		ROYALTY:		12.500000	
	SEC. 18 LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	
	REMARKS: SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231		TOTAL		100.000000	
E-503-13	T32N R7W	800.00		TRACT: 017A		13.617392
	SEC. 32 E/2 W/2		ORRI:		5.000000	
	SEC. 36 ALL		ROYALTY:		0.000000	
			WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	
	REMARKS: SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215		TOTAL		100.000000	
E-503-13	T32N R7W	320.00		TRACT: 017B		5.446957
	SEC. 32 E/2		ORRI:		5.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	
	REMARKS: SAN JUAN 32-7 UNIT #234		TOTAL		100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIV
THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM LG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 018 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000
	REMARKS: FEDERAL G NO. 4 (CA NM-87094)		TOTAL		100.000000	
FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 021	0.000000 12.500000 71.750000 15.750000	0.227411
	REMARKS: SAN JUAN 32-7 UNIT #3		TOTAL		100.000000	
FEE	T32N R7W SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 022	3.000000 12.500000 69.290000 15.210000	5.219546
	REMARKS: SAN JUAN 32-7 UNIT #3		TOTAL		100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIV
THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 022A	3.000000 12.500000 69.290000 15.210000	4.085218
	REMARKS: SAN JUAN 32-7 UNIT #235		TOTAL		100.000000	
FEE	T32N R7W SEC. 31 E/2 SE/4, SE/4 NE/4 SEC. 32 W/2 W/2	280.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 024	0.000000 12.500000 71.750000 15.750000	4.766087
	REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)		TOTAL		100.000000	
FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 026 FORMER UNIT TRACT	0.000000 20.000000 80.000000	0.000000
	REMARKS: YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)		TOTAL		100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIV
THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W	42.45		TRACT: 027		0.000000
	SEC. 5 TRACT 53		ORRI:	FORMER UNIT TRACT	0.000000	
	SEC. 6 TRACT 53		ROYALTY:		0.000000	
			WORKING INTEREST:			
			AMOCO PRODUCTION COMPANY, ET AL		0.000000	
			TOTAL		0.000000	
REMARKS:	IDB ACREAGE					
FEE	T31N R7W	160.00		TRACT: 028		0.000000
	SEC. 10 NW/4		ORRI:	FORMER UNIT TRACT	0.000000	
			ROYALTY:		0.000000	
			WORKING INTEREST:			
			HALLWOOD ENERGY COMPANIES, ET AL		0.000000	
			TOTAL		0.000000	
REMARKS:	YAGER COM N 5 (CA NMNM 87095)					
FEE	T31N R7W	120.00		TRACT: 030		0.000000
	SEC. 7 40 ACRES OF TRACT 55		ORRI:	FORMER UNIT TRACT	0.000000	
	SEC. 18 NW/4 SE/4, SW/4 NE/4		ROYALTY:		0.000000	
			WORKING INTEREST:			
			KINDERMAC PARTNERS, ET AL		0.000000	
			TOTAL		0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)					
	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)					
FEE	T31N R7W	40.00		TRACT: 031		0.000000
	SEC. 18 40 ACRES OF TRACT 55		ORRI:	FORMER UNIT TRACT	0.000000	
			ROYALTY:		0.000000	
			WORKING INTEREST:			
			KINDERMAC PARTNERS, ET AL		0.000000	
			TOTAL		0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIV
THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 18 SE/4 SE/4	40.00		TRACT: 032 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	SOUTHLAND ROYALTY COMPANY, ET AL						
	TOTAL				100.000000	0.000000	
REMARKS: SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)							
	TOTAL				5874.84 - COMMITTED 992.19 - NON COMMITTED		100.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIV
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W

SECTION 3 : N/2 SE/4

SECTION 5 : LOTS 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4

SECTION 6 : LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4

SECTION 7 : LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4

SECTION 8 : ALL

SECTION 9 : N/2

SECTION 17 : ALL

SECTION 18 : LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4

SECTION 18 : E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W

SECTION 2 : W/2 SW/4

SECTION 3 : E/2 SW/4, S/2 SE/4

SECTION 5 : TRACT 53

SECTION 6 : TRACT 53

SECTION 7 : TRACT 55

SECTION 1 : N/2

SECTION 1 : NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32N, RANGE 7W

SECTION 18 : E/2

SECTION 27 : LOTS 1, 2, 3, 4, 5, 6, 7, 8

SECTION 29 : W/2

SECTION 31 : E/2 SE/4, SE/4 SE/4

SECTION 32 : ALL

SECTION 35 : E/2

SECTION 36 : ALL

TOWNSHIP 32N, RANGE 7W

SECTION 31 : LOTS 5, 6, 7, 8, 9,

TOTAL COMMITTED:

5874.84

992.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

6514.84

TOTAL ACRES NON-COMMITTED:

PHILLIPS PETROLEUM COMPANY
SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/4)	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	2.355083
	REMARKS: SAN JUAN 32-7 UNIT #207		TOTAL		100.000000	
SF-078472	T32N R7W SEC. 29 NE/4 NW/4, SE/4 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 003A	5.000000 12.500000 67.650000 14.850000	1.242624
	REMARKS: SAN JUAN 32-7 UNIT #235		TOTAL		100.000000	
SF-078542	T32N R7W SEC. 35 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005	5.000000 12.500000 20.625000 61.875000	2.485248
	REMARKS: SAN JUAN 32-7 UNIT #209		TOTAL		100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078543	T32N R7W SEC. 27 LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4)	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006	5.000000 12.500000 67.650000 14.850000	4.869222
	SEC. 35 NE/4					
	REMARKS: SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209		TOTAL		100.000000	
NM-2995	T32N R7W SEC. 21 W/2 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY	TRACT: 007 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #224 COM		TOTAL		100.000000	
NM-83503	T32N R7W SEC. 31 LOTS 5,6,7,8,9	189.74	ORRI: ROYALTY: WORKING INTEREST: CNG PRODUCING COMPANY	TRACT: 008 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: GRASSY CANYON #3 (CA NM 87178)		TOTAL		0.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T31N R7W SEC. 10 NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: FEDERAL G NO. 4 (CA NM 87094)		TOTAL		100.000000	0.000000
SF-078996	T31N R7W SEC. 3 N/2 SE/4 SEC. 5 LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4 SEC. 6 LOTS 12, 14, 15, S/2 SE/4 SEC. 7 LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4 SEC. 8 ALL	1454.43	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 010	5.000000 12.500000 67.650000 14.850000 100.000000	22.591368
	REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232		TOTAL		100.000000	
SF-078996	T31N R7W SEC. 5 LOT 9 SEC. 6 LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4 SEC. 7 LOTS 6, 7, N/2 SE/4, SW/4 NE/4	436.40	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 010A	5.000000 12.500000 67.650000 14.850000 100.000000	6.778513
	REMARKS: IDB ACREAGE		TOTAL		100.000000	

02/06/96

PHILLIPS PETROLEUM COMPANY
SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W SEC. 4 LOTS 6, 7, 8, SW/4, NW/4 SE/4 SEC. 5 LOT 5	323.15	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 010B	5.000000 12.500000 67.650000 14.850000	5.019424
	REMARKS: SAN JUAN 32-7 UNIT #216		TOTAL		100.000000	
SF-078998	T31N R7W SEC. 9 N/2 SEC. 17 ALL SEC. 18 LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4	1318.91	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 011	5.000000 12.500000 67.650000 14.850000	20.486363
	REMARKS: SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231		TOTAL		100.000000	
E-503-13	T32N R7W SEC. 32 E/2 W/2 SEC. 36 ALL	800.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 017A	5.000000 12.500000 67.650000 14.850000	12.426239
	REMARKS: SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215		TOTAL		100.000000	

EFFECTIVE 92/11/01

PAGE 4

327XV.WK4

PHILLIPS PETROLEUM COMPANY
SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W SEC. 32 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 017B	5.000000 12.500000 67.650000 14.850000	4.970495
	REMARKS: SAN JUAN 32-7 UNIT #234		TOTAL		100.000000	
NM LG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 018 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000
	REMARKS: FEDERAL G NO. 4 (CA NM-87094)		TOTAL		100.000000	
FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 021	0.000000 12.500000 71.750000 15.750000	0.207518
	REMARKS: SAN JUAN 32-7 UNIT #3		TOTAL		100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 21 E/2 NW/4	80.00		TRACT: 021B		1.242624
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	SAN JUAN BASIN PARTNERSHIP				71.750000	
	WILLIAMS PRODUCTION COMPANY				15.750000	
	TOTAL				100.000000	
	REMARKS: SAN JUAN UNIT #224 COM					
FEE	T32N R7W SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64		TRACT: 022		4.762977
	ORRI:				3.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS-SAN JUAN PARTNERS, L.P.				69.290000	
	WILLIAMS PRODUCTION COMPANY				15.210000	
	TOTAL				100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #3					
FEE	T32N R7W SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00		TRACT: 022A		3.727871
	ORRI:				3.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	SAN JUAN BASIN PARTNERSHIP				69.290000	
	WILLIAMS PRODUCTION COMPANY				15.210000	
	TOTAL				100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #235					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SW/4	160.00	ORRI:	TRACT: 023A		2.485248
	SEC. 21		ROYALTY:		0.000000	
			WORKING INTEREST:		12.500000	
			SAN JUAN BASIN PARTNERSHIP		71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	
	TOTAL				100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #224 COM					
FEE	T32N R7W	280.00	ORRI:	TRACT: 024		4.349183
	SEC. 31 E/2 SE/4, SE/4 NE/4		ROYALTY:		0.000000	
	SEC. 32 W/2 W/2		WORKING INTEREST:		12.500000	
			PHILLIPS-SAN JUAN PARTNERS, L.P.		71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	
	TOTAL				100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)					
FEE	T31N R7W	160.00	ORRI:	TRACT: 026 FORMER UNIT TRACT		0.000000
	SEC. 3 E/2 SW/4, S/2 SE/4		ROYALTY:		0.000000	
			WORKING INTEREST:		20.000000	
			HALLWOOD ENERGY COMPANIES, ET AL		80.000000	
	TOTAL				100.000000	
	REMARKS: YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)					
FEE	T31N R7W	42.45	ORRI:	TRACT: 027 FORMER UNIT TRACT		0.000000
	SEC. 5 TRACT 53		ROYALTY:		0.000000	
	SEC. 6 TRACT 53		WORKING INTEREST:		12.500000	
			AMOCO PRODUCTION COMPANY, ET AL		87.500000	
	TOTAL				100.000000	
	REMARKS: IDB ACREAGE					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 25.000000 75.000000	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM N 5 (CA NMNM 87095)		TOTAL		100.000000	0.000000	
FEE	T31N R7W SEC. 7 40 ACRES OF TRACT 55 SEC. 18 NW/4 SE/4, SW/4 NE/4	120.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)		TOTAL		100.000000	0.000000	
FEE	T31N R7W SEC. 18 40 ACRES OF TRACT 55	40.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 031 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)		TOTAL		100.000000	0.000000	
FEE	T31N R7W SEC. 18 SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL	TRACT: 032 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)		TOTAL		100.000000	0.000000	
	TOTAL		6437.99 - COMMITTED 1072.19 - NON COMMITTED				100.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XV
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
SECTION 3 : N/2 SE/4
SECTION 4 : LOTS 6, 7, 8, SW/4, NW/4 SE/4
SECTION 5 : LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6 : LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4
SECTION 7 : LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8 : ALL
SECTION 9 : N/2
SECTION 17 : ALL
SECTION 18 : LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
SECTION 18 : E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
SECTION 2 : W/2 SW/4
SECTION 3 : E/2 SW/4, S/2 SE/4
SECTION 5 : TRACT 53
SECTION 6 : TRACT 53
SECTION 7 : TRACT 55
SECTION 1 : N/2
SECTION 1 : NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32N, RANGE 7W

SECTION 18 : E/2
SECTION 21 : SW/4, E/2 NW/4
SECTION 27 : LOTS 1, 2, 3, 4, 5, 6, 7, 8
SECTION 29 : W/2
SECTION 31 : E/2 SE/4, SE/4 SE/4
SECTION 32 : ALL
SECTION 35 : E/2
SECTION 36 : ALL

TOWNSHIP 32N, RANGE 7W
SECTION 21 : W/2 NW/4
SECTION 31 : LOTS 5, 6, 7, 8, 9,

TOTAL COMMITTED:

6437.99

TOTAL ACRES NON-COMMITTED:

1072.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

7510.18

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVI
THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078460	T32N R7W SEC. 20 LOTS 1, 2, 3, 4, 7, E/2 NW1/4	256.98	TRACT: 002 ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		5,000,000 12,500,000 67,650,000 14,850,000 100,000,000	3,815,607
	REMARKS: SAN JUAN 32-7 UNIT #233		TOTAL			
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW1/4)	151.62	TRACT: 003 ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5,000,000 12,500,000 67,650,000 14,850,000 100,000,000	2,251,235
	REMARKS: SAN JUAN 32-7 UNIT #207		TOTAL			
SF-078472	T32N R7W SEC. 29 NE1/4 NW1/4, SE1/4 NW1/4	80.00	TRACT: 003A ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		5,000,000 12,500,000 67,650,000 14,850,000 100,000,000	1,187,830
	REMARKS: SAN JUAN 32-7 UNIT #235		TOTAL			

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVI
THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078542	T32N R7W SE/4	160.00		TRACT: 005		2.375660
	SEC. 35		ORRI:		5.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		20.625000	
			WILLIAMS PRODUCTION COMPANY		61.875000	
	TOTAL				100.000000	
SF-078543	REMARKS: SAN JUAN 32-7 UNIT #209					
	T32N R7W	313.48		TRACT: 006		4.654512
	SEC. 27		ORRI:		5.000000	
	LOTS 5 (38.49),		ROYALTY:		12.500000	
	6 (38.21), 7 (38.25),		WORKING INTEREST:			
	8 (38.53) (SW/4)		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
	SEC. 35 NE/4		WILLIAMS PRODUCTION COMPANY		14.850000	
	TOTAL				100.000000	
NM-2995	REMARKS: SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209					
	T32N R7W	80.00		TRACT: 007		0.000000
	SEC. 21 W/2 NW/4		ORRI:	FORMER UNIT TRACT	0.000000	
			ROYALTY:		0.000000	
			WORKING INTEREST:			
			SOUTHLAND ROYALTY COMPANY		0.000000	
	TOTAL				100.000000	
NM-83503	REMARKS: SAN JUAN 32-7 UNIT #224 COM					
	T32N R7W	189.74		TRACT: 008		0.000000
	SEC. 31		ORRI:	FORMER UNIT TRACT	0.000000	
	LOTS 5,6,7,8,9		ROYALTY:		0.000000	
			WORKING INTEREST:			
			CNG PRODUCING COMPANY		0.000000	
	TOTAL				0.000000	
	REMARKS: GRASSY CANYON #3 (CA NM 87178)					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVI
THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T31N R7W	160.00		TRACT: 009		0.000000
	SEC. 10 NE/4		ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	FORMER UNIT TRACT	0.000000 0.000000 0.000000 0.000000	
			TOTAL		100.000000	
	REMARKS:	FEDERAL G NO. 4 (CA NM 87094)				
SF-078996	T31N R7W	1454.43		TRACT: 010		21.595197
	SEC. 3 N/2 SE/4		ORRI:		5.000000	
	SEC. 5 LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		12.500000 67.650000 14.850000	
	SEC. 6 LOTS 12, 14, 15, S/2 SE/4				67.650000	
	SEC. 7 LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4				14.850000	
	SEC. 8 ALL		TOTAL		100.000000	
	REMARKS:	SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232				
SF-078996	T31N R7W	436.40		TRACT: 010A		6.479613
	SEC. 5 LOT 9		ORRI:		5.000000	
	SEC. 6 LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4		ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		12.500000 67.650000 14.850000	
	SEC. 7 LOTS 6, 7, N/2 SE/4, SW/4 NE/4				67.650000	
	REMARKS:	IDB ACREAGE				
			TOTAL		100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVI
THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	323.15		TRACT: 010B		4.798091
SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI:		5.000000	
SEC. 5	LOT 5		ROYALTY:		12.500000	
			WORKING INTEREST:			
			SAN JUAN BASIN PARTNERSHIP		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #216					
SF-078998	T31N R7W	1318.91		TRACT: 011		19.583012
SEC. 9	N/2		ORRI:		5.000000	
SEC. 17	ALL		ROYALTY:		12.500000	
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231					
E-503-13	T32N R7W	800.00		TRACT: 017A		11.878301
SEC. 32	E/2 W/2		ORRI:		5.000000	
SEC. 36	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 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVI
THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W SEC. 32 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 017B	5.000000 12.500000 67.650000 14.850000	4.751321
	REMARKS: SAN JUAN 32-7 UNIT #234		TOTAL		100.000000	
NM LG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 018 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000
	REMARKS: FEDERAL G NO. 4 (CA NM-87094)		TOTAL		100.000000	
FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 021	0.000000 12.500000 71.750000 15.750000	0.198368
	REMARKS: SAN JUAN 32-7 UNIT #3		TOTAL		100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVI
THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	80.00		TRACT: 021B		1.18783
	SEC. 21 E/2 NW/4		ORRI:		0.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			SAN JUAN BASIN PARTNERSHIP		71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN UNIT #224 COM					
FEE	T32N R7W	306.64		TRACT: 022		4.552953
	SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4		ORRI:		3.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		69.290000	
			WILLIAMS PRODUCTION COMPANY		15.210000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #3					
FEE	T32N R7W	240.00		TRACT: 022A		3.56349
	SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4		ORRI:		3.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			SAN JUAN BASIN PARTNERSHIP		69.290000	
			WILLIAMS PRODUCTION COMPANY		15.210000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #235					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVI
THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 20 SW/4 SW/4	40.00		TRACT: 022B		0.593915
	ORRI:				3.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS PETROLEUM COMPANY				69.290000	
	WILLIAMS PRODUCTION COMPANY				15.210000	
	TOTAL				100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #233					
FEE	T32N R7W SEC. 21 SW/4	160.00		TRACT: 023A		2.375660
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	SAN JUAN BASIN PARTNERSHIP				71.750000	
	WILLIAMS PRODUCTION COMPANY				15.750000	
	TOTAL				100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #224 COM					
FEE	T32N R7W SEC. 31 E/2 SE/4, SE/4 NE/4 SEC. 32 W/2 W/2	280.00		TRACT: 024		4.157405
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS-SAN JUAN PARTNERS, L.P.				71.750000	
	WILLIAMS PRODUCTION COMPANY				15.750000	
	TOTAL				100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)					
FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00		TRACT: 026 FORMER UNIT TRACT		0.000000
	ORRI:				0.000000	
	ROYALTY:				20.000000	
	WORKING INTEREST:					
	HALLWOOD ENERGY COMPANIES, ET AL				80.000000	
	TOTAL				100.000000	
	REMARKS: YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVI
THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 5 TRACT 53 SEC. 6 TRACT 53	42.45	ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION COMPANY, ET AL	TRACT: 027 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: IDB ACREAGE		TOTAL	100.000000	0.000000	
FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM N 5 (CA NMNM 87095)		TOTAL	100.000000	0.000000	
FEE	T31N R7W SEC. 7 40 ACRES OF TRACT 55 SEC. 18 NW/4 SE/4, SW/4 NE/4	120.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #213 COM(CA NM 840 SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)		TOTAL	100.000000	0.000000	
FEE	T31N R7W SEC. 18 40 ACRES OF TRACT 55	40.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 031 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)		TOTAL	100.000000	0.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVI
THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
T31N R7W SEC. 18 SE/4 SE/4		40.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL	TRACT: 032 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
TOTAL					100.000000	0.000000	

REMARKS: SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)

TOTAL	6734.97 - COMMITTED	100.000000
	1072.19 - NON COMMITTED	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVI
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP	31N,	RANGE	7W
SECTION 3			: N/2 SE/4
SECTION 4			: LOTS 6, 7, 8, SW/4, NW/4 SE/4
SECTION 5			: LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6			: LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4
SECTION 7			: LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8			: ALL
SECTION 9			: N/2
SECTION 17			: ALL
SECTION 18			: LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
SECTION 18			: E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP	31N,	RANGE	7W
SECTION 2			: W/2 SW/4
SECTION 3			: E/2 SW/4, S/2 SE/4
SECTION 5			: TRACT 53
SECTION 6			: TRACT 53
SECTION 7			: TRACT 55
SECTION 1			: N/2
SECTION 1			: NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32N, RANGE 7W

SECTION 18	: E/2
SECTION 20	: LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4
SECTION 21	: SW/4, E/2 NW/4
SECTION 27	: LOTS 1, 2, 3, 4, 5, 6, 7, 8
SECTION 29	: W/2
SECTION 31	: E/2 SE/4, SE/4 SE/4
SECTION 32	: ALL
SECTION 35	: E/2
SECTION 36	: ALL

TOWNSHIP 32N, RANGE 7W	
SECTION 21	: W/2 NW/4
SECTION 31	: LOTS 5, 6, 7, 8, 9,

TOTAL COMMITTED:

6734.97

TOTAL ACRES NON-COMMITTED:

1072.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

7807.16

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078460	T32N R7W	342.97		TRACT: 002			4.852990
	SEC. 20 LOTS 1, 2, 3, 4, 7, E/2 NW/4		ORRI:		5.000000	5.000000	
	SEC. 29 LOTS 1, 2		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			PHILLIPS PETROLEUM COMPANY		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	REMARKS: SAN JUAN 32-7 UNIT #233 SAN JUAN 32-7 UNIT #238		TOTAL		100.000000	100.000000	
SF-078472	T32N R7W	151.62		TRACT: 003			2.145407
	SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/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	
	REMARKS: SAN JUAN 32-7 UNIT #207		TOTAL		100.000000	100.000000	
SF-078472	T32N R7W	80.00		TRACT: 003A			1.131992
	SEC. 29 NE/4 NW/4, SE/4 NW/4		ORRI:		5.000000	5.000000	
			ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:				
			SAN JUAN BASIN PARTNERSHIP		67.650000	67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	REMARKS: SAN JUAN 32-7 UNIT #235		TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 29 LOTS 3, 4, SE/4	246.23		TRACT: 003B		3.484129
	ORRI:				5.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS PETROLEUM COMPANY				67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	
	TOTAL				100.000000	
SF-078542	REMARKS: SAN JUAN 32-7 UNIT #238 T32N R7W SEC. 35 SE/4	160.00		TRACT: 005		2.263983
	ORRI:				5.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS-SAN JUAN PARTNERS, L.P.				20.625000	
	WILLIAMS PRODUCTION COMPANY				61.875000	
	TOTAL				100.000000	
SF-078543	REMARKS: SAN JUAN 32-7 UNIT #209 T32N R7W SEC. 27 LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4)	313.48		TRACT: 006		4.435709
	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 #207 SAN JUAN 32-7 UNIT #209					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-2995	T32N R7W SEC. 21 W/2 NW/4	80.00	TRACT: 007 FORMER UNIT TRACT				0.000000
	ORRI:						
	ROYALTY:				0.000000	0.000000	
	WORKING INTEREST:				12.500000	0.000000	
	SOUTHLAND ROYALTY COMPANY				87.500000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS: SAN JUAN 32-7 UNIT #224 COM							
NM-83503	T32N R7W SEC. 31 LOTS 5,6,7,8,9	189.74	TRACT: 008 FORMER UNIT TRACT				0.000000
	ORRI:						
	ROYALTY:				0.000000	0.000000	
	WORKING INTEREST:				12.500000	0.000000	
	CNG PRODUCING COMPANY				87.500000	0.000000	
	TOTAL				0.000000	0.000000	
REMARKS: GRASSY CANYON #3 (CA NM 87178)							
NM-28749	T31N R7W SEC. 10 NE/4	160.00	TRACT: 009 FORMER UNIT TRACT				0.000000
	ORRI:						
	ROYALTY:				0.000000	0.000000	
	WORKING INTEREST:				12.500000	0.000000	
	HALLWOOD ENERGY COMPANIES, ET AL				87.500000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS: FEDERAL G NO. 4 (CA NM 87094)							

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	T31N R7W	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996			1454.43		TRACT: 010			20.580032
	SEC. 3	N/2 SE/4		ORRI:		5.000000	5.000000	
	SEC. 5	LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		ROYALTY: WORKING INTEREST:		12.500000	12.500000	
	SEC. 6	LOTS 12, 14, 15, S/2 SE/4		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
	SEC. 7	LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	SEC. 8	ALL		TOTAL		100.000000	100.000000	
REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232								
SF-078996	T31N R7W		436.40		TRACT: 010A			6.175014
	SEC. 5	LOT 9		ORRI:		5.000000	5.000000	
	SEC. 6	LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4		ROYALTY: WORKING INTEREST:		12.500000	12.500000	
	SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
	REMARKS: IDB ACREAGE			TOTAL		100.000000	100.000000	
SF-078996	T31N R7W		323.15		TRACT: 010B			4.572539
	SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI:		5.000000	5.000000	
	SEC. 5	LOT 5		ROYALTY: WORKING INTEREST:		12.500000	12.500000	
				SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
	REMARKS: SAN JUAN 32-7 UNIT #216			TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE ACTUAL PARTICIPATION
SF-078998	T31N R7W	1318.91		TRACT: 011		18.662439
	SEC. 9 N/2		ORRI:		5.000000	
	SEC. 17 ALL		ROYALTY:		12.500000	
	SEC. 18 LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4,		WORKING INTEREST:			
	NE/4 SE/4, E/2 SW/4, SE/4 NW/4		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
	E/2 NE/4		WILLIAMS PRODUCTION COMPANY		14.850000	
	REMARKS: SAN JUAN 32-7 UNIT #6		TOTAL		100.000000	
	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)					
	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)					
	SAN JUAN 32-7 UNIT #229					
	SAN JUAN 32-7 UNIT #231					
E-503-13	T32N R7W	800.00		TRACT: 017A		11.319916
	SEC. 32 E/2 W/2		ORRI:		5.000000	
	SEC. 36 ALL		ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
	REMARKS: SAN JUAN 32-7 UNIT #204		TOTAL		100.000000	
	SAN JUAN 32-7 UNIT #210					
	SAN JUAN 32-7 UNIT #215					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W SEC. 32 E/2	320.00	TRACT: 017B			4.527966
	ORRI:				5.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	SAN JUAN BASIN PARTNERSHIP				67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	
	TOTAL				100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #234					
NM LG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00	TRACT: 018 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	HALLWOOD ENERGY COMPANIES, ET AL				87.500000	
	TOTAL				100.000000	
	REMARKS: FEDERAL G NO. 4 (CA NM-87094)					
FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36	TRACT: 021			0.189043
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS-SAN JUAN PARTNERS, L.P.				71.750000	
	WILLIAMS PRODUCTION COMPANY				15.750000	
	TOTAL				100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #3					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	80.00		TRACT: 021B		1.131992
	SEC. 21 E/2 NW/4		ORRI:		0.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			SAN JUAN BASIN PARTNERSHIP		71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN UNIT #224 COM					
FEE	T32N R7W	306.64		TRACT: 022		4.338924
	SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4		ORRI:		3.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		69.290000	
			WILLIAMS PRODUCTION COMPANY		15.210000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #3					
FEE	T32N R7W	240.00		TRACT: 022A		3.395975
	SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4		ORRI:		3.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			SAN JUAN BASIN PARTNERSHIP		69.290000	
			WILLIAMS PRODUCTION COMPANY		15.210000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #235					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SW/4 SW/4	40.00		TRACT: 022B		0.565996
	SEC. 20		ORRI:		3.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS PETROLEUM COMPANY		69.290000	
			WILLIAMS PRODUCTION COMPANY		15.210000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #233					
FEE	T32N R7W SW/4	160.00		TRACT: 023A		2.263983
	SEC. 21		ORRI:		0.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			SAN JUAN BASIN PARTNERSHIP		71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #224 COM					
FEE	T32N R7W E/2 SE/4, SE/4 NE/4 SEC. 32 W/2 W/2	280.00		TRACT: 024		3.961971
			ORRI:		0.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	
			TOTAL		100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)					
FEE	T31N R7W E/2 SW/4, S/2 SE/4	160.00		TRACT: 026 FORMER UNIT TRACT		0.000000
	SEC. 3		ORRI:		0.000000	
			ROYALTY:		20.000000	
			WORKING INTEREST:			
			HALLWOOD ENERGY COMPANIES, ET AL		80.000000	
			TOTAL		100.000000	
	REMARKS: YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 5 TRACT 53 SEC. 6 TRACT 53	42.45	ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION COMPANY, ET AL	TRACT: 027 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: IDB ACREAGE		TOTAL		100.000000	0.000000
FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM N 5 (CA NMNM 87095)		TOTAL		100.000000	0.000000
FEE	T31N R7W SEC. 7 40 ACRES OF TRACT 55 SEC. 18 NW/4 SE/4, SW/4 NE/4	120.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #213 COM(CA NM 840 SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)		TOTAL		100.000000	0.000000
FEE	T31N R7W SEC. 18 40 ACRES OF TRACT 55	40.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 031 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)		TOTAL		100.000000	0.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
131N R7W SEC. 18 SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL	TRACT: 032 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS: SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
TOTAL				100.000000	0.000000	
TOTAL				7067.19 - COMMITTED 1072.19 - NON COMMITTED		100.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W

SECTION 3	: N/2 SE/4
SECTION 4	: LOTS 6, 7, 8, SW/4, NW/4 SE/4
SECTION 5	: LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6	: LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4
SECTION 7	: LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8	: ALL
SECTION 9	: N/2
SECTION 17	: ALL
SECTION 18	: LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
SECTION 18	: E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W

SECTION 2	: W/2 SW/4
SECTION 3	: E/2 SW/4, S/2 SE/4
SECTION 5	: TRACT 53
SECTION 6	: TRACT 53
SECTION 7	: TRACT 55
SECTION 1	: N/2
SECTION 1	: NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32N, RANGE 7W

SECTION 18	: E/2
SECTION 20	: LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4
SECTION 21	: SW/4, E/2 NW/4
SECTION 27	: LOTS 1, 2, 3, 4, 5, 6, 7, 8
SECTION 29	: ALL
SECTION 31	: E/2 SE/4, SE/4 SE/4
SECTION 32	: ALL
SECTION 35	: E/2
SECTION 36	: ALL

TOWNSHIP 32N, RANGE 7W	
SECTION 21	: W/2 NW/4
SECTION 31	: LOTS 5, 6, 7, 8, 9,

TOTAL COMMITTED:

7067.19

TOTAL ACRES NON-COMMITTED:

1072.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

8139.38

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078460	T32N R7W	342.97		TRACT: 002		4.640637
	SEC. 20 LOTS 1, 2, 3, 4, 7, E/2 NW/4		ORRI:		5.000000	5.000000
	SEC. 29 LOTS 1, 2		ROYALTY:		12.500000	12.500000
			WORKING INTEREST:			
			PHILLIPS PETROLEUM COMPANY		67.650000	67.650000
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000
	REMARKS: SAN JUAN 32-7 UNIT #233 SAN JUAN 32-7 UNIT #238		TOTAL		100.000000	100.000000
SF-078472	T32N R7W	151.62		TRACT: 003		2.051530
	SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/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
	REMARKS: SAN JUAN 32-7 UNIT #207		TOTAL		100.000000	100.000000
SF-078472	T32N R7W	80.00		TRACT: 003A		1.082459
	SEC. 29 NE/4 NW/4, SE/4 NW/4		ORRI:		5.000000	5.000000
			ROYALTY:		12.500000	12.500000
			WORKING INTEREST:			
			SAN JUAN BASIN PARTNERSHIP		67.650000	67.650000
			WILLIAMS PRODUCTION COMPANY		14.850000	14.850000
	REMARKS: SAN JUAN 32-7 UNIT #235		TOTAL		100.000000	100.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 29 LOTS 3, 4, SE/4	246.23		TRACT: 003B		3.331674
	ORRI:				5.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS PETROLEUM COMPANY				67.650000	
	WILLIAMS PRODUCTION COMPANY				14.850000	
	TOTAL				100.000000	
REMARKS: SAN JUAN 32-7 UNIT #238						
SF-078542	T32N R7W SEC. 35 SE/4	160.00		TRACT: 005		2.164918
	ORRI:				5.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS-SAN JUAN PARTNERS, L.P.				20.625000	
	WILLIAMS PRODUCTION COMPANY				61.875000	
	TOTAL				100.000000	
REMARKS: SAN JUAN 32-7 UNIT #209						
SF-078543	T32N R7W SEC. 27 LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4)	313.48		TRACT: 006		4.241616
	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 #207 SAN JUAN 32-7 UNIT #209						

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-2995	T32N R7W SEC. 21 W/2 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY	TRACT: 007 FORMER UNIT TRACT	0.000000 0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #224 COM		TOTAL		100.000000 0.000000	
NM-83503	T32N R7W SEC. 31 LOTS 5,6,7,8,9	189.74	ORRI: ROYALTY: WORKING INTEREST: CNG PRODUCING COMPANY	TRACT: 008 FORMER UNIT TRACT	0.000000 0.000000 0.000000 0.000000	0.000000
	REMARKS: GRASSY CANYON #3 (CA NM 87178)		TOTAL		0.000000 0.000000	
NM-28749	T31N R7W SEC. 10 NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT TRACT	0.000000 0.000000 0.000000 0.000000	0.000000
	REMARKS: FEDERAL G NO. 4 (CA NM 87094)		TOTAL		100.000000 0.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	T31N R7W	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996			1777.82		TRACT: 010			24.055216
	SEC. 3	LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4		ORRI: ROYALTY:		5.000000	5.000000	
	SEC. 4	LOT 5, E/2 SE/4, SW/4 SE/4		WORKING INTEREST:		12.500000	12.500000	
	SEC. 5	LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
	SEC. 6	LOTS 12, 14, 15, S/2 SE/4		TOTAL		100.000000	100.000000	
	SEC. 7	LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4						
	SEC. 8	ALL						
REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #217 SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232								
SF-078996	T31N R7W		436.40		TRACT: 010A			5.904814
	SEC. 5	LOT 9		ORRI:		5.000000	5.000000	
	SEC. 6	LOTS 8,9,10,11,13, NW/4 SE/4, NE/4 SW/4		ROYALTY: WORKING INTEREST:		12.500000	12.500000	
	SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
	REMARKS: IDB ACREAGE			TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	323.15		TRACT: 010B		4.372458
	SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4	ORRI:		5.000000	
	SEC. 5	LOT 5	ROYALTY:		12.500000	
			WORKING INTEREST:			
			SAN JUAN BASIN PARTNERSHIP		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	
	REMARKS:	SAN JUAN 32-7 UNIT #216				
SF-078998	T31N R7W	1318.91		TRACT: 011		17.845825
	SEC. 9	N/2	ORRI:		5.000000	
	SEC. 17	ALL	ROYALTY:		12.500000	
	SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4	WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	
	REMARKS:	SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231				

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W SEC. 32 E/2 W/2 SEC. 36 ALL	800.00		TRACT: 017A	5.000000 12.500000 0.000000 0.000000 0.000000	10.824590
	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY					
	REMARKS: SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215				100.000000 0.000000	
	TOTAL					
E-503-13	T32N R7W SEC. 32 E/2	320.00		TRACT: 017B	5.000000 12.500000 0.000000 0.000000 0.000000	4.329836
	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY					
	REMARKS: SAN JUAN 32-7 UNIT #234				100.000000 100.000000	
	TOTAL					
NM LG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00		TRACT: 018 FORMER UNIT TRACT	0.000000 12.500000 0.000000 0.000000 0.000000	0.000000
	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL					
	REMARKS: FEDERAL G NO. 4 (CA NM-87094)				100.000000 100.000000	
	TOTAL					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 021	0.000000 12.500000 71.750000 15.750000	0.180771
	REMARKS: SAN JUAN 32-7 UNIT #3					
FEE	T32N R7W SEC. 21 E/2 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 021B	0.000000 12.500000 71.750000 15.750000	1.082459
	REMARKS: SAN JUAN UNIT #224 COM					
FEE	T32N R7W SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 022	3.000000 12.500000 69.290000 15.210000	4.149065
	REMARKS: SAN JUAN 32-7 UNIT #3				100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 022A	3.000000 12.500000 69.290000 15.210000 100.000000	3.247377
	REMARKS: SAN JUAN 32-7 UNIT #235					
FEE	T32N R7W SEC. 20 SW/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 022B	3.000000 12.500000 69.290000 15.210000 100.000000	0.541230
	REMARKS: SAN JUAN 32-7 UNIT #233					
FEE	T32N R7W SEC. 21 SW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 023A	0.000000 12.500000 71.750000 15.750000 100.000000	2.164918
	REMARKS: SAN JUAN 32-7 UNIT #224 COM					
FEE	T32N R7W SEC. 31 E/2 SE/4, SE/4 NE/4 SEC. 32 W/2 W/2	280.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY TOTAL	TRACT: 024	0.000000 12.500000 71.750000 15.750000 100.000000	3.788607
	REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 026 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)		TOTAL		100.000000 0.000000	
FEE	T31N R7W SEC. 5 TRACT 53 SEC. 6 TRACT 53	42.45	ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION COMPANY, ET AL	TRACT: 027 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: IDB ACREAGE		TOTAL		100.000000 0.000000	
FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM N 5 (CA NMNM 87095)		TOTAL		100.000000 0.000000	
FEE	T31N R7W SEC. 7 40 ACRES OF TRACT 55 SEC. 18 NW/4 SE/4, SW/4 NE/4	120.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT TRACT	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #213 COM(CA NM 840 SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)		TOTAL		100.000000 0.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 18 40 ACRES OF TRACT 55	40.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 031 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)		TOTAL		100.000000	0.000000	
FEE	T31N R7W SEC. 18 SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL	TRACT: 032 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)		TOTAL		100.000000	0.000000	
	TOTAL		7390.58 - COMMITTED 1072.19 - NON COMMITTED				100.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP	31N, RANGE	7W
SECTION 3	: LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4	
SECTION 4	: LOTS 5, 6, 7, 8, S/2 (ALL)	
SECTION 5	: LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4	
SECTION 6	: LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, NE/4 SW/4	
SECTION 7	: LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4	
SECTION 8	: ALL	
SECTION 9	: N/2	
SECTION 17	: ALL	
SECTION 18	: LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4	
SECTION 18	: E/2 NE/4	

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP	31N, RANGE	7W
SECTION 2	: W/2 SW/4	
SECTION 3	: E/2 SW/4, S/2 SE/4	
SECTION 5	: TRACT 53	
SECTION 6	: TRACT 53	
SECTION 7	: TRACT 55	
SECTION 1	: N/2	
SECTION 1	: NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55	

TOWNSHIP 32N, RANGE 7W

SECTION 18	: E/2
SECTION 20	: LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4
SECTION 21	: SW/4, E/2 NW/4
SECTION 27	: LOTS 1, 2, 3, 4, 5, 6, 7, 8
SECTION 29	: ALL
SECTION 31	: E/2 SE/4, SE/4 SE/4
SECTION 32	: ALL
SECTION 35	: E/2
SECTION 36	: ALL

TOWNSHIP	32N, RANGE	7W
SECTION 21	: W/2 NW/4	
SECTION 31	: LOTS 5, 6, 7, 8, 9,	

TOTAL COMMITTED:

7390.58

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 8462.77

TOTAL ACRES NON-COMMITTED:

1072.19



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 N.W. 3004

0 0 7 5 0 1 5 5 2

January 2, 1996

United States Department of Interior
Bureau of Land Management
Farmington Resource Area
1235 La Plata Hwy.
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 32-7 UNIT
#14-08-001-441, OGRID NO. 099208, 017654
FRUITLAND PARTICIPATING AREA APPLICATION

Twelfth Expansion	- Effective	07/01/91
Thirteenth Expansion	- Effective	10/01/92
Fourteenth Expansion	- Effective	11/01/92
Fifteenth Expansion	- Effective	12/01/92
Sixteenth Expansion	- Effective	01/01/93
Seventeenth Expansion	- Effective	12/01/94

Notice of Completion of Non-Commercial Wells

San Juan 32-7 Unit #202
San Juan 32-7 Unit #203
San Juan 32-7 Unit #211
San Juan 32-7 Unit #214
San Juan 32-7 Unit #222
San Juan 32-7 Unit #236
San Juan 32-7 Unit #237
Rio Arriba County, New Mexico
GF-5464, LCN 650115

Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 16, 1952, 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, application for the Twelfth through Seventeenth Expansions of the Participating Area established for the Fruitland Formation are submitted for your review as follows:

TWELFTH EXPANDED PARTICIPATING AREA - EFFECTIVE JULY 1, 1991

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
Lots 5,6,7,8,9, E/2 SE/4, SE/4 NE/4 Section 31- T32N-R7W	120.00	Grassy Canyon #3
N/2 Section 9-T31N-R7W	320.00	229
W/2 Section 8-T31N-R7W	320.00	*232
Tract 53, Lot 9 in Section 5- T31N-R7W, Tract 53, Lots 8,9,10,11,13, NE/4 SW/4, SW/4 NE/4 Section 6-T31N-R7W	279.16	*N/A

***Intervening Drill Block**

The Grassy Canyon #3 was completed June 10, 1991. The Fruitland Formation was tested on June 10, 1991, with cumulative gas production of 596,138 MCF through May 31, 1995. The spacing unit for this well is described as Lots 5,6,7,8,9, E/2 SE/4, SE/4 NE/4 Section 31-T32N-R7W. Only 120 acres of this drillblock (E/2 SE/4, SE/4 NE/4) is committed to the San Juan 32-7 Unit.

The San Juan 32-7 Unit #229 was completed on June 29, 1991. The Fruitland Formation was tested on June 27, 1991, with cumulative gas production of 524,757 MCF through October 31, 1995. The spacing unit for this well is described as N/2 Section 9-T31N-R7W and contains 320 acres.

INTERVENING DRILL BLOCK
NOTICE OF COMPLETION OF ADDITIONAL WELL

The San Juan 32-7 Unit #232 well was completed on October 31, 1992. The Fruitland Formation was tested on October 30, 1992, with cumulative gas production of 207,318 MCF through October 31, 1995. The spacing unit for this well is described as W/2 Section 8-T31N-R7W, containing 320 acres.

In addition, an intervening drillblock was created per the terms of the San Juan 32-7 Unit Agreement as a result of the approval of the San Juan 32-7 #218 and Grassy Canyon #3 wells as commercial wells. No well has been drilled on this intervening drillblock. The drillblock is described as Tract 53, Lots 8,9,10,11,13, NE/4 SW/4, NW/4 SE/4 in Section 6-T31N-R7W, containing 321.61 acres. All of this drillblock is committed to the San Juan 32-7 Unit except for the 42.45 acres which comprises Tract 53 in Section 5 and 6-T31N-R7W.

THIRTEENTH EXPANDED PARTICIPATING AREA - EFFECTIVE OCTOBER 1, 1992

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
E/2 Section 32-T32-R7W	320.00	234
W/2 Section 29-T32N-R7W	320.00	235

The San Juan 32-7 Unit #234 was completed on September 12, 1992. The Fruitland Formation was tested on September 10, 1992, with cumulative gas production of 362,983 MCF through October 31, 1995. The spacing unit for this well is described as E/2 Section 32-T32N-R7W, containing 320 acres.

The San Juan 32-7 Unit #235 was completed on September 27, 1992. The Fruitland Formation was tested on September 22, 1992, with cumulative gas production of 1,153,674 MCF through October 31, 1995. The spacing unit for this well is described as W/2 Section 29-T32N-R7W, containing 320 acres.

FOURTEENTH EXPANDED PARTICIPATING AREA - EFFECTIVE NOVEMBER 1, 1992

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
W/2 Section 21-T32N-R7W	320.00	224 Com
Lots 6,7,8, SW/4, NW/4 SE/4 Section 4-T31N-R7W; Lot 5 of Section 5-T31N-R7W	323.15	216

The San Juan 32-7 Unit #224 Com was completed on October 24, 1992. The Fruitland Formation was tested on October 22, 1992, with cumulative gas production of 295,025 MCF through October 31, 1995. The spacing unit for this well is described as W/2 Section 21-T32N-R7W, containing 320 acres. All of the lands within this spacing unit are committed to the San Juan 32-7 Unit except 80 acres (W/2 NW/4).

The San Juan 32-7 Unit #216 was completed on October 12, 1992. The Fruitland Formation was tested on October 6, 1992, with cumulative gas production of 459,196 MCF through October 31, 1995. The spacing unit for this well is described as Lots 6,7,8, SW/4, NW/4 SE/4 in Section 4-T31N-R7W, Lot 5 in Section 5-T31N-R7W, containing 323.15 acres.

FIFTEENTH EXPANDED PARTICIPATING AREA - EFFECTIVE DECEMBER 1, 1992

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
Lots 1,2,3,4,7, E/2 NW/4, SW/4 SW/4 Section 20- T32N-R7W	296.98	233

The San Juan 32-7 Unit #233 was completed on November 19, 1992. The Fruitland Formation was tested on November 18, 1992, with cumulative gas production of 541,689 MCF through October 31, 1995. The spacing unit for this well is described as Lots 1,2,3,4,7, E/2 NW/4, SW/4 SW/4 Section 20-T32N-R7W, containing 296.98 acres.

SIXTEENTH EXPANDED PARTICIPATING AREA - EFFECTIVE JANUARY 1, 1993

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
Lots 1,2,3,4, SE/4 Section 29-T32N-R7W	332.22	238

The San Juan 32-7 Unit #238 was completed December 4, 1992. The Fruitland Formation was tested December 4, 1992, with cumulative gas production of 919,819 MCF through October 31, 1995. The spacing unit for this well is described as Lots 1,2,3,4, SE/4 Section 29-T32N-R7W, containing 332.22 acres.

SEVENTEENTH EXPANDED PARTICIPATING AREA - EFFECTIVE DECEMBER 1, 1994

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
Lots 5,6,7,8, W/2 SW/4 Section 3- T31N-R7W; Lot 5, E/2 SE/4, SW/4 SE/4 Section 4- T31N-R7W	323.39	217

The San Juan 32-7 Unit #217 was originally completed on May 11, 1991. Per letter dated September 14, 1995, the BLM determined this well to be commercial. Inasmuch as this determination was based upon a recavitation which was completed in November, 1994, the well is entering the Fruitland Participating Area effective December 1, 1994. The #217 well has cumulative gas production of 159,314 MCF through October, 1995. The spacing unit for this well is described as Lots 5,6,7,8, W/2 SW/4 Section 3-T31N-R7W and Lot 5, E/2 SE/4, SW/4 SE/4 Section 4-T31N-R7W, containing 323.39 acres.

NOTICE OF COMPLETION OF NON-COMMERCIAL WELLS

Pursuant to provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, Phillips Petroleum Company has determined that the following wells are not capable of producing unitized substances in paying quantities from the Fruitland Formation.

<u>Drilling Block</u>	<u>Acres</u>	<u>Well Number</u>
Lots 1,2,7,8,9,10,11,12 Section 22-T32N-R7W	331.40	203
Lots 1,2,3,4, E/2 W/2 Section 18-T32N-R7W	314.76	202
W/2 Section 34-T32N-R7W	320.00	214
W/2 Section 35-T32N-R7W	320.00	211
Lots 5,6, E/2 SE/4, NE/4 Section 20-T32N-R7W	310.55	222
E/2 Section 28-T32N-R7W	320.00	237
W/2 Section 28-T32N-R7W	320.00	236

The San Juan 32-7 Unit #203 was completed November 26, 1989. The Fruitland Formation was tested November 26, 1989, with cumulative gas production of 17,844 MCF through October 31, 1995. The spacing unit for this well is described as Lots 1,2,7,8,9,10,11,12 Section 22-T32N-R7W, containing 331.40 acres.

The San Juan 32-7 Unit #202 was completed November 30, 1989. The Fruitland Formation was tested November 30, 1989, with cumulative gas production of 98,289 MCF through October 31, 1995. The spacing unit for this well is described as Lots 1,2,3,4, E/2 W/2 Section 18-T32N-R7W, containing 314.76 acres.

The San Juan 32-7 Unit #214 was completed May 28, 1991. The Fruitland Formation was tested May 24, 1991, with cumulative gas production of 153,922 MCF through October 31, 1995. The spacing unit for this well is described as W/2 Section 34-T32N-R7W, containing 320 acres.

The San Juan 32-7 Unit #211 was completed June 3, 1991. The Fruitland Formation was tested June 2, 1991, with cumulative gas production of 8,650 MCF through October 31, 1995. The spacing unit for this well is described as W/2 Section 35-T32N-R7W, containing 320 acres.

The San Juan 32-7 Unit #222 was completed August 29, 1992. The Fruitland Formation was tested August 27, 1992, with cumulative gas production of 66,469 MCF through October 31, 1995. The spacing unit for this well is described as Lots 5,6, E/2 SE/4, NE/4 Section 20-T32N-R7W, containing 310.55 acres.

The San Juan 32-7 Unit #237 was completed November 24, 1992. The Fruitland Formation was tested November 22, 1992, with cumulative gas production of 122,668 MCF through October 31, 1995. The spacing unit for this well is described as E/2 Section 28-T32N-R7W, containing 320 acres.

The San Juan 32-7 Unit #236 was completed December 7, 1992. The Fruitland Formation was completed December 4, 1992, with cumulative gas production of 3,933 MCF through October 31, 1995. The spacing unit for this well is described as W/2 Section 28-T32N-R7W, containing 320 acres.

Enclosed with this letter are Schedules XIII, XIV, XV, XVI, XVII and XVIII for the Twelfth, Thirteenth, Fourteenth, Fifteenth, Sixteenth and Seventeenth Expanded Participating Areas for the Fruitland Formation of the San Juan 32-7 Unit Area. These schedules describe the leases comprising each expansion of the Participating Area and indicate the percentages of unitized substances allocated to the unit tracts according to the Fruitland ownership of such tracts.

Unless this application is disapproved or contested, the Twelfth, Thirteenth, Fourteenth, Fifteenth, Sixteenth and Seventeenth Expanded Participating Areas are effective July 1, 1991, October 1, 1992, November 1, 1992, December 1, 1992, January 1, 1993 and December 1, 1994, respectively. Copies of this application with enclosures are being sent to the Unit working interest owners on the attached sheet.

Very truly yours,

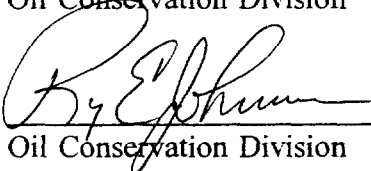
Patrick H. Noah
Senior Land Specialist
San Juan Basin
(505) 599-3410

cc: San Juan 32-7 Owners
C.D. Richard (r) Land Supervisors
J.L. Mathis (r) G.F.-5464
San Juan 30-5 Unit
#14-08-441
Twelfth - Seventeenth Expansions

The signatory approvals below are for the Twelfth, Thirteenth, Fourteenth, Fifteenth, Sixteenth and Seventeenth expanded participating areas of the Fruitland Formation in the San Juan 32-7 Unit #14-08-441.

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

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

APPROVED  _____ DATE 1-16-96
Oil Conservation Division
Subject to like approval by the
Area Oil and Gas Supervisor and the
Commissioner of Public Lands

**SAN JUAN 32-7 UNIT
WORKING INTEREST OWNERS**

Elizabeth Calloway

Meridian Oil Production Inc.

Phillips Petroleum Company

Phillips-San Juan Partners, L.P.

San Juan Basin Partnership

Fred E. Turner

J. Glenn Turner, Jr.

John L. Turner

Mary Francis Turner, Jr.

Williams Production Company

DATE 12/21/85

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIII
THE 012 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/4)	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	2.896364
REMARKS:	SAN JUAN 32-7 UNIT #207	TOTAL			100.000000	100.000000	
SF-078542	T32N R7W SEC. 35 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005	5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	3.056445
REMARKS:	SAN JUAN 32-7 UNIT #209	TOTAL			100.000000	100.000000	
SF-078543	T32N R7W SEC. 27 LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4) NE/4	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	5.988340
REMARKS:	SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209	TOTAL			100.000000	100.000000	
NM-83503	T32N R7W SEC. 31 LOTS 5,6,7,8,9	189.74	ORRI: ROYALTY: WORKING INTEREST: CNG PRODUCING COMPANY	TRACT: 008 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	GRASSY CANYON #3 (CA NM 87178)	TOTAL			0.000000	0.000000	

EFFECTIVE 9/10/701

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XIII
 THE 012 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

DATE 12/21/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T31N R7W SEC. 10 NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	TOTAL				100.000000	0.000000	
SF-078898	T31N R7W SEC. 3 N/2 SE/4 SEC. 5 LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4 SEC. 6 LOTS 12, 14, 15, S/2 SE/4 SEC. 7 LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4 SEC. 8 ALL	1454.43	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 010	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	27.783657
	TOTAL				100.000000	100.000000	
REMARKS:	FEDERAL G NO. 4 (CA NM 87094)						
REMARKS:	SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232						
SF-078996	T31N R7W SEC. 5 LOT 9 SEC. 6 LOTS 8, 9, 10, 11, 13, NW/4 SE/4, SE/4 NW/4 SEC. 7 LOTS 6, 7, N/2 SE/4, SW/4 NE/4	436.40	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 010A	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	8.336453
	TOTAL				100.000000	100.000000	
REMARKS:	IDB ACREAGE						

DATE 12/27/95

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XIII
 THE 012 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078998	T31N RTW	1318.91		TRACT: 011			25.194848
SEC. 9	N/2		ORRI:		5.000000	5.000000	
SEC. 17	ALL		ROYALTY:		12.500000	12.500000	
SEC. 18	LOT 9, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:	TOTAL						
	SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84046) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231						
E-503-13	T32N RTW	800.00		TRACT: 017A			15.282224
SEC. 32	E/2 W/2		ORRI:		5.000000	5.000000	
SEC. 36	ALL		ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		12.500000 67.650000 14.850000	0.000000 0.000000 0.000000	
REMARKS:	TOTAL						
	SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215						
NM LG 3876	T31N RTW	80.00		TRACT: 018 FORMER UNIT TRACT			0.000000
SEC. 2	W/2 SW/4		ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL		0.000000 12.500000 87.500000	0.000000 12.500000 87.500000	
REMARKS:	TOTAL						
	FEDERAL G NO. 4 (CA NM-87094)						

EFFECTIVE 9/10/701

DATE 12/21/95

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XIII
 THE 012 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N RTW	13.36		TRACT: 021			0.255213
	SEC. 18 EAST 441 FEET OF NE/4 NE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	
REMARKS:	SAN JUAN 32-7 UNIT #3						
	TOTAL				100.000000	100.000000	
FEE	T32N RTW	306.64		TRACT: 022			5.867677
	SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	
REMARKS:	SAN JUAN 32-7 UNIT #3						
	TOTAL				100.000000	100.000000	
FEE	T32N RTW	280.00		TRACT: 024			5.348779
	SEC. 31 E/2 SE/4, SE/4 NE/4 SEC. 32 W/2 W/2		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	
REMARKS:	SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87179)						
	TOTAL				100.000000	100.000000	

EFFECTIVE 9/10/701

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XIII
 THE 012 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

DATE 12/21/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W	160.00		TRACT: 026			0.000000
	SEC. 3 E/2 SW/4, S/2 SE/4			FORMER UNIT TRACT	0.000000	0.000000	
			ORRI:		20.000000	0.000000	
			ROYALTY:				
			WORKING INTEREST:				
			HALLWOOD ENERGY COMPANIES, ET AL		80.000000	0.000000	
			TOTAL		100.000000	0.000000	
REMARKS:	YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)						
FEE	T31N R7W	42.45		TRACT: 027			0.000000
	SEC. 5 TRACT 53		ORRI:	FORMER UNIT TRACT	0.000000	0.000000	
	SEC. 6 TRACT 53		ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:				
			AMOCO PRODUCTION COMPANY, ET AL		87.500000	0.000000	
			TOTAL		100.000000	0.000000	
REMARKS:	IDB ACREAGE						
FEE	T31N R7W	160.00		TRACT: 028			0.000000
	SEC. 10 NW/4		ORRI:	FORMER UNIT TRACT	0.000000	0.000000	
			ROYALTY:		25.000000	0.000000	
			WORKING INTEREST:				
			HALLWOOD ENERGY COMPANIES, ET AL		75.000000	0.000000	
			TOTAL		100.000000	0.000000	
REMARKS:	YAGER COM N 5 (CA NMNM 87095)						
FEE	T31N R7W	120.00		TRACT: 030			0.000000
	SEC. 7 40 ACRES OF TRACT 55		ORRI:	FORMER UNIT TRACT	0.000000	0.000000	
	SEC. 18 NW/4 SE/4, SW/4 NE/4		ROYALTY:		12.500000	0.000000	
			WORKING INTEREST:				
			KINDERMAC PARTNERS, ET AL		87.500000	0.000000	
			TOTAL		100.000000	0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						

DATE 12/21/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIII
THE 012 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	TR31N RTW	40.00		TRACT: 031			0.000000
	SEC. 18	40 ACRES OF TRACT 55	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	
	REMARKS:	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)	TOTAL		100.000000	0.000000	
FEE	TR31N RTW	40.00		TRACT: 032			0.000000
	SEC. 18	SE/4 SE/4	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL	FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	
	REMARKS:	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)	TOTAL		100.000000	0.000000	
		TOTAL			6234.84 - COMMITTED		100.000000
					992.19 - NON COMMITTED		

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XIII
 RECAPITULATION

DATE 12/21/95

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
 SECTION 3 : N/2 SE/4
 SECTION 5 : LOTS 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
 SECTION 6 : LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, SE/4 NW/4
 SECTION 7 : LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
 SECTION 8 : ALL
 SECTION 9 : N/2
 SECTION 17 : ALL
 SECTION 18 : LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
 SECTION 18 : E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
 SECTION 2 : W/2 SW/4
 SECTION 3 : E/2 SW/4, S/2 SE/4
 SECTION 5 : TRACT 53
 SECTION 8 : TRACT 53
 SECTION 7 : TRACT 55
 SECTION 10 : N/2
 SECTION 18 : NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32N, RANGE 7W
 SECTION 31 : LOTS 5, 6, 7, 8, 9,

TOWNSHIP 32N, RANGE 7W
 SECTION 18 : E/2
 SECTION 27 : LOTS 1, 2, 3, 4, 5, 6, 7, 8
 SECTION 31 : E/2 SE/4, SE/4 NE/4
 SECTION 32 : W/2
 SECTION 35 : E/2
 SECTION 36 : ALL

TOTAL COMMITTED: 5234.84

TOTAL ACRES NON-COMMITTED: 992.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 6227.03

DATE 12/22/95

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XIV
 THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/4)	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	2.580836
REMARKS:	SAN JUAN 32-7 UNIT #207						
SF-078472	T32N R7W SEC. 28 NE/4 NW/4, SE/4 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 003A	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.361739
REMARKS:	SAN JUAN 32-7 UNIT #235						
SF-078542	T32N R7W SEC. 35 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005	5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	2.723479
REMARKS:	SAN JUAN 32-7 UNIT #209						
SF-078543	T32N R7W SEC. 27 LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4) * SEC. 35 NE/4	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	5.335975
REMARKS:	SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209						
TOTAL					100.000000	100.000000	

EFFECTIVE 92/10/01

DATE 12/22/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIV
THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-83503	T32N R7W SEC. 31 LOTS 5, 6, 7, 8, 9	189.74	ORRI: ROYALTY: WORKING INTEREST: ONG PRODUCING COMPANY	TRACT: 008 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	GRASSY CANYON #3 (CA NM 87176)						
TOTAL					0.000000	0.000000	
NM-26749	T31N R7W SEC. 10 NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	FEDERAL G. NO. 4 (CA NM 87094)						
TOTAL					100.000000	0.000000	
01-07/04/95	T31N R7W SEC. 3 N/2 SE/4 SEC. 5 LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4 SEC. 6 LOTS 12, 14, 15, S/2 SE/4 SEC. 7 LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4 SEC. 8 ALL	1484.43	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 010	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	24.760030
REMARKS:	SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G. NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232						
TOTAL					100.000000	100.000000	

EFFECTIVE 92/10/01

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIV

THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 12/22/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078998	T31N R7W	436.40		TRACT: 010A			7.42827
SEC. 5	LOT 9		ORRI:		5.000000	5.000000	
SEC. 6	LOTS 8,9,10,11,13, NW/4 SE/4, SE/4 NW/4		ROYALTY:		12.500000	12.500000	
SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:	IDB ACREAGE		TOTAL		100.000000	100.000000	
SF-078998	T31N R7W	1318.91		TRACT: 011			22.450143
SEC. 8	N/2		ORRI:		5.000000	5.000000	
SEC. 17	ALL		ROYALTY:		12.500000	12.500000	
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231		TOTAL		100.000000	100.000000	
E-503-13	T32N R7W	800.00		TRACT: 017A			13.617392
SEC. 32	E/2 W/2		ORRI:		5.000000	5.000000	
SEC. 36	ALL		ROYALTY:		12.500000	0.000000	
			WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	0.000000 0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215		TOTAL		100.000000	0.000000	

DATE 12/22/95

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XIV
 THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W SEC. 32 E/2	320.00		TRACT: 017B			5.446857
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				67.650000	67.650000	
	SAN JUAN BASIN PARTNERSHIP				14.850000	14.850000	
	WILLIAMS PRODUCTION COMPANY						
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #234						
NMLG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00		TRACT: 018 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				87.500000	87.500000	
	HALLWOOD ENERGY COMPANIES, ET AL						
	TOTAL				100.000000	100.000000	
REMARKS:	FEDERAL G NO. 4 (CA NM-87094)						
FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36		TRACT: 021			0.227411
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				71.750000	71.750000	
	PHILLIPS-SAN JUAN PARTNERS, L.P.				15.750000	15.750000	
	WILLIAMS PRODUCTION COMPANY						
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #3						
FEE	T32N R7W SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64		TRACT: 022			5.219546
	ORRI:				3.000000	3.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:				69.290000	69.290000	
	PHILLIPS-SAN JUAN PARTNERS, L.P.				15.210000	15.210000	
	WILLIAMS PRODUCTION COMPANY						
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #3						

EFFECTIVE 9/2/10/01

PHILLIPS PETROLEUM COMPANY

SCHEDULE XIV
THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 12/22/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00	TRACT: 022A ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	4.085218
REMARKS:	SAN JUAN 32-7 UNIT #235						
FEE	T32N R7W SEC. 31 SEC. 32 E/2 SE/4, SE/4 NE/4 W/2 W/2	280.00	TRACT: 024 ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	4.766087
REMARKS:	SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)						
FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	TRACT: 026 ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL		0.000000 20.000000 80.000000	0.000000 0.000000 0.000000	0.000000
REMARKS:	YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)						
FEE	T31N R7W SEC. 5 SEC. 6 TRACT 53	42.45	TRACT: 027 ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION COMPANY, ET AL		0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	IDB ACREAGE						
TOTAL					100.000000	0.000000	

EFFECTIVE 92/10/01

DATE 12/22/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIV
THE 013 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N RTW SEC. 10 NW/4	160.00		TRACT: 028 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				25.000000	0.000000	
	WORKING INTEREST:						
	HALLWOOD ENERGY COMPANIES, ET AL				75.000000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS:	YAGER COM N 5 (CA NMNM 87095)						
FEE	T31N RTW SEC. 7 40 ACRES OF TRACT S5 SEC. 18 NW/4 SE/4, SW/4 NE/4	120.00		TRACT: 030 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	0.000000	
	WORKING INTEREST:						
	KINDERMAC PARTNERS, ET AL				87.500000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
FEE	T31N RTW SEC. 18 40 ACRES OF TRACT S5	40.00		TRACT: 031 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	0.000000	
	WORKING INTEREST:						
	KINDERMAC PARTNERS, ET AL				87.500000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)						
FEE	T31N RTW SEC. 18 SE/4 SE/4	40.00		TRACT: 032 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	0.000000	
	WORKING INTEREST:						
	SOUTHLAND ROYALTY COMPANY, ET AL				87.500000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
	TOTAL				6874.84 - COMMITTED		100.000000
					992.19 - NON COMMITTED		

DATE 12/21/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XIV
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
SECTION 3 : N/2 SE/4
SECTION 5 : LOTS 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6 : LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, SE/4 NW/4
SECTION 7 : LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8 : ALL
SECTION 9 : N/2
SECTION 17 : ALL
SECTION 18 : LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
SECTION 18 : E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
SECTION 2 : W/2 SW/4
SECTION 3 : E/2 SW/4, S/2 SE/4
SECTION 5 : TRACT 53
SECTION 6 : TRACT 53
SECTION 7 : TRACT 55
SECTION 10 : N/2
SECTION 10 : NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32N, RANGE 7W
SECTION 18 : E/2
SECTION 27 : LOTS 1, 2, 3, 4, 5, 6, 7, 8
SECTION 29 : W/2
SECTION 31 : E/2 SE/4, SE/4 SE/4
SECTION 32 : ALL
SECTION 35 : E/2
SECTION 36 : ALL

TOWNSHIP 32N, RANGE 7W
SECTION 31 : LOTS 5, 6, 7, 8, 9.

TOTAL COMMITTED: 5874.84

TOTAL ACRES NON-COMMITTED:

992.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 6514.84

DATE 12/22/85

PHILLIPS PETROLEUM COMPANY
SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/4)	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	2.355083
REMARKS:	SAN JUAN 32-7 UNIT #207						
TOTAL					100.000000	100.000000	
SF-078472	T32N R7W SEC. 29 NE/4 NW/4, SE/4 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 003A	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	1.242624
REMARKS:	SAN JUAN 32-7 UNIT #235						
TOTAL					100.000000	100.000000	
SF-078542	T32N R7W SEC. 35 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005	5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	2.485248
REMARKS:	SAN JUAN 32-7 UNIT #209						
TOTAL					100.000000	100.000000	
SF-078543	T32N R7W SEC. 27 LOTS 5 (38.48), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4) SEC. 35 NE/4	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	4.869222
REMARKS:	SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209						
TOTAL					100.000000	100.000000	

EFFECTIVE 9/21/01

DATE 12/22/95

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XV
 THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-2895	T32N R7W SEC. 21 W/2 NW/4	80.00		TRACT: 007 FORMER UNIT TRACT	0.000000 12.500000	0.000000 0.000000	0.000000
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	SOUTHLAND ROYALTY COMPANY				87.500000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS: SAN JUAN 32-7 UNIT #224 COM							
NM-83503	T32N R7W SEC. 31 LOTS 5,6,7,8,9	189.74		TRACT: 008 FORMER UNIT TRACT	0.000000 12.500000	0.000000 0.000000	0.000000
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	CNG PRODUCING COMPANY				87.500000	0.000000	
	TOTAL				0.000000	0.000000	
REMARKS: GRASSY CANYON #3 (CA NM 87179)							
NM-28748	T31N R7W SEC. 10 NE/4	160.00		TRACT: 009 FORMER UNIT TRACT	0.000000 12.500000	0.000000 0.000000	0.000000
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	HALLWOOD ENERGY COMPANIES, ET AL				87.500000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS: FEDERAL G NO. 4 (CA NM 87094)							

EFFECTIVE 92/11/01

PHILLIPS PETROLEUM COMPANY

SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 12/22/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	1454.43		TRACT: 010			22.591368
SEC. 3	N/2 SE/4		ORRI:		5.000000	5.000000	
SEC. 5	LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		ROYALTY:		12.500000	12.500000	
SEC. 6	LOTS 12, 14, 15, S/2 SE/4		WORKING INTEREST:		67.650000	67.650000	
SEC. 7	LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4		PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
SEC. 8	ALL		TOTAL		100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84046) SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232						
SF-078996	T31N R7W	436.40		TRACT: 010A			6.778513
SEC. 5	LOT 9		ORRI:		5.000000	5.000000	
SEC. 6	LOTS 8, 9, 10, 11, 13, NW/4 SE/4, SE/4 NW/4		ROYALTY:		12.500000	12.500000	
SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:	IDB ACREAGE						
	TOTAL				100.000000	100.000000	
SF-078996	T31N R7W	323.15		TRACT: 010B			5.019424
SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI:		5.000000	5.000000	
SEC. 5	LOT 5		ROYALTY:		12.500000	12.500000	
	WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY				67.650000 14.850000	67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #216						
	TOTAL				100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY

SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 12/22/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078998	T31N RTW	1318.91		TRACT: 011			20.486363
SEC. 9	N/2		ORRI:		5.000000	5.000000	
SEC. 17	ALL		ROYALTY:		12.500000	12.500000	
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231		TOTAL		100.000000	100.000000	
E-503-13	T32N RTW	800.00		TRACT: 017A			12.426239
SEC. 32	E/2 W/2		ORRI:		6.000000	5.000000	
SEC. 36	ALL		ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		12.500000 67.650000 14.850000	0.000000 0.000000 0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215		TOTAL		100.000000	0.000000	
E-503-13	T32N RTW	320.00		TRACT: 017B			4.970495
SEC. 32	E/2		ORRI:		5.000000	5.000000	
			ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		12.500000 67.650000 14.850000	12.500000 67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #234		TOTAL		100.000000	100.000000	

DATE 12/22/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM LG 3878	T31N RTW SEC. 2 W/2 SW/4	80.00		TRACT: 018 FORMER UNIT TRACT	0.000000 12.500000	0.000000 12.500000	0.000000
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	HALLWOOD ENERGY COMPANIES, ET AL				87.500000	87.500000	
	TOTAL				100.000000	100.000000	
REMARKS:	FEDERAL G NO. 4 (CA NM-87094)						
FEE	T32N RTW SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36		TRACT: 021	0.000000 12.500000	0.000000 12.500000	0.207518
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				71.750000	71.750000	
	WILLIAMS PRODUCTION COMPANY				15.750000	15.750000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #3						
FEE	T32N RTW SEC. 21 E/2 NW/4	80.00		TRACT: 021B	0.000000 12.500000	0.000000 12.500000	1.242624
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	SAN JUAN BASIN PARTNERSHIP				71.750000	71.750000	
	WILLIAMS PRODUCTION COMPANY				15.750000	15.750000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN UNIT #224 COM						
FEE	T32N RTW SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64		TRACT: 022	3.000000 12.500000	3.000000 12.500000	4.762877
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				69.290000	69.290000	
	WILLIAMS PRODUCTION COMPANY				15.210000	15.210000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #3						

EFFECTIVE 92/11/01

PHILLIPS PETROLEUM COMPANY

SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 12/22/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N RTW SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 022A	3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	3.727871
REMARKS:	SAN JUAN 32-7 UNIT #235						
FEE	T32N RTW SEC. 21 SW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 023A	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	2.485248
REMARKS:	SAN JUAN 32-7 UNIT #224 COM						
FEE	T32N RTW SEC. 31 SEC. 32 E/2 SE/4, SE/4 NE/4 W/2 W/2	280.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 024	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	4.349183
REMARKS:	SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)						
FEE	T31N RTW SEC. 3 E/2 SW/4, S/2 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 026 FORMER UNIT TRACT	0.000000 20.000000 80.000000	0.000000 0.000000 0.000000	0.000000
REMARKS:	YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)						
TOTAL					100.000000	0.000000	

DATE 12/22/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XV
THE 014 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 5 TRACT 53 SEC. 6 TRACT 53	42.45	ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION COMPANY, ET AL	TRACT: 027 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: IDB ACREAGE						
FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 25.000000 75.000000	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM N 5 (CA NMNM 87095)						
FEE	T31N R7W SEC. 7 40 ACRES OF TRACT 55 SEC. 18 NW/4 SE/4, SW/4 NE/4	120.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
FEE	T31N R7W SEC. 18 40 ACRES OF TRACT 55	40.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 031 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)						
	TOTAL				100.000000	0.000000	
FEE	T31N R7W SEC. 18 SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL	TRACT: 032 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
	TOTAL				100.000000	0.000000	
	TOTAL				6437.99 - COMMITTED 1072.19 - NON COMMITTED		100.000000

EFFECTIVE 92/11/01

PHILLIPS PETROLEUM COMPANY
SCHEDULE XV
RECAPITULATION

DATE 12/22/95

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
SECTION 3 : N/2 SE/4
SECTION 4 : LOTS 6, 7, 8, SW/4, NW/4 SE/4
SECTION 5 : LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6 : LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, SE/4 NW/4
SECTION 7 : LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8 : ALL
SECTION 9 : N/2
SECTION 17 : ALL
SECTION 18 : LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
SECTION 18 : E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
SECTION 2 : W/2 SW/4
SECTION 3 : E/2 SW/4, S/2 SE/4
SECTION 5 : TRACT 53
SECTION 6 : TRACT 53
SECTION 7 : TRACT 55
SECTION 10 : N/2
SECTION 16 : NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32N, RANGE 7W
SECTION 18 : E/2
SECTION 21 : SW/4, E/2 NW/4
SECTION 27 : LOTS 1, 2, 3, 4, 5, 6, 7, 8
SECTION 29 : W/2
SECTION 31 : E/2 SE/4, SE/4 SE/4
SECTION 32 : ALL
SECTION 35 : E/2
SECTION 36 : ALL

TOWNSHIP 32N, RANGE 7W
SECTION 21 : W/2 NW/4
SECTION 31 : LOTS 5, 6, 7, 8, 9,

TOTAL COMMITTED: 6437.99

TOTAL ACRES NON-COMMITTED: 1072.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 7510.18

DATE 12/27/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVI
THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078460	T32N R7W SEC. 20 LOTS 1, 2, 3, 4, 7, E/2 NW/4	256.98		TRACT: 002			3.815607
	ORRI:		5.000000		5.000000		
	ROYALTY:		12.500000		12.500000		
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY		67.650000		67.650000		
	WILLIAMS PRODUCTION COMPANY		14.850000		14.850000		
	TOTAL		100.000000		100.000000		
REMARKS:	SAN JUAN 32-7 UNIT #233						
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84), 2 (37.93), 3 (37.97), 4 (37.88) (NW/4)	151.62		TRACT: 003			2.251235
	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 #207						
SF-078472	T32N R7W SEC. 29 NE/4 NW/4, SE/4 NW/4	80.00		TRACT: 003A			1.187830
	ORRI:		5.000000		5.000000		
	ROYALTY:		12.500000		12.500000		
	WORKING INTEREST:						
	SAN JUAN BASIN PARTNERSHIP		67.650000		67.650000		
	WILLIAMS PRODUCTION COMPANY		14.850000		14.850000		
	TOTAL		100.000000		100.000000		
REMARKS:	SAN JUAN 32-7 UNIT #235						
SF-078542	T32N R7W SEC. 35 SE/4	160.00		TRACT: 005			2.375660
	ORRI:		5.000000		5.000000		
	ROYALTY:		12.500000		12.500000		
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.		20.625000		20.625000		
	WILLIAMS PRODUCTION COMPANY		61.875000		61.875000		
	TOTAL		100.000000		100.000000		
REMARKS:	SAN JUAN 32-7 UNIT #209						

EFFECTIVE 92/12/01

PAGE 1

PHILLIPS PETROLEUM COMPANY

SCHEDULE XVI
THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 12/27/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078543	T32N R7W	313.48		TRACT: 006			4.654512
SEC. 27	LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4)		ORRI: ROYALTY: WORKING INTEREST:		5.000000 12.500000	5.000000 12.500000	
SEC. 35	NE/4		PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #208		TOTAL		100.000000	100.000000	
NM-2895	T32N R7W	80.00		TRACT: 007			0.000000
SEC. 21	W/2 NW/4		ORRI: ROYALTY: WORKING INTEREST:	FORMER UNIT TRACT	0.000000 12.500000	0.000000 0.000000	
			SOUTHLAND ROYALTY COMPANY		87.500000	0.000000	
REMARKS:	SAN JUAN 32-7 UNIT #224 COM		TOTAL		100.000000	0.000000	
NM-83503	T32N R7W	189.74		TRACT: 008			0.000000
SEC. 31	LOTS 5,6,7,8,9		ORRI: ROYALTY: WORKING INTEREST:	FORMER UNIT TRACT	0.000000 12.500000	0.000000 0.000000	
			CNG PRODUCING COMPANY		87.500000	0.000000	
REMARKS:	GRASSY CANYON #3 (CA NM 87178)		TOTAL		0.000000	0.000000	
NM-28749	T31N R7W	180.00		TRACT: 009			0.000000
SEC. 10	NE/4		ORRI: ROYALTY: WORKING INTEREST:	FORMER UNIT TRACT	0.000000 12.500000	0.000000 0.000000	
			HALLWOOD ENERGY COMPANIES, ET AL		87.500000	0.000000	
REMARKS:	FEDERAL G NO. 4 (CA NM 87094)		TOTAL		100.000000	0.000000	

PHILLIPS PETROLEUM COMPANY

SCHEDULE XVI

THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION

SAN JUAN 32-7 UNIT AREA

DATE 12/27/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	1454.43		TRACT: 010			21.595197
SEC. 3	N/2 SE/4		ORRI:		5.000000	5.000000	
SEC. 5	LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		ROYALTY: WORKING INTEREST:		12.500000	12.500000	
SEC. 6	LOTS 12, 14, 15, S/2 SE/4		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
SEC. 7	LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
SEC. 8	ALL		TOTAL		100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232						
SF-078998	T31N R7W	438.40		TRACT: 010A			6.479813
SEC. 5	LOT 9		ORRI:		5.000000	5.000000	
SEC. 6	LOTS 8, 9, 10, 11, 13, NW/4 SE/4, SE/4 NW/4		ROYALTY: WORKING INTEREST:		12.500000	12.500000	
SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:	IDB ACREAGE						
	TOTAL				100.000000	100.000000	

DATE 12/27/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVI
THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N RTW SEC. 4 SEC. 5 LOTS 6, 7, 8, SW/4, NW/4 SE/4 LOT 5	323.15	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 010B	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	4.798091
REMARKS:	SAN JUAN 32-7 UNIT #216						
	TOTAL				100.000000	100.000000	
SF-078998	T31N RTW SEC. 9 SEC. 17 SEC. 18 LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4	1318.91	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 011	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	19.583012
REMARKS:	SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231						
	TOTAL				100.000000	100.000000	
E-503-13	T32N RTW SEC. 32 SEC. 36 E/2 W/2 ALL	800.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 017A	5.000000 12.500000 67.650000 14.850000	5.000000 0.000000 0.000000 0.000000	11.878301
REMARKS:	SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215						
	TOTAL				100.000000	0.000000	

DATE 12/27/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVI
THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W SEC. 32 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 017B	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	4.751321
	REMARKS: SAN JUAN 32-7 UNIT #234		TOTAL		100.000000	100.000000	
NM LG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 018 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 12.500000 87.500000	0.000000
	REMARKS: FEDERAL G NO. 4 (CA NM-87094)		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 021	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	0.198368
	REMARKS: SAN JUAN 32-7 UNIT #3		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 21 E/2 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 021B	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	1.18783
	REMARKS: SAN JUAN UNIT #224 COM		TOTAL		100.000000	100.000000	

EFFECTIVE 82/12/01

PAGE 5

PHILLIPS PETROLEUM COMPANY

SCHEDULE XVI

DATE: 12/27/95

THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 022A	3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	4.552953
	REMARKS: SAN JUAN 32-7 UNIT #3		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 022A	3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	3.56349
	REMARKS: SAN JUAN 32-7 UNIT #235		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 20 SW/4 SW/4	40.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY	TRACT: 022B	3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	0.583915
	REMARKS: SAN JUAN 32-7 UNIT #233		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 21 SW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 023A	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	2.375660
	REMARKS: SAN JUAN 32-7 UNIT #224 COM		TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY

SCHEDULE XVI

THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 12/27/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 31 SEC. 32	280.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 024	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	4.157405
REMARKS:	SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)						
FEE	T31N R7W SEC. 3	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 20.000000 80.000000	0.000000 0.000000 0.000000	0.000000
REMARKS:	YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)						
FEE	T31N R7W SEC. 5 SEC. 6	42.45	ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION COMPANY, ET AL	TRACT: 027 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	IDB ACREAGE						
FEE	T31N R7W SEC. 10	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 25.000000 75.000000	0.000000 0.000000 0.000000	0.000000
REMARKS:	YAGER COM N 5 (CA NMNM 87095)						
FEE	T31N R7W SEC. 7 SEC. 18	120.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	SAN JUAN 32-7 UNIT #213 COM/CA NM 8404 TOTAL SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
					100.000000	0.000000	

EFFECTIVE 92/12/01

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XVI
 THE 015 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

DATE 12/27/85

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
T31N R7W SEC. 18	40 ACRES OF TRACT 55	40.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 031 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)	TOTAL			100.000000	0.000000	
T31N R7W SEC. 18	SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL	TRACT: 032 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)	TOTAL			100.000000	0.000000	
		TOTAL			6734.97 - COMMITTED 1072.19 - NON COMMITTED		100.000000

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XVI
 RECAPITULATION

DATE 12/27/95

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
 SECTION 3 : N/2 SE/4
 SECTION 4 : LOTS 6, 7, 8, SW/4, NW/4 SE/4
 SECTION 5 : LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
 SECTION 6 : LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, SE/4 NW/4
 SECTION 7 : LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
 SECTION 8 : ALL
 SECTION 9 : N/2
 SECTION 17 : ALL
 SECTION 18 : LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
 SECTION 18 : E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
 SECTION 2 : W/2 SW/4
 SECTION 3 : E/2 SW/4, S/2 SE/4
 SECTION 5 : TRACT 53
 SECTION 6 : TRACT 53
 SECTION 7 : TRACT 55
 SECTION 10 : N/2
 SECTION 16 : NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32N, RANGE 7W

SECTION 18 : E/2
 SECTION 20 : LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4
 SECTION 21 : SW/4, E/2 NW/4
 SECTION 27 : LOTS 1, 2, 3, 4, 5, 6, 7, 8
 SECTION 29 : W/2
 SECTION 31 : E/2 SE/4, SE/4 SE/4
 SECTION 32 : ALL
 SECTION 35 : E/2
 SECTION 36 : ALL

TOWNSHIP 32N, RANGE 7W

SECTION 21 : W/2 NW/4
 SECTION 31 : LOTS 5, 6, 7, 8, 9,

TOTAL COMMITTED:

6734.97

TOTAL ACRES NON-COMMITTED:

1072.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

7807.16

DATE 12/28/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078460	T32N R7W	342.97		TRACT: 002			4.852990
	SEC. 20	LOTS 1, 2, 3, 4, 7, E/2 NW/4	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.850000 14.850000	5.000000 12.500000 67.850000 14.850000	
	SEC. 29	LOTS 1, 2					
	REMARKS:	SAN JUAN 32-7 UNIT #233 SAN JUAN 32-7 UNIT #238					
	TOTAL				100.000000	100.000000	
SF-078472	T32N R7W	151.62		TRACT: 003			2.145407
	SEC. 27	LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.89) (NW/4)	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.850000 14.850000	5.000000 12.500000 67.850000 14.850000	
	REMARKS:	SAN JUAN 32-7 UNIT #207					
	TOTAL				100.000000	100.000000	
SF-078472	T32N R7W	80.00		TRACT: 003A			1.131992
	SEC. 29	NE/4 NW/4, SE/4 NW/4	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.850000 14.850000	5.000000 12.500000 67.850000 14.850000	
	REMARKS:	SAN JUAN 32-7 UNIT #235					
	TOTAL				100.000000	100.000000	
SF-078472	T32N R7W	246.23		TRACT: 003B			3.484129
	SEC. 29	LOTS 3, 4, SE/4	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.850000 14.850000	5.000000 12.500000 67.850000 14.850000	
	REMARKS:	SAN JUAN 32-7 UNIT #238					
	TOTAL				100.000000	100.000000	

EFFECTIVE 93/01/01

PAGE 1

DATE 12/28/85

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078542	T32N R7W SEC. 35 SE/4	160.00		TRACT: 005			2.263983
	ORRI:				5.000000	5.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				20.625000	20.625000	
	WILLIAMS PRODUCTION COMPANY				61.875000	61.875000	
	TOTAL				100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #209						
SF-078543	T32N R7W SEC. 27	313.48		TRACT: 006			4.435709
	LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4) NE/4				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 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209						
NM-2995	T32N R7W SEC. 21 W/2 NW/4	80.00		TRACT: 007 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	0.000000	
	WORKING INTEREST:						
	SOUTHLAND ROYALTY COMPANY				87.500000	0.000000	
	TOTAL				100.000000	0.000000	
	REMARKS: SAN JUAN 32-7 UNIT #224 COM						
NM-83503	T32N R7W SEC. 31 LOTS 5,6,7,8,9	189.74		TRACT: 008 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	0.000000	
	WORKING INTEREST:						
	CNG PRODUCING COMPANY				87.500000	0.000000	
	TOTAL				0.000000	0.000000	
	REMARKS: GRASSY CANYON #3 (CA NM 87178)						

DATE 12/28/95

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XVII
 THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T31N R7W SEC. 10 NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	TOTAL				100.000000	0.000000	
REMARKS: FEDERAL G NO. 4 (CA NM 87094)							
SF-078996	T31N R7W	1454.43		TRACT: 010			20.580032
	SEC. 3 N/2 SE/4		ORRI:		5.000000	5.000000	
	SEC. 5 LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		ROYALTY: WORKING INTEREST:		12.500000	12.500000	
	SEC. 6 LOTS 12, 14, 15, S/2 SE/4		PHILLIPS-SAN JUAN PARTNERS, L.P.		67.650000	67.650000	
	SEC. 7 LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4		WILLIAMS PRODUCTION COMPANY		14.850000	14.850000	
	SEC. 8 ALL		TOTAL		100.000000	100.000000	
REMARKS:							
	SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376)						
	FEDERAL G NO. 4 (CA NM 87094)						
	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)						
	SAN JUAN 32-7 UNIT #218						
	SAN JUAN 32-7 UNIT #219						
	SAN JUAN 32-7 UNIT #221						
	SAN JUAN 32-7 UNIT #232						

DATE 12/28/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	436.40		TRACT: 010A			8 175014
SEC. 5	LOT 9		ORRI:		5.000000	5.000000	
SEC. 6	LOTS 8,9,10,11,13, NW/4 SE/4, SE/4 NW/4		ROYALTY: WORKING INTEREST:		12.500000	12.500000	
SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:	IDB ACREAGE		TOTAL		100.000000	100.000000	
SF-078996	T31N R7W	323.15		TRACT: 010B			4.572539
SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI:		5.000000	5.000000	
SEC. 5	LOT 5		ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		12.500000 67.650000 14.850000	12.500000 67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #216		TOTAL		100.000000	100.000000	
SF-078998	T31N R7W	1318.91		TRACT: 011			18.662439
SEC. 9	N/2		ORRI:		5.000000	5.000000	
SEC. 17	ALL		ROYALTY:		12.500000	12.500000	
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		67.650000 14.850000	67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) SAN JUAN 32-7 UNIT #229 SAN JUAN 32-7 UNIT #231		TOTAL		100.000000	100.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 12/28/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N RTW SEC. 32 E/2 W/2 SEC. 36 ALL	800.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 017A	5.000000 12.500000 67.650000 14.850000	5.000000 0.000000 0.000000 0.000000	11.319916
	REMARKS: SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215						
	TOTAL				100.000000	0.000000	
E-503-13	T32N RTW SEC. 32 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 017B	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	4.527966
	REMARKS: SAN JUAN 32-7 UNIT #234						
	TOTAL				100.000000	100.000000	
NM LG 3876	T31N RTW SEC. 2 W/2 SW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 018 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 12.500000 87.500000	0.000000
	REMARKS: FEDERAL G NO. 4 (CA NM-87094)						
	TOTAL				100.000000	100.000000	
FEE	T32N RTW SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 021	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	0.189043
	REMARKS: SAN JUAN 32-7 UNIT #3						
	TOTAL				100.000000	100.000000	

DATE 12/28/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 21 E/2 NW/4	80.00	TRACT: 021B ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	1.131992
	REMARKS: SAN JUAN UNIT #224 COM		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	TRACT: 022 ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	4.338924
	REMARKS: SAN JUAN 32-7 UNIT #3		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00	TRACT: 022A ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	3.395975
	REMARKS: SAN JUAN 32-7 UNIT #235		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 20 SW/4 SW/4	40.00	TRACT: 022B ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	0.565996
	REMARKS: SAN JUAN 32-7 UNIT #233		TOTAL		100.000000	100.000000	

DATE 12/28/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
THE 016 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 21 SW/4	160.00		TRACT: 023A			2.263983
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	SAN JUAN BASIN PARTNERSHIP				71.750000	71.750000	
	WILLIAMS PRODUCTION COMPANY				15.750000	15.750000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #224 COM						
FEE	T32N R7W SEC. 31 E/2 SE/4, SE/4 NE/4 SEC. 32 W/2 W/2	280.00		TRACT: 024			3.961971
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				71.750000	71.750000	
	WILLIAMS PRODUCTION COMPANY				15.750000	15.750000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)						
FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00		TRACT: 026 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				20.000000	0.000000	
	WORKING INTEREST:						
	HALLWOOD ENERGY COMPANIES, ET AL				80.000000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS:	YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)						
FEE	T31N R7W SEC. 5 TRACT 53 SEC. 6 TRACT 53	42.45		TRACT: 027 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	0.000000	
	WORKING INTEREST:						
	AMOCO PRODUCTION COMPANY, ET AL				87.500000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS:	IDB ACREAGE						
FEE	T31N R7W SEC. 10 NW/4	160.00		TRACT: 028 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				25.000000	0.000000	
	WORKING INTEREST:						
	HALLWOOD ENERGY COMPANIES, ET AL				75.000000	0.000000	
	TOTAL				100.000000	0.000000	
REMARKS:	YAGER COM N 5 (CA NMNM 87095)						

EFFECTIVE 93/01/01

PAGE 7

PHILLIPS PETROLEUM COMPANY

DATE 12/28/95

SERIAL	NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 7 SEC. 18	40 ACRES OF TRACT 55 NW/4 SE/4, SW/4 NE/4	120.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	SAN JUAN 32-7 UNIT #213 COM(CA NM 8404 TOTAL SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)							
FEE	T31N R7W SEC. 18	40 ACRES OF TRACT 55	40.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 031 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048) TOTAL							
FEE	T31N R7W SEC. 16	SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY, ET AL	TRACT: 032 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
REMARKS:	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134) TOTAL							
TOTAL						7067.19 - COMMITTED	1072.19 - NON COMMITTED	100.000000

DATE 12/28/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVII
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W

SECTION 3	: N/2 SE/4
SECTION 4	: LOTS 6, 7, 8, SW/4, NW/4 SE/4
SECTION 5	: LOTS 5, 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6	: LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, SE/4 NW/4
SECTION 7	: LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8	: ALL
SECTION 9	: N/2
SECTION 17	: ALL
SECTION 18	: LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
SECTION 18	: E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W

SECTION 2	: W/2 SW/4
SECTION 3	: E/2 SW/4, S/2 SE/4
SECTION 5	: TRACT 53
SECTION 6	: TRACT 53
SECTION 7	: TRACT 55
SECTION 10	: N/2
SECTION 18	: NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32N, RANGE 7W

SECTION 18	: E/2
SECTION 20	: LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4
SECTION 21	: SW/4, E/2 NW/4
SECTION 27	: LOTS 1, 2, 3, 4, 5, 6, 7, 8
SECTION 29	: ALL
SECTION 31	: E/2 SE/4, SE/4 SE/4
SECTION 32	: ALL
SECTION 35	: E/2
SECTION 36	: ALL

TOTAL COMMITTED: 7067.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 8139.38

TOWNSHIP 32N, RANGE 7W

SECTION 21	: W/2 NW/4
SECTION 31	: LOTS 5, 6, 7, 8, 9,

TOTAL ACRES NON-COMMITTED: 1072.19

DATE 12/28/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078460	T32N R7W	342.97		TRACT: 002			4.640637
SEC. 20	LOTS 1, 2, 3, 4, 7, E/2 NW/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
SEC. 29	LOTS 1, 2						
REMARKS:	SAN JUAN 32-7 UNIT #233 SAN JUAN 32-7 UNIT #238						
TOTAL					100.000000	100.000000	
SF-078472	T32N R7W	151.62		TRACT: 003			2.051530
SEC. 27	LOTS 1 (37.84), 2 (37.89), 3(37.87), 4 (37.89) (NW/4)		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #207						
TOTAL					100.000000	100.000000	
SF-078472	T32N R7W	80.00		TRACT: 003A			1.082459
SEC. 29	NE/4 NW/4, SE/4 NW/4		ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #235						
TOTAL					100.000000	100.000000	
SF-078472	T32N R7W	246.23		TRACT: 003B			3.331674
SEC. 29	LOTS 3, 4, SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS PETROLEUM COMPANY WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
REMARKS:	SAN JUAN 32-7 UNIT #238						
TOTAL					100.000000	100.000000	

EFFECTIVE 94/12/01

DATE 12/28/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078542	T32N R7W SEC. 35 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005	5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	2.164918
	REMARKS: SAN JUAN 32-7 UNIT #208		TOTAL		100.000000	100.000000	
SF-078543	T32N R7W SEC. 27	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	4.241616
	REMARKS: SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #208		TOTAL		100.000000	100.000000	
NM-2985	T32N R7W SEC. 21 W/2 NW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY	TRACT: 007	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: SAN JUAN 32-7 UNIT #224 COM		TOTAL		100.000000	0.000000	
NM-83503	T32N R7W SEC. 31	189.74	ORRI: ROYALTY: WORKING INTEREST: CNG PRODUCING COMPANY	TRACT: 008	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: GRASSY CANYON #3 (CA NM 87178)		TOTAL		0.000000	0.000000	

DATE 12/28/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T31N R7W SEC. 10 NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	TOTAL				100.000000	0.000000	
SF-078996	T31N R7W SEC. 3	1777.82	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 010	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	24.056216
	SEC. 4		LOT 5, E/2 SE/4, SW/4 SE/4				
	SEC. 5		LOT 5, E/2 SE/4, SW/4 SE/4				
	SEC. 6		LOT 5, E/2 SE/4, SW/4 SE/4				
	SEC. 7		LOT 5, E/2 SE/4, SW/4 SE/4				
	SEC. 8		LOT 5, E/2 SE/4, SW/4 SE/4				
	ALL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM (CA NM 84046) SAN JUAN 32-7 UNIT #217 SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221 SAN JUAN 32-7 UNIT #232						

DATE 12/28/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078996	T31N R7W	436.40		TRACT: 010A			5.904814
SEC. 5	LOT 9		ORRI:		5.000000	5.000000	
SEC. 6	LOTS 8,9,10,11,13, NW/4 SE/4, SE/4 NW/4		ROYALTY:		12.500000	12.500000	
SEC. 7	LOTS 6, 7, N/2 SE/4, SW/4 NE/4		WORKING INTEREST:		67.650000	67.650000	
			PHILLIPS PETROLEUM COMPANY		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
REMARKS:	IDB ACREAGE				100.000000	100.000000	
			TOTAL				
SF-078996	T31N R7W	323.15		TRACT: 010B			4.372458
SEC. 4	LOTS 6, 7, 8, SW/4, NW/4 SE/4		ORRI:		5.000000	5.000000	
SEC. 5	LOT 5		ROYALTY:		12.500000	12.500000	
			WORKING INTEREST:		67.650000	67.650000	
			SAN JUAN BASIN PARTNERSHIP		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
REMARKS:	SAN JUAN 32-7 UNIT #216				100.000000	100.000000	
			TOTAL				
SF-078998	T31N R7W	1318.91		TRACT: 011			17.845825
SEC. 8	N/2		ORRI:		5.000000	5.000000	
SEC. 17	ALL		ROYALTY:		12.500000	12.500000	
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		WORKING INTEREST:		67.650000	67.650000	
			PHILLIPS-SAN JUAN PARTNERS, L.P.		14.850000	14.850000	
			WILLIAMS PRODUCTION COMPANY				
REMARKS:	SAN JUAN 32-7 UNIT #6				100.000000	100.000000	
	SAN JUAN 32-7 UNIT #213 COM (CA NM 84048)						
	SAN JUAN 32-7 UNIT #227 COM (CA NM 87134)						
	SAN JUAN 32-7 UNIT #229						
	SAN JUAN 32-7 UNIT #231						

DATE 12/28/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W SEC. 32 E/2 W/2 SEC. 36 ALL	800.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 017A	5.000000 12.500000 67.650000 14.850000	5.000000 0.000000 0.000000 0.000000	10.824590
REMARKS:	SAN JUAN 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215						
E-503-13	T32N R7W SEC. 32 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY	TRACT: 017B	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	4.329836
REMARKS:	SAN JUAN 32-7 UNIT #234						
NM LG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 018 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 12.500000 87.500000	0.000000
REMARKS:	FEDERAL G NO. 4 (CA NM-87094)						
FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 021	0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	0.180771
REMARKS:	SAN JUAN 32-7 UNIT #3						
TOTAL					100.000000	100.000000	

DATE 12/28/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 21 E/2 NW/4	80.00		TRACT: 021B			1.082459
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	SAN JUAN BASIN PARTNERSHIP				71.750000	71.750000	
	WILLIAMS PRODUCTION COMPANY				15.750000	15.750000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN UNIT #224 COM						
FEE	T32N R7W SEC. 18 WEST 878 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64		TRACT: 022			4.149065
	ORRI:				3.000000	3.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.				69.290000	69.290000	
	WILLIAMS PRODUCTION COMPANY				15.210000	15.210000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #3						
FEE	T32N R7W SEC. 29 W/2 W/2, SE/4 NW/4, NE/4 SW/4	240.00		TRACT: 022A			3.247377
	ORRI:				3.000000	3.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	SAN JUAN BASIN PARTNERSHIP				69.290000	69.290000	
	WILLIAMS PRODUCTION COMPANY				15.210000	15.210000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #235						
FEE	T32N R7W SEC. 20 SW/4 SW/4	40.00		TRACT: 022B			0.541230
	ORRI:				3.000000	3.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY				69.290000	69.290000	
	WILLIAMS PRODUCTION COMPANY				15.210000	15.210000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #233						

EFFECTIVE 94/12/01

PAGE 6

DATE 12/28/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
THE 017 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 21 SW/4	160.00	TRACT: 023A ORRI: ROYALTY: WORKING INTEREST: SAN JUAN BASIN PARTNERSHIP WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	2.164918
	REMARKS: SAN JUAN 32-7 UNIT #224 COM		TOTAL		100.000000	100.000000	
FEE	T32N R7W SEC. 31 E/2 SE/4, SE/4 NE/4 SEC. 32 W/2 W/2	280.00	TRACT: 024 ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	3.788607
	REMARKS: SAN JUAN 32-7 UNIT #215 GRASSY CANYON #3 (CA NM 87178)		TOTAL		100.000000	100.000000	
FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	TRACT: 026 ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL		0.000000 20.000000 80.000000	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)		TOTAL		100.000000	0.000000	
FEE	T31N R7W SEC. 5 TRACT 53 SEC. 6 TRACT 53	42.45	TRACT: 027 ORRI: ROYALTY: WORKING INTEREST: AMOCO PRODUCTION COMPANY, ET AL		0.000000 12.500000 87.500000	0.000000 0.000000 0.000000	0.000000
	REMARKS: IDB ACREAGE		TOTAL		100.000000	0.000000	
FEE	T31N R7W SEC. 10 NW/4	160.00	TRACT: 028 ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL		0.000000 25.000000 75.000000	0.000000 0.000000 0.000000	0.000000
	REMARKS: YAGER COM N 5 (CA NMNM 87095)		TOTAL		100.000000	0.000000	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XVIII
RECAPITULATION

DATE 12/28/95

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
SECTION 3 : LOTS 5, 6, 7, 8, W/2 SW/4, N/2 SE/4
SECTION 4 : LOTS 5, 6, 7, 8, S/2 (ALL)
SECTION 5 : LOTS 5, 6, 7, 8, 9, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6 : LOTS 8, 9, 10, 11, 12, 13, 14, 15, S/2 SE/4, NW/4 SE/4, SE/4 NW/4
SECTION 7 : LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8 : ALL
SECTION 9 : N/2
SECTION 17 : ALL
SECTION 18 : LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
SECTION 18 : E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
SECTION 2 : W/2 SW/4
SECTION 3 : E/2 SW/4, S/2 SE/4
SECTION 5 : TRACT 53
SECTION 6 : TRACT 53
SECTION 7 : TRACT 55
SECTION 10 : N/2
SECTION 18 : NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32N, RANGE 7W

SECTION 18 : E/2
SECTION 20 : LOTS 1, 2, 3, 4, 7, SW/4 SW/4, E/2 NW/4
SECTION 21 : SW/4, E/2 NW/4
SECTION 27 : LOTS 1, 2, 3, 4, 5, 6, 7, 8
SECTION 29 : ALL
SECTION 31 : E/2 SE/4, SE/4 SE/4
SECTION 32 : ALL
SECTION 35 : E/2
SECTION 36 : ALL

TOWNSHIP 32N, RANGE 7W

SECTION 21 : W/2 NW/4
SECTION 31 : LOTS 5, 6, 7, 8, 9,

TOTAL COMMITTED:

7390.58

TOTAL ACRES NON-COMMITTED:

1072.19

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

8462.77



RECEIVED
OIL, GAS & MINERALS DIVISION
DEC 8 1995

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

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

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

December 7, 1995

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

Attn: Mr. Patrick H. Noah

Re: San Juan 32-7 Unit Commercial Determination
Fruitland Formation, Rio Arriba County, New Mexico

Dear Mr. Noah:

We received your letter of August 31, 1995, together with data that supports your commercial determination regarding the San Juan 32-7 Unit Well No. 217.

By their letter of September 14, 1995, the Bureau of Land Management has advised this office that they have concurred with your determination that Well No. 217 is capable of producing unitized substances in paying quantities from the Fruitland Formation.

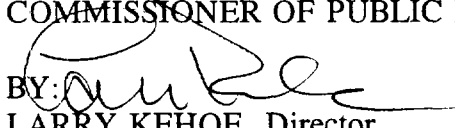
The Commissioner of Public Lands concurs with Phillips Petroleum Company's and the Bureau of Land Management's determinations that the well is commercial in the Fruitland Formation and entitled to participate in the Fruitland Participating Area.

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

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: 
LARRY KEHOE, Director
Oil, Gas & Minerals Division
(505 827-5744)

RP/LK/cpm

xc: Reader File

Commissioner's Read File

OCD TRD BLM



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY 64 NBU 3004

RECEIVED
DIVISION

52

August 31, 1995

Assistant District Manager, Minerals
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
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

Re: San Juan 32-7 Unit
#14-08-001-441, OGRID No. 099208, 017654
Commerciality Determination
Fruitland Formation
San Juan County, NM
GF-5464

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 16, 1953, Phillips Petroleum Company ("Phillips"), as Operator, determined whether or not the wells listed below are capable of producing unitized substances in paying quantities from the Fruitland coal member of the Fruitland formation. Phillips is seeking confirmation of the enclosed paying well determination as listed below.

This alternative approach has been acknowledged by the Branch of Reservoir Management at the Farmington District Office of the Bureau of Land Management as acceptable to facilitate individual well commerciality determinations that are ordinarily filed in order of "date of test" during completion operations.

Upon receipt of response from the BLM and concurring responses from the Commissioner of Public Lands and New Mexico Oil Conservation Division, the formal Participating Area ("PA") application with accompanying Lease Schedules with unit tract descriptions and working interest ownerships for each well will be prepared for each expansion of the Participating Area based on those wells confirmed for inclusion therewith. Based on previous commerciality determination received from the regulatory agencies and approval of the formal PA applications, this Unit is expanded through the Fourth Expansion of the Fruitland PA.

San Juan 32-7 Unit
 #14-08-001-441
 Commerciality Determination
 August 31, 1995
 Page 2

(1)	(2)	(3)	(4)	(5)	(6)**
<u>Test Date</u>	<u>Well Number</u>	<u>T32N-R7W Drill Block</u>	<u>Acres</u>	<u>Date Submitted for Paying Well Determination</u>	<u>Disposition</u>
07-20-53	3	E/2 Section 18	320.00	08-04-53	Initial PA
08-23-53	6	E/2 Sec. 17-31N-7W	320.00	08-26-53	1st Expansion
10-24-77	*Yager Com 3	NW/4 SE/4 Sec. 3 T31N-R7W	40.00	11-06-78	2nd Expansion
11-23-89	204	E/2 Section 36	320.00	08-23-93	3rd Expansion
11-26-89	203	Lots 1, 2, 7-12 Section 22	320.00	08-23-93	Non-PA Approved
11-30-89	202	Lots 1-4, E/2 W/2 Section 18	320.00	08-23-93	Non-PA Approved
04-17-90	210	W/2 Section 36	320.00	08-23-93	4th Expansion
05-09-90	*Yager Com N 5	Additional Well to Second Expansion	- 0 -	-----	Additional Well - 2nd
07-07-90	*Federal Com G 4	NE/4 SE/4 Section 3 T31N-R7W	40.00	02-07-94	5th Expansion
09-17-90	207	Lots 1-8 Section 27	305.10	08-23-93	6th Expansion
10-01-90	208	E/2 Section 34	320.00	10-27-94	Non-PA Approved
10-13-90	209	E/2 Section 35	320.00	10-27-94	7th Expansion
11-19-90	*227 Com	E/2 SW/4, SE/4 NW/4, Lots 8-10, NE/4 SE/4, SW/4 SE/4 18-31N-7W	241.61	08-23-93	8th Expansion
01-02-91	215	W/2 Section 32	320.00	08-23-93	9th Expansion
03-20-91	219	Lots 6-8, SE/4, E/2 SW/4 Sec. 5-31N-7W	321.66	08-23-93	10th Expansion
04-01-91	*213 Com	Lots 8,9, SE/4 SE/4 Sec. 7; Lots 5,6,7, E/2 NE/4 18-31N-7W	205.68	10-27-94	11th Expansion
04-13-91	218	SW/4 SW/4 Sec. 5; S/2 SE/4, Lots 12, 14,15 Sec. 6; Lot 5, E/2 NE/4, NW/4 NE/4 Section 7-31N-7W	324.39	08-23-93	11th Expansion
04-27-91	221	E/2 Sec. 8-31N-7W	320.00	02-07-94	10th Expansion
05-24-91	214	W/2 Section 34	320.00	10-27-94	Non-PA Approved
06-02-91	211	W/2 Section 35	320.00	10-27-94	Non-PA Approved
06-10-91	*Grassy Canyon 3	SE/4 NE/4, E/2 SE/4 Section 31	120.00	02-07-94	Paying Approved
06-14-91	231	W/2 Sec. 17-31N-7W	320.00	08-23-93	8th Expansion

San Juan 32-7 Unit
 #14-08-001-441
 Commerciality Determination
 August 31, 1995
 Page 3

(1)	(2)	(3)	(4)	(5)	(6)**
<u>Test Date</u>	<u>Well Number</u>	<u>T32N-R7W Drill Block</u>	<u>Acres</u>	<u>Date Submitted for Paying Well Determination</u>	<u>Disposition</u>
06-14-91	231	W/2 Sec. 17-31N-7W	320.00	08-23-93	Paying Approved
06-27-91	229	N/2 Sec. 9-31N-7W	320.00	08-23-93	Paying Approved
08-27-92	222	E/2 Section 20	320.00	10-27-94	Non-PA Approved
09-10-92	234	E/2 Section 32	320.00	10-27-94	Paying Approved
09-22-92	235	W/2 Section 29	320.00	02-07-94	Paying Approved
10-22-92	*224 Com	SW/4, E/2 NW/4 Sec 21	240.00	02-07-94	Paying Approved
10-16-92	216	Lot 5 Sec 5; Lots 6-8, SW/4, NW/4 SE/4 Section 4-31N-7W	323.15	02-07-94	Paying Approved
10-30-92	232	W/2 Sec. 8-31N-7W	320.00	10-27-94	Paying Well-IDB
11-18-92	233	W/2 Section 20	320.00	02-07-94	Paying Approved
11-22-92	237	E/2 Section 28	320.00	10-27-94	Non-PA Approved
12-04-92	238	Lots 1-4, SE/4 Sec 29	332.22	02-07-94	Paying Approved
12-04-92	236	W/2 Section 28	320.00	10-27-94	Non-PA Approved
5-10-91	217	Lots 5-8, W/2 SW/4 Sec. 3; Lot 5, E/2 SE/4, SW/4 SE/4 Section 4-T31N-R7W	320.00	08-31-95	Paying Well

*These are wells requiring communitization of lands inside the San Juan 32-7 Unit with lands outside the Unit. Only Unit lands are described under columns (4) and (5).

**Those wells previously approved for inclusion in a PA are listed by PA expansion number. Those wells previously evaluated by the regulatory agencies are indicated either as "Paying Approved" or "Non-PA Approved". Wells submitted herewith that are capable of producing in paying quantities are listed as "Paying Well". Wells which are IDB wells are labeled above as "Paying Well-IDB".

Copies of this submittal with enclosures are being sent to the working interest owners on the attached sheet.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

Patrick H. Noah

Patrick H. Noah
 Area Landman
 San Juan Basin
 (505) 599-3410

w/o attachments
 cc: C. D. Richard
 K. L. Czirr
 w/attachments
 SJ 32-7 Unit Owners

**SAN JUAN 32-7 UNIT
WORKING INTEREST OWNERS**

Elizabeth Calloway

Meridian Oil Production Inc.

Phillips Petroleum Company

Phillips-San Juan Partners, L.P.

San Juan Basin Partnership

Fred E. Turner

J. Glenn Turner, Jr.

John L. Turner

Mary Francis Turner, Jr.

Williams Production Company

PHILLIPS PETROLEUM COMPANY
Commerciality Determination

San Juan 32-7 Unit #217
Fruitland Coal
E/2 Section 4-T31N-R7W
San Juan County, New Mexico

**** Effective Date:** 12/1/94

Date of Commerciality Submittal: _____

Well Cost Data

Total Well Costs:	<u>385,376</u>		
<u>Production Taxes & Royalty:</u>	<u>20.438587%</u>	BLM	12.50
		Severance	3.750000
		School	4.000000
		Conservation	0.180000
		Ad Valorem	0.008587

Average Product Pricing

1995 1.46/MCF

Estimated Gross Annual Production and Operating Expenses

<u>Year</u>	<u>Gas (MMCF)</u>	<u>*Operating Expenses (\$)</u>
1994 (12/94)	5.7 (actual)	1,212
1995	93	57,021
1996	120	35,277
1997	112	35,277
1998	104	35,277
1999	97	35,277
2000	90	35,277
2001	84	35,277
2002	78	35,277
2003	72	35,277
2004	67	35,277
2005	63	35,277
2006	58	35,277
2007	54	35,277
2008	50	35,277

* Operating Expenses were not escalated for inflation.

** Effective Date - First of month following completion of recavitation

San Juan 32-7 Unit #217

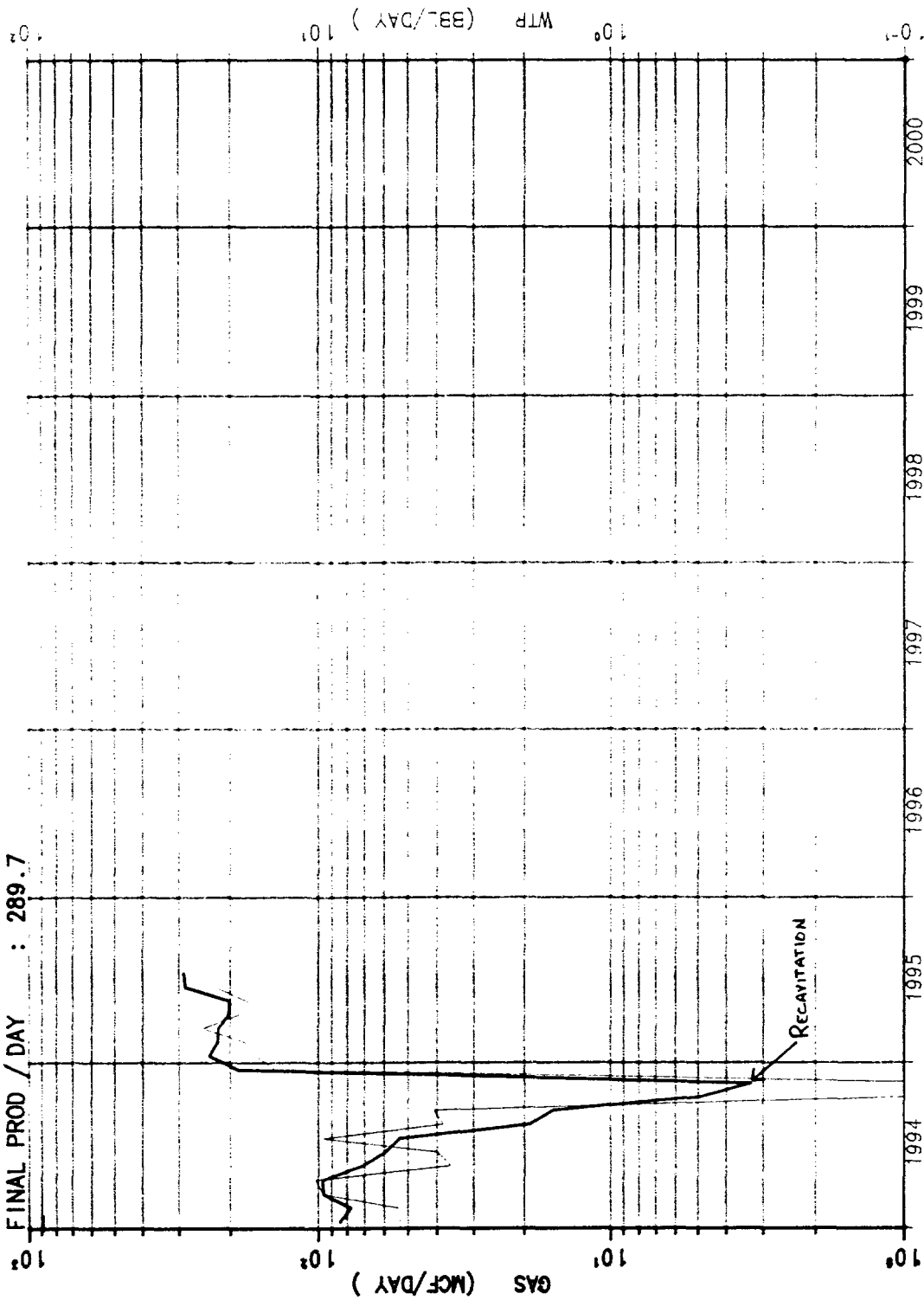
The San Juan 32-7 Unit #217 was spudded on 11/18/90 and first delivered on 8/28/91. As a result of a steady decline in production since first delivery, formation damage resulting from a poor cavitation was suspected, and a recavitation was proposed to correct the situation. The recavitation was completed on 11/28/94 with the subject well back on line 12/6/94. As a consequence, the effective date for the San Juan 32-7 Unit #217 to be eligible for admittance to the San Juan 32-7 Participating Area would fall on the first of the month following completion of recavitation or 12/1/94. In addition, the total well costs included the drilling costs and recavitation costs. However, the original completion costs were not included in the total well costs. As a result of lower line pressures, the compressor that serviced the subject well was removed in July of this year. Therefore, the compressor costs were only included in the actual January - July, 1995 operating expenses. The predicted operating expenses did not include any compressor costs.

1/94-7/95

INITIAL PROD / DAY : 84.3
REMAINING LIFE : 1.58

CUM PRODUCTION : 73646.
FINAL PROD / DAY : 289.7

Current Cums
73646. MCF GAS
6319. BBL WTR



LEASE- 650214 : SAN JUAN 32-7 UNIT #217
RESVR- 001 : BASIN FRUITLAND COAL
WELL -- 000217 PHS WELL PRODUCTION

F8A3801
ZONE-650214001000217 F8A3801
API--30045283580000

MEP81-01

PARPI - WELLZONE PRODUCTION BROWSE

Date: 8/30/95

DAILY AVERAGE BY MONTH

User: #AM3

Wellzone F8A38 01 Yr: 1994 Mth: 12 Property: 650214 SAN JUAN 32-7 UNIT #
 Screen: 1 (1-Prod, 2-Inj, 3-Both) Well No: 000217
 Type: D (T-Total, D-Daily Avg) Field: BASIN
 Period: M (M-Monthly, Y-Yearly, C-Cumm) Reserv: 20001 FRUITLAND COAL

ADJ	FLG DATE	OIL (BBL)	GAS (MCF)	WATER (BBL)	PROD	OP	ST	CL	TY
	1994-12	0.00	218	16	26.00	26	12	03	2
	1995-01	0.00	230	16	31.00	31	12	03	2
	1995-02	0.00	215	17	28.00	28	12	03	2
	1995-03	0.00	213	24	31.00	31	12	03	2
	1995-04	0.00	198	18	30.00	30	12	03	2
	1995-05	0.00	195	17	31.00	31	12	03	2
	1995-06	0.00	278	22	30.00	30	12	03	2
	1995-07	0.00	282	20	31.00	31	12	03	2

NO MORE DATA AVAILABLE

PA1=ICE PA2=Exit PF1=Help PF3=End PF11=GRAPH
 Transfer-> PF7=Backward PF8=Forward PF10=GRAND MENU PF12=LOG GRAPH

WELL VOLUME AND PRESSURE HISTORY

<u>METER_NAME</u> <u>COMMENTS</u>	<u>METER_NUMBER</u>	<u>VOL_DATE</u>	<u>READING</u>	<u>MCF_DAY</u>	<u>BWD</u>	<u>TUBING_PRESS</u>	<u>CASING_PRESS</u> <u>SURFACE_PRE</u>	<u>LINE_PRESS</u> <u>CHOKESIZE</u>
S.J. 32-7 #217 FC WELL BACK ON LINE 12/6	A65043090	12/07/94	22.653	0	0	800	800	300 28
S.J. 32-7 #217 FC	A65043090	12/09/94	23.620	336	2	460	600	248 28
S.J. 32-7 #217 FC	A65043090	12/16/94	25.350	249	25	420	540	264 40
S.J. 32-7 #217 FC	A65043090	12/21/94	26.424	210	20	530	660	272 40
S.J. 32-7 #217 FC	A65043090	12/24/94	26.986	192	15	480	620	303 40
S.J. 32-7 #217 FC	A65043090	12/30/94	28.434	238	21	490	620	352 40
S.J. 32-7 #217 FC	A65043090	01/06/95	30.053	229	21	420	540	272 40
S.J. 32-7 #217 FC	A65043090	01/12/95	31.487	239	23	395	500	235 40
S.J. 32-7 #217 FC	A65043090	01/20/95	33.051	192	14	410	600	340 40
S.J. 32-7 #217 FC	A65043090	01/30/95	34.576	154	16	500	680	375 40
S.J. 32-7 #217 FC	A65043090	02/06/95	35.830	176	19	520	780	377 40
S.J. 32-7 #217 FC	A65043090	02/10/95	36.514	170	18	520	780	366 40
S.J. 32-7 #217 FC	A65043090	02/16/95	37.597	179	22	500	680	386 40
S.J. 32-7 #217 FC	A65043090	02/24/95	39.039	180	20	495	640	361 40
S.J. 32-7 #217 FC	A65043090	03/06/95	40.880	183	21	495	640	341 40

WELL VOLUME AND PRESSURE HISTORY

<u>METER_NAME</u> <u>COMMENTS</u>	<u>METER_NUMBER</u>	<u>VOL_DATE</u>	<u>READING</u>	<u>MCF_DAY</u>	<u>BWD</u>	<u>TUBING_PRESS</u>	<u>CASING_PRESS</u> <u>SURFACE_PRE</u>	<u>LINE_PRESS</u> <u>CHOKESIZE</u>
S.J. 32-7 #217 FC	A65043090	03/09/95	41,337	154	17	530	700	361 40
S.J. 32-7 #217 FC	A65043090	03/17/95	42,805	181	21	480	620	365 40
S.J. 32-7 #217 FC	A65043090	03/24/95	44,108	187	21	420	540	260 40
S.J. 32-7 #217 FC	A65043090	03/29/95	44,996	179	19	380	595	265 40
S.J. 32-7 #217 FC	A65043090	04/03/95	45,879	178	18	490	640	291 40
S.J. 32-7 #217 FC	A65043090	04/10/95	46,768	126	16	480	600	330 40
S.J. 32-7 #217 FC	A65043090	04/15/95	47,607	168	21	490	620	338 40
S.J. 32-7 #217 FC	A65043090	04/21/95	48,690	180	19	470	600	197 40
S.J. 32-7 #217 FC	A65043090	04/28/95	49,994	181	21	460	620	225 40
S.J. 32-7 #217 FC	A65043090	05/06/95	51,259	158	15	420	600	247 40
S.J. 32-7 #217 FC	A65043090	05/13/95	52,333	155	17	520	660	238 40
S.J. 32-7 #217 FC	A65043090	05/20/95	53,660	187	23	290	460	281 40
S.J. 32-7 #217 FC	A65043090	05/27/95	55,239	224	21	240	440	224 40
S.J. 32-7 #217 FC	A65043090	06/03/95	56,993	252	20	220	400	230 40
S.J. 32-7 #217 FC	A65043090	06/09/95	58,484	241	19	390	540	228 40

WELL VOLUME AND PRESSURE HISTORY

<u>METER_NAME</u> <u>COMMENTS</u>	<u>METER_NUMBER</u>	<u>VOL_DATE</u>	<u>READING</u>	<u>MCF_DAY</u>	<u>BWD</u>	<u>TUBING_PRESS</u>	<u>CASING_PRESS</u> <u>SURFACE_PRE</u>	<u>LINE_PRESS</u> <u>CHOKESIZE</u>
S.J. 32-7 #217 FC CHOKE BACK FR.40/64 TO 12/64 6-10-95	A65043090	06/16/95	60.100	237	18	380	580	210 12
S.J. 32-7 #217 FC CHECK H/L S D S	A65043090	06/23/95	61.917	255	18	380	580	244 12
S.J. 32-7 #217 FC	A65043090	06/30/95	63.638	251	19	370	580	241 12
S.J. 32-7 #217 FC	A65043090	07/07/95	65.436	235	18	380	580	273 12
S.J. 32-7 #217 FC	A65043090	07/14/95	67.152	250	18	380	380	225 12
S.J. 32-7 #217 FC	A65043090	07/21/95	68.905	251	17	340	580	251 12
S.J. 32-7 #217 FC	A65043090	07/28/95	70.708	253	18	440	640	466 16
S.J. 32-7 #217 FC	A65043090	08/04/95	72.536	265	21	220	420	135 16
S.J. 32-7 #217 FC HIGH LINE PRESSURE	A65043090	08/11/95	74.369	257	15	320	520	324 16
S.J. 32-7 #217 FC	A65043090	08/18/95	76.179	261	20	240	450	132 16

CASE : CD 32-7 #217 ** ECONOMICS CASE SUMMARY **
 DESCRIPTION: COMMERCIALITY DETERMINATIONS WORKING INT : 100.000%
 CASE REVENUE INT : 79.561% OIL REV INT : 79.561% GAS REV INT : 79.561%
 CASE LIFE -FIRST MO-YR : 12-1994 PROD MO-YR : 12-1994 LAST YEAR : 2008

MEASURES OF MERIT

AARR (%)	:	17.5
BREAKEVEN POINT (YRS.)	:	4.7
PAYOUT (YRS.)	:	4.7
NTER	:	2.1
ECONOMIC LIFE (YRS.)	:	14.1

RESERVES SUMMARY

OIL-GROSS MBBLS	:	
NET MBBLS	:	
NET REVENUE (M\$)	:	
BBL/DAY TO PAYOUT:	:	
GAS_GROSS MMCF	:	1147.7
NET MMCF	:	913.1
NET REVENUE (M\$)	:	1333.2
MCF/DAY TO PAYOUT:	:	288.5

NET CASH FLOW SUMMARY (M\$)

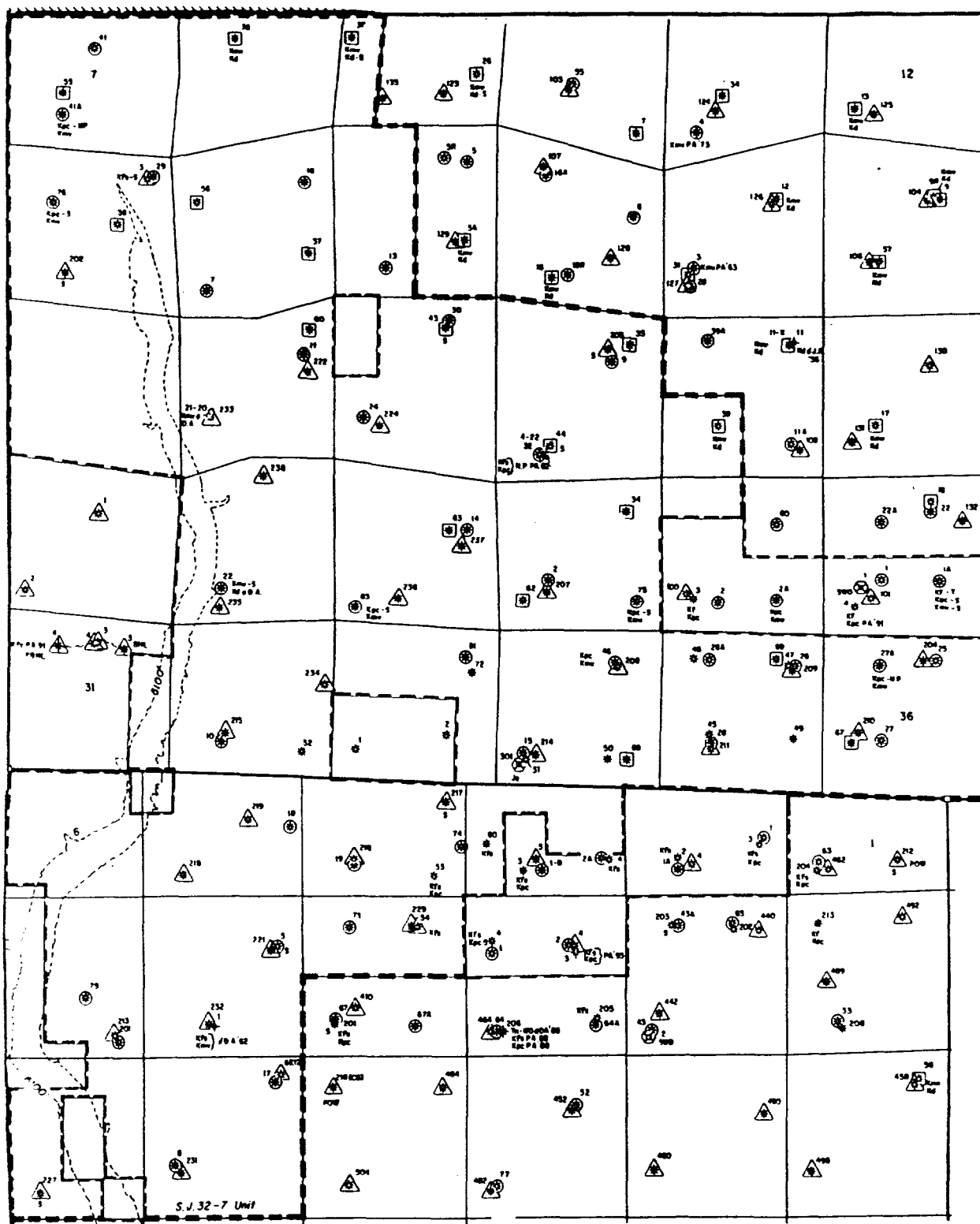
CAPITAL OUTLAY	:	385.4
TOTAL REVENUE	:	1333.2
TOTAL EXPENSES	:	516.8
IBRT	:	816.3
CURRENT INCOME TAX	:	
SALVAGE	:	
CASH RETURNED	:	816.3
CASH FLOW	:	430.9
NET PRESENT VALUE (M\$)	:	P.I.
@ 13.0 %:	:	65.2
@ 10.0 %:	:	120.9
@ 8.0 %:	:	165.2
@ 6.0 %:	:	216.5

PRESS "ENTER" TO CONTINUE...

GOWEE_CASE_SUM

SWD AND GATHERING SYSTEM COSTS

The SWD facility and gathering system costs were allocated equally back to each well in the unit. The allocated costs were then charged against the well by including them in the operating cost in the fifteen year forecast.



PRODUCING INTERVAL

Kfm	FARMINGTON	Kfm
Kl	KIRTLAND	Kl
△	FRUITLAND	Kf
*	PICTURED CLIFFS	Kpc
⊙	CHACRA	Kc
⊕	LA VENTANA	Klv
⊗	MESAVERDE	Kmv
⊛	GALLUP	Kgl
⊜	DAKOTA	Kd
		Kch CLIFFHOUSE
		Km MENEFEE
		Kpl POINT LOOKOUT
		Kt TOCITO
		Kgh GREENHORN



PHILLIPS PETROLEUM COMPANY
FARMINGTON AREA

S.J. 32-7 UNIT

San Juan Co., New Mexico

0 1/4 1/2 1 MILE

SCALE

GEOL. R. HAWKS

DATE: 1-24-94



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

CONSERVATION DIVISION
RECEIVED

MAY 18 1995

May 26, 1995

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

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

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

RE: SAN JUAN 32-7 UNIT
#14-08-001-441, OGRID NO. 099208, 017654
FRUITLAND PARTICIPATING AREA
ELEVENTH EXPANSION - EFFECTIVE 05/01/91
RIO ARriba COUNTY, NEW MEXICO
GF-5464

Gentlemen:

Per letter dated April 10, 1995 Phillips Petroleum Company submitted the Seventh through Eleventh Expansions to the Fruitland Formation Participating Area. Formal notice of BLM approval has not yet been received.

It has been called to our attention that the Schedule XII submitted by Phillips Petroleum Company for the Eleventh Expansion failed to include intervening drillblock acreage. Per Article 11(a) of the San Juan 32-7 Unit Agreement, such IDB acreage is required to be included as part of the expansion that creates an IDB. Approval of the #213 COM well and the #218 well as commercial wells created an intervening drill block between the drillblocks for these two wells.

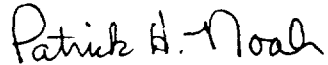
Enclosed with this letter is a new Schedule XII for the Eleventh Expanded Participating Area of the San Juan 32-7 Unit Area. This schedule describes the leases comprising each expansion of the Participating Area and indicates the

San Juan 32-7 Unit
#14-08-001-441
May 26, 1995
Page 2

percentages of unitized substances allocated to the unit tracts according to the Fruitland Formation ownership of such tracts. Copies of this new schedule are being sent to the Unit working interest owners described on the attached sheet.

Very truly yours,

PHILLIPS PETROLEUM COMPANY



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

cc: San Juan 32-7 Unit Owners
C. D. Richard (r) Local Supervisors
J. L. Mathis (r) GF-5464

**SAN JUAN 32-7 UNIT
WORKING INTEREST OWNERS**

Elizabeth Calloway

Meridian Oil Production Inc.

Phillips Petroleum Company

Phillips-San Juan Partners, L.P.

San Juan Basin Partnership

Fred E. Turner

J. Glenn Turner, Jr.

John L. Turner

Mary Francis Turner, Jr.

Williams Production Company

DATE 05/25/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
THE 011 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472		151.62		TRACT: 003			3.613717
SEC. 27	LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/4)		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #207						
SF-078542		160.00		TRACT: 005			3.813446
SEC. 35	SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000	
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #209						
SF-078543		313.48		TRACT: 006			7.471494
SEC. 27	LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4)		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	
SEC. 35	NE/4						
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209						

DATE 05/25/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
THE 011 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T31N R7W SEC. 10 NE/4	160.00		TRACT: 009 FORMER UNIT TRACT	0.000000 12.500000	0.000000 12.500000	0.000000
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	HALLWOOD ENERGY COMPANIES, ET AL				87.500000	87.500000	
	TOTAL				100.000000	100.000000	
SF-078996	T31N R7W SEC. 3 N/2 SE/4 SEC. 5 LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4 SEC. 6 LOTS 12, 14, 15, S/2 SE/4 SEC. 7 LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4 SEC. 8 E/2	1134.43		TRACT: 010	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	27.038049
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	PHILLIPS-SAN JUAN PARTNERS, L.P.						
	WILLIAMS PRODUCTION COMPANY						
	TOTAL				100.000000	100.000000	
	REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM - 1376) FEDERAL G NO. 4 (CA NM 87094) SAN JUAN 32-7 UNIT #213 COM SAN JUAN 32-7 UNIT #218 SAN JUAN 32-7 UNIT #219 SAN JUAN 32-7 UNIT #221						
SF-078996	T31N R7W SEC. 7 LOTS 6, 7, N/2 SE/4, SW/4 NE/4	157.24		TRACT: 010A	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000	3.747564
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	PHILLIPS PETROLEUM COMPANY						
	WILLIAMS PRODUCTION COMPANY						
	TOTAL				100.000000	100.000000	

REMARKS: IDB ACREAGE

EFFECTIVE 9/105/01

PAGE 2

DATE 05/25/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
THE 011 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078998	T31N R7W	998.91		TRACT: 011			23.808060
SEC. 17	ALL		ORRI:		5.000000	5.000000	
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		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 32-7 UNIT #6 SAN JUAN 32-7 UNIT #213 COM SAN JUAN 32-7 UNIT #227 COM SAN JUAN 32-7 UNIT #231							
E-503-13	T32N R7W	800.00		TRACT: 017A			19.067231
SEC. 32	E/2 W/2		ORRI:		5.000000	5.000000	
SEC. 36	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 32-7 UNIT #204 SAN JUAN 32-7 UNIT #210 SAN JUAN 32-7 UNIT #215							
NM LG 3876	T31N R7W	80.00		TRACT: 018			0.000000
SEC. 2	W/2 SW/4		ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 12.500000 87.500000	
	TOTAL				100.000000	100.000000	
REMARKS: FEDERAL G NO. 4 (CA NM-87094)							

DATE 05/25/85

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
THE 011 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	13.36		TRACT: 021			0.318423
	SEC. 18 EAST 44 1/4 FEET OF NE/4 NE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	
	TOTAL				100.000000	100.000000	

REMARKS: SAN JUAN 32-7 UNIT #3

FEE	T32N R7W	306.64		TRACT: 022			7.308470
	SEC. 18 WEST 87 9/16 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	
	TOTAL				100.000000	100.000000	

REMARKS: SAN JUAN 32-7 UNIT #3

FEE	T32N R7W	160.00		TRACT: 024			3.813446
	SEC. 32 W/2 W/2		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	0.000000 12.500000 71.750000 15.750000	
	TOTAL				100.000000	100.000000	

REMARKS: SAN JUAN 32-7 UNIT #215

DATE 05/25/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
THE 011 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W E/2 SW/4, S/2 SE/4	160.00		TRACT: 028 FORMER UNIT TRACT	0.000000 20.000000	0.000000 20.000000	0.000000
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	HALLWOOD ENERGY COMPANIES, ET AL				80.000000	80.000000	
	TOTAL				100.000000	100.000000	

REMARKS: YAGER COM 3 (CA SRM - 1376)
FEDERAL G NO. 4 (CA NM 87094)

FEE	T31N R7W	160.00		TRACT: 028 FORMER UNIT TRACT	0.000000 25.000000	0.000000 25.000000	0.000000
	SEC. 10 NW/4						
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	HALLWOOD ENERGY COMPANIES, ET AL				75.000000	75.000000	
	TOTAL				100.000000	100.000000	

REMARKS: YAGER COM N 5 (CA NMNM 87095)

FEE	T31N R7W	120.00		TRACT: 030 FORMER UNIT TRACT	0.000000 12.500000	0.000000 12.500000	0.000000
	SEC. 7 40 ACRES OF TRACT 55						
	SEC. 18 NW/4 SE/4, SW/4 NE/4						
	ORRI:						
	ROYALTY:						
	WORKING INTEREST:						
	KINDERMAC PARTNERS, ET AL				87.500000	87.500000	
	TOTAL				100.000000	100.000000	

REMARKS: SAN JUAN 32-7 UNIT #213 COM
SAN JUAN 32-7 UNIT #227 COM

DATE 05/25/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
THE 011 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W	40.00		TRACT: 031			0.000000
	SEC. 18	40 ACRES OF TRACT 55		FORMER UNIT TRACT	0.000000	0.000000	
			ORRI:		12.500000	12.500000	
			ROYALTY:				
			WORKING INTEREST:				
			KINDERMAC PARTNERS, ET AL		87.500000	87.500000	
			TOTAL		100.000000	100.000000	

REMARKS: SAN JUAN 32-7 UNIT #213 COM

FEE	T31N R7W	40.00		TRACT: 032			0.000000
	SEC. 18	SE/4 SE/4		FORMER UNIT TRACT	0.000000	0.000000	
			ORRI:		12.500000	12.500000	
			ROYALTY:				
			WORKING INTEREST:				
			SOUTHLAND ROYALTY COMPANY, ET AL		87.500000	87.500000	
			TOTAL		100.000000	100.000000	

REMARKS: SAN JUAN 32-7 UNIT #227 COM

TOTAL	4195.68 - COMMITTED	100.000000
	760.00 - NON COMMITTED	

DATE 05/25/95

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
RECAPITULATION

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W

SECTION 3	: N/2 SE/4
SECTION 5	: LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6	: LOTS 12, 14, 15, S/2 SE/4
SECTION 7	: LOTS 5, 6, 7, 8, 9, N/2 SE/4, SE/4 SE/4, NE/4
SECTION 8	: E/2
SECTION 17	: ALL
SECTION 18	: LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
SECTION 18	: E/2 NE/4

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W

SECTION 2	: W/2 SW/4
SECTION 3	: E/2 SW/4, S/2 SE/4
SECTION 7	: TRACT 55
SECTION 10	: N/2
SECTION 18	: NW/4 SE/4, SE/4 SE/4, SW/4 NE/4, TRACT 55

TOWNSHIP 32N, RANGE 7W

SECTION 18	: E/2
SECTION 27	: LOTS 1, 2, 3, 4, 5, 6, 7, 8
SECTION 32	: W/2
SECTION 35	: E/2
SECTION 36	: ALL

TOTAL COMMITTED: 4195.68

TOTAL ACRES NON-COMMITTED: 760.00

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 4955.68



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

RECEIVED
MAY 26 09 06 52

IN REPLY RE

May 25, 1995

San Juan 32-7(FR PA)
3180 (07327)

Mr. Pat Noah
Phillips Petroleum Company
5525 Highway 64, NBU 3004
Farmington, NM 87401

Dear Mr. Noah:

We have received your application for revision of the Fruitland Participating Area in the San Juan 32-7 Unit. The following table summarizes the wells included in each revision.

#Revision	Well#	Dedication	Acres	Sec.	Twn.	Rng.	Effective Date
7th	#209	E½	320	35	32N	7W	11-1-90
8th	#227	Lots 8,9,10, SE¼, E½ SW¼, SE¼ NW¼	321.61	18 18	31N	7W	12-1-90
*IDB	#231	W½	320	17	31N	7W	7-1-91
9th	#215	W½	320	32	32N	7W	2-1-91
10th	#219	Lots 6,7,8, SE¼, E½ SW¼	321.66	5	31N	7W	4-1-91
*IDB	#221	E½	320	8	31N	7W	4-1-91
11th	#213	Lots 8,9, SE¼ SE¼ Lots 5,6,7, NE¼ NE¼, S½ NE¼, Tract 55	325.68	7 18 18 7&18	31N	7W	5-1-91
	#218	SW¼ SW¼, Lots 12,14,15, S½ SE¼, Lot 5, E½ NE¼, NW¼ NE¼	324.39	5 6 7 7	31N	7W	5-1-91

* Intervening Drill Block

Your application for the Seventh through Eleventh Revision of the San Juan 32-7 Unit Fruitland Participating area is hereby approved. The effective dates of each revision are included in the table above. We are including a copy of the approved exhibits B.

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

If you have any questions regarding this correspondence, please contact Joe Hewitt at (505) 599-6365.

Sincerely,

/s/ Duane Spencer

Duane Spencer
Chief, Branch of Reservoir Management

5 Enclosures:

- 1 - 7th Revision Exhibit B
- 2 - 8th Revision Exhibit B
- 3 - 9th Revision Exhibit B
- 4 - 10th Revision Exhibit B
- 5 - 11th Revision Exhibit B

bcc:

MMS, RMP, MS-3240, Denver, CO w/ enclosures
MNOCD, Santa Fe, NM w/o enclosures ✓
Commissioner of Public Lands, Santa Fe, NM w/o enclosures



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

#420

April 10, 1995

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

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

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

Re: SAN JUAN 32-7 UNIT
#14-08-001-441, OGRID NO. 099208, 017654
FRUITLAND PARTICIPATING AREA APPLICATION
SEVENTH EXPANSION - EFFECTIVE 11/01/90
EIGHTH EXPANSION - EFFECTIVE 12/01/90
NINTH EXPANSION - EFFECTIVE 02/01/91
TENTH EXPANSION - EFFECTIVE 04/01/91
ELEVENTH EXPANSION - EFFECTIVE 05/01/91
NOTICE OF COMPLETION OF NON-COMMERCIAL WELL
SAN JUAN 32-7 UNIT WELL 208
RIO ARriba COUNTY, NEW MEXICO
GF-5464

Gentlemen:

Pursuant to Section 11(a) of the San Juan 32-7 Unit Agreement, #14-08-001-441, approved December 16, 1952, 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

San Juan 32-7 Unit
#14-08-001-441
Seventh - Eleventh Expansions
April 10, 1995
Page 2

Formation. Therefore, application for the Seventh through Eleventh Expansions of the Participating Area established for the Fruitland Formation are submitted for your review as follows:

SEVENTH EXPANDED PARTICIPATING AREA - EFFECTIVE NOVEMBER 1, 1990

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
E/2 Section 35-T32N-R7W	320.00	209

The San Juan 32-7 Unit #209 was completed October 14, 1990. The Fruitland Coal Formation was tested on October 13, 1990, with cumulative gas production of 286,522 MCF through January 31, 1995. The spacing unit for this well is described as E/2 Section 35-T32N-R7W and contains 320 acres.

EIGHTH EXPANDED PARTICIPATING AREA - EFFECTIVE DECEMBER 1, 1990

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
Lots 8,9,10, SE/4, E/2 SW/4, SE/4 NW/4 Section 18-T31N-R7W	321.61	227 Com

W/2 Section 17-T31N-R7W	320.00	*231
-------------------------	--------	------

* Intervening Drill Block

The San Juan 32-7 Unit #227 COM was completed on November 19, 1990. The Fruitland Coal Formation was tested on November 19, 1990, with cumulative gas production of 1,091,443 MCF through January 31, 1995. The spacing unit for this well is described as Lots 8, 9, 10, SE/4, E/2 SW/4, SE/4 NW/4 Section 18-T31N-R7W and contains 321.61 acres. Since the spacing unit contains lands not subject to the San Juan 32-7 Unit Agreement, the Unit Lands were communitized with the remaining lands included within the spacing unit under Contract No. NM 87134. Unit Lands for this spacing unit are Lots 8, 9, 10, E/2 SW/4, SE/4 NW/4, SW/4 SE/4, NE/4 SE/4 Section 18-T31N-R7W and contain 241.61 acres.

INTERVENING DRILL BLOCK
NOTICE OF COMPLETION OF ADDITIONAL WELL

The San Juan 32-7 Unit #231 well was completed on June 17, 1991. The Fruitland Coal Formation was tested on June 14, 1991, with cumulative gas production of 758,549 MCF through January 31, 1995. The spacing unit for this well is described as W/2 Section 17-T31N-R7W and contains 320 acres.

NINTH EXPANDED PARTICIPATING AREA - EFFECTIVE FEBRUARY 1, 1991

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
W/2 Section 32-T32N-R7W	320.00	215

The San Juan 32-7 Unit #215 was completed on January 3, 1991. The Fruitland Formation was tested January 2, 1991, with cumulative gas production of 676,396 MCF through January 31, 1995. The spacing unit for this well is described as W/2 Section 32-T32N-R7W and contains 320 acres.

TENTH EXPANDED PARTICIPATING AREA - EFFECTIVE APRIL 1, 1991

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
Lots 6, 7, 8, SE/4, E/2 SW/4 Section 5-T31N-R7W	321.66	219

E/2 Section 8-T31N-R7W	320.00	*221
------------------------	--------	------

* Intervening Drill Block

San Juan 32-7 Unit
#14-08-001-441
Seventh - Eleventh Expansions
April 10, 1995
Page 3

The San Juan 32-7 Unit #219 was completed on March 22, 1991. The Fruitland Formation was tested on March 20, 1991, with cumulative gas production of 918,104 MCF through January 31, 1995. The spacing unit for this well is described as Lots 6, 7, 8, SE/4, E/2 SW/4 Section 5-T31N-R7W and contains 321.66 acres.

INTERVENING DRILL BLOCK
NOTICE OF COMPLETION OF ADDITIONAL WELL

The San Juan 32-7 Unit #221 was completed April 28, 1991. The Fruitland Formation was tested on April 27, 1991, with cumulative gas production of 432,677 MCF through January 31, 1995. The spacing unit for this well is described as E/2 Section 8-T31N-R7W and contains 320 acres.

ELEVENTH EXPANDED PARTICIPATING AREA - EFFECTIVE MAY 1, 1991

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
Lots 8, 9, SE/4 SE/4 Section 7-T31N-R7W; Lots 5, 6, 7, NE/4 NE/4, S/2 NE/4 Section 18-T31N-R7W; and Tract 55 in Sections 7 and 18-T31N-R7W	325.68	213 COM
SW/4 SW/4 Section 5-T31N-R7W; S/2 SE/4, Lots 12, 14, 15 Section 6-T31N-R7W; Lot 5, E/2 NE/4, NW/4 NE/4 Section 7-T31N-R7W	324.39	218

The San Juan 32-7 Unit #213 COM was completed April 3, 1991. The Fruitland Formation was tested April 1, 1991, with cumulative gas production of 97,970 MCF through January 31, 1995. The spacing unit for this well is described as Lots 8 and 9, SE/4 SE/4 Section 7-T31S-R7W, Lots 5, 6, 7, NE/4 NE/4, S/2 NE/4 Section 18-T31S-R7W and Tract 55 in Sections 7 and 18-T31S-R7W, and contains 325.68 acres. Since the spacing unit contains lands not subject to the San Juan 32-7 Unit Agreement, the Unit Lands were communitized with the remaining lands contained with the spacing unit per Contract No. NM-84048. Unit Lands contained within the spacing unit are described as Lots 8 and 9, SE/4 SE/4 Section 7-T31S-R7W, Lots 5, 6, 7, E/2 NE/4 Section 18-T31S-R7W and contain 205.68 acres.

The San Juan 32-7 Unit #218 well was completed April 15, 1991. The Fruitland Formation was tested April 13, 1991, with cumulative gas production of 1,272,927 MCF through January 31, 1995. The spacing unit for this well is described as SW/4 SW/4 Section 5-T31N-R7W, S/2 SE/4, Lots 12, 14, 15 Section 6-T31N-R7W, Lot 5, E/2 NE/4, NW/4 NE/4 Section 7-T31N-R7W, containing 324.39 acres.

NOTICE OF COMPLETION OF NON-COMMERCIAL WELL

Pursuant to provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, Phillips Petroleum Company has determined that the following well is not capable of producing unitized substances in paying quantities from the Fruitland Formation.

<u>Drilling Block</u>	<u>New Acres</u>	<u>Well Number</u>
E/2 Section 34-T32N-R7W	320.00	208

San Juan 32-7 Unit
#14-08-001-441
Seventh - Eleventh Expansions
April 10, 1995
Page 4

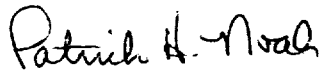
The San Juan 32-7 Unit #208 was completed on October 3, 1990. The Fruitland Formation was tested October 1, 1990, with cumulative gas production of 147,979 MCF through January 31, 1995. The spacing unit for this well is described as E/2 Section 34-T32N-R7W and contains 320 acres.

Enclosed with this letter are Schedules VIII, IX, X, XI and XII for the Seventh, Eighth, Ninth, Tenth and Eleventh Expanded Participating Areas for the Fruitland Formation of the San Juan 32-7 Unit Area. These schedules describe the leases comprising each expansion of the Participating Area and indicate the percentages of unitized substances allocated to the unit tracts according to the Fruitland ownership of such tracts.

Unless this application is disapproved or contested in whole or in part the Seventh, Eighth, Ninth, Tenth and Eleventh Expanded Participating Areas are effective November 1, 1990, December 1, 1990, February 1, 1991, April 1, 1991 and May 1, 1991, respectively. Copies of this application with enclosures are being sent to the Unit working interest owners on the attached sheet. This application completes operator filings for these wells submitted under our letters dated October 27, 1994, February 7, 1994 and August 23, 1993 and is consistent with those findings set forth in letters dated November 8, 1993, March 24, 1994 and March 10, 1995 from the Bureau of Land Management.

Very truly yours,

PHILLIPS PETROLEUM COMPANY



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

cc: San Juan 32-7 Unit Owners
C. D. Richard (r) Local Supervisors
J. L. Mathis (r) GF-5464

San Juan 30-5 Unit
#14-08-001-441
Seventh - Eleventh Expansions
April 10, 1995
Page 5

The signatory approvals below are for the Seventh, Eighth, Ninth, Tenth and Eleventh expanded participating areas of the Fruitland Formation in the San Juan 32-7 Unit #14-08-001-441

APPROVED _____

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

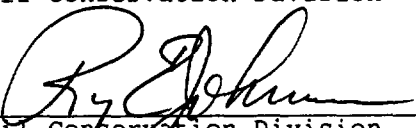
DATE _____

APPROVED _____

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

DATE _____

APPROVED _____


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

DATE 4/17/95

**SAN JUAN 32-7 UNIT
WORKING INTEREST OWNERS**

Elizabeth Calloway

Meridian Oil Production Inc.

Phillips Petroleum Company

Phillips-San Juan Partners, L.P.

San Juan Basin Partnership

Fred E. Turner

J. Glenn Turner, Jr.

John L. Turner

Mary Francis Turner, Jr.

Williams Production Company

PHILLIPS PETROLEUM COMPANY
SCHEDULE VII
THE 007 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84), 2 (37.93), 3 (37.97), 4 (37.88) (NW/4)	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	7.637902
	TOTAL				100.000000	
SF-078542	T32N R7W SEC. 35 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005	5.000000 12.500000 20.625000 61.875000	8.060047
	TOTAL				100.000000	
SF-078543	T32N R7W SEC. 27 LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4) SEC. 35 NE/4	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006	5.000000 12.500000 67.650000 14.850000	15.791648
	TOTAL				100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #207					
	REMARKS: SAN JUAN 32-7 UNIT #209					
	REMARKS: SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209					

PHILLIPS PETROLEUM COMPANY
SCHEDULE VIII
THE 007 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE ACTUAL PARTICIPATION
NM-28749	T31N R7W SEC. 10 NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000 12.500000 87.500000
	TOTAL				100.000000	100.000000
REMARKS: FEDERAL G NO. 4 (CA NM 87094)						
SF-078996	T31N R7W SEC. 3 N/2 SE/4	80.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 010	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000
	TOTAL				100.000000	100.000000
REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM-1376) FEDERAL G NO. 4 (CA NM 87094)						
SF-078998	T31N R7W SEC. 17 E/2	320.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 011	5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000
	TOTAL				100.000000	100.000000
REMARKS: SAN JUAN 32-7 UNIT #6						

PHILLIPS PETROLEUM COMPANY
SCHEDULE VIII
THE 007 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE PARTICIPATION	TOTAL
E-503-13	T32N R7W SEC. 36 ALL	640.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 017A	5.000000 12.500000 67.650000 14.850000	3	240189
	TOTAL				100.000000		100.000000

REMARKS: SAN JUAN 32-7 UNIT #204
SAN JUAN 32-7 UNIT #210

NM LG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 018 FORMER UNIT TRACT	0.000000 12.500000 87.500000		0.000000
	TOTAL				100.000000		100.000000

REMARKS: FEDERAL G NO. 4 (CA NM-87094)

FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 021	0.000000 12.500000 71.750000 15.750000		0.673014
	TOTAL				100.000000		100.000000

REMARKS: SAN JUAN 32-7 UNIT #3

PHILLIPS PETROLEUM COMPANY
 SCHEDULE VII
 THE 007 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED	PERCENTAGE COMMITTED
FEE	T32N R7W SEC. 16 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 022	3.000000 12.500000 69.290000 15.210000	3.000000 12.500000 69.290000 15.210000	15.447081
	TOTAL				100.000000	100.000000	
REMARKS:	SAN JUAN 32-7 UNIT #3						
FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 026 FORMER UNIT TRACT	0.000000 20.000000 80.000000	0.000000 20.000000 80.000000	0.000000
	TOTAL				100.000000	100.000000	
REMARKS:	YAGER COM 3 (CA SRM - 1376) FEDERAL G NO. 4 (CA NM 87094)						
FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 25.000000 75.000000	0.000000 25.000000 75.000000	0.000000
	TOTAL				100.000000	100.000000	
REMARKS:	YAGER COM N 5 (CA NMNM 87095)						
TOTAL	1985.10 - COMMITTED 560.00 - NON COMMITTED						100.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE VII
RECAPITULATION

DATE 04/03/85

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W

SECTION 3

SECTION 17

: NW/4 SE/4

: E/2

TOWNSHIP 32N, RANGE 7W

SECTION 18

SECTION 35

SECTION 36

: E/2

: E/2

: ALL

TOTAL COMMITTED:

1985.10

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

2545.10

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W

SECTION 2

SECTION 3

SECTION 10

: W/2 SW/4

: E/2 SW/4, SW/4 SE/4

: NW/4

TOTAL ACRES NON-COMMITTED:

560.00

PHILLIPS PETROLEUM COMPANY
SCHEDULE IX
THE 008 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT PARTICIPATION	TOTAL CONTRIBUTION
TRACT: 003							5.933564
W	151.62						
LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/4)		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000		
		TOTAL		100.000000	100.000000		
TRACT: 005							6.282615
7W	160.00						
SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 20.625000 61.875000	5.000000 12.500000 20.625000 61.875000		
		TOTAL		100.000000	100.000000		
TRACT: 006							12.309215
7W	313.48						
LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4) NE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000		
		TOTAL		100.000000	100.000000		
TRACT: 007							12.309215
7W	313.48						
LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4) NE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.000000 12.500000 67.650000 14.850000		
		TOTAL		100.000000	100.000000		

S: SAN JUAN 32-7 UNIT #207

S: SAN JUAN 32-7 UNIT #209

S: SAN JUAN 32-7 UNIT #207
S: SAN JUAN 32-7 UNIT #209

PHILLIPS PETROLEUM COMPANY
SCHEDULE IX
THE 008 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T31N R7W SEC. 10 NE/4	160.00		TRACT: 009 FORMER UNIT TRACT		0.000000
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	HALLWOOD ENERGY COMPANIES, ET AL				87.500000	
	TOTAL				100.000000	

REMARKS: FEDERAL G NO. 4 (CA NM 87094)

SF-078996	T31N R7W SEC. 3 N/2 SE/4	80.00		TRACT: 010		3.141308
	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 YAGER 3 (CA SRM - 1375)
FEDERAL G NO. 4 (CA NM 87094)

SF-078998	T31N R7W SEC. 17 ALL	881.61		TRACT: 011		34.617805
	SEC. 18 LOTS 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4				5.000000	
	ORRI:				12.500000	
	ROYALTY:					
	WORKING INTEREST:				67.650000	
	PHILLIPS-SAN JUAN PARTNERS, L.P.				14.850000	
	WILLIAMS PRODUCTION COMPANY					
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #6
SAN JUAN 32-7 UNIT #227 COM
SAN JUAN 32-7 UNIT #231

PHILLIPS PETROLEUM COMPANY
 SCHEDULE IX
 THE 008 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W SEC. 36 ALL	640.00		TRACT: 017A		25.130462
	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 #204
 SAN JUAN 32-7 UNIT #210

NM LG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00		TRACT: 018 FORMER UNIT TRACT		0.000000
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	HALLWOOD ENERGY COMPANIES, ET AL				87.500000	
	TOTAL				100.000000	

REMARKS: FEDERAL G NO. 4 (CA NM-87094)

FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36		TRACT: 021		0.524598
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS-SAN JUAN PARTNERS, L.P.				71.750000	
	WILLIAMS PRODUCTION COMPANY				15.750000	
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #3

PHILLIPS PETROLEUM COMPANY
SCHEDULE IX
THE 008 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 18 WEST 870 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 022	3.000000 12.500000 69.290000 15.210000	12.040633
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #3

FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 026 FORMER UNIT TRACT	0.000000 20.000000 80.000000	0.000000
	TOTAL				100.000000	

REMARKS: YAGER COM 3 (CA SRM - 1376)
FEDERAL G NO. 4 (CA NM 87094)

FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 25.000000 75.000000	0.000000
	TOTAL				100.000000	

REMARKS: YAGER COM N 5 (CA NMNM 87095)

PHILLIPS PETROLEUM COMPANY
 SCHEDULE IX
 THE 008 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 18 NW/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #227 COM

FEE	T31N R7W SEC. 18 SE/4 SE/4	40.00	ORRI: ROYALTY: WORKING INTEREST: SOUTHLAND ROYALTY COMPANY	TRACT: 032 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #227 COM

TOTAL	2546.71 - COMMITTED	100.000000
	640.00 - NON COMMITTED	

PHILLIPS PETROLEUM COMPANY
SCHEDULE IX
RECAPITULATION

DATE 04/03/85

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W	
SECTION 3	: NW/4 SE/4
SECTION 17	: ALL
SECTION 18	: LOTS 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
TOWNSHIP 32N, RANGE 7W	
SECTION 18	: E/2
SECTION 35	: E/2
SECTION 36	: ALL

TOTAL COMMITTED: 2546.71

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 3186.71

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W	
SECTION 2	: W/2 SW/4
SECTION 3	: E/2 SW/4, SW/4 SE/4
SECTION 10	: NW/4
SECTION 18	: NW/4 SE/4, SE/4 SE/4

TOTAL ACRES NON-COMMITTED:

840.00

PHILLIPS PETROLEUM COMPANY
SCHEDULE X
THE 009 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W	151.62		TRACT: 003		
SEC. 27	LOTS 1 (37.84), 2 (37.93), 3 (37.97), 4 (37.88) (NW/4)		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	5.288990
	TOTAL				100.000000	
SF-078542	T32N R7W	160.00		TRACT: 005		
SEC. 35	SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 20.625000 61.875000	5.581311
	TOTAL				100.000000	
SF-078543	T32N R7W	313.48		TRACT: 008		
SEC. 27	LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4)		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		5.000000 12.500000 67.650000 14.850000	10.935184
SEC. 35	NE/4					
	TOTAL				100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #207					
	REMARKS: SAN JUAN 32-7 UNIT #209					
	REMARKS: SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209					

PHILLIPS PETROLEUM COMPANY
SCHEDULE X
THE 009 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T31N R7W	160.00		TRACT: 009		0.000000
	SEC. 10 NE/4		ORRI:	FORMER UNIT TRACT	0.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			HALLWOOD ENERGY COMPANIES, ET AL		87.500000	
			TOTAL		100.000000	

REMARKS: FEDERAL G NO. 4 (CA NM 87094)

SF-078998	T31N R7W	80.00		TRACT: 010		2.790656
	SEC. 3 N/2 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 YAGER 3 (CA SRM - 1376)
FEDERAL G NO. 4 (CA NM 87094)

SF-078998	T31N R7W	881.61		TRACT: 011		30.753372
	SEC. 17 ALL		ORRI:		5.000000	
	SEC. 18 LOTS 8, 9, 10, SW/4 SE/4,		ROYALTY:		12.500000	
	NE/4 SE/4, E/2 SW/4, SE/4 NW/4		WORKING INTEREST:			
			PHILLIPS - SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	

REMARKS: SAN JUAN 32-7 UNIT # 6
SAN JUAN 32-7 UNIT #227 COM
SAN JUAN 32-7 UNIT #231

PHILLIPS PETROLEUM COMPANY
SCHEDULE X
THE 009 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W	800.00		TRACT: 017A		27.906555
SEC. 32	E/2 W/2		ORRI:		5.000000	
SEC. 36	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 32-7 UNIT #204
SAN JUAN 32-7 UNIT #210
SAN JUAN 32-7 UNIT #215

NM LG 3876	T31N R7W	80.00		TRACT: 018 FORMER UNIT TRACT		0.000000
	SEC. 2		ORRI:		0.000000	
	W/2 SW/4		ROYALTY:		12.500000	
			WORKING INTEREST:			
			HALLWOOD ENERGY COMPANIES, ET AL		87.500000	
			TOTAL		100.000000	

REMARKS: FEDERAL G NO. 4 (CA NM-87094)

FEE	T32N R7W	13.36		TRACT: 021		0.466039
	SEC. 18		ORRI:		0.000000	
	EAST 441 FEET OF NE/4 NE/4		ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	
			TOTAL		100.000000	

REMARKS: SAN JUAN 32-7 UNIT #3

PHILLIPS PETROLEUM COMPANY
SCHEDULE X
THE 009 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/85

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 022	3.000000 12.500000 69.290000 15.210000	10.696582
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #3

FEE	T32N R7W SEC. 32 W/2 W/2	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 024	0.000000 12.500000 71.750000 15.750000	5.581311
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #215

FEE	T31N R7W SEC. 3 E/2 SW/4, S/2 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 026 FORMER UNIT TRACT	0.000000 20.000000 80.000000	0.000000
	TOTAL				100.000000	

REMARKS: YAGER COM 3 (CA SRM - 1376)
FEDERAL G NO. 4 (CA NM 87094)

PHILLIPS PETROLEUM COMPANY
SCHEDULE X
THE 009 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 10 NW/4	160.00		TRACT: 028 FORMER UNIT TRACT		0.000000
	ORRI:				0.000000	
	ROYALTY:				25.000000	
	WORKING INTEREST:				75.000000	
	HALLWOOD ENERGY COMPANIES, ET AL					
	TOTAL				100.000000	

REMARKS: YAGER COM N 5 (CA NMNM 87095)

FEE	T31N R7W SEC. 18 NW/4 SE/4	40.00		TRACT: 030 FORMER UNIT TRACT		0.000000
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:				87.500000	
	KINDERMAC PARTNERS, ET AL					
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #227 COM

FEE	T31N R7W SEC. 18 SE/4 SE/4	40.00		TRACT: 032 FORMER UNIT TRACT		0.000000
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:				87.500000	
	SOUTHLAND ROYALTY COMPANY, ET AL					
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #227 COM

TOTAL	2866.71 - COMMITTED	
	640.00 - NON COMMITTED	100.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE X
RECAPITULATION

DATE 04/03/05

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
SECTION 3 : NW/4 SE/4
SECTION 17 : ALL
SECTION 18 : LOTS 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4

TOWNSHIP 32N, RANGE 7W
SECTION 18 : E/2
SECTION 32 : W/2
SECTION 35 : E/2
SECTION 36 : ALL

TOTAL COMMITTED: 2866.71

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 3506.71

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
SECTION 2 : W/2 SW/4
SECTION 3 : E/2 SW/4, SW/4 SE/4
SECTION 10 : NW/4
SECTION 18 : NW/4 SE/4, SE/4 SE/4

TOTAL ACRES NON-COMMITTED:

640.00

PHILLIPS PETROLEUM COMPANY
SCHEDULE XI
THE 010 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/85

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/4)	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	4.321665
	TOTAL				100.000000	
SF-078542	T32N R7W SEC. 35 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005	5.000000 12.500000 20.625000 61.875000	4.560522
	TOTAL				100.000000	
SF-078543	T32N R7W SEC. 27 LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4)	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006	5.000000 12.500000 67.650000 14.850000	8.935204
	TOTAL				100.000000	
	REMARKS: SAN JUAN 32-7 UNIT #207					
	REMARKS: SAN JUAN 32-7 UNIT #209					
	REMARKS: SAN JUAN 32-7 UNIT #207 SAN JUAN 32-7 UNIT #209					

PHILLIPS PETROLEUM COMPANY
SCHEDULE XI
THE 010 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM - 28749	T31N R7W	160.00		TRACT: 009 FORMER UNIT TRACT		0.000000
	SEC. 10 NE/4		ORRI:		0.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			HALLWOOD ENERGY COMPANIES, ET AL		87.500000	
			TOTAL		100.000000	

REMARKS: FEDERAL G NO. 4 (CA NM 87094)

SF - 078996	T31N R7W	721.66		TRACT: 010		20.569666
	SEC. 3 N/2 SE/4		ORRI:		5.000000	
	SEC. 5 LOTS 6, 7, 8, SE/4, E/2 SW/4		ROYALTY:		12.500000	
	SEC. 8 E/2		WORKING INTEREST:			
			PHILLIPS - SAN JUAN PARTNERS, L.P.		67.650000	
			WILLIAMS PRODUCTION COMPANY		14.850000	
			TOTAL		100.000000	

REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM - 1376)
FEDERAL G NO. 4 (CA NM 87094)
SAN JUAN 32-7 UNIT #219
SAN JUAN 32-7 UNIT #221

SF - 078998	T31N R7W	881.61		TRACT: 011		25.128764
	SEC. 17 ALL		ORRI:		5.000000	
	SEC. 18 LOTS 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4		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 #6
SAN JUAN 32-7 UNIT #227 COM
SAN JUAN 32-7 UNIT #231

PHILLIPS PETROLEUM COMPANY
SCHEDULE XI
THE 010 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W SEC. 32 E/2 W/2 SEC. 36 ALL	800.00		TRACT: 017A		22.802612
	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 #204
SAN JUAN 32-7 UNIT #210
SAN JUAN 32-7 UNIT #215

NM LG 3876	T31N R7W SEC. 2 W/2 SW/4	80.00		TRACT: 018 FORMER UNIT TRACT		0.000000
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	HALLWOOD ENERGY COMPANIES, ET AL				87.500000	
	TOTAL				100.000000	

REMARKS: FEDERAL G NO. 4 (CA NM-87094)

FEE	T32N R7W SEC. 18 EAST 441 FEET OF NE/4 NE/4	13.36		TRACT: 021		0.380804
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	PHILLIPS - SAN JUAN PARTNERS, L.P.				71.750000	
	WILLIAMS PRODUCTION COMPANY				15.750000	
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #3

PHILLIPS PETROLEUM COMPANY
SCHEDULE XI
THE 010 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	T32N R7W	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	SEC. 18	WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4	306.64	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 022	3.000000 12.500000 69.290000 15.210000	8.740241
		TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT # 3

FEE	T32N R7W	SEC. 32	W/2 W/2	160.00	TRACT: 024	0.000000 12.500000 71.750000 15.750000	4.560522
						100.000000	
						TOTAL	

REMARKS: SAN JUAN 32-7 UNIT # 215

FEE	T31N R7W	SEC. 3	E/2 SW/4, S/2 SE/4	160.00	TRACT: 026 FORMER UNIT TRACT	0.000000 20.000000 80.000000	0.000000
						100.000000	
						TOTAL	

REMARKS: YAGER COM 3 (CA SRM - 1376)
FEDERAL G NO. 4 (CA NM 87094)

PHILLIPS PETROLEUM COMPANY
SCHEDULE XI
THE 010 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/05

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 10 NW/4	160.00		TRACT: 028 FORMER UNIT TRACT		0.000000
	ORRI:				0.000000	
	ROYALTY:				25.000000	
	WORKING INTEREST:					
	HALLWOOD ENERGY COMPANIES, ET AL				75.000000	
	TOTAL				100.000000	

REMARKS: YAGER COM N 5 (CA NMNM 87095)

FEE	T31N R7W SEC. 18 NW/4 SE/4	40.00		TRACT: 030 FORMER UNIT TRACT		0.000000
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	KINDERMAC PARTNERS, ET AL				87.500000	
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #227 COM

FEE	T31N R7W SEC. 18 SE/4 SE/4	40.00		TRACT: 032 FORMER UNIT TRACT		0.000000
	ORRI:				0.000000	
	ROYALTY:				12.500000	
	WORKING INTEREST:					
	SOUTHLAND ROYALTY COMPANY, ET AL				87.500000	
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #227 COM

TOTAL	3508.37 - COMMITTED	
	640.00 - NON COMMITTED	100.000000

PHILLIPS PETROLEUM COMPANY
SCHEDULE XI
RECAPITULATION

DATE 04/03/95

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
SECTION 3 : NW/4 SE/4
SECTION 5 : LOTS 6, 7, 8, SE/4, E/2 SW/4
SECTION 8 : E/2
SECTION 17 : ALL
SECTION 18 : LOTS 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4

TOWNSHIP 32N, RANGE 7W

SECTION 18 : E/2
SECTION 32 : W/2
SECTION 35 : E/2
SECTION 36 : ALL

TOTAL COMMITTED:

3508.37

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA:

4148.37

DESCRIPTION ON NON-COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W
SECTION 2 : W/2 SW/4
SECTION 3 : E/2 SW/4, SW/4 SE/4
SECTION 10 : NW/4
SECTION 18 : NW/4 SE/4, SE/4 SE/4

TOTAL ACRES NON-COMMITTED:

840.00

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
THE 011 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
SF-078472	T32N R7W SEC. 27 LOTS 1 (37.84), 2 (37.93), 3(37.97), 4 (37.88) (NW/4)	151.62	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 003	5.000000 12.500000 67.650000 14.850000	3.754420
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #207

SF-078542	T32N R7W SEC. 35 SE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 005	5.000000 12.500000 20.625000 61.875000	3.961926
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #209

SF-078543	T32N R7W SEC. 27 LOTS 5 (38.49), 6 (38.21), 7 (38.25), 8 (38.53) (SW/4)	313.48	ORRI: ROYALTY: WORKING INTEREST: PHILLIPS-SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY	TRACT: 006	5.000000 12.500000 67.650000 14.850000	7.762403
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #207
SAN JUAN 32-7 UNIT #209

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
THE 011 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
NM-28749	T31N R7W SEC. 10 NE/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 009 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000
	TOTAL				100.000000	

REMARKS: FEDERAL G NO. 4 (CA NM 87094)

SF-078996	T31N R7W	1134.43	TRACT: 010			28.090798
SEC. 3	N/2 SE/4		ORRI:		5.000000	
SEC. 5	LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4		ROYALTY:		12.500000	
SEC. 6	LOTS 12, 14, 15, S/2 SE/4		WORKING INTEREST:		67.650000	
SEC. 7	LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4		PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		14.850000	
SEC. 8	E/2		TOTAL		100.000000	

REMARKS: SAN JUAN 32-7 UNIT YAGER 3 (CA SRM - 1376)
FEDERAL G NO. 4 (CA NM 87094)
SAN JUAN 32-7 UNIT #213 COM
SAN JUAN 32-7 UNIT #218
SAN JUAN 32-7 UNIT #219
SAN JUAN 32-7 UNIT #221

SF-078998	T31N R7W	998.91	TRACT: 011			24.735046
SEC. 17	ALL		ORRI:		5.000000	
SEC. 18	LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4 E/2 NE/4		ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		12.500000 67.650000 14.850000	
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #6
SAN JUAN 32-7 UNIT #213 COM
SAN JUAN 32-7 UNIT #227 COM
SAN JUAN 32-7 UNIT #231

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
THE 011 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
E-503-13	T32N R7W	800.00		TRACT: 017A		19.809629
SEC. 32	E/2 W/2		ORRI:		5.000000	
SEC. 36	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 32-7 UNIT #204
SAN JUAN 32-7 UNIT #210
SAN JUAN 32-7 UNIT #215

NM LG 3676	T31N R7W	80.00		TRACT: 018 FORMER UNIT TRACT		0.000000
SEC. 2	W/2 SW/4		ORRI:		0.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			HALL WOOD ENERGY COMPANIES, ET AL		87.500000	
			TOTAL		100.000000	

REMARKS: FEDERAL G NO. 4 (CA NM-87094)

FEE	T32N R7W	13.36		TRACT: 021		0.330821
SEC. 18	EAST 441 FEET OF NE/4 NE/4		ORRI:		0.000000	
			ROYALTY:		12.500000	
			WORKING INTEREST:			
			PHILLIPS-SAN JUAN PARTNERS, L.P.		71.750000	
			WILLIAMS PRODUCTION COMPANY		15.750000	
			TOTAL		100.000000	

REMARKS: SAN JUAN 32-7 UNIT #3

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
THE 011 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T32N R7W	305.64		TRACT: 022		7.593031
	SEC. 18 WEST 879 FEET OF NE/4 NE/4, W/2 NE/4, SE/4 NE/4, SE/4		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		3.000000 12.500000 69.290000 15.210000	
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #3

FEE	T32N R7W	160.00		TRACT: 024		3.961926
	SEC. 32 W/2 W/2		ORRI: ROYALTY: WORKING INTEREST: PHILLIPS - SAN JUAN PARTNERS, L.P. WILLIAMS PRODUCTION COMPANY		0.000000 12.500000 71.750000 15.750000	
	TOTAL				100.000000	

REMARKS: SAN JUAN 32-7 UNIT #215

FEE	T31N R7W	160.00		TRACT: 026 FORMER UNIT TRACT		0.000000
	SEC. 3 E/2 SW/4, S/2 SE/4		ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL		0.000000 20.000000 80.000000	
	TOTAL				100.000000	

REMARKS: YAGER COM 3 (CA SRM-1376)
FEDERAL G NO. 4 (CA NM 87094)

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
THE 011 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
SAN JUAN 32 - 7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 10 NW/4	160.00	ORRI: ROYALTY: WORKING INTEREST: HALLWOOD ENERGY COMPANIES, ET AL	TRACT: 028 FORMER UNIT TRACT	0.000000 25.000000 75.000000	0.000000
	TOTAL				100.000000	
REMARKS: YAGER COM N 5 (CA NMNM 87095)						
FEE	T31N R7W SEC. 7 40 ACRES OF TRACT 55 SEC. 18 NW/4 SE/4, SW/4 NE/4	120.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 030 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000
	TOTAL				100.000000	
REMARKS: SAN JUAN 32-7 UNIT #213 COM SAN JUAN 32-7 UNIT #227 COM						
FEE	T31N R7W SEC. 18 40 ACRES OF TRACT 55	40.00	ORRI: ROYALTY: WORKING INTEREST: KINDERMAC PARTNERS, ET AL	TRACT: 031 FORMER UNIT TRACT	0.000000 12.500000 87.500000	0.000000
	TOTAL				100.000000	
REMARKS: SAN JUAN 32-7 UNIT #213 COM						

PHILLIPS PETROLEUM COMPANY
 SCHEDULE XII
 THE 011 EXPANDED PARTICIPATING AREA FOR FRUITLAND COAL FORMATION
 SAN JUAN 32-7 UNIT AREA

DATE 04/03/95

SERIAL NUMBER	DESCRIPTION	NUMBER OF ACRES	OWNERSHIP	DRILLING BLOCK	PERCENTAGE	PERCENTAGE COMMITTED	PERCENT ACTUAL PARTICIPATION
FEE	T31N R7W SEC. 18 SE/4 SE/4	40.00		TRACT: 032 FORMER UNIT TRACT			0.000000
	ORRI:				0.000000	0.000000	
	ROYALTY:				12.500000	12.500000	
	WORKING INTEREST:						
	SOUTHLAND ROYALTY COMPANY, ET AL				87.500000	87.500000	
	TOTAL				100.000000	100.000000	

REMARKS: SAN JUAN 32-7 UNIT #227 COM

TOTAL	4038.44 - COMMITTED	100.000000
	760.00 - NON COMMITTED	

PHILLIPS PETROLEUM COMPANY
SCHEDULE XII
RECAPITULATION

DATE 04/03/05

DESCRIPTION OF COMMITTED LANDS IN PARTICIPATING AREA:

TOWNSHIP 31N, RANGE 7W	
SECTION 3	: NW/4 SE/4
SECTION 5	: LOTS 6, 7, 8, SE/4, E/2 SW/4, SW/4 SW/4
SECTION 6	: LOTS 12, 14, 15, S/2 SE/4
SECTION 7	: LOTS 5, 8, 9, SE/4 SE/4, E/2 NE/4, NW/4 NE/4
SECTION 8	: E/2
SECTION 17	: ALL
SECTION 18	: LOTS 5, 6, 7, 8, 9, 10, SW/4 SE/4, NE/4 SE/4, E/2 SW/4, SE/4 NW/4
SECTION 18	: E/2 NE/4

TOWNSHIP 32N, RANGE 7W

SECTION 18	: E/2
SECTION 32	: W/2
SECTION 35	: E/2
SECTION 36	: ALL

TOTAL COMMITTED: 3508.37

TOTAL ACRES NON-COMMITTED:

760.00

TOTAL NUMBER OF ACRES IN PARTICIPATING AREA: 4798.44