

Notice of Oil and Gas Operations PHILLIPS PETROLEUM COMPANY

CONTACT: James Weaver

Phone: (970) 276-4828

Fax: (970) 276-4829

P.O. Box 177
117 West Jefferson
Hayden, Colorado 81639

January 15, 2001



Pursuant to the Colorado Oil & Gas Conservation Commission (COGCC) Rule 305 – Notices of Oil & Gas Operations, Phillips Petroleum Company (Phillips), as operator, hereby provides 30-day written notice of its intention to conduct natural gas drilling operations and operations with heavy equipment.

Phillips plans to drill nine natural gas production wells. The wells to be drilled, including well name, location and surface owner of each location, are listed on the following page. Construction of well locations and access roads is expected to commence on or after March 1, 2001. Well drilling operations are expected to commence on or after April 1, 2001. Surface owners shall notify any affected tenant(s) of Phillips' planned operations.

Attached is a copy of the COGCC's informational brochure for surface owners. For more information about Phillips' proposed drilling operations, please contact James Weaver at (970) 276-4828 or by e-mail at jweaver@ppco.com.

Wells to be Drilled

Federal 35-8-88 #1 NE1/4NE1/4, Section 35, T.8N., R.88W.
Surface Owner: Morgan Creek Land & Livestock, L.L.C.

Federal 35-8-88 #2 SE1/4SE1/4, Section 35, T.8N., R.88W.
Surface Owner: Morgan Creek Land & Livestock, L.L.C.

Federal 31-8-87 #1 NE1/4NE1/4, Section 31, T.8N., R.87W.
Surface Owner: Smith Rancho Land & Livestock, L.L.C.

Federal 31-8-87 #2 NW1/4NW1/4, Section 31, T.8N., R.87W.
Surface Owner: Smith Rancho Land & Livestock, L.L.C.

Meagher 31-8-87 #1 SW1/4SW1/4, Section 31, T.8N., R.87W.
Surface Owner: Smith Rancho Land & Livestock, L.L.C.

State 36-8-88 #5 NE1/4NW1/4, Section 36, T.8N., R.88W.
Surface Owner: Flanders Living Trust

State 36-8-88 #6 SW1/4 SW1/4, Section 36, T.8N., R.88W.
Surface Owner: Flanders Living Trust

State 36-8-88 #7 SW1/4SE1/4, Section 36, T.8N., R.88W.
Surface Owner: Flanders Living Trust

State 36-8-88 #8 SW1/4NE1/4, Section 36, T.8N., R.88W.
Surface Owner: Flanders Living Trust



PHILLIPS PETROLEUM COMPANY

Insurance, Real Estate and Claims
P.O. Box 105
Livermore, Colorado 80536



January 16, 2001

File: Flanders Living Trust
Woodley Spring 2001 Wells

Mrs. Rosemarie J. Flanders, Trustee
Flanders Living Trust
P.O. Box 211
Hayden, Colorado 81639



Dear Mrs. Flanders:

As we discussed during Fall 2000, Phillips Petroleum Company anticipates drilling additional wells on property located in Section 36, T. 8N., R. 88W., 6th P.M., Routt County, Colorado, which is owned by the Flanders Living Trust. Applications for Permits to Drill (APD's) for the proposed wells will be submitted by Phillips to the Colorado Oil and Gas Conservation Commission (COGCC) within the next week. Also, an Administrative Permit application for these wells will be submitted within the next week to Routt County, Colorado.

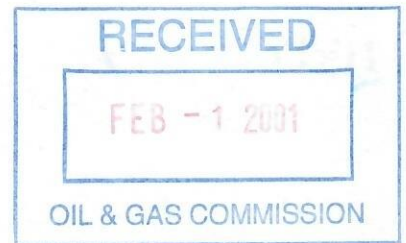
The proposed wells are:

<u>Well Name</u>	<u>Well Location</u>
State 36-8-88 #5	NE1/4NW1/4, Section 36, T. 8N., R. 88W.
State 36-8-88 #6	SW1/4SW1/4, Section 36, T. 8N., R. 88W.
State 36-8-88 #7	SW1/4SE1/4, Section 36, T. 8N., R. 88W.
State 36-8-88 #8	SW1/4NE1/4, Section 36, T. 8N., R. 88W.

As required by COGCC Rule 305, Notices of Oil and Gas Operations, Phillips, as operator, is notifying you, a surface owner, in writing of its intention to conduct drilling operations at least thirty (30) days prior to the date of estimated commencement of operations with heavy equipment. Construction of the proposed well locations, access roads and associated pipelines is expected to commence on or after March 1, 2001 and drilling is expected to commence on or after April 1, 2001. As surface owner, you are responsible to notify any affected tenant of Phillips' planned operations.

Also, COGCC Rule 306 requires that Phillips consult with you, the surface owner, regarding location of well sites, access roads, and other facilities. Enclosed is a map showing the proposed well locations and access roads. Pipelines routes are to follow access roads. Copies of survey plats for the proposed wells are also enclosed. We consulted with you and your son Michael during November 2000 about the proposed well locations and access roads, but we are willing to further discuss the locations and timing

Mrs. Rosemarie J. Flanders, Trustee
January 16, 2001
Page 2




of our operations if you desire. COGCC Rules 305 and 306 also provide that you may waive the consultation requirement or appoint a tenant for the consultation. Enclosed is a return addressed, postage prepaid postcard on which you may indicate your preference with respect to the consultation requirement, including the preference to appoint a tenant for consultation. If you appoint a tenant, please provide that person's name, address and telephone number.

Additionally, enclosed is a copy of the COGCC's informational brochure for surface owners, containing the rules pertaining to notice of oil and gas operations and opportunities for consultation, as well as the rules of procedure for filing complaints and making applications for hearing.

I hope you and your family are doing well. We have enjoyed working with you during the past several months and appreciate your cooperation and assistance with our project. You may contact Jim Weaver at (970) 276-4828 or me if you have questions or would like additional information.

Sincerely,


Deanna J. Walker
Phone: (970) 498-9677
Fax: (970) 498-9687

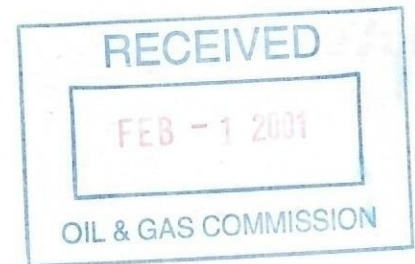
Enc.

cc: Michael L. Flanders, Trustee, P.O. Box 302, Hayden, CO, 81639
Mary E. Stepan, Trustee, 2207 Rainbow, Laramie, Wyoming, 82070
Lance Astrella, Astrella & Rice PC
James Weaver, Phillips Petroleum Company
Steve de Albuquerque, Phillips Petroleum Company
Jon Baccus, Phillips Petroleum Company
Kathy Wilkerson, Greystone Environmental Consultants



PHILLIPS PETROLEUM COMPANY

Insurance, Real Estate and Claims
P.O. Box 105
Livermore, Colorado 80536



January 16, 2001

File: Flanders Living Trust
Woodley Spring 2001 Wells

Ms. Mary E. Stepan, Trustee
Flanders Living Trust
2207 Rainbow
Laramie, Wyoming 82070



Dear Ms. Stepan:

As we previously informed you during Fall 2000, Phillips Petroleum Company anticipates drilling additional wells on property located in Section 36, T. 8N., R. 88W., 6th P.M., Routt County, Colorado, which is owned by the Flanders Living Trust. Applications for Permits to Drill (APD's) for the proposed wells will be submitted by Phillips to the Colorado Oil and Gas Conservation Commission (COGCC) within the next week. Also, an Administrative Permit application for these wells will be submitted within the next week to Routt County, Colorado.

The proposed wells are:

<u>Well Name</u>	<u>Well Location</u>
State 36-8-88 #5	NE1/4NW1/4, Section 36, T. 8N., R. 88W.
State 36-8-88 #6	SW1/4SW1/4, Section 36, T. 8N., R. 88W.
State 36-8-88 #7	SW1/4SE1/4, Section 36, T. 8N., R. 88W.
State 36-8-88 #8	SW1/4NE1/4, Section 36, T. 8N., R. 88W.

As required by COGCC Rule 305, Notices of Oil and Gas Operations, Phillips, as operator, is notifying you, a surface owner, in writing of its intention to conduct drilling operations at least thirty (30) days prior to the date of estimated commencement of operations with heavy equipment. Construction of the proposed well locations, access roads and associated pipelines is expected to commence on or after March 1, 2001 and drilling is expected to commence on or after April 1, 2001. As surface owner, you are responsible to notify any affected tenant of Phillips' planned operations.

Also, COGCC Rule 306 requires that Phillips consult with you, the surface owner, regarding location of well sites, access roads, and other facilities. Enclosed is a map showing the proposed well locations and access roads. Pipelines routes are to follow access roads. Copies of survey plats for the proposed wells are also enclosed. We met with your mother Rosemarie Flanders and your brother Michael during November 2000 and consulted with them about the proposed well locations and access roads, but we are

Ms. Mary E. Stepan, Trustee
January 16, 2001
Page 2



willing to further discuss the well locations and timing of our operations if you desire. COGCC Rules 305 and 306 also provide that you may waive the consultation requirement or appoint a tenant for the consultation. Enclosed is a return addressed, postage prepaid postcard on which you may indicate your preference with respect to the consultation requirement, including the preference to appoint a tenant for consultation. If you appoint a tenant, please provide that person's name, address and telephone number.

Additionally, enclosed is a copy of the COGCC's informational brochure for surface owners, containing the rules pertaining to notice of oil and gas operations and opportunities for consultation, as well as the rules of procedure for filing complaints and making applications for hearing.

I hope you and your family are doing well. We have enjoyed working with you during the past several months and appreciate your cooperation and assistance with our project. You may contact Jim Weaver at (970) 276-4828 or me if you have questions or would like additional information.

Sincerely,

Deanna J. Walker

Phone: (970) 498-9677

Fax: (970) 498-9687

Enc.

cc: Michael L. Flanders, Trustee, P.O. Box 302, Hayden, CO, 81639
Rosemarie J. Flanders, Trustee, P.O. Box 211, Hayden, CO, 81639
Lance Astrella, Astrella & Rice PC
James Weaver, Phillips Petroleum Company
Steve de Albuquerque, Phillips Petroleum Company
Jon Baccus, Phillips Petroleum Company
Kathy Wilkerson, Greystone Environmental Consultants



PHILLIPS PETROLEUM COMPANY

Insurance, Real Estate and Claims
P.O. Box 105
Livermore, Colorado 80536

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OIL & GAS COMMISSION

January 16, 2001

File: Smith Rancho Land & Livestock, LLC
Woodley Spring 2001 Wells

Mr. Bradford M. Smith
Smith Rancho Land & Livestock, L.L.C.
P.O. Box 215
Craig, Colorado 81625-0215

Dear Mr. Smith:

As we discussed during Fall 2000, Phillips Petroleum Company anticipates drilling natural gas wells on property located in Section 31, T. 8N., R. 87W., 6th P.M., Routt County, Colorado, which is owned by Smith Rancho Land & Livestock, L.L.C. Phillips has submitted Applications for Permits to Drill (APD's) to the U.S. Bureau of Land Management (BLM) for the proposed Federal wells and will submit APD's to the Colorado Oil and Gas Conservation Commission (COGCC) for all proposed wells within the next week. Also, an Administrative Permit application for these wells will be submitted within the next week to Routt County, Colorado.

The proposed wells are:

<u>Well Name</u>	<u>Well Location</u>
Federal 31-8-87 #1	NE1/4NE1/4, Section 31, T. 8N., R. 87W.
Federal 31-8-87 #2	NW1/4NW1/4, Section 31, T. 8N., R. 87W.
Meagher 31-8-87 #1	SW1/4SW1/4, Section 31, T. 8N., R. 87W.

As required by COGCC Rule 305, Notices of Oil and Gas Operations, Phillips, as operator, is notifying you, a surface owner, in writing of its intention to conduct drilling operations at least thirty (30) days prior to the date of estimated commencement of operations with heavy equipment. Construction of the proposed well locations, access roads and associated pipelines is expected to commence on or after March 1, 2001 and drilling is expected to commence on or after April 1, 2001. As surface owner, you are responsible to notify any affected tenant of Phillips' planned operations.

Also, COGCC Rule 306 requires that Phillips consult with you, the surface owner, regarding location of well sites, access roads, and other facilities. Enclosed is a map showing the proposed well locations and access roads. Pipelines routes are to follow access roads. Copies of survey plats for the proposed wells are also enclosed. We consulted with you during November about the proposed well locations and access roads,

Mr. Bradford M. Smith
January 16, 2001
Page 2



but we are willing to further discuss the well and access road locations and timing of our operations if you desire. COGCC Rules 305 and 306 also provide that you may waive the consultation requirement or appoint a tenant for the consultation. Enclosed is a return addressed, postage prepaid postcard on which you may indicate your preference with respect to the consultation requirement, including the preference to appoint a tenant for consultation. If you appoint a tenant, please provide that person's name, address and telephone number.

Additionally, enclosed is a copy of the COGCC's informational brochure for surface owners, containing the rules pertaining to notice of oil and gas operations and opportunities for consultation, as well as the rules of procedure for filing complaints and making applications for hearing.

I hope you and your family are doing well. We have enjoyed working with you during the past several months and appreciate your cooperation and assistance with our project. You may contact Jim Weaver at (970) 276-4828 or me if you have questions or would like additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Deanna J. Walker".

Deanna J. Walker

Phone: (970) 498-9677

Fax: (970) 498-9687

Enc.

cc: James Weaver, Phillips Petroleum Company
Steve de Albuquerque, Phillips Petroleum Company
Jon Baccus, Phillips Petroleum Company
Kathy Wilkerson, Greystone Environmental Consultants



PHILLIPS PETROLEUM COMPANY

Insurance, Real Estate and Claims
P.O. Box 105
Livermore, Colorado 80536

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OIL & GAS COMMISSION

January 16, 2001

File: Smith Rancho Land & Livestock, LLC
Woodley Spring 2001 Wells

Mr. Leland Ray Smith, II
Morgan Creek Land & Livestock, L.L.C.
710 E. Harbor Circle
Grand Junction, Colorado 81505



Dear Mr. Smith:

As we discussed during Fall 2000, Phillips Petroleum Company anticipates drilling natural gas wells on property located in Section 35, T. 8N., R. 88W., 6th P.M., Routt County, Colorado, which is owned by Morgan Creek Land & Livestock, L.L.C. Phillips has submitted Applications for Permits to Drill (APD's) to the U.S. Bureau of Land Management (BLM) for the proposed Federal wells and will submit APD's to the Colorado Oil and Gas Conservation Commission (COGCC) within the next week. Also, an Administrative Permit application for these wells will be submitted within the next week to Routt County, Colorado.

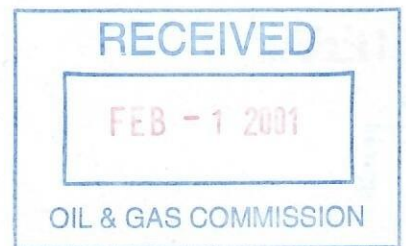
The proposed wells are:

<u>Well Name</u>	<u>Well Location</u>
Federal 35-8-88 #1	NE1/4NE1/4, Section 35, T. 8N., R. 88W.
Federal 35-8-88 #2	SE1/4SE1/4, Section 35, T. 8N., R. 88W.

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Mr. Leland Ray Smith, II
January 16, 2001
Page 2

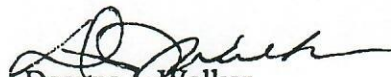


but we are willing to further discuss the well and access road locations and timing of our operations if you desire. COGCC Rules 305 and 306 also provide that you may waive the consultation requirement or appoint a tenant for the consultation. Enclosed is a return addressed, postage prepaid postcard on which you may indicate your preference with respect to the consultation requirement, including the preference to appoint a tenant for consultation. If you appoint a tenant, please provide that person's name, address and telephone number.

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We have enjoyed working with you during the past several months and appreciate your cooperation and assistance with our project. You may contact Jim Weaver at (970) 276-4828 or me if you have questions or would like additional information.

Sincerely,


Deanna J. Walker
Phone: (970) 498-9677
Fax: (970) 498-9687

Enc.

cc: James Weaver, Phillips Petroleum Company
Steve de Albuquerque, Phillips Petroleum Company
Jon Baccus, Phillips Petroleum Company
Kathy Wilkerson, Greystone Environmental Consultants



PHILLIPS PETROLEUM COMPANY

Insurance, Real Estate and Claims
P.O. Box 105
Livermore, Colorado 80536



January 16, 2001

File: Flanders Living Trust
Woodley Spring 2001 Wells



Mr. Michael L. Flanders, Trustee
Flanders Living Trust
P.O. Box 302
Hayden, Colorado 81639

Dear Michael:

As we discussed during Fall 2000, Phillips Petroleum Company anticipates drilling additional wells on property located in Section 36, T. 8N., R. 88W., 6th P.M., Routt County, Colorado, which is owned by the Flanders Living Trust. Applications for Permits to Drill (APD's) for the proposed wells will be submitted by Phillips to the Colorado Oil and Gas Conservation Commission (COGCC) within the next week. Also, an Administrative Permit application for these wells will be submitted within the next week to Routt County, Colorado.

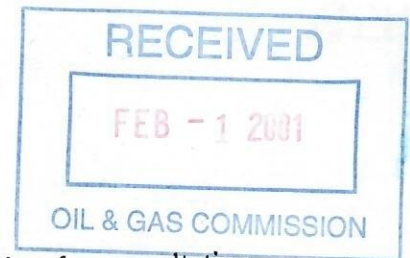
The proposed wells are:

<u>Well Name</u>	<u>Well Location</u>
State 36-8-88 #5	NE1/4NW1/4, Section 36, T. 8N., R. 88W.
State 36-8-88 #6	SW1/4SW1/4, Section 36, T. 8N., R. 88W.
State 36-8-88 #7	SW1/4SE1/4, Section 36, T. 8N., R. 88W.
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Mr. Michael L. Flanders, Trustee
January 16, 2001
Page 2



you desire. COGCC Rules 305 and 306 also provide that you may waive the consultation requirement or appoint a tenant for the consultation. Enclosed is a return addressed, postage prepaid postcard on which you may indicate your preference with respect to the consultation requirement, including the preference to appoint a tenant for consultation. If you appoint a tenant, please provide that person's name, address and telephone number.

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I hope you and your family are doing well. We have enjoyed working with you during the past several months and appreciate your cooperation and assistance with our project. You may contact Jim Weaver at (970) 276-4828 or me if you have questions or would like additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Deanna J. Walker".

Deanna J. Walker

Phone: (970) 498-9677

Fax: (970) 498-9687

Enc.

cc: Rosemarie J. Flanders, Trustee, P.O. Box 211, Hayden, CO, 81639
Mary E. Stepan, Trustee, 2207 Rainbow, Laramie, Wyoming, 82070
Lance Astrella, Astrella & Rice PC
James Weaver, Phillips Petroleum Company
Steve de Albuquerque, Phillips Petroleum Company
Jon Baccus, Phillips Petroleum Company
Kathy Wilkerson, Greystone Environmental Consultants

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Deanna J. Walker

Po Box 105

Livermore Co 80536

One piece of ordinary mail addressed to:

Ms. Rosemarie J. Flanders, Trustee

Flanders Living Trust

Po Box 211

Hayden Co 81639

PS Form 3817, Mar. 1989

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Deanna J. Walker

Po Box 105

Livermore Co 80536

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Mr. Bradford Smith

Smith Ranch Land & Livestock

PO Box 215

Craig Co 81625-0215

PS Form 3817, Mar. 1989

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Livermore Co 80536

One piece of ordinary mail addressed to:

Mr. LeLand Roy Smith II
Morgan Creek Ranch & Livestock
710 E. Harbor Circle
Grand Junction Co 81505

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Received From: DEANNA WALKER
PHILIPS PETROLEUM CO.
P.O. Box 105
LIVERMORE CO 80536

One piece of ordinary mail addressed to:
Ms. CARYN FOX, DIRECTOR
ROUIT COUNTY REGIONAL PLANNING DEPT.
P.O. Box 773749
STEAMBOAT SPRINGS CO 80477

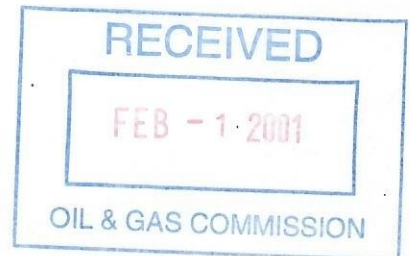
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Received From:

Deanna J. Wallen
P.O. Box 105
Livermore CO 80536

One piece of ordinary mail addressed to:

Mr. Michael L. Henders Trust
Henders Living Trust
P.O. Box 302
Hayden Co 81639

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Received From:

Deanna J Walker
PO Box 105
Livermore Co 80536

One piece of ordinary mail addressed to:

Mr. Mary E. Flanders Stephens
Flanders Living Trust
2207 Rainbow
Laramie WY 82070

PS Form 3817, Mar. 1989

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