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2013 JAN 28 A 9:21

January 18, 2013

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
6251 N College, Suite A
Farmington, NM 87402

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

New Mexico Oil Conservation Division
Energy Minerals & Natural Resources
Attn: Ms. Lori Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

RE: **San Juan 31-6 Unit (14-06-001-464)**
Commerciality Determinations
Pictured Cliffs Formation
Rio Arriba County, New Mexico

Ladies and Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 31-6 Unit Agreement, #14-06-001-464, approved November 28, 1952, ConocoPhillips Company, as Operator, has determined that the wells listed below are not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation. ConocoPhillips is seeking confirmation of the well determinations enclosed.

Well Name	Dedication	Lease No.	Compl. Date	Determination
SJ 31-6 Unit #36E	SE/4 27-31N-6W	SF-078999	11-24-10	Non-Commercial
SJ 31-6 Unit #101	NW/4 Sec. 35-30N-6W	SF-078999	11-24-10	Non-Commercial

Upon receipt of response from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and New Mexico Oil Conservation Division, these wells will continue to report to the lease.

Copies of this letter and enclosures are being sent to the working interest owners as listed on the attached page. For technical questions please contact Shara Graham at 326-9819, all other questions to the undersigned at 599-4030.

Sincerely,

Dawn Howell, CPLTA
Senior Land Analyst

SJ 31-6 Unit 4.2

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 36E

WELL INFORMATION

LEASE	SAN JUAN 31-6 36E
LOCATION	27031N006WI
COUNTY, STATE	RIO ARRIBA, NM
FORMATION	PICTURED CLIFFS
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	10/1/2010
COMP DATE	11/24/2010
1ST DELIVERY	1/12/2011
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR:	RIO ARRIBA, NM
	2012 - 2013 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
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WELL COST AND ECONOMICS

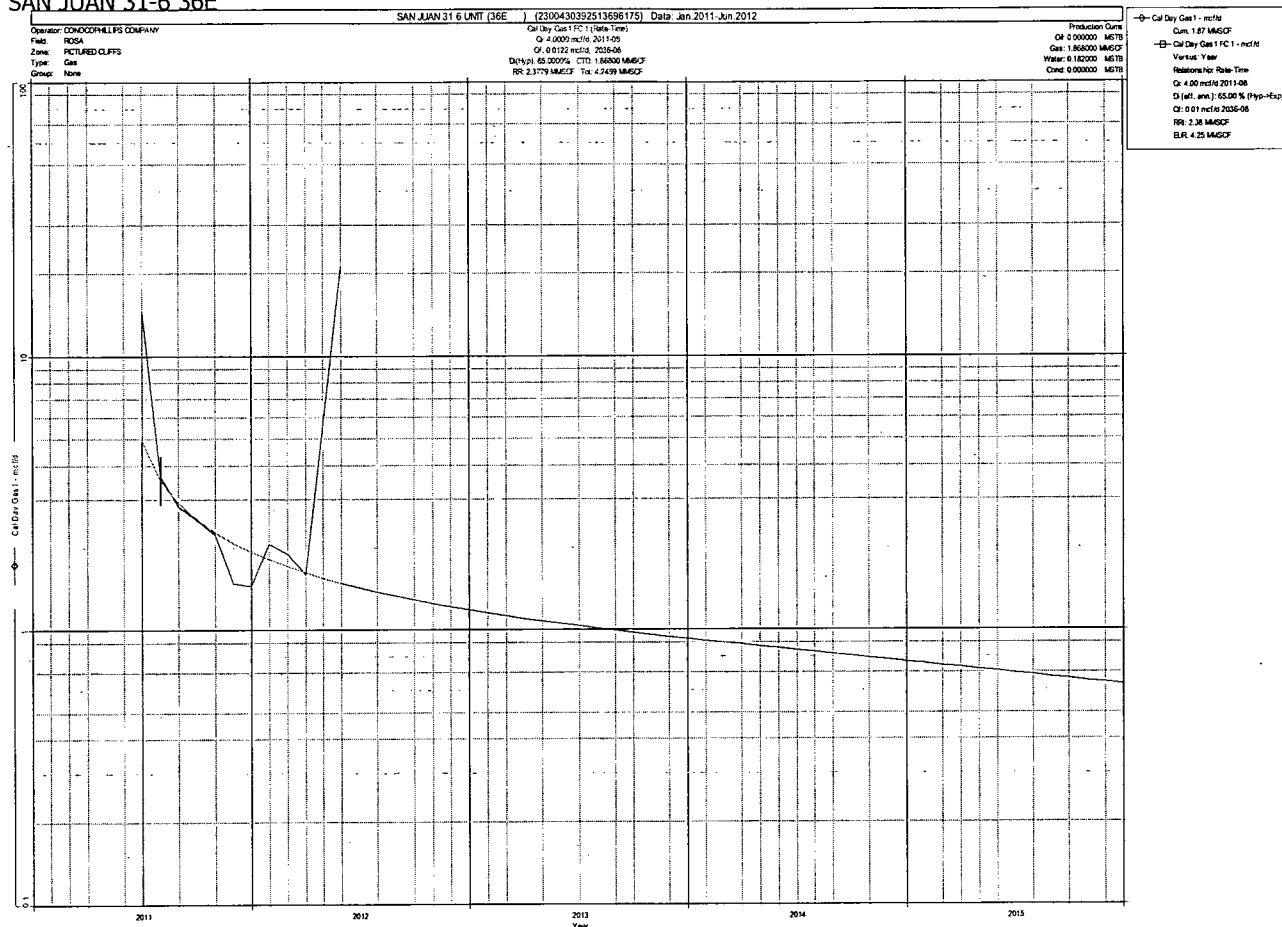
648.81	M\$	AVERAGE WELL COST
3.79	MMCF	ULT. GROSS GAS RESERVES
3.65	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-1.00	\$/ \$	P/I, DISC. @ 10.00 %
-652.05	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 31-6 36E



CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oth Volume	Gas1 Price	Gas Price	Cond Price	Oth Price	Net Revenue	Prod Taxes	Total Opcosts	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2011 08	3.6	0.1	0.10	0.00	0.01	4.86	4.86	35.51	22.66	0.6	0.06	1.02	-0.50	648.81	-649.31

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 36E

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oth Volume	Gas1 Price	Gas Price	Cond Price	Oth Price	Net Revenue	Prod Taxes	Total Opcoats	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2011 09	2.8	0.1	0.07	0.00	0.00	4.86	4.86	35.51	22.66	0.4	0.05	1.02	-0.63	0.00	-0.63
2011 10	2.5	0.1	0.07	0.00	0.00	4.86	4.86	35.51	22.66	0.4	0.04	1.02	-0.66	0.00	-0.66
2011 11	2.2	0.1	0.06	0.00	0.00	4.86	4.86	35.51	22.66	0.3	0.04	1.02	-0.71	0.00	-0.71
2011 12	1.5	0.0	0.04	0.00	0.00	4.86	4.86	35.51	22.66	0.2	0.02	1.02	-0.81	0.00	-0.81
Total	---	0.4	0.34	0.00	0.02	---	---	---	---	2.0	0.21	5.12	-3.32	648.81	-652.13

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 101

WELL INFORMATION

LEASE	SAN JUAN 31-6 101
LOCATION	35031N006WD
COUNTY, STATE	RIO ARRIBA, NM
FORMATION	PICTURED CLIFFS
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	10/1/2010
COMP DATE	11/24/2010
1ST DELIVERY	6/13/2011
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR:	RIO ARRIBA, NM
	2012 - 2013 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
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AD VALOREM:	
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TOTAL %:	9.33

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1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

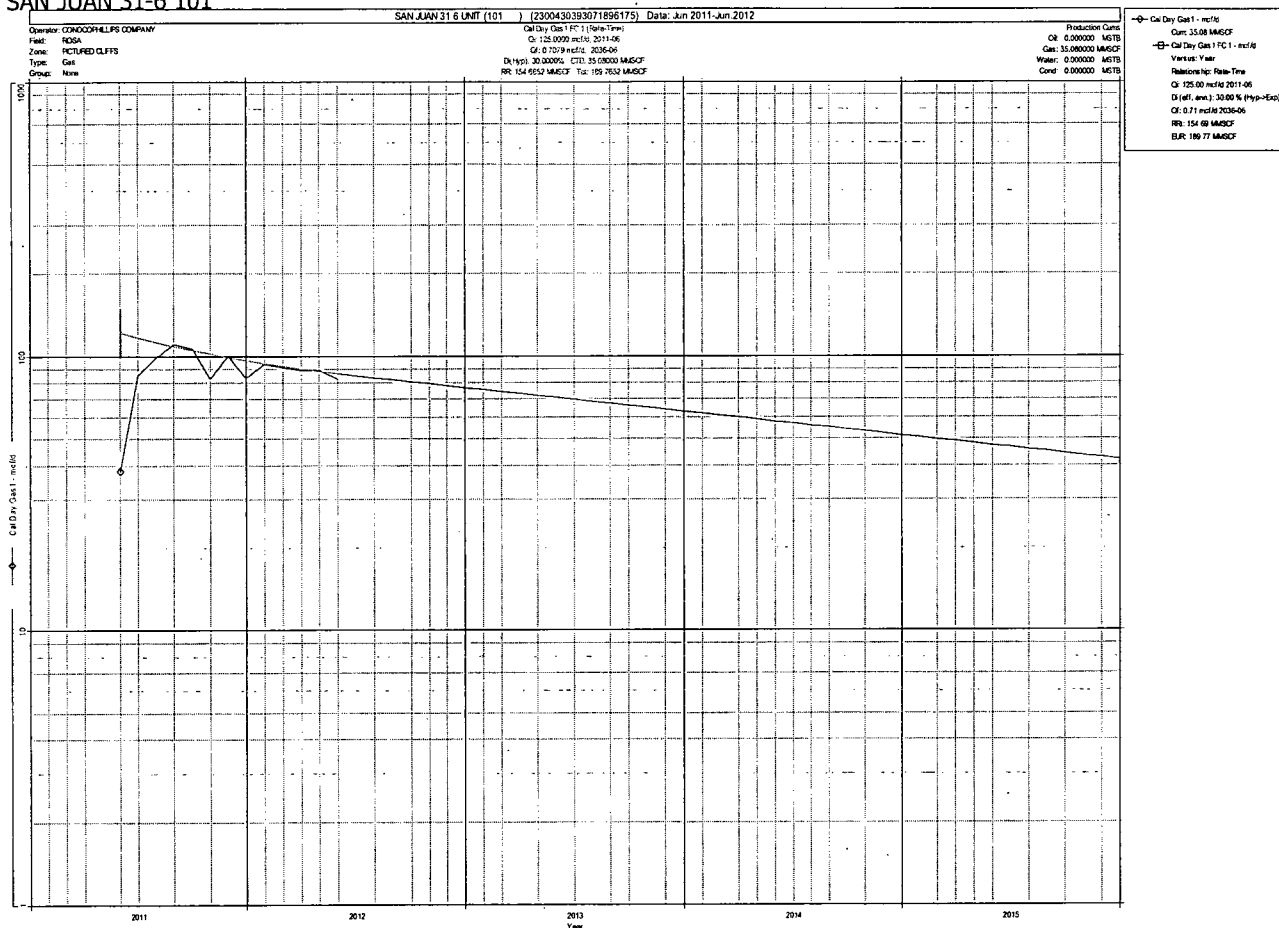
648.81	M\$	AVERAGE WELL COST
189.65	MMCF	ULT. GROSS GAS RESERVES
89.03	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.50	\$/ \$	P/I, DISC. @ 10.00 %
-322.97	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 31-6 101



CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oth Volume	Gas1 Price	Gas Price	Cond Price	Oth Price	Net Revenue	Prod Taxes	Total Opcosts	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2011(12)	89.0	19.1	16.65	0.00	0.87	4.86	4.86	35.51	22.66	98.2	10.15	7.17	80.91	648.81	-567.90

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 101

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oth Volume	Gas1 Price	Gas Price	Cond Price	Oth Price	Net Revenue	Prod Taxes	Total Op costs	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2012(12)	84.5	30.9	27.02	0.00	1.42	2.31	2.31	81.16	33.37	103.8	10.47	12.30	81.00	0.00	81.00
2013(12)	70.2	25.6	22.40	0.00	1.17	2.31	2.31	81.16	33.37	86.1	8.68	12.30	65.07	0.00	65.07
2014(12)	57.5	21.0	18.33	0.00	0.96	2.31	2.31	81.16	33.37	70.4	7.10	12.30	51.01	0.00	51.01
2015(12)	47.0	17.2	15.00	0.00	0.79	2.31	2.31	81.16	33.37	57.6	5.81	12.30	39.51	0.00	39.51
2016(12)	38.4	14.0	12.28	0.00	0.64	2.31	2.31	81.16	33.37	47.2	4.76	12.30	30.10	0.00	30.10
2017(12)	31.5	11.5	10.05	0.00	0.53	2.31	2.31	81.16	33.37	38.6	3.89	12.30	22.40	0.00	22.40
2018(12)	25.8	9.4	8.22	0.00	0.43	2.31	2.31	81.16	33.37	31.6	3.19	12.30	16.09	0.00	16.09
2019(12)	21.1	7.7	6.73	0.00	0.35	2.31	2.31	81.16	33.37	25.8	2.61	12.30	10.93	0.00	10.93
2020(12)	17.2	6.3	5.51	0.00	0.29	2.31	2.31	81.16	33.37	21.1	2.13	12.30	6.71	0.00	6.71
2021(12)	14.1	5.2	4.51	0.00	0.24	2.31	2.31	81.16	33.37	17.3	1.75	12.30	3.26	0.00	3.26
2022(12)	11.9	3.2	2.83	0.00	0.15	2.31	2.31	81.16	33.37	10.9	1.10	9.22	0.56	0.00	0.56
Total	---	171.1	149.52	0.00	7.84	---	---	---	---	608.6	61.63	139.40	407.56	648.81	-241.25



Ray Powell, M.S., D.V.M.
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

April 28, 2011

ConocoPhillips Company
P.O. Box 4289
Farmington, New Mexico 87499-4289

Attn: Mr. Ben Malone

Re: 2011 Plans of Development
San Juan 31-6 Unit
Rio Arriba County, New Mexico


Dear Mr. Malone:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you 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 J. ROYBAL, Director
Oil, Gas and Minerals Division

RP/LR/jm
xc: Reader File
OCD-Ed Martin
BLMF- Wayne Townsend



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JUN 23 2009

Bureau of Land Management
Farmington Field Office

June 23, 2009

ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289

Bureau of Land Management (3)
Attn: Mr. Wayne Townsend
1235 La Plata Highway
Farmington, NM 87401

Commissioner of Public Lands (2)
Attn: Mr. Peter Martinez
P.O. Box 1148
Santa Fe, NM 87504-1148

State of New Mexico (2)
Oil Conservation Division
Energy & Minerals Department
Attn: Ms. Lori Wrotenbery
2040 South Pacheco
Santa Fe, NM 87505

RE: SAN JUAN 31-6 UNIT, - UA -14-08-001-464
Rio Arriba County, New Mexico
Mesaverde Participating Area
18th Expansion effective 9/01/01 (Revised)
19th Expansion effective 1/01/02 (Revised)
20th Expansion effective 12/01/02 (Revised)
21st Expansion effective 8/1/03 (Revised)
22nd Expansion effective 9/1/04

Dear Sir or Madam:

Pursuant to Section 11(a) of the above referenced Unit Agreement, approved November 28, 1952, CONOCOPHILLIPS, as Unit Operator, has determined that the attached wells are capable of producing unitized substances in paying quantities from the Mesaverde formation, thereby should be admitted to the Mesaverde Participating Area. Pursuant to BLM letters dated January 26, 2009 and March 25, 2009, referenced below are the wells that have been deemed commercial.

EIGHTEENTH EXPANSION - EFFECTIVE 9/1/2001

<u>Well Name</u>	<u>Tract/Acres</u>	<u>Tr. Description</u>	<u>Compl. Date</u>
San Juan 31-6 Unit #28 Section 34, T31N, R06W	Tr.2 / 320.00	W/2	8/01/01

NINETEENTH EXPANSION - EFFECTIVE 1/1/2002

<u>Well Name</u>	<u>Tract/Acres</u>	<u>Tr. Description</u>	<u>Compl. Date</u>
San Juan 31-6 Unit #44E Section 29, T31N, R06W	Tr.1 / 320.00	E/2	12/01/01

TWENTIETH EXPANSION - EFFECTIVE 12/1/2002

<u>Well Name</u>	<u>Tract/Acres</u>	<u>Tr. Description</u>	<u>Compl. Date</u>
San Juan 31-6 Unit #25E Section 33, T31N, R06W	Tr.2 / 320.00	E/2	11/22/02

SAN JUAN 31-6 UNIT
18TH - 22ND PA Expansions
June 23, 2009
Page 2

TWENTY-FIRST EXPANSION - EFFECTIVE 8/1/2003

<u>Well Name</u>	<u>Tract/Acres</u>	<u>Tr. Description</u>	<u>Compl. Date</u>
San Juan 31-6 Unit #41 Section 29, T31N, R06W	Tr.1 / 320.00	W/2	7/04/03

TWENTY-SECOND EXPANSION - EFFECTIVE 9/1/2004

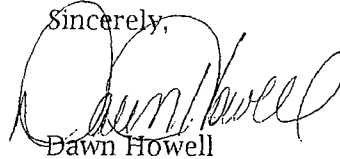
<u>Well Name</u>	<u>Tract/Acres</u>	<u>Tr. Description</u>	<u>Compl. Date</u>
San Juan 31-6 Unit #39E Section 28, T31N, R06W	Tr.1 / 320.00	E/2	8/01/04

The San Juan 31-6 Unit #28, determined to be a paying well by the BLM March 25, 2009, was completed August 1st, 2001, prior to the January 1st, 2002 effective date of the San Juan 31-6 Unit, 18th Mesaverde Expansion. The San Juan 31-6 Unit #41, determined to be a paying well by the BLM January 26, 2009, was completed July 4, 2003, prior to the August 1st, 2004 effective date of the 20th Mesaverde Expansion. Therefore, it is required that a revision be submitted to the BLM to include the committed lands in the San Juan 31-6 Unit, Mesaverde Participating Area.

Revisions to the previously approved 18th through 21st expansions, and schedules for the proposed 22nd expansion are included herewith. The expansion schedules describe the participating areas and show the percentage of unitized substances allocated to each unit tract.

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

Sincerely,

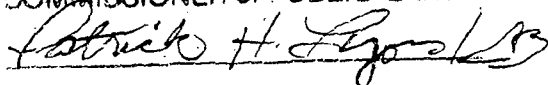


Dawn Howell
Staff Land Technician

DH
SJ 31-6 UNIT 4.2

APPROVED JUN 18 2010

APPROVED ON _____
COMMISSIONER of PUBLIC LANDS





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

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www.nmstatelands.org

June 18, 2010

ConocoPhillips Company
P. O. Box 4289
Farmington, NM 87499-4289

Attention: Ms. Dawn Howell

Re: San Juan 31-6 Unit
Mesaverde Participating Area
Eighteenth Expansion Effective 9/1/2001 (REVISED)
Nineteenth Expansion Effective 1/1/2002 (REVISED)
Twentieth Expansion Effective 12/1/2002 (REVISED)
Twenty-First Expansion Effective 8/1/2003 (REVISED)
Twenty-Second Expansion Effective 9/1/2004
Rio Arriba County, New Mexico

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2010 JUN 29 P 2:34

Dear Ms. Howell:

We have received your letter of June 23, 2009, requesting our approval to the above-mentioned revised Mesaverde participating area expansions for the San Juan 31-6 Unit.

By their letter of July 20, 2009, the Bureau of Land Management advised this office of their approval to these revisions.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-mentioned expanded participating area effective as follows:

EIGHTEENTH EXPANSION EFFECTIVE SEPTEMBER 1, 2001

WELL	DRILLING BLOCK	ACRE
San Juan 31-6 Unit Well No. 28	W/2 Sec. 34-31N-6W	320.00

NINETEENTH EXPANSION EFFECTIVE JANUARY 1, 2002

WELL	DRILLING BLOCK	ACRE
San Juan 31-6 Unit Well No. 44E	E/2 Sec. 29-31N-6W	320.00

TWENTIETH EXPANSION EFFECTIVE December 1, 2002

WELL	DRILLING BLOCK	ACRE
San Juan 31-6 Unit Well No. 25E	E/2 Sec. 33-31N-6W	320.00

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

TWENTY-FIRST EXPANSION EFFECTIVE AUGUST 1, 2003

WELL	DRILLING BLOCK	ACRE
San Juan 31-6 Unit Well No. 41	W/2 Sec. 29-31N-6W	320.00

TWENTY-SECOND EXPANSION EFFECTIVE SEPTEMBER 1, 2004

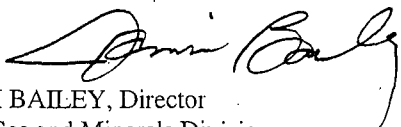
WELL	DRILLING BLOCK	ACRE
San Juan 31-6 Unit Well No. 39E	E/2 Sec. 28-31N-6W	320.00

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-Attn.: Mr. Ed Martin
TRD-Attn.: Mr. Valdean Severson,
RMD-Attn.: Mr. Kurt McFall



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PATRICK H. LYONS
COMMISSIONER

APR 15 2:28

State of New Mexico
Commissioner of Public Lands

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April 8, 2010

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Attn: Mr. Ben Malone

Re: 2010 Plans of Development
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Rio Arriba County, New Mexico

Dear Mr. Malone:

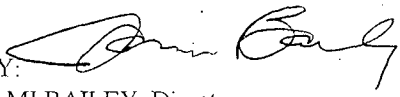
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BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division

PL/JB/jm

xc: Reader File

OCD-Ed Martin

BLMF- Wayne Townsend

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