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

2013 SEP 25 P 1:34

Valerie Wells
Tel: 505-326-9801
Fax: 505-326-9781

September 24, 2013

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
6251 N. College Blvd., Suite A
Farmington, NM 87401

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 Wrotenberg
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

**RE: SAN JUAN 32-7 UNIT 14-08-001-441
Revised Commerciality Determination
Mancos Formation
San Juan County, New Mexico**

Gentlemen:

By letter dated August 27, 2013, Burlington Resources Oil & Gas Company LP, as Unit Operator reported that the referenced well was non-commercial. Please note that we failed to include the first year of production in our initial determination and after recalculation, we have determined that this well is capable of producing unitized substances in paying quantities from the Mancos formation.

Pursuant to Section 11(a) of the Unit Agreement for the referenced Unit, approved September 8, 1953, ConocoPhillips Company is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Completion	Determination
SJ 32-7 Unit 17B	E/2 17-31N-07W	SF-078998	11/03/10	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 be reported to their respective leases.

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 326-9801.

Sincerely,

Valerie Wells,
Land Analyst

SJ 32-7 Unit 4.6

San Juan 32-7 Unit 17B
REVISED Commerciality Determination
September 24, 2013

SAN JUAN 32-7 UNIT WORKING INTEREST OWNERS

BURLINGTON RESOURCES O&G CO LP

CONOCOPHILLIPS COMPANY

ELIZABETH TURNER CALLOWAY

ENERGEN RESOURCES CORPORATION

FRED E TURNER

J GLENN TURNER JR

JOHN L TURNER

MARY FRANCES TURNER TR #6743

PHILLIPS NEW MEXICO PARTNERS LP

PHILLIPS SAN JUAN LTD PARTNERSHIP

SAN JUAN BASIN PARTNERSHIP

WPX ENERGY INC

**BURLINGTON RESOURCES
 COMMERCIALITY DETERMINATION
 BLM DATA SHEET
 SAN JUAN 32-7 UNIT 17B**

WELL INFORMATION

LEASE	SAN JUAN 32-7 UNIT 17B
LOCATION	1731N07WA
COUNTY, STATE	SAN JUAN, NM
FORMATION	MANCOS
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	7/6/2010
COMP DATE	7/6/2010
1ST DELIVERY	1/24/2011
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR:	SAN JUAN, NM
	2012 - 2013 Commerciality

GAS % OF REVENUE

SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.26
TOTAL %:	9.19

AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
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WELL COST AND ECONOMICS

723.00	M\$	AVERAGE WELL COST
551.74	MMCF	ULT. GROSS GAS RESERVES
2,423.77	MCFD	INITIAL GAS RATE
>800.00	%	RATE OF RETURN
1.43	\$/	P/I, DISC. @ 10.00 %
1,030.28	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.14	YRS	PAYOUT

BURLINGTON RESOURCES
 COMMERCIALITY DETERMINATION
 BLM DATA SHEET
 SAN JUAN 32-7 UNIT 17B

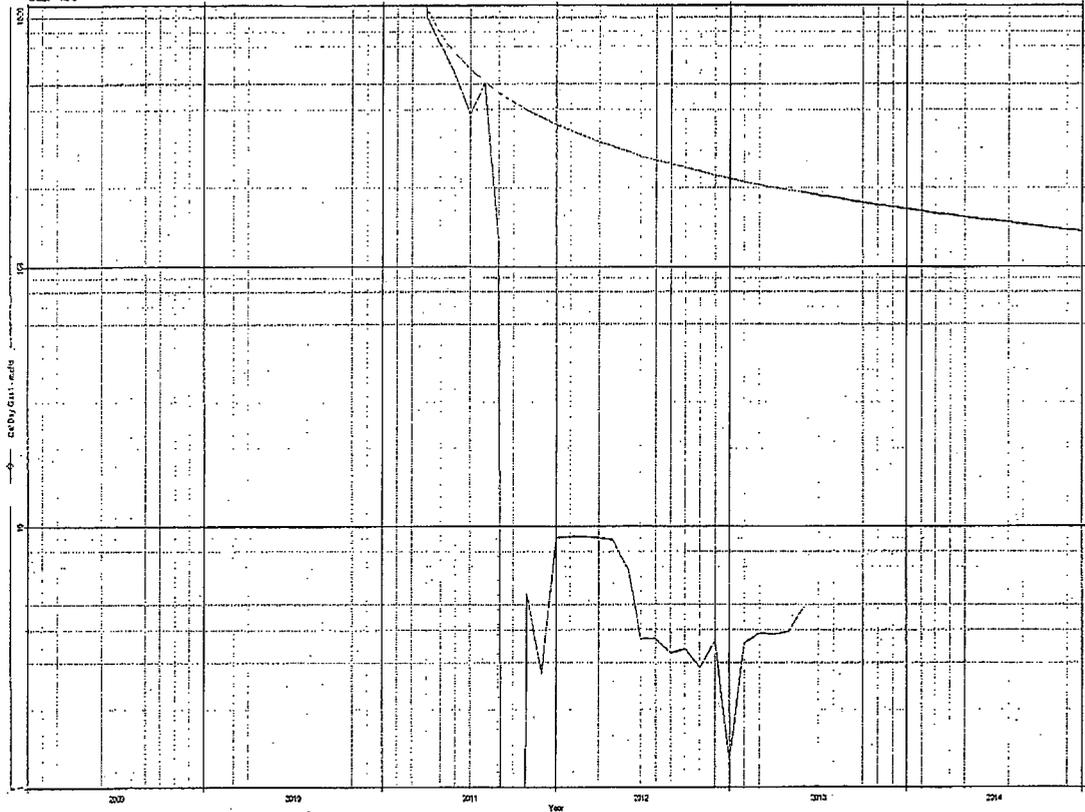
COMX SAN JUAN 32 7 UNIT 17B MC (250045045351318732) Date: Jan 2011 - Jun 2013

Operator: COGNECOILS COMPANY
 Well: BLDV
 Zone: MANCEG
 Type: Gas
 Crd: None

Well Case No: 1389-1099
 U: 17003092 mscf/d, 2114 ft
 C: 121 4224 mscf/d, 2114 ft
 D: 161 18 0000 - 122 428 18000 MASCOP
 R: 19 8728 MASCOP Tel: 504.7795.1400

Production Cap:
 OC: 0.00000 MCFB
 GC: 432.00000 MASCOP
 Year: 7.00000 MCFB
 Conv: 0.00000 MCFB

→ Oil Day Gas 1 - mcf/d
 Gas 452.00 MASCOP
 → Oil Day Gas 1 FC 1 - mcf/d
 Variable Year
 Residual Rate-Time
 OC: 17,000.00 mscf/d 2114 ft
 D left area: 16.00 18 (Type-Mscf)
 OC: 151.48 mscf/d 2114 ft
 FC: 89.67 MASCOP
 EUR: 131.74 MASCOP



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 01	2,423.8	75.1	61.15	0.00	0.52	4.86	4.86	35.51	22.66	307.6	31.85	0.88	274.84	723.00	-448.16

Peep 2011.1

09/23/2013 11:21

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 17B

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 02	5,898.1	165.1	134.39	0.00	1.15	4.86	4.86	35.51	22.66	676.0	70.01	0.88	605.14	0.00	605.14
2011 03	3,624.0	112.3	91.42	0.00	0.78	4.86	4.86	35.51	22.66	459.9	47.62	0.88	411.38	0.00	411.38
2011 04	899.1	27.0	21.95	0.00	0.19	4.86	4.86	35.51	22.66	110.4	11.43	0.88	98.10	0.00	98.10
2011 05	706.3	21.9	17.82	0.00	0.15	4.86	4.86	35.51	22.66	89.6	9.28	0.88	79.47	0.00	79.47
2011 06	538.8	16.2	13.15	0.00	0.11	4.86	4.86	35.51	22.66	66.2	6.85	0.88	58.43	0.00	58.43
2011 07	385.1	11.9	9.71	0.00	0.08	4.86	4.86	35.51	22.66	48.9	5.06	0.88	42.92	0.00	42.92
2011 08	505.6	15.7	12.76	0.00	0.11	4.86	4.86	35.51	22.66	64.2	6.64	0.88	56.63	0.00	56.63
2011 09	122.9	3.7	3.00	0.00	0.03	4.86	4.86	35.51	22.66	15.1	1.56	0.88	12.65	0.00	12.65
2011 10	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	0.88	-0.88	0.00	-0.88
2011 11	5.5	0.2	0.13	0.00	0.00	4.86	4.86	35.51	22.66	0.7	0.07	0.88	-0.28	0.00	-0.28
2011 12	2.7	0.1	0.07	0.00	0.00	4.86	4.86	35.51	22.66	0.3	0.04	0.88	-0.57	0.00	-0.57
2012 01	9.1	0.3	0.23	0.00	0.00	2.31	2.31	81.16	33.37	0.6	0.06	0.88	-0.36	0.00	-0.36
2012 02	9.1	0.3	0.21	0.00	0.00	2.31	2.31	81.16	33.37	0.6	0.06	0.88	-0.39	0.00	-0.39
2012 03	9.1	0.3	0.23	0.00	0.00	2.31	2.31	81.16	33.37	0.6	0.06	0.88	-0.36	0.00	-0.36
2012 04	9.1	0.3	0.22	0.00	0.00	2.31	2.31	81.16	33.37	0.6	0.06	0.88	-0.37	0.00	-0.37
2012 05	8.9	0.3	0.22	0.00	0.00	2.31	2.31	81.16	33.37	0.6	0.06	0.88	-0.37	0.00	-0.37
2012 06	6.9	0.2	0.17	0.00	0.00	2.31	2.31	81.16	33.37	0.4	0.04	0.88	-0.50	0.00	-0.50
2012 07	3.7	0.1	0.09	0.00	0.00	2.31	2.31	81.16	33.37	0.2	0.02	0.88	-0.67	0.00	-0.67
2012 08	3.7	0.1	0.09	0.00	0.00	2.31	2.31	81.16	33.37	0.2	0.02	0.88	-0.67	0.00	-0.67
Sub.	---	451.0	367.04	0.00	3.15	---	---	---	---	1,842.6	190.81	17.66	1,634.15	723.00	911.15
Rem.	---	100.7	81.97	0.00	0.70	---	---	---	---	209.9	21.60	27.37	160.91	0.00	160.91
Total	---	551.7	449.00	0.00	3.85	---	---	---	---	2,052.5	212.41	45.03	1,795.06	723.00	1,072.06



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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

2011 MAY 11 AM 11:52
COMMISSIONER'S OFFICE

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

May 9, 2011

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

Attention: Ms. Dawn Howell

Re: San Juan 32-7 Unit
Fruitland Coal Participating Area
Revised Thirty Fifth Expansion – Effective 1/1/2006
Revised Thirty Sixth Expansion – Effective 10/1/2006
San Juan County, New Mexico

Dear Ms. Howell:

We have received your letters of July 22, 2009 and March 31, 2011, requesting approval of the thirty fifth and thirty sixth expansions of the Fruitland participating Area for the San Juan 32-7 Unit.

By their letter of July 10, 2009, the Bureau of Land Management advised this office of their approval of these expansions.

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

THIRTY FIFTH EXPANSION – EFFECTIVE 1/1/2006

WELL	DRILLING BLOCK	ACRES
San Juan 32-7 Unit # 247	Lots 2, 3, 5, 6, 7, W/2SE/4, NE/4SW/4, SE/4SW/4 Sec. 7-32N- 7W	319.42

THIRTY SIXTH EXPANSION – EFFECTIVE 10/1/2006

San Juan 32-7 Unit # 202R	Lots 1, 2, 3, 4, E/2W/2 Sec. 18-32N-7W	314.76
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ConocoPhillips Company
May 9, 2011
Page 2

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

Very truly yours,

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

BY:



Larry J. Royba, Director

Oil, Gas and Minerals Division
(505) 827-5744

RP/LR/pm

cc: Reader File,
OCD-Attention: Mr. Ed Martin
BLM-Attention: Mr. Wayne Townsend
TRD-Attention: Mr. Valdean Severson
RMD-Attention: Mr. Kurt McFall



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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

2010 DEC 14 P 12:01

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

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

December 3, 2010

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

Attention: Ms. Dawn Howell

Re: San Juan 32-7 Unit
Dakota Participating Area
Revised 4th Expansion Effective 1/1/2007
Revised 5th Expansion Effective 9/1/2007
Revised 6th Expansion Effective 7/1/2008
Revised 7th Expansion Effective 12/1/2008
Revised 8th Expansion Effective 7/1/2009
San Juan County, New Mexico

Dear Ms. Howell:

We have received your letter of September 15, 2010, requesting our approval to the above-mentioned Dakota participating area expansions for the San Juan 32-7 Unit.

By their letter of November 19, 2010, the Bureau of Land Management advised this office of their approval to this expansion.

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:

FOURTH EXPANSION EFFECTIVE JANUARY 1, 2007

WELL	DRILLING BLOCK	ACRES
San Juan 32-7 Unit Well No. 13M	W/2 Sec. 16-32N-7W	320.00
San Juan 32-7 Unit Well No. 93M	N/2 Sec. 36-32N-7W	<u>320.00</u> <u>640.00</u>

FIFTH EXPANSION EFFECTIVE SEPTEMBER 1, 2007

WELL	DRILLING BLOCK	ACRES
San Juan 32-7 Unit Well No. 37M	Lots 1, 2, 5, N/2SE/4, SW/4SE/4 Sec. 8-32N- 7W Lots 4, 14, NW/4SW/4 Sec. 9-32N-7W	303.66

-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

SIXTH EXPANSION EFFECTIVE JULY 1, 2008

WELL	DRILLING BLOCK	ACRES
San Juan 32-7 Unit Com Well No. 20	Lots 8-10, SE/4NW/4, E/2SW/4, SW/4SE/4, NE/4SE/4	241.61
	Sec. 18-31N-7W Not Committed: SE/4SE/4, NW/4SE/4	80.00

SEVENTH EXPANSION EFFECTIVE DECEMBER 1, 2008

WELL	DRILLING BLOCK	ACRES
San Juan 32-7 Unit Well No. 71A	N/2 Sec. 9-31N-7W	320.00

EIGHTH EXPANSION EFFECTIVE JULY 1, 2009

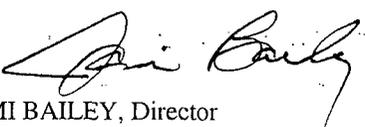
WELL	DRILLING BLOCK	ACRES
San Juan 32-7 Unit Well No. 19A	Lot 6-8, SW/4, NW/4SE4 Sec. 4-31N- 7W	323.15
	Lot 5, Sec. 5-31N-7W	

Please advised all interested parties of this action.

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