



Dawn Howell, CPLTA
Senior Land Analyst
Room 418
Off: 505.599.4030

October 24, 2014

ConocoPhillips Company
San Juan Business Unit
3401 E. 30th St.
Farmington, NM 87402
P.O. Box 4289, 87499-4289

BROG GP LLC.

A wholly owned subsidiary

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Jim Lovato
6251 N College Blvd., STE 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

30-045-35329

RE: Huerfanito Unit (#1 Sec. No. 943)
Commerciality Determination
Mancos Formation
San Juan County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the Huerfanito Unit Agreement, #1 Sec. No. 943, approved June 2, 1952, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the well listed below is NOT capable of producing unitized substances in paying quantities from the Mancos Formation. Burlington is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Dedicated Lse.	Compl. Date	Determination
Huerfanito Unit #82P	W/2 25-27N-9W	Indian Lease	11-13-12	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., this well will continue to be reported under the lease.

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

File: Huerfanito Unit 4.4

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
 HUERFANITO UNIT 82P

WELL INFORMATION

LEASE	HUERFANITO UNIT 82P
LOCATION	2527N09WE
COUNTY, STATE	SAN JUAN, NM
FORMATION	MANCOS
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES O&G CO
SPUD DATE	7/11/2012
COMP DATE	11/13/2012
1ST DELIVERY	6/19/2013
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	25.00

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

PRODUCTION TAXES

TAXES FOR:	SAN JUAN, NM
	Esc SJ-2014LRP 08-13

GAS % OF REVENUE

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

WELL COST AND ECONOMICS

764.46	M\$	AVERAGE WELL COST
103.87	MMCF	ULT. GROSS GAS RESERVES
75.42	MCFD	INITIAL GAS RATE
>800.00	%	RATE OF RETURN
-0.71	\$/ \$	P/I, DISC. @ 25.00 %
-540.40	M\$	NET PRESENT VALUE, DISC. @ 25.00 %
0.00	YRS	PAYOUT

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 82P

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\$
2013 08	68.7	2.1	1.35	0.03	0.31	2.99	2.99	81.87	26.32	13.4	1.30	0.22	11.92	0.00	11.92
2013 09	63.4	1.9	1.20	0.03	0.27	2.99	2.99	81.87	26.32	12.0	1.16	0.22	10.61	0.00	10.61
2013 10	61.2	1.9	1.20	0.03	0.27	2.99	2.99	81.87	26.32	12.0	1.16	0.22	10.59	0.00	10.59
2013 11	58.1	1.7	1.10	0.03	0.25	2.99	2.99	81.87	26.32	11.0	1.07	0.22	9.70	0.00	9.70
2013 12	53.6	1.7	1.05	0.03	0.24	2.99	2.99	81.87	26.32	10.5	1.02	0.22	9.25	0.00	9.25
2014 01	44.2	1.4	0.87	0.02	0.20	2.99	2.99	81.87	26.32	8.6	0.84	0.22	7.58	0.00	7.58
2014 02	48.0	1.3	0.85	0.02	0.19	3.01	3.01	81.46	26.09	8.4	0.82	0.22	7.41	0.00	7.41
2014 03	39.1	1.2	0.77	0.02	0.18	2.97	2.97	81.07	23.58	7.2	0.70	0.22	6.27	0.00	6.27
2014 04	35.9	1.1	0.68	0.02	0.16	2.95	2.95	80.71	23.03	6.3	0.61	0.22	5.46	0.00	5.46
2014 05	41.6	1.3	0.82	0.02	0.19	2.98	2.98	80.41	22.93	7.5	0.73	0.22	6.58	0.00	6.58
2014 06	41.3	1.2	0.79	0.02	0.18	3.02	3.02	80.16	22.61	7.2	0.70	0.22	6.31	0.00	6.31
2014 07	38.6	1.2	0.76	0.02	0.17	3.07	3.07	79.84	22.52	7.0	0.68	0.22	6.09	0.00	6.09
2014 08	37.3	1.2	0.73	0.02	0.17	3.09	3.09	79.52	23.39	6.9	0.67	0.22	6.01	0.00	6.01
2014 09	37.3	1.1	0.71	0.02	0.16	3.10	3.10	79.21	24.06	6.8	0.66	0.22	5.89	0.00	5.89
2014 10	35.0	1.1	0.69	0.02	0.16	3.13	3.13	78.92	23.91	6.6	0.64	0.22	5.71	0.00	5.71
2014 11	35.1	1.1	0.67	0.02	0.15	3.27	3.27	78.67	23.38	6.4	0.62	0.22	5.55	0.00	5.55
2014 12	33.0	1.0	0.65	0.02	0.15	3.51	3.51	78.45	24.25	6.5	0.63	0.22	5.63	0.00	5.63
2015 01	32.2	1.0	0.63	0.02	0.14	3.15	3.15	85.96	25.72	6.4	0.62	0.23	5.51	0.00	5.51
2015 02	34.7	1.0	0.62	0.01	0.14	3.15	3.15	85.96	25.72	6.2	0.60	0.23	5.37	0.00	5.37
Sub.	---	27.8	17.61	0.42	4.02	---	---	---	---	171.6	16.67	4.39	150.53	854.69	-704.16
Rem.	---	76.1	48.19	1.15	10.99	---	---	---	---	611.9	59.77	83.91	468.23	0.00	468.23
Total	---	103.9	65.80	1.56	15.01	---	---	---	---	783.5	76.44	88.30	618.76	854.69	-235.93