



543

ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289
Burlington Resources Inc.
A wholly owned subsidiary

August 26, 2011

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
1235 La Plata Highway
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 Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

RE: San Juan 28-6 Unit (#14-08-001-1051)
Commercial Determination
Fruitland Coal Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11 (a) of the San Juan 28-6 Unit Agreement, #14-08-001-1051, approved, August 31, 1953, Burlington Resources Oil & Gas Company, as Operator, has determined that the well listed below is not capable of producing unitized substances in paying quantities from the Fruitland Coal formation. Burlington is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Comp. Date	Determination
SJ 28-6 Unit #433S	W/2 24-28N-06W	NM-013656	08/20/10	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, this well will continue to be reported under Communitization Agreement NMNM-96745.

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
Land Analyst

SJ 28-6 Unit 4.5

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
 SAN JUAN 28-6 433S

WELL INFORMATION

LEASE	SAN JUAN 28-6 433S
LOCATION	24028N006WD
COUNTY, STATE	RIO ARRIBA, NM
FORMATION	FRUITLAND COAL
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	5/21/2010
COMP DATE	8/20/2010
1ST DELIVERY	8/18/2010
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
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PRODUCTION TAXES

TAXES FOR:	RIO ARRIBA, NM
	2003 - 2004 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

WELL COST AND ECONOMICS

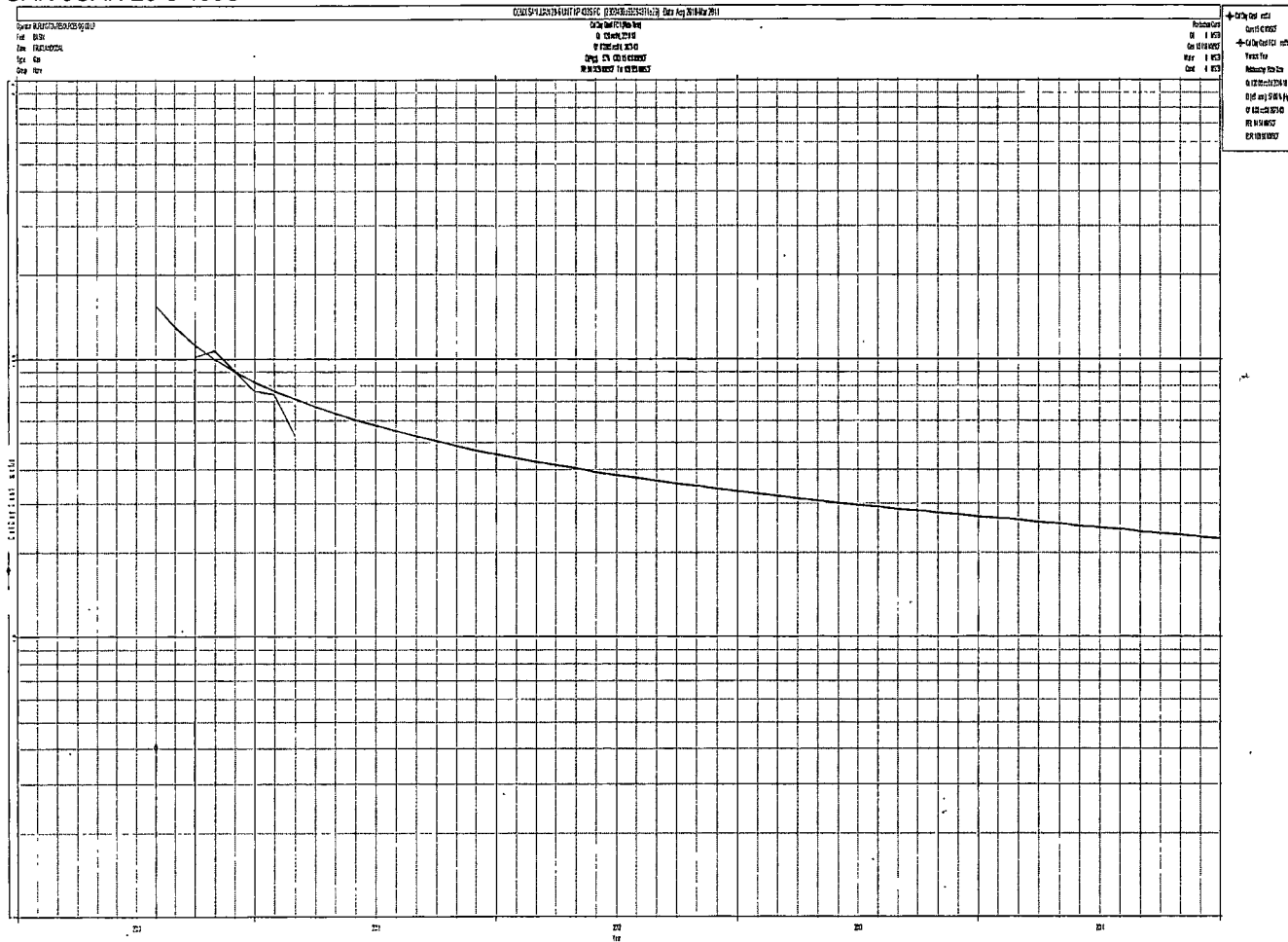
1,183.00	M\$	AVERAGE WELL COST
108.70	MMCF	ULT. GROSS GAS RESERVES
99.91	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.85	\$\$	P/I, DISC. @ 10.00 %
-1,001.11	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 28-6 433S



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\$

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-6 433S

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\$
2010 10	101.7	3.2	2.22	0.00	0.12	4.63	4.63	35.51	22.66	12.6	1.30	1.04	10.27	1,183.00	-1,172.73
2010 11	107.1	3.2	2.27	0.00	0.12	4.63	4.63	35.51	22.66	12.9	1.33	1.04	10.49	0.00	10.49
2010 12	91.2	2.8	1.99	0.00	0.11	4.63	4.63	35.51	22.66	11.3	1.17	1.04	9.10	0.00	9.10
2011 01	76.4	2.4	1.67	0.00	0.09	4.63	4.63	35.51	22.66	9.5	0.98	1.04	7.46	0.00	7.46
2011 02	74.5	2.1	1.47	0.00	0.08	4.63	4.63	35.51	22.66	8.3	0.86	1.04	6.44	0.00	6.44
2011 03	53.0	1.6	1.16	0.00	0.06	4.63	4.63	35.51	22.66	6.6	0.68	1.04	4.86	0.00	4.86
2011 04	68.3	2.1	1.45	0.00	0.08	4.63	4.63	35.51	22.66	8.2	0.85	1.04	6.31	0.00	6.31
2011 05	62.5	1.9	1.37	0.00	0.07	4.63	4.63	35.51	22.66	7.7	0.80	1.04	5.91	0.00	5.91
2011 06	61.2	1.8	1.30	0.00	0.07	4.63	4.63	35.51	22.66	7.4	0.76	1.04	5.55	0.00	5.55
2011 07	56.5	1.8	1.23	0.00	0.07	4.63	4.63	35.51	22.66	7.0	0.72	1.04	5.24	0.00	5.24
2011 08	54.0	1.7	1.18	0.00	0.06	4.63	4.63	35.51	22.66	6.7	0.69	1.04	4.96	0.00	4.96
2011 09	53.4	1.6	1.13	0.00	0.06	4.63	4.63	35.51	22.66	6.4	0.66	1.04	4.71	0.00	4.71
2011 10	49.7	1.5	1.09	0.00	0.06	4.63	4.63	35.51	22.66	6.2	0.64	1.04	4.48	0.00	4.48
2011 11	49.4	1.5	1.05	0.00	0.06	4.63	4.63	35.51	22.66	5.9	0.61	1.04	4.28	0.00	4.28
2011 12	46.2	1.4	1.01	0.00	0.05	4.63	4.63	35.51	22.66	5.7	0.59	1.04	4.09	0.00	4.09
2012(12)	39.0	14.3	10.08	0.00	0.53	4.63	4.63	35.51	22.66	57.2	5.91	12.52	38.76	0.00	38.76
2013(12)	30.2	11.0	7.76	0.00	0.41	4.63	4.63	35.51	22.66	44.0	4.55	12.52	26.98	0.00	26.98
2014(12)	24.8	9.1	6.39	0.00	0.34	4.63	4.63	35.51	22.66	36.3	3.75	12.52	20.02	0.00	20.02
2015(12)	20.7	7.5	5.32	0.00	0.28	4.63	4.63	35.51	22.66	30.2	3.12	12.52	14.55	0.00	14.55
2016(12)	17.1	6.3	4.43	0.00	0.23	4.63	4.63	35.51	22.66	25.1	2.59	12.52	10.00	0.00	10.00
Sub.	---	78.8	55.55	0.00	2.93	---	---	---	---	315.2	32.56	78.22	204.46	1,183.00	-978.54
Rem.	---	12.3	8.70	0.00	0.46	---	---	---	---	49.4	5.10	34.42	9.84	0.00	9.84
Total	---	91.1	64.25	0.00	3.39	---	---	---	---	364.6	37.66	112.64	214.30	1,183.00	-968.70

SAN JUAN 28-6 UNIT
Fruitland Coal Formation
WORKING INTEREST OWNERS

Burlington Resources Oil & Gas Co LP

ConocoPhillips Company

Four Star Oil & Gas Company

Williams Production Company