



RECEIVED OGD

420

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

2014 FEB 25 P 3: 00

February 20, 2014

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

State of New Mexico
Oil Conservation Division
Attn: Ms. Lori Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

RE: San Juan 32-7 Unit (14-08-001-441)
Commercial Determination
Dakota Formation
San Juan County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, 14-08-001-441, approved September 8, 1952, ConocoPhillips Company as Operator has determined that the well listed below is *not* capable of producing unitized substances in paying quantities from the Dakota formation. Burlington Resources is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Completion	Determination
San Juan 32-7 Unit 17B	E/2, Sec. 17-T31N-R7W	NMSF 078998	Dakota	Non-Commercial

Copies of this letter are being sent to the working interest owners on the attached sheet. If you have any questions or need any additional information, please contact the undersigned at (505) 326-9801.

Sincerely,

Valerie Wells,
Land Analyst

File: San Juan 32-7 Unit, 4.3

enclosures



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

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 1731N07WB
 COUNTY, STATE SAN JUAN, NM
 FORMATION DAKOTA
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS CO
 SPUD DATE 7/6/2010
 COMP DATE 8/19/2010
 1ST DELIVERY 11/9/2011
 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

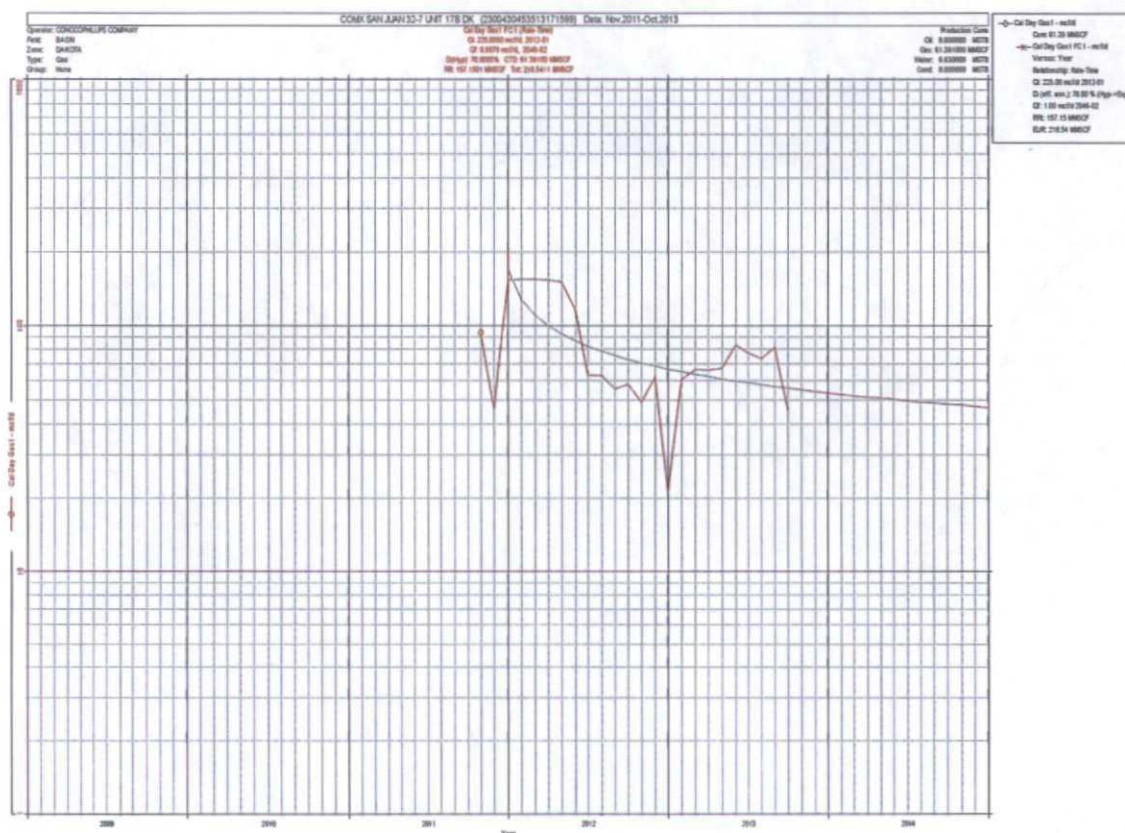
TOTAL %: 9.19

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,151.42 M\$ AVERAGE WELL COST
 208.17 MMCF ULT. GROSS GAS RESERVES
 153.97 MCFD INITIAL GAS RATE
 0.00 % RATE OF RETURN
 -0.91 \$/\$ P/I, DISC. @ 10.00 %
 -1,046.15 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
 0.00 YRS PAYOUT



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\$
2012 01	154.0	4.8	3.90	0.00	0.02	2.31	2.31	81.16	33.37	9.5	0.99	1.13	7.42	1,151.42	-1,144.00

Peep 2011.1

SHARA GRAHAM

02/14/2014 10:32

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\$
2012 02	154.4	4.5	3.66	0.00	0.02	2.31	2.31	81.16	33.37	8.9	0.92	1.13	6.89	0.00	6.89
2012 03	154.4	4.8	3.91	0.00	0.02	2.31	2.31	81.16	33.37	9.6	0.99	1.13	7.44	0.00	7.44
2012 04	153.9	4.6	3.77	0.00	0.02	2.31	2.31	81.16	33.37	9.2	0.95	1.13	7.14	0.00	7.14
2012 05	150.9	4.7	3.82	0.00	0.02	2.31	2.31	81.16	33.37	9.3	0.97	1.13	7.25	0.00	7.25
2012 06	116.6	3.5	2.86	0.00	0.01	2.31	2.31	81.16	33.37	7.0	0.72	1.13	5.14	0.00	5.14
2012 07	63.2	2.0	1.60	0.00	0.01	2.31	2.31	81.16	33.37	3.9	0.40	1.13	2.38	0.00	2.38
2012 08	62.8	1.9	1.59	0.00	0.01	2.31	2.31	81.16	33.37	3.9	0.40	1.13	2.36	0.00	2.36
2012 09	55.4	1.7	1.36	0.00	0.01	2.31	2.31	81.16	33.37	3.3	0.34	1.13	1.84	0.00	1.84
2012 10	57.9	1.8	1.47	0.00	0.01	2.31	2.31	81.16	33.37	3.6	0.37	1.13	2.08	0.00	2.08
2012 11	49.0	1.5	1.20	0.00	0.01	2.31	2.31	81.16	33.37	2.9	0.30	1.13	1.50	0.00	1.50
2012 12	62.1	1.9	1.57	0.00	0.01	2.31	2.31	81.16	33.37	3.8	0.40	1.13	2.32	0.00	2.32
2013 01	21.6	0.7	0.55	0.00	0.00	2.31	2.31	81.16	33.37	1.3	0.14	1.13	0.07	0.00	0.07
2013 02	60.8	1.7	1.39	0.00	0.01	2.31	2.31	81.16	33.37	3.4	0.35	1.13	1.92	0.00	1.92
2013 03	66.5	2.1	1.69	0.00	0.01	2.31	2.31	81.16	33.37	4.1	0.43	1.13	2.56	0.00	2.56
2013 04	65.8	2.0	1.61	0.00	0.01	2.31	2.31	81.16	33.37	3.9	0.41	1.13	2.41	0.00	2.41
2013 05	67.5	2.1	1.71	0.00	0.01	2.31	2.31	81.16	33.37	4.2	0.43	1.13	2.62	0.00	2.62
2013 06	83.5	2.5	2.05	0.00	0.01	2.31	2.31	81.16	33.37	5.0	0.52	1.13	3.36	0.00	3.36
2013 07	77.5	2.4	1.96	0.00	0.01	2.31	2.31	81.16	33.37	4.8	0.50	1.13	3.17	0.00	3.17
2013 08	73.6	2.3	1.87	0.00	0.01	2.31	2.31	81.16	33.37	4.6	0.47	1.13	2.96	0.00	2.96
Sub.	---	53.3	43.55	0.00	0.20	---	---	---	---	106.4	11.00	22.62	72.82	1,151.42	-1,078.60
Rem.	---	154.9	126.60	0.00	0.58	---	---	---	---	309.5	31.98	316.68	-39.21	0.00	-39.21
Total	---	208.2	170.15	0.00	0.78	---	---	---	---	415.9	42.98	339.30	33.61	1,151.42	-1,117.81