Phillips

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

April 14, 2014

Bureau of Land Management (3) Attn: Mr. Jim Lovato State of New Mexico 6251 N. College Blvd., Suite A Farmington, NM 87401

Conoco

State of New Mexico (2) Oil Conservation Division Energy & Minerals Department Attn: Ms. Lori Wrotenbery 2040 South Pacheco Santa Fe, NM 87505 Commissioner of Public Lands (2) Attn: Mr. Peter Martinez State of New Mexico P.O. Box 1148 Santa Fe, NM 87504-1148

RE:

HUERFANITO UNIT, - UA - I Sec. No. 943
San Juan County, New Mexico
<u>Mancos Participating Area</u>
Initial Expansion, Effective 6/23/2012

Dear Sir or Madam:

Pursuant to Section 11(a) of the above referenced Unit Agreement, approved June 2, 1952, Burlington Resources Oil & Gas Company LP as Unit Operator, has determined that the following wells are capable of producing unitized substances in paying quantities from the Mancos formation, thereby should be admitted into the Mancos Participating Area. Pursuant to BLM letter dated September 19, 2013, listed below are the wells that have been deemed commercial.

INITIAL EXPANSION - EFFECTIVE 6/23/12

Well Name Huerfanito Unit #88N Huerfanito Unit #99E <u>Tract/Acres</u> Tr. 4 / 320.00 Tr. 3A / 160.00 Tr. 10A / 160.00 Tr. Description E/2 23-27N-9W SW/4 35-27N-9W NW/4 35-27N-9W Compl. Date 6/6/12 6/23/12

The Schedule for the Initial Expansion is enclosed. The schedule describes the Participating Area and shows the percentage of unitized substances allocated to the tracts according to the ownership within the tracts.

Burlington Resources would appreciate consideration of this Expansion by written response. Please contact the undersigned at (505) 599-4030 if there are any questions regarding this matter.

MILLA /

Sr. Land Analyst

RECAPITULATION Burlington Resources Oil & Gas Company LP - Operator The 000 Expanded Participating Area for Mancos Formation Huerfanito Unit Area Effective 6/23/2012

Description of Committed Lands in PA						Description of Non-Committed Lands in PA					
Township	Range	Section	Description L	_ot Acr	reage	Township	Range	Section	Description	Lot	Acreage
027N	009W	SEC.023	E/2		320.00000					_	
027N	009W	SEC.035	NW/4		160.00000			Total Acres Non-Committed: 0.000000			0.000000
027N	009W	SEC.035	SW/4		160.00000						
			Total Acres Commit	tted:	640.00000						

Run Date: 04/02/2014

Run Time: 11:41:32 AM C

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User: howeldm

BURLINGTON RESOURCES O&G CO LP - Operator

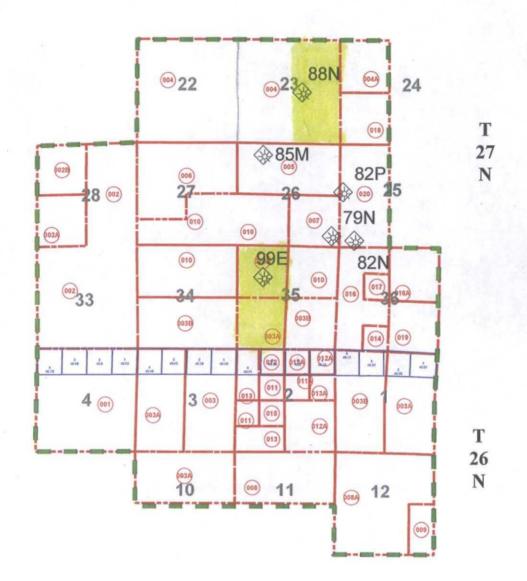
The 000 Expanded Participating Area for Mancos Formation Huerfanito Unit Area Page 1 of 1

Huerfanito Unit Area San Juan, New Mexico Effective 06/23/2012

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Serial Num SF-078135 Description Number of Acres 160.000 Downership Drilling Block Tract: 003A GWI Percentage NRI Percentage Prodn Prtcpn Pct 25.0000000 T-027N R-005W SEC.035 SW/4			<u>ا</u>					
T-027N R-009W SEC.035 SW/4 ORR: ROYALTY: WORKING INTEREST: BURLINGTON RESOURCES 0&G C0 LP TOTAL 0.0000000 100.0000000 37.50000000 50.00000000 Produ Prtcpn Pct Serial Num Description Number of Acres 320.000 Ownership Drilling Block Tract: 004 GWI Percentage NRI Percentage Produ Prtcpn Pct SF-078356 100.0000000 17.50000000 100.0000000 17.50000000 100.00000000	Serial Num	Description	Number of Acres	Ownership	Drilling Block	GWI Percentage	NRI Percentage	Prodn Prtcpn Pct
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TOTAL. 100.00000000 100.0000000		·		TOTAL		100.00000000	100.00000000	

HUERFANITO UNIT



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MANCOS PARTICIPATING AREA

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INITIAL EXPANSION, Effective 6/23/2012

San Juan Business Unit Farmington, New Mexico April 14, 2014