

**ConocoPhillips**

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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

Commissioner of Public Lands (2)  
Attn: Mr. Peter Martinez  
State of New Mexico  
P.O. Box 1148  
Santa Fe, NM 87504-1148

State of New Mexico (2)  
Oil Conservation Division  
Energy & Minerals Department  
Attn: Ms. Lori Wrotenbery  
2040 South Pacheco  
Santa Fe, NM 87505

RE: **HUERFANITO UNIT, - UA - I Sec. No. 943**  
San Juan County, New Mexico  
**Mancos Participating Area**  
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.

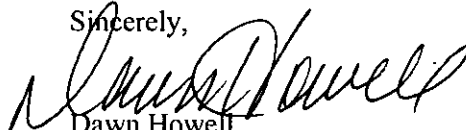
**INITIAL EXPANSION - EFFECTIVE 6/23/12**

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

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.

Sincerely,

  
Dawn Howell  
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	Lot	Acreage	Township	Range	Section	Description	Lot	Acreage
027N	009W	SEC.023	E/2		320.00000						
027N	009W	SEC.035	NW/4		160.00000						
027N	009W	SEC.035	SW/4		160.00000						
Total Acres Committed:					640.00000	Total Acres Non-Committed:					0.000000

Run Date: 04/02/2014  
Run Time: 11:41:32 AM C  
User: howeldm

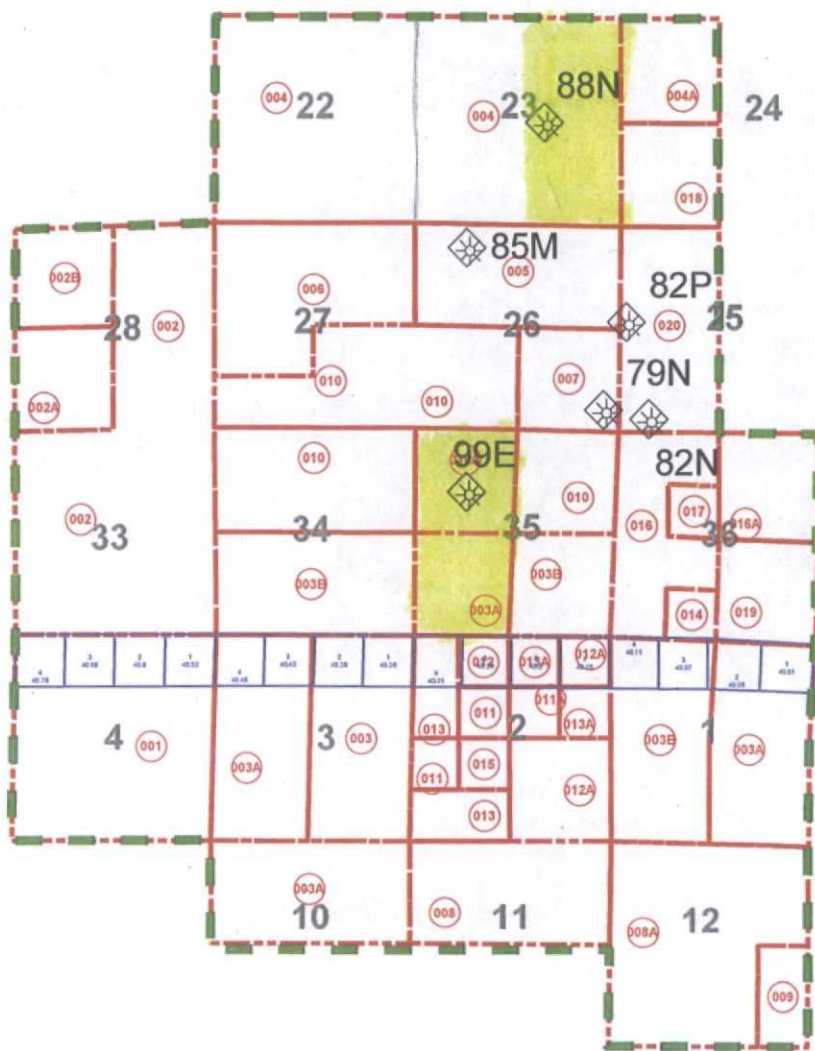
**BURLINGTON RESOURCES O&G CO LP - Operator**  
**The 000 Expanded Participating Area for Mancos Formation**  
**Huerfanito Unit Area**  
**San Juan, New Mexico**  
**Effective 06/23/2012**

Page 1 of 1

Serial Num	Description	Number of Acres	Ownership	Drilling Block	GWI Percentage	NRI Percentage	Prod'n Prt'cn Pct
SF-078135		160.000		Tract: 003A			25.00000000
	<u>T-027N R-009W</u>						
	SEC.035 SW/4		ORRI:		.00000000	37.50000000	
			ROYALTY:		.00000000	12.50000000	
			WORKING INTEREST: BURLINGTON RESOURCES O&G CO LP		100.00000000	50.00000000	
			<b>TOTAL</b>		<b>100.00000000</b>	<b>100.00000000</b>	
SF-078356		320.000		Tract: 004			50.00000000
	<u>T-027N R-009W</u>						
	SEC.023 E/2		ORRI:		.00000000	17.50000000	
			ROYALTY:		.00000000	12.50000000	
			WORKING INTEREST: BURLINGTON RESOURCES O&G CO LP		100.00000000	70.00000000	
			<b>TOTAL</b>		<b>100.00000000</b>	<b>100.00000000</b>	
SF-080117		160.000		Tract: 010A			25.00000000
	<u>T-027N R-009W</u>						
	SEC.035 NW/4		ORRI:		.00000000	36.50000000	
			ROYALTY:		.00000000	12.50000000	
			WORKING INTEREST: BURLINGTON RESOURCES O&G CO LP		100.00000000	51.00000000	
			<b>TOTAL</b>		<b>100.00000000</b>	<b>100.00000000</b>	

# HUERFANITO UNIT

R9W



T  
27  
N

T  
26  
N

## MANCOS PARTICIPATING AREA

 huerfanito unit

 INITIAL EXPANSION, Effective 6/23/2012