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

April 23, 2015

Bureau of Land Management
Farmington Resource Area
Attn: Mr. William Tambekou
6251 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

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

RE: San Juan 28-7 Unit (14-08-001-459)
Commercial Determination
Mesaverde Formation
Rio Arriba County, New Mexico

2015 APR 27 P 3:07
RECEIVED OCD

Gentlemen:

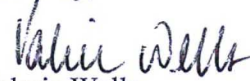
Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement dated November 18, 1952, ConocoPhillips Company, as Operator, has determined that the wells listed below *are* capable of producing unitized substances in paying quantities from the Mesaverde formation. ConocoPhillips Company is seeking confirmation of the determination enclosed.

Well Name	Dedication	Lease No.	Completion	Determination
San Juan 28-7 Unit 152E	W/2 Sec. 21-T27N-R7W	SF-078640	03/06/2013	Commercial
San Juan 28-7 unit 155G	W/2 Sec. 22-T27N-R7W	SF-078640	03/06/2013	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 report to the lease.

Copies of this letter are being sent to the working interest owners on the attached sheet. For technical questions, please contact Shara Graham at 505-326-9819, for all other questions please contact the undersigned at 505-326-9801

Sincerely,


Valerie Wells,
Sr. Land Technician

Enclosures

File: San Juan 28-7 Unit, 4.2

enclosures

San Juan 28-7 Unit 217N
Mesaverde Formation
04/23/2015

SAN JUAN 28-7 UNIT
MESAVERDE FORMATION
WORKING INTEREST OWNERS

BOFB LTD

BURLINGTON RESOURCES O&G CO LP

CAROLEE SMITH

CAROLYN BEAMON TILLEY

CB LIFELINE PARTNERSHIP

CLAUDIA MARCIA LUNDELL GILMER

CONOCOPHILLIPS COMPANY

D J SIMMONS CO LTD PRTNSHP

DUGAN PRODUCTION CORP

HOLLY BISHOP

JAMES R BEAMON

JUNE LIVELY

LINDA JEANNE LUNDELL LINDSEY

MESA ROYALTY TR

PIONEER NATURAL RESOURCES USA INC

ROBERT E BEAMON

ROBERT WALTER LUNDELL

SHARON BEAMON BURNS

SILVERADO OIL & GAS LLP

SUSAN BEAMON PORTER

W G PEAVY OIL CO

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
 SAN JUAN 28-7 UNIT 152E

WELL INFORMATION

LEASE	SAN JUAN 28-7 UNIT 152E
LOCATION	2127N07WC
COUNTY, STATE	RIO ARriba, NM
FORMATION	MESAVERDE
PROJECT TYPE	RECOMPLETE
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	9/7/2001
COMP DATE	3/6/2013
1ST DELIVERY	3/6/2013
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

997 MMBtu / Mcf

PRODUCTION TAXES

TAXES FOR:	RIO ARriba, NM
	2012 - 2013 Commerciality

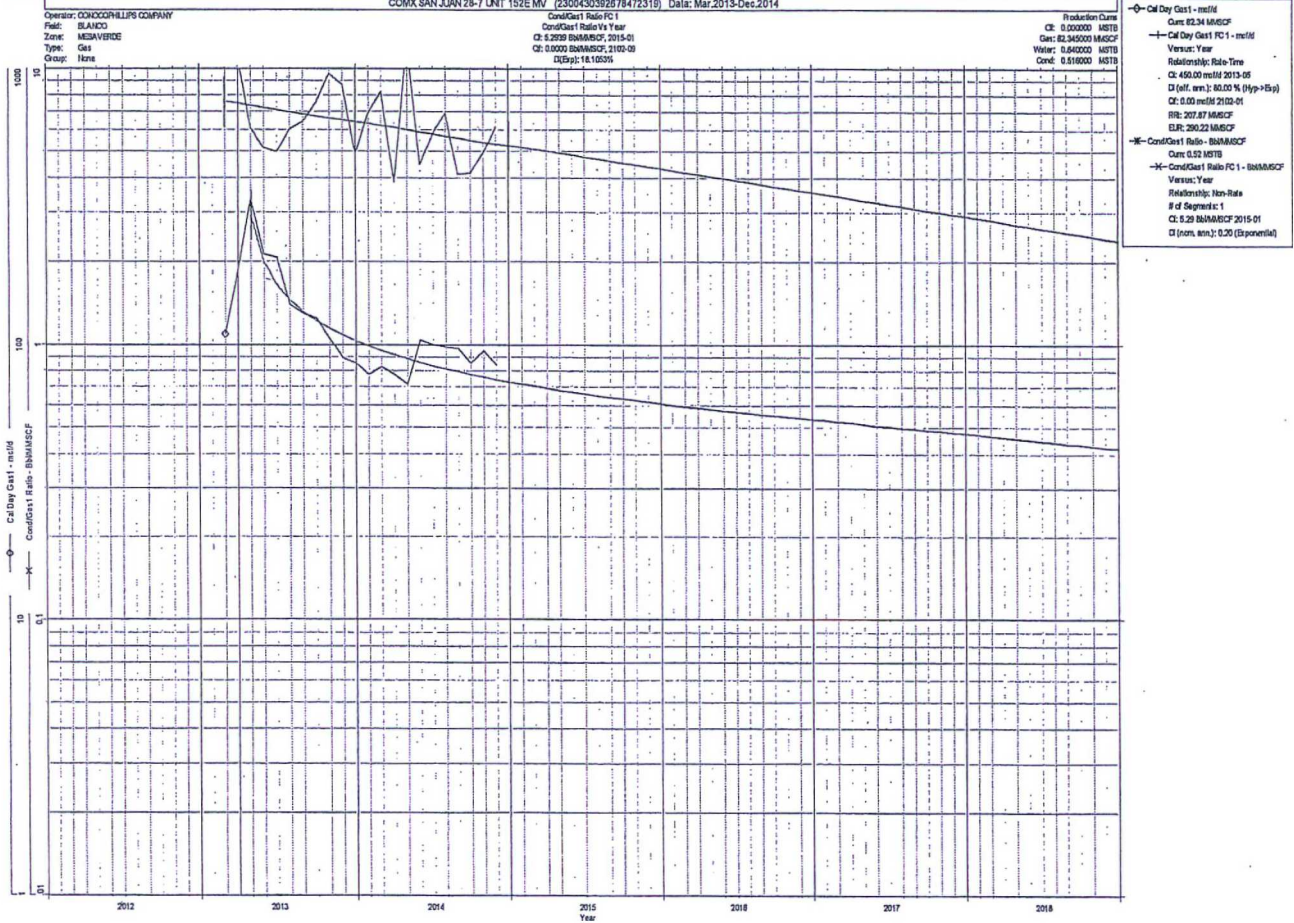
GAS % OF REVENUE

SEVERANCE:	
Severance, School, Conservation	7.94
AD VALOREM:	
Production, Equipment	0.21
TOTAL %:	8.15

WELL COST AND ECONOMICS

541.18	M\$	AVERAGE WELL COST
268.29	MMCF	ULT. GROSS GAS RESERVES
335.00	MCFD	INITIAL GAS RATE
44.47	%	RATE OF RETURN
0.85	\$/ \$	P/I, DISC. @ 10.00 %
459.23	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
2.20	YRS	PAYOUT

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-7 UNIT 152F



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 05	335.0	10.4	6.64	0.06	1.52	4.23	4.23	79.54	29.50	71.8	6.63	0.43	64.75	541.18	-476.43

Peep 2013.1

SHARA GRAHAM

04/16/2015 10:10

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-7 UNIT 152E

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 06	212.9	6.4	4.08	0.03	0.94	4.23	4.23	79.54	29.50	43.8	4.05	0.43	39.29	0.00	39.29
2013 07	206.8	6.4	4.10	0.03	0.94	4.23	4.23	79.54	29.50	43.8	4.05	0.43	39.36	0.00	39.36
2013 08	139.3	4.3	2.76	0.03	0.63	4.23	4.23	79.54	29.50	29.8	2.76	0.43	26.65	0.00	26.65
2013 09	130.3	3.9	2.50	0.03	0.57	4.23	4.23	79.54	29.50	27.1	2.50	0.43	24.19	0.00	24.19
2013 10	124.2	3.8	2.46	0.03	0.56	4.23	4.23	79.54	29.50	27.0	2.49	0.43	24.10	0.00	24.10
2013 11	104.8	3.1	2.01	0.03	0.46	4.23	4.23	79.54	29.50	22.5	2.07	0.43	20.01	0.00	20.01
2013 12	89.3	2.8	1.77	0.02	0.41	4.23	4.23	79.54	29.50	19.6	1.81	0.43	17.41	0.00	17.41
2014 01	85.5	2.7	1.70	0.01	0.39	4.23	4.23	79.54	29.50	18.1	1.68	0.43	16.02	0.00	16.02
2014 02	77.5	2.2	1.39	0.01	0.32	4.23	4.23	79.54	29.50	15.1	1.40	0.43	13.32	0.00	13.32
2014 03	82.7	2.6	1.64	0.02	0.38	4.23	4.23	79.54	29.50	18.1	1.67	0.43	16.01	0.00	16.01
2014 04	77.5	2.3	1.49	0.01	0.34	4.23	4.23	79.54	29.50	15.7	1.45	0.43	13.83	0.00	13.83
2014 05	71.5	2.2	1.42	0.03	0.33	4.23	4.23	79.54	29.50	16.3	1.50	0.43	14.42	0.00	14.42
2014 06	103.6	3.1	1.99	0.01	0.46	4.23	4.23	79.54	29.50	21.2	1.96	0.43	18.78	0.00	18.78
2014 07	99.8	3.1	1.98	0.02	0.45	4.23	4.23	79.54	29.50	21.3	1.97	0.43	18.94	0.00	18.94
2014 08	98.2	3.0	1.95	0.02	0.45	4.23	4.23	79.54	29.50	21.2	1.96	0.43	18.83	0.00	18.83
2014 09	96.9	2.9	1.86	0.01	0.43	4.23	4.23	79.54	29.50	19.7	1.82	0.43	17.46	0.00	17.46
2014 10	85.3	2.6	1.69	0.01	0.39	4.23	4.23	79.54	29.50	17.9	1.66	0.43	15.85	0.00	15.85
2014 11	94.5	2.8	1.81	0.01	0.42	4.23	4.23	79.54	29.50	19.4	1.79	0.43	17.16	0.00	17.16
2014 12	84.5	2.6	1.68	0.02	0.38	4.23	4.23	79.54	29.50	18.1	1.67	0.43	16.03	0.00	16.03
Sub.	---	73.4	46.92	0.45	10.76	---	---	---	---	507.8	46.90	8.54	452.41	541.18	-88.77
Rem.	---	194.9	124.60	0.42	28.60	---	---	---	---	1,294.5	120.05	117.85	1,056.63	0.00	1,056.63
Total	---	268.3	171.52	0.87	39.36	---	---	---	---	1,802.4	166.95	126.39	1,509.04	541.18	967.86

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-7 UNIT 155G

WELL INFORMATION

LEASE	SAN JUAN 28-7 UNIT 155G
LOCATION	2227N07WE
COUNTY, STATE	RIO ARriba, NM
FORMATION	MESAVERDE
PROJECT TYPE	RECOMPLETION
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS COMPANY
SPUD DATE	10/10/2002
COMP DATE	3/16/2013
1ST DELIVERY	3/16/2013
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

PRODUCTION TAXES

TAXES FOR:	RIO ARriba, NM
	2012 - 2013 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.94
AD VALOREM:	
Production, Equipment	0.21
TOTAL %:	8.15

WELL COST AND ECONOMICS

429.53	M\$	AVERAGE WELL COST
147.89	MMCF	ULT. GROSS GAS RESERVES
90.55	MCFD	INITIAL GAS RATE
15.34	%	RATE OF RETURN
0.16	\$/ \$	P/I, DISC. @ 10.00 %
68.59	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
4.71	YRS	PAYOUT

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-7 UNIT 155G

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\$
2014 02	88.2	2.5	1.56	0.00	0.36	4.23	4.23	79.54	29.50	16.3	1.51	0.50	14.25	0.00	14.25
2014 03	83.9	2.6	1.64	0.03	0.38	4.23	4.23	79.54	29.50	18.6	1.71	0.50	16.35	0.00	16.35
2014 04	81.2	2.4	1.54	0.00	0.36	4.23	4.23	79.54	29.50	15.7	1.46	0.50	13.74	0.00	13.74
2014 05	78.0	2.4	1.53	0.00	0.35	4.23	4.23	79.54	29.50	15.6	1.45	0.50	13.70	0.00	13.70
2014 06	71.2	2.1	1.35	0.00	0.31	4.23	4.23	79.54	29.50	13.9	1.29	0.50	12.11	0.00	12.11
2014 07	73.3	2.3	1.43	0.02	0.33	4.23	4.23	79.54	29.50	15.9	1.47	0.50	13.98	0.00	13.98
2014 08	71.3	2.2	1.39	0.01	0.32	4.23	4.23	79.54	29.50	14.6	1.36	0.50	12.79	0.00	12.79
2014 09	68.8	2.1	1.30	0.01	0.30	4.23	4.23	79.54	29.50	13.8	1.28	0.50	12.00	0.00	12.00
2014 10	49.5	1.5	0.97	0.01	0.22	4.23	4.23	79.54	29.50	10.4	0.96	0.50	8.97	0.00	8.97
2014 11	64.1	1.9	1.21	0.01	0.28	4.23	4.23	79.54	29.50	12.9	1.20	0.50	11.24	0.00	11.24
2014 12	61.7	1.9	1.21	0.01	0.28	4.23	4.23	79.54	29.50	13.1	1.21	0.50	11.38	0.00	11.38
2015 01	53.1	1.6	1.04	0.01	0.24	4.23	4.23	79.54	29.50	11.0	1.02	0.50	9.49	0.00	9.49
2015 02	57.0	1.6	1.01	0.01	0.23	4.23	4.23	79.54	29.50	10.7	0.99	0.50	9.17	0.00	9.17
2015 03	50.0	1.5	0.98	0.01	0.23	4.23	4.23	79.54	29.50	10.3	0.96	0.50	8.87	0.00	8.87
2015 04	50.2	1.5	0.95	0.00	0.22	4.23	4.23	79.54	29.50	10.0	0.93	0.50	8.59	0.00	8.59
2015 05	47.2	1.5	0.92	0.00	0.21	4.23	4.23	79.54	29.50	9.7	0.90	0.50	8.34	0.00	8.34
2015 06	47.6	1.4	0.90	0.00	0.21	4.23	4.23	79.54	29.50	9.5	0.88	0.50	8.10	0.00	8.10
2015 07	44.9	1.4	0.88	0.00	0.20	4.23	4.23	79.54	29.50	9.2	0.86	0.50	7.87	0.00	7.87
2015 08	43.8	1.4	0.86	0.00	0.20	4.23	4.23	79.54	29.50	9.0	0.83	0.50	7.66	0.00	7.66
Sub.	---	38.7	24.43	0.15	5.66	---	---	---	---	259.9	24.06	10.00	225.84	429.53	-203.69
Rem.	---	108.3	68.32	0.13	15.83	---	---	---	---	706.3	65.56	134.50	506.20	0.00	506.20
Total	---	147.0	92.75	0.28	21.48	---	---	---	---	966.2	89.62	144.50	732.04	429.53	302.51