

BURLINGTON RESOURCES

SAN JUAN DIVISION

July 12, 2004

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

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

RE: Allison Unit (I Sec. No. 752)
Commerciality Determinations
Dakota Formation
San Juan County, New Mexico

Gentlemen:

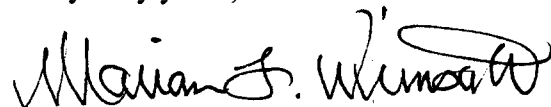
Pursuant to the provisions of Section 11(a) of the Allison Unit Agreement, I Sec. No. 752, approved August 22, 1950, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the well listed below is not capable of producing unitized substances in paying quantities from the Dakota formation. Burlington is seeking confirmation of the well determination enclosed.

<u>BROG's AIN No.</u>	<u>Well Name & Number</u>	<u>Well Dedication</u>	<u>Dedicated Leases</u>	<u>Completion Date</u>	<u>Commerciality Determination</u>
83640402	Allison Unit Com #64	NS Sec. 8&9-32N-6W	Lois S. Powell	2/19/02	Non-Commercial

Upon receipt of response from the Bureau of Land Management and concurring response from the Commissioner of Public Lands and New Mexico Oil Conservation Division, the well will be carried as non-commercial on a lease basis.

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) 326-9860.

Very truly yours,



Marian L. Wimsatt, CPLTA, CPL
Land Analyst

MLW:ll
Allison Unit, 4.3
cc: Linda Dean

WORKING INTEREST OWNERS ALLISON UNIT

SUSANNA P KELLY

JANE PHILLIPS

J GLENN TURNER JR

CONOCOPHILLIPS COMPANY

CHARLES KELLY

CASTLE INC

BURLINGTON RESOURCES O&G CO LP

BP AMERICA PRODUCTION COMPANY

ANDREW KELLY JR

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

ALLISON UNIT COM 64

WELL INFORMATION

LEASE ALLISON UNIT COM 64
 LOCATION 08032N006WI
 COUNTY, STATE SAN JUAN, NEW MEXICO
 FORMATION DAKOTA
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR BURLINGTON RESOURCES O&G CO LP
 SPUD DATE 12/14/2001
 COMP DATE 2/19/2002
 1ST DELIVERY 2/15/2002
 COMM GWI % 100.00
 COMM NRI % 87.50
 BOARD RATE % 8.00

PRODUCTION TAXES

TAXES FOR: SAN JUAN, NEW MEXICO
 2003 - 2004 Commerciality

GAS % OF REVENUE

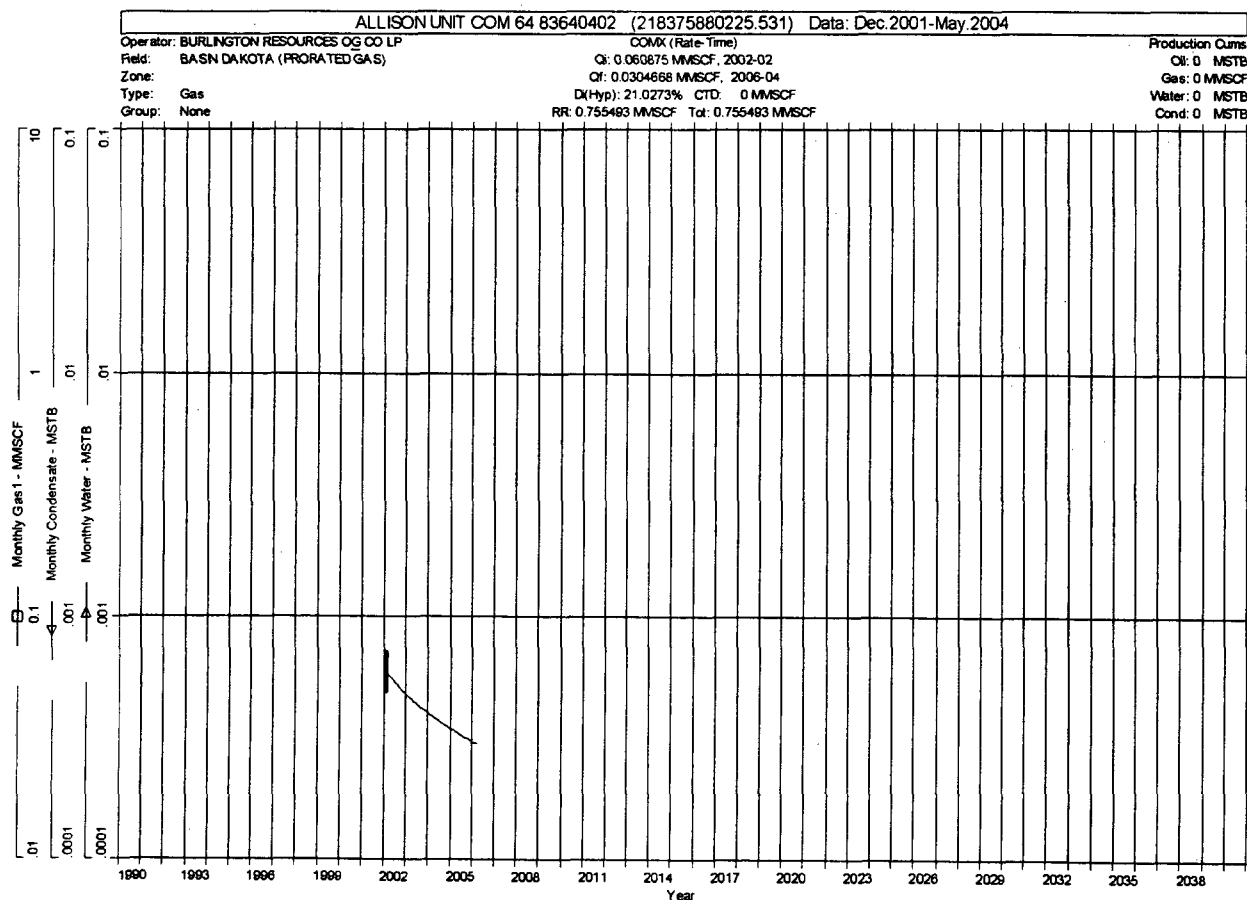
SEVERANCE:
 Severance, School, Conservation 7.93
 AD VALOREM:
 Production, Equipment 1.26
 TOTAL %: 9.19

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

500.00 M\$ AVERAGE WELL COST
 0.76 MMCF ULT. GROSS GAS RESERVES
 0.70 MCFD INITIAL GAS RATE
 0.00 % RATE OF RETURN
 -1.01 \$/\$ P/I, DISC. @ 8.00 %
 -505.53 M\$ NET PRESENT VALUE, DISC. @ 8.00 %
 0.00 YRS PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
ALLISON UNIT COM 64

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Gas1 Price	Gas Price	Net Revenue	Production Taxes	Total Opcoats	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	\$/MMBTU	\$/mcf	M\$	M\$	M\$	M\$	M\$	M\$
2002(12)	0.0	0.0	0.0	2.28	2.28	0.00	0.00	0.96	-0.96	500.00	-500.96
2003(12)	0.0	0.0	0.0	3.97	3.97	0.00	0.00	2.88	-2.88	0.00	-2.88
2004(12)	0.7	0.3	0.2	3.97	3.97	0.84	0.09	2.88	-2.13	0.00	-2.13
2005(12)	1.2	0.1	0.1	3.97	3.97	0.23	0.02	0.48	-0.28	0.00	-0.28
Total	—	0.3	0.3	—	—	1.07	0.11	7.20	-6.24	500.00	-506.24



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

May 6, 2004

Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, New Mexico 87499

Attention: Ms. Marian Wimsatt

RECEIVED

MAY 7 2004

Re: Allison Unit
San Juan County, New Mexico
Dakota Participating Area
Twelfth Expansion – Effective 12/1/1997
Thirteenth Expansion – Effective 2/1/1998
Fourteenth Expansion – Effective 8/1/1998
Fifteenth Expansion – Effective 2/1/1999
Sixteenth Third Expansion – Effective 5/1/1999
Seventeenth Expansion – Effective 8/1/1999
Eighteenth Expansion – Effective 12/1/2000

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Dear Ms. Wimsatt:

We are in receipt of your letter of December 2, 2002 together with your application for approval of the above referenced expansions to the Dakota participating area for the Allison Unit, San Juan County, New Mexico.

The Bureau of Land Management approved the above referenced expansions by their letter of April 7, 2004.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced Dakota participating area expansions.

Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/pm

pc: Reader File,
OCD-Attention: Mr. Roy Johnson
BLM-Farmington Attn: Mr. Wayne Townsend
TRD-Attention: Mr. Valdean Severson
RMD-Attention: Ms. Linda Vieira

"WORKING FOR EDUCATION"



PATRICK H. LYONS
COMMISSIONER

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Commissioner of Public Lands

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May 5, 2004

Burlington Resources Oil and Gas Co. LP
P. O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Ms. Marian L. Wimsatt

Re: Allison Unit
Revised Commerciality Determination
Dakota Formation
San Juan County, New Mexico

RECEIVED

MAY 7 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Dear Ms. Wimsatt:

We are in receipt of your letter of April 25, 2001, and additional data that supports a revised commerciality determination for the following Allison Unit Well:

Well Name & Number	Well Dedication	Lease Type	Completion Date	Commerciality Determination
Allison Unit #24A	S/2 Sec. 7-32N-6W	Fee	1/27/99	Commercial

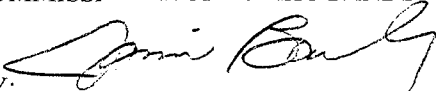
The Bureau of Land Management's letter of April 30, 2001, advised this office that they have concurred with the above-mentioned commercial determination for the Dakota formation.

Please be advised that the Commissioner of Public Lands also concurs with Burlington Resources and the Bureau of Land Management's determination regarding the above-mentioned well. Please disregard our letter of May 31, 2001 regarding this well.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

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