

# BURLINGTON RESOURCES

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MAY 03 2004

SAN JUAN DIVISION

April 30, 2004

OIL CONSERVATION  
DIVISION

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: **REVISED**  
**Commerciality Determinations**  
San Juan 30-6 Unit (14-08-001-538)  
Dakota Formation  
Rio Arriba County, New Mexico

Gentlemen:

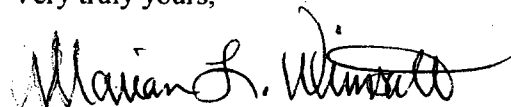
Pursuant to the provisions of Section 11(a) of the San Juan 30-6 Unit Agreement, #14-08-001-538, approved April 30, 1953, Burlington Resources Oil & Gas Company LP, as Operator, has determined that one of the wells listed below is capable of producing unitized substances in paying quantities from the Dakota formation. Burlington is seeking confirmation of the paying well determination enclosed. Burlington's original letter dated March 1, 2004 listed both wells as being commercial. Due to an error on the average well cost, the BLM requested revised commerciality determinations. The #93B well is now showing a negative net present value making it a non-commercial well.

<u>BROG's AIN No.</u>	<u>Well Name &amp; Number</u>	<u>Well Dedication</u>	<u>Dedicated Leases</u>	<u>Completion Date</u>	<u>Commerciality Determination</u>
84659003	San Juan 30-6 Unit #93B	W/2 Sec. 33-30N-7W	NM-02151-B	6/20/03	Non-Commercial
84436602	San Juan 30-6 Unit #99C	W/2 Sec. 34-30N-7W	SF-079383	5/23/03	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, the formal Participating Area Schedules will be prepared and submitted for the #99C well. The #99B 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  
San Juan 30-6 Unit, 4.3  
cc: Linda Dean

# ***WORKING INTEREST OWNERS SAN JUAN 30-6 UNIT***

KOCH INDUSTRIES INC

BP AMERICA PRODUCTION COMPANY

BURLINGTON RESO O&G (SJBT)

BURLINGTON RESOURCES O&G CO LP

CBP SAN JUAN LIMITED PARTNERSHIP

CHARLES W GAY

CONOCOPHILLIPS COMPANY

EMIL MOSBACHER III

FOUR STAR OIL & GAS COMPANY

HENRY G ROBELDO

J & M RAYMOND LTD

J GLENN TURNER JR

JANE P MOSBACHER EST TRUST

BHP SAN JUAN LTD PTS

JRP SAN JUAN LP

XTO ENERGY INC

LEE WAYNE MOORE & JO ANN

LORRAYN GAY HACKER

MAYDELL MILLER MAST

MOORE LOYAL TRUST

MOSBACHER USA INC

PHILLIPS-SAN JUAN PARTNERS

ROBERT UMBACH CANCER FOUNDATION

ST JOHN INSTITUTIONAL INVESTORS LP

T H MCELVAIN OIL & GAS LTD

THE WISER OIL COMPANY

WILLIAMS PRODUCTION COMPANY

WPC OIL & GAS LP

JOHN DAVID MOSBACHER

**BURLINGTON RESOURCES  
COMMERCIALITY DETERMINATION  
BLM DATA SHEET  
SAN JUAN 30-6 UNIT 93B**

**WELL INFORMATION**

LEASE SAN JUAN 30-6 UNIT 93B  
 LOCATION 33030N007WF  
 COUNTY, STATE RIO ARRIBA, NEW MEXICO  
 FORMATION DAKOTA  
 PROJECT TYPE NEWDRILL  
 WELL TYPE GAS WELL  
 OPERATOR BURLINGTON RESOURCES O&G CO LP  
 SPUD DATE 5/9/2003  
 COMP DATE 6/20/2003  
 1ST DELIVERY 6/27/2003  
 COMM GWI % 100.00  
 COMM NRI % 87.50  
 BOARD RATE % 8.00

**PRODUCTION TAXES**

TAXES FOR: RIO ARRIBA, NEW MEXICO  
 2003 - 2004 Commerciality

**GAS % OF REVENUE**

SEVERANCE:  
 Severance, School, Conservation 7.93  
 AD VALOREM:  
 Production, Equipment 1.40  
 TOTAL %: 9.33

**AVERAGE HEAT CONTENT**

1,000 MMBtu / Mcf

**WELL COST AND ECONOMICS**

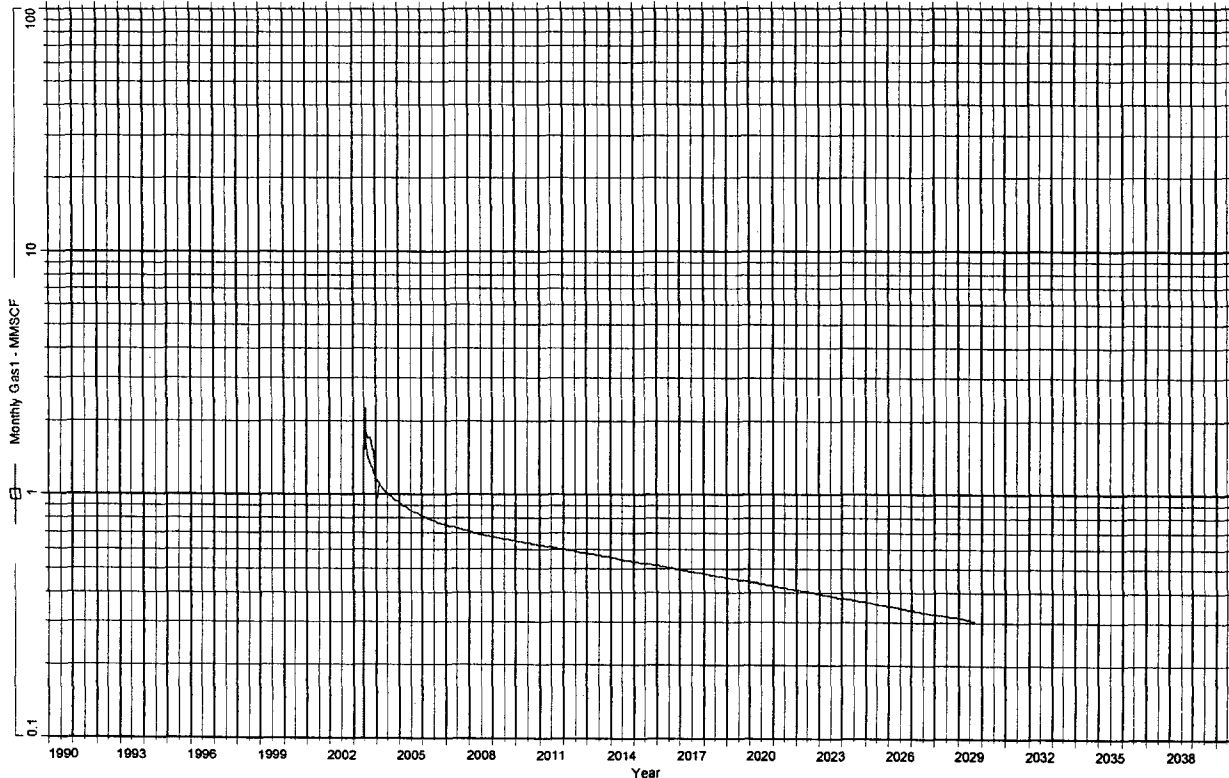
550.00 M\$ AVERAGE WELL COST  
 174.77 MMCF ULT. GROSS GAS RESERVES  
 55.16 MCFD INITIAL GAS RATE  
 0.00 % RATE OF RETURN  
 -0.57 \$/\$ P/I, DISC. @ 8.00 %  
 -314.07 M\$ NET PRESENT VALUE, DISC. @ 8.00 %  
 0.00 YRS PAYOUT

SAN JUAN 30-6 UNIT 93B 84659003 ((61D30196-FBCF-4807-A0EA-B75C63B8D799)) Data: May.2003-Mar.2004

Operator: BURLINGTON RESOURCES O&G CO LP  
 Field: BASIN DAKOTA (PRORATED GAS)  
 Zone:  
 Type: Gas  
 Group: None

COMX (Rate-Time)  
 Qi: 2.13063 MMSCF, 2003-07  
 Qf: 0.304744 MMSCF, 2029-09  
 Di(Hyp): 52% CTD: 13.4615 MMSCF  
 RR: 181.51 MMSCF Tot: 174.971 MMSCF

Production Currs  
 Oil: 0 MSTB  
 Gas: 13.4615 MMSCF  
 Water: 0.000597 MSTB  
 Cond: 0.015013 MSTB



**BURLINGTON RESOURCES  
COMMERCIALITY DETERMINATION  
BLM DATA SHEET  
SAN JUAN 30-6 UNIT 93B**

**CASH FLOW SUMMARY**

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Gas1 Price	Gas Price	Net Revenue	Production Taxes	Total Opccosts	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	\$/MMBTU	\$/mcf	M\$	M\$	M\$	M\$	M\$	M\$
2003(12)	55.2	10.1	7.3	3.87	3.87	28.32	2.98	0.25	29.05	550.00	-520.95
2004(12)	33.1	12.1	8.7	3.87	3.87	33.80	3.56	3.00	31.97	0.00	31.97
2005(12)	28.6	10.4	7.5	3.87	3.87	29.08	3.06	3.00	27.09	0.00	27.09
2006(12)	25.8	9.4	6.8	3.87	3.87	26.29	2.77	3.00	24.20	0.00	24.20
2007(12)	24.0	8.8	6.3	3.87	3.87	24.48	2.58	3.00	22.33	0.00	22.33
2008(12)	22.7	8.3	6.0	3.87	3.87	23.16	2.44	3.00	20.96	0.00	20.96
2009(12)	21.7	7.9	5.7	3.87	3.87	22.14	2.33	3.00	19.90	0.00	19.90
2010(12)	20.9	7.6	5.5	3.87	3.87	21.28	2.24	3.00	19.02	0.00	19.02
2011(12)	20.1	7.3	5.3	3.87	3.87	20.48	2.16	3.00	18.19	0.00	18.19
2012(12)	19.3	7.1	5.1	3.87	3.87	19.71	2.08	3.00	17.40	0.00	17.40
2013(12)	18.6	6.8	4.9	3.87	3.87	18.97	2.00	3.00	16.63	0.00	16.63
2014(12)	17.9	6.5	4.7	3.87	3.87	18.26	1.92	3.00	15.89	0.00	15.89
2015(12)	17.3	6.3	4.5	3.87	3.87	17.58	1.85	3.00	15.18	0.00	15.18
2016(12)	16.6	6.1	4.4	3.87	3.87	16.91	1.78	3.00	14.50	0.00	14.50
2017(12)	16.0	5.8	4.2	3.87	3.87	16.28	1.72	3.00	13.84	0.00	13.84
2018(12)	15.4	5.6	4.0	3.87	3.87	15.67	1.65	3.00	13.21	0.00	13.21
2019(12)	14.8	5.4	3.9	3.87	3.87	15.08	1.59	3.00	12.60	0.00	12.60
2020(12)	14.2	5.2	3.8	3.87	3.87	14.51	1.53	3.00	12.01	0.00	12.01
2021(12)	13.7	5.0	3.6	3.87	3.87	13.97	1.47	3.00	11.45	0.00	11.45
2022(12)	13.2	4.8	3.5	3.87	3.87	13.44	1.42	3.00	10.91	0.00	10.91
Sub.	---	146.7	105.8	---	---	409.43	43.14	57.25	366.34	550.00	-183.66
Rem.	---	28.0	20.2	---	---	78.24	8.24	20.25	60.69	0.00	60.69
Total	---	174.8	126.0	---	---	487.66	51.38	77.50	427.04	550.00	-122.96

# BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 30-6 UNIT 99C

## WELL INFORMATION

LEASE SAN JUAN 30-6 UNIT 99C  
 LOCATION 34030N007WM  
 COUNTY, STATE RIO ARRIBA, NEW MEXICO  
 FORMATION DAKOTA  
 PROJECT TYPE NEWDRILL  
 WELL TYPE GAS WELL  
 OPERATOR BURLINGTON RESOURCES O&G CO LP  
 SPUD DATE 2/19/2003  
 COMP DATE 5/23/2003  
 1ST DELIVERY 6/2/2003  
 COMM GWI % 100.00  
 COMM NRI % 87.50  
 BOARD RATE % 8.00

## PRODUCTION TAXES

TAXES FOR: RIO ARRIBA, NEW MEXICO  
 2003 - 2004 Commerciality

GAS % OF REVENUE

SEVERANCE:  
 Severance, School, Conservation 7.93

AD VALOREM:  
 Production, Equipment 1.40

TOTAL %: 9.33

## AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

## WELL COST AND ECONOMICS

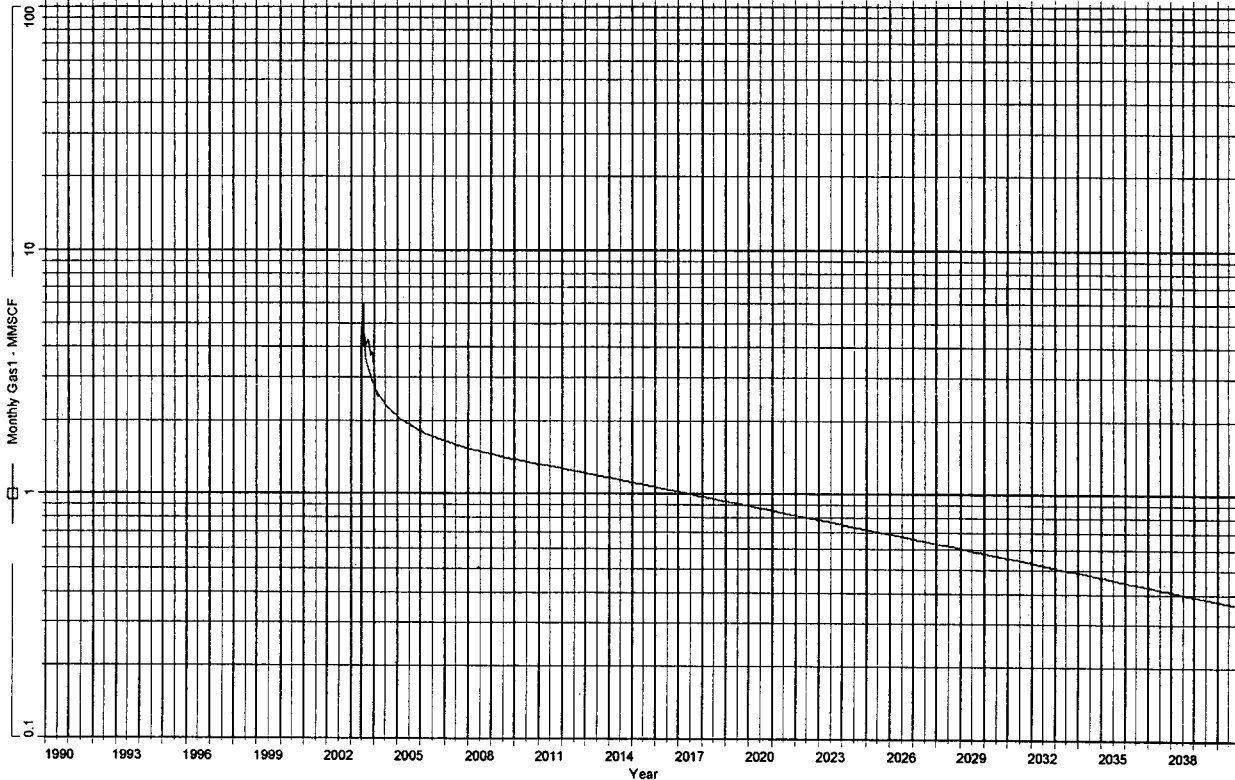
550.00	M\$	AVERAGE WELL COST
451.01	MMCF	ULT. GROSS GAS RESERVES
138.38	MCFD	INITIAL GAS RATE
8.80	%	RATE OF RETURN
0.05	\$/	P/I, DISC. @ 8.00 %
27.65	M\$	NET PRESENT VALUE, DISC. @ 8.00 %
9.27	YRS	PAYOUT

SAN JUAN 30-6 UNIT 99C 84436602 ((71D64726-E32E-4D39-93A5-45DE4C4B2E42)) Data: Feb.2003-Mar.2004

Operator: BURLINGTON RESOURCES O&G CO LP  
 Field: BASIN DAKOTA (FRORATED GAS)  
 Zone:  
 Type: Gas  
 Group: None

COMX (Rate-Time)  
 Qi: 5.93531 MMSCF, 2003-07  
 Cf: 0.304921 MMSCF, 2044-08  
 D(Hyp): 60.3119% CTD: 38.3216 MMSCF  
 RR: 417.029 MMSCF Tot: 455.351 MMSCF

Production Currs  
 Oil: 0 MSTB  
 Gas: 38.3216 MMSCF  
 Water: 0.019901 MSTB  
 Cond: 0.074072 MSTB



**BURLINGTON RESOURCES**  
**COMMERCIALITY DETERMINATION**  
**BLM DATA SHEET**  
**SAN JUAN 30-6 UNIT 99C**

**CASH FLOW SUMMARY**

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Gas1 Price	Gas Price	Net Revenue	Production Taxes	Total Opcosts	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	\$/MMBTU	\$/mcf	M\$	M\$	M\$	M\$	M\$	M\$
2003(12)	138.4	25.5	18.4	3.87	3.87	71.05	7.49	0.25	73.25	550.00	-476.75
2004(12)	79.7	29.2	21.0	3.87	3.87	81.41	8.58	3.00	81.22	0.00	81.22
2005(12)	64.1	23.4	16.9	3.87	3.87	65.32	6.88	3.00	64.58	0.00	64.58
2006(12)	57.1	20.8	15.0	3.87	3.87	58.16	6.13	3.00	57.17	0.00	57.17
2007(12)	52.6	19.2	13.8	3.87	3.87	53.59	5.65	3.00	52.44	0.00	52.44
2008(12)	49.2	18.0	13.0	3.87	3.87	50.29	5.30	3.00	49.03	0.00	49.03
2009(12)	46.9	17.1	12.3	3.87	3.87	47.74	5.03	3.00	46.40	0.00	46.40
2010(12)	44.8	16.4	11.8	3.87	3.87	45.64	4.81	3.00	44.22	0.00	44.22
2011(12)	42.9	15.7	11.3	3.87	3.87	43.68	4.60	3.00	42.20	0.00	42.20
2012(12)	40.9	15.0	10.8	3.87	3.87	41.81	4.40	3.00	40.25	0.00	40.25
2013(12)	39.3	14.3	10.3	3.87	3.87	40.01	4.22	3.00	38.40	0.00	38.40
2014(12)	37.6	13.7	9.9	3.87	3.87	38.30	4.03	3.00	36.62	0.00	36.62
2015(12)	36.0	13.1	9.5	3.87	3.87	36.65	3.86	3.00	34.92	0.00	34.92
2016(12)	34.3	12.6	9.1	3.87	3.87	35.08	3.70	3.00	33.29	0.00	33.29
2017(12)	33.0	12.0	8.7	3.87	3.87	33.57	3.54	3.00	31.73	0.00	31.73
2018(12)	31.5	11.5	8.3	3.87	3.87	32.13	3.39	3.00	30.24	0.00	30.24
2019(12)	30.2	11.0	7.9	3.87	3.87	30.75	3.24	3.00	28.81	0.00	28.81
2020(12)	28.8	10.5	7.6	3.87	3.87	29.43	3.10	3.00	27.45	0.00	27.45
2021(12)	27.7	10.1	7.3	3.87	3.87	28.17	2.97	3.00	26.14	0.00	26.14
2022(12)	26.5	9.7	7.0	3.87	3.87	26.96	2.84	3.00	24.89	0.00	24.89
Sub.	---	318.9	229.9	---	---	889.73	93.74	57.25	863.26	550.00	313.26
Rem.	---	132.1	95.3	---	---	358.44	37.77	35.92	336.36	0.00	336.36
Total	---	451.0	325.2	---	---	1,248.17	131.51	93.17	1,199.62	550.00	649.62