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San Juan Business Unit
P.O. Box 4289
Farmington, NM 87402-4289
(505) 326-9700

Burlington Resources Inc.
A wholly owned subsidiary of
ConocoPhillips

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505-4000

November 3, 2006

Bureau of Land Management
Attn: Mr. Wayne Townsend
Farmington Resource Area
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

New Mexico Oil Conservation Division
Energy Minerals & Natural Resources
Attn: Ms. Lori Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

RE: Canyon Largo Unit (14-08-001-1059)
Commerciality Determination
Dakota Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the Canyon Largo Unit Agreement, #14-08-001-1059, approved, September 18, 1953, Burlington Resources Oil & Gas Company LP, as Operator, has determined that 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>BR's AIN #</u>	<u>Well Name & Number</u>	<u>Well Dedication</u>	<u>Dedicated Lease</u>	<u>Completion Date</u>	<u>Commerciality Determination</u>
86361601	Canyon Largo Unit #468	W/2 4-24N-6W	SF-078874	10-17-05	Non-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 non-commercial well will be carried 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) 599-4030.

Sincerely,

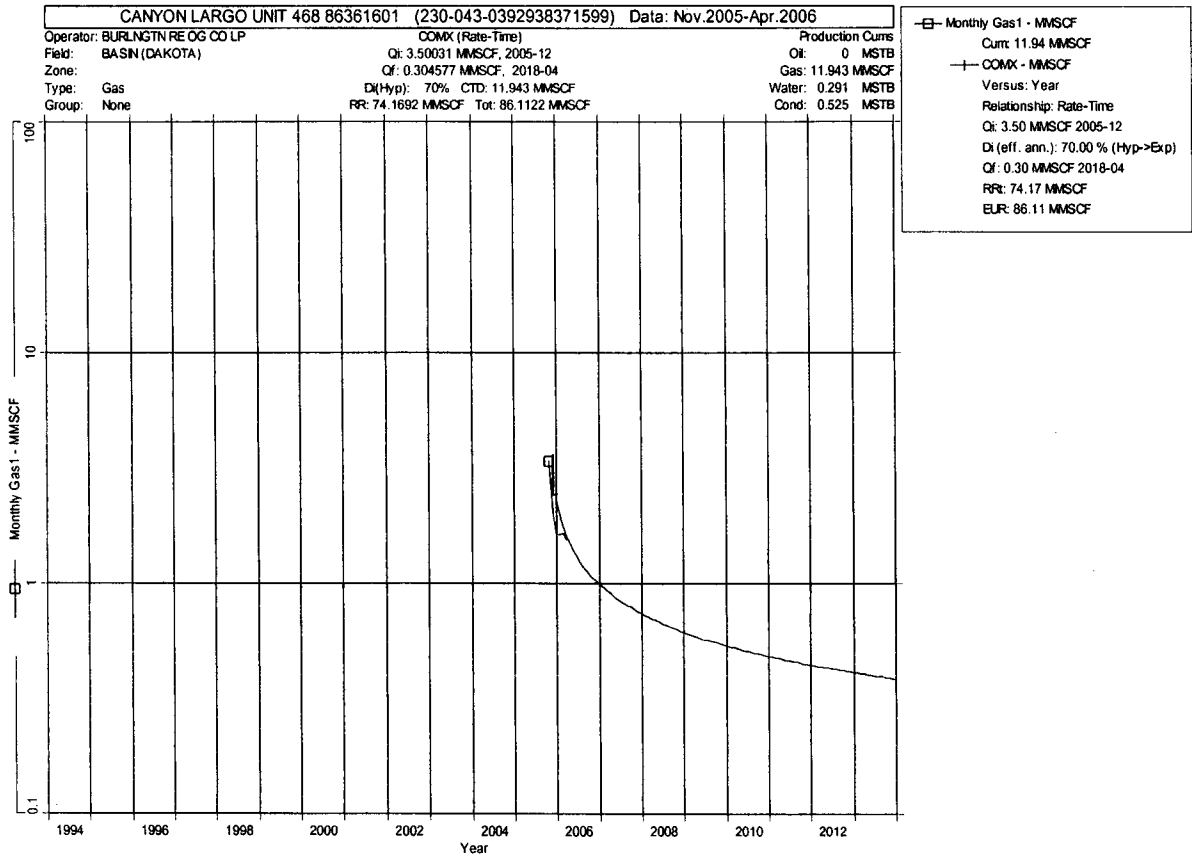


Dawn Howell
Sr. Land Technician

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO UNIT 468

WELL INFORMATION		PRODUCTION TAXES	
LEASE	CANYON LARGO UNIT 468	TAXES FOR:	RIO ARRIBA, NEW MEXICO
LOCATION	04024N006WK		2003 - 2004 Commerciality
COUNTY, STATE	RIO ARRIBA, NEW MEXICO		
FORMATION	DAKOTA		GAS % OF REVENUE
PROJECT TYPE	NEWDRILL		
WELL TYPE	GAS WELL	SEVERANCE:	
OPERATOR	HUNTINGTON ENERGY LLC	Severance, School, Conservation	7.93
SPUD DATE	7/30/2005		
COMP DATE	10/17/2005	AD VALOREM:	
1ST DELIVERY	11/2/2005	Production, Equipment	1.40
COMM GWI %	100.00		
COMM NRI %	87.50	TOTAL %:	9.33
BOARD RATE %	10.00		

AVERAGE HEAT CONTENT		WELL COST AND ECONOMICS	
1,000	MMBtu / Mcf	684.00	M\$ AVERAGE WELL COST
		82.75	MMCF ULT. GROSS GAS RESERVES
		68.06	MCFD INITIAL GAS RATE
		0.00	% RATE OF RETURN
		-0.80	\$/ \$ P/I, DISC. @ 10.00 %
		-547.56	M\$ NET PRESENT VALUE, DISC. @ 10.00 %
		0.00	YRS PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO UNIT 468

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\$
2005 12	68.1	2.1	1.32	0.04	0.18	4.86	4.86	35.51	22.66	11.3	1.13	0.96	9.19	684.00	-674.81
2006 01	52.9	1.6	1.03	0.08	0.14	4.86	4.86	35.51	22.66	10.1	1.01	0.96	8.16	0.00	8.16
2006 02	58.5	1.6	1.03	0.07	0.14	4.86	4.86	35.51	22.66	9.9	0.98	0.96	7.91	0.00	7.91
2006 03	53.6	1.7	1.04	0.06	0.14	4.86	4.86	35.51	22.66	9.8	0.98	0.96	7.83	0.00	7.83
2006 04	51.0	1.5	0.96	0.01	0.13	4.86	4.86	35.51	22.66	7.5	0.76	0.96	5.77	0.00	5.77
2006 05	47.6	1.5	0.93	0.07	0.13	4.86	4.86	35.51	22.66	9.3	0.92	0.96	7.40	0.00	7.40
2006 06	45.9	1.4	0.86	0.02	0.12	4.86	4.86	35.51	22.66	7.3	0.73	0.96	5.59	0.00	5.59
2006 07	41.8	1.3	0.81	0.01	0.11	4.86	4.86	35.51	22.66	6.6	0.66	0.96	4.96	0.00	4.96
2006 08	39.5	1.2	0.77	0.05	0.10	4.86	4.86	35.51	22.66	7.2	0.72	0.96	5.57	0.00	5.57
2006 09	38.9	1.2	0.73	0.02	0.10	4.86	4.86	35.51	22.66	6.2	0.62	0.96	4.59	0.00	4.59
2006 10	36.0	1.1	0.70	0.00	0.09	4.86	4.86	35.51	22.66	5.3	0.54	0.96	3.79	0.00	3.79
2006 11	35.7	1.1	0.67	0.00	0.09	4.86	4.86	35.51	22.66	5.1	0.51	0.96	3.60	0.00	3.60
2006 12	33.3	1.0	0.65	0.00	0.09	4.86	4.86	35.51	22.66	4.9	0.49	0.96	3.43	0.00	3.43
2007 01	32.1	1.0	0.62	0.00	0.08	4.86	4.86	35.51	22.66	4.7	0.48	0.96	3.28	0.00	3.28
2007 02	34.4	1.0	0.60	0.00	0.08	4.86	4.86	35.51	22.66	4.6	0.46	0.96	3.14	0.00	3.14
2007 03	30.1	0.9	0.59	0.00	0.08	4.86	4.86	35.51	22.66	4.4	0.45	0.96	3.01	0.00	3.01
2007 04	30.2	0.9	0.57	0.00	0.08	4.86	4.86	35.51	22.66	4.3	0.44	0.96	2.90	0.00	2.90
2007 05	28.5	0.9	0.55	0.00	0.07	4.86	4.86	35.51	22.66	4.2	0.42	0.96	2.80	0.00	2.80
2007 06	28.6	0.9	0.54	0.00	0.07	4.86	4.86	35.51	22.66	4.1	0.41	0.96	2.70	0.00	2.70
2007 07	27.0	0.8	0.53	0.00	0.07	4.86	4.86	35.51	22.66	4.0	0.40	0.96	2.61	0.00	2.61
Sub.	---	24.7	15.51	0.43	2.10	---	---	---	---	130.5	13.13	19.16	98.22	684.00	-585.78
Rem.	---	58.0	36.41	0.00	4.93	---	---	---	---	274.8	27.85	889.98	-643.06	0.00	-643.06
Total	---	82.7	51.92	0.43	7.03	---	---	---	---	405.3	40.98	909.14	-544.84	684.00	-1,228.84

A G HILL
5000 THANKSGIVING TOWER
DALLAS, TX 75201

ALLAYNALEE K LANCE
8 PALMA RD
LOS LUNAS, NM 87031

AMANDA BARCLAY
5815 ARNOLD ST
TUSCON, AZ 85708

AMMO INVESTMENTS LTD
ATTN LESA COZENS
500 N AKARD STE 1900
DALLAS, TX 75201

BOLACK MINERALS COMPANY
3901 BLOOMFIELD HWY
FARMINGTON, NM 87401

BP AMERICA PRODUCTION COMPANY
ATTN KAREN CLAY - SAN JUAN BU
WEST LAKE 1 RM 19.179
501 WESTLAKE PARK BLVD

HOUSTON, TX 77079

CHEVRON MIDCONTINENT LP
ATTN NOJV MANAGER
MID CONTINENT BUSINESS UNIT
11111 S WILCREST
HOUSTON, TX 770999043

CLARICE A LUHM
3801 NO CAPITOL OF TEXAS HWY
E 240-63
AUSTIN, TX 78746

COMSTOCK OIL AND GAS LP
5300 TOWN AND COUNTRY BLVD #500
FRISCO, TX 75034

CONOCOPHILLIPS COMPANY
CHIEF LANDMAN SAN JUAN/ROCKIES
PO BOX 2197

HOUSTON, TX 772522197

CORAL OIL AND GAS COMPANY
P O BOX 3042
BAD ADDRESS *** DO NOT MAIL ****
ABILENE, TX 79604

CYNTHIA CALVIN
747 NEWPORT ST
DENVER, CO 80220

DUGAN PRODUCTION CORPORATION
PO BOX 420
FARMINGTON, NM 874990420

EDWARD M CALVIN
2380 FOREST ST
DENVER, CO 802073261

FISHER MAYS INCORPORATED
5374 S VALDAI WAY
AURORA, CO 80015

FOREST OIL CORPORATION
THE WISER OIL COMPANY
ATTN NANCY REINHARDT
707 17TH ST STE 3600
DENVER, CO 80202

FOUR STAR OIL & GAS COMPANY
ATTN BARBARA NELMS
PO BOX 36366
HOUSTON, TX 77236

GMGF OIL ACCOUNT
C/O BANK ONE NA TRUSTEE
DRAWER 99084
FORT WORTH, TX 761990084

HENRIETTA E SCHULTZ REVOC TRUST
HENRIETTA E SCHULTZ TRUSTEE
500 N AKARD SUITE 2940
DALLAS, TX 75201

HUNTINGTON CANYON LARGO LLC
6301 WATERFORD BLVD STE 400
OKLAHOMA CITY, OK 73118

IRIS V BALBACH
1285 O RD
LOMA, CO 81524

J GLENN TURNER JR
TWO TURTLE CREEK VILLAGE
3838 OAK LAWN STE 1450
DALLAS, TX 752194517

JOE F ELLEDGE
PO BOX 111
FARMINGTON, NM 874990111

JOHN R CALVIN
733 CHAVEZ RD NW
ALBUQUERQUE, NM 871075600

KIMBELL OIL COMPANY OF TEXAS
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PII-A FORT WORTH CLUB TOWER
FORT WORTH, TX 76102

LELAND FIKES FOUNDATION
3060 LINCOLN PLAZA
500 N AKARD STE 1919
DALLAS, TX 752013322

LORNA R HARVEY
2948 N VIEW DR
GRAND JUNCTION, CO 815045351

M&M PRODUCTION
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FARMINGTON, NM 87499

MERRION OIL & GAS CORP
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FARMINGTON, NM 874012634

NATHAN E CRAIN
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DALLAS, TX 75367

PATRICK LANCE
PO BOX 192
JEMEZ SPRINGS, NM 87025

PAUL LANCE
816 DOUGLAS MACARTHUR NW
ALBUQUERQUE, NM 87107

PETROHAWK ENERGY CORPORATION
1100 LOUISIANA
SUITE 4400
HOUSTON, TX 77002

PHILLIP LANCE
339 ATHENA AVE
BERNA, NM 87004

QUESTAR EXPLORATION & PROD CO
P O BOX 45601
SALT LAKE CITY, UT 841450601

RICHARD TULLY D/B/A
TULLY OIL & GAS CO
P O BOX 268
FARMINGTON, NM 874990268

ROBERT BEAMON TRUSTEE
2603 AUGUSTA STE 1050
HOUSTON, TX 77057

ROBERT L BAYLESS
PO BOX 461002
DENVER, CO 80246

ROBERT WALTER LUNDELL
2450 FONDREN #304
HOUSTON, TX 77063

SPEEREX LIMITED PARTNERSHIP
ATTN STEPHEN W SPEER
PO BOX 1363
MT PLEASANT, SC 294651363

SYLVIA F LITTLE TRUST U/T/A 5/25/90
SYLVIA F LITTLE TRUSTEE
PO BOX 1258
FARMINGTON, NM 87499

TAYLOR LIVING TRUST
FBO JUDY TAYLOR
JUDY TAYLOR TRUSTEE
6140 CONTRA COSTA RD

OAKLAND, CA 94618

WALTER W TYLER DBA TPI PROPERTIES
LLC
12345 W ALAMEDA PKWY STE 212
LAKEWOOD, CO 80228