



San Juan Business Unit

ConocoPhillips Company  
P.O. Box 4289  
Farmington, NM 87499-4289

**Burlington Resources Inc.**  
*A wholly owned subsidiary of  
ConocoPhillips*

April 19, 2007

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. St. 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 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.

| UNIT WELL NAME         | WELL DEDICATION | DEDICATED LEASE | COMPLETION DATE | COMMERCIALITY DETERMINATION |
|------------------------|-----------------|-----------------|-----------------|-----------------------------|
| Canyon Largo Unit #466 | W/2 21-24N-6W   | SF-078886       | 10/11/05        | 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 and enclosures are being sent to the working interest owners as listed on the attached page. For technical questions please contact Karen Stevens at 326-9754, all other questions to the undersigned at 599-4030.

Sincerely,

Dawn Howell  
Staff Land Technician

BURLINGTON RESOURCES  
COMMERCIALITY DETERMINATION  
BLM DATA SHEET  
CANYON LARGO UNIT 466

WELL INFORMATION

|               |                        |
|---------------|------------------------|
| LEASE         | CANYON LARGO UNIT 466  |
| LOCATION      | 21025N006WK            |
| COUNTY, STATE | RIO ARRIBA, NEW MEXICO |
| FORMATION     | DAKOTA                 |
| PROJECT TYPE  | NEWDRILL               |
| WELL TYPE     | GAS WELL               |
| OPERATOR      | UNASSIGNED             |
| SPUD DATE     | 9/15/2005              |
| COMP DATE     | 10/11/2005             |
| 1ST DELIVERY  | 10/31/2005             |
| COMM GWI %    | 100.00                 |
| COMM NRI %    | 87.50                  |
| BOARD RATE %  | 10.00                  |

PRODUCTION TAXES

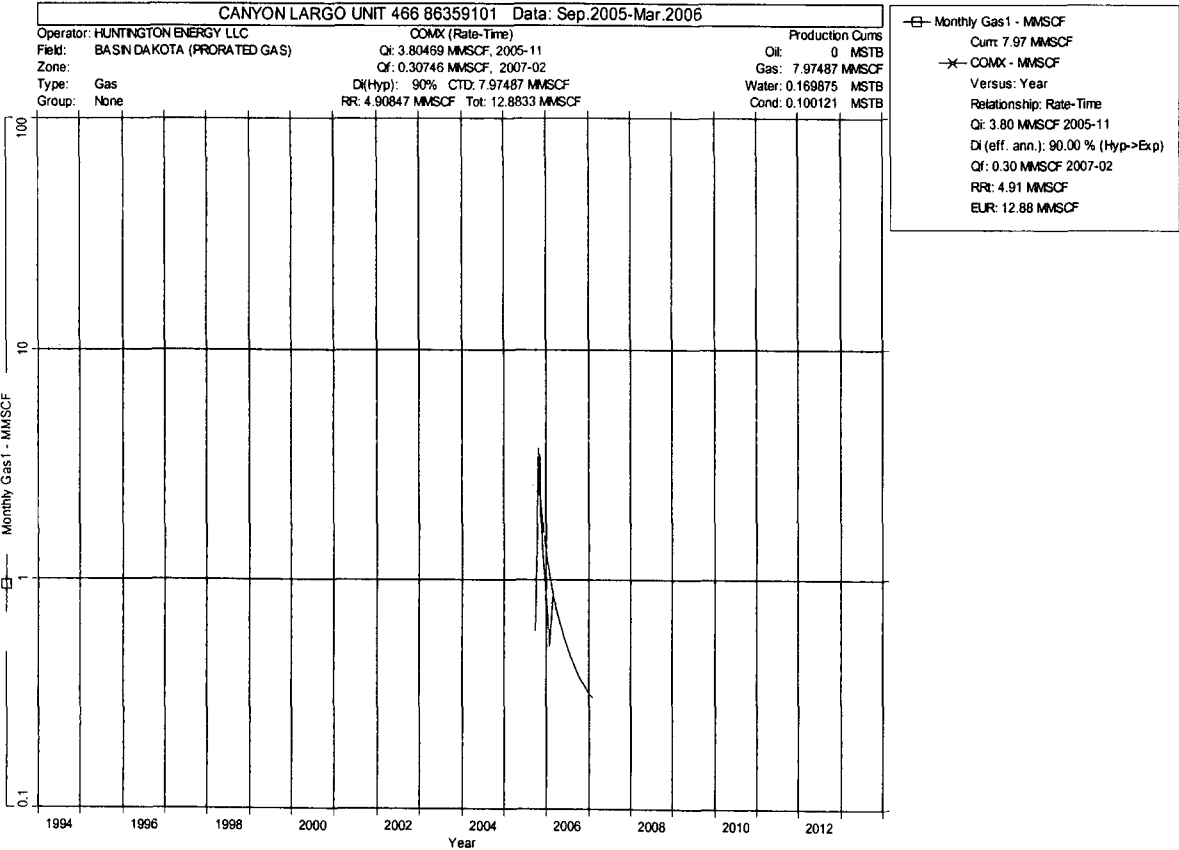
|                                 |                           |
|---------------------------------|---------------------------|
| TAXES FOR:                      | RIO ARRIBA, NEW MEXICO    |
|                                 | 2003 - 2004 Commerciality |
|                                 | <u>GAS % OF REVENUE</u>   |
| 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

|           |      |                                    |
|-----------|------|------------------------------------|
| 1,216.79  | M\$  | AVERAGE WELL COST                  |
| 12.28     | MMCF | ULT. GROSS GAS RESERVES            |
| 83.69     | MCFD | INITIAL GAS RATE                   |
| 0.00      | %    | RATE OF RETURN                     |
| -1.02     | \$/  | P/I, DISC. @ 10.00 %               |
| -1,235.75 | M\$  | NET PRESENT VALUE, DISC. @ 10.00 % |
| 0.00      | YRS  | PAYOUT                             |



BURLINGTON RESOURCES  
COMMERCIALITY DETERMINATION  
BLM DATA SHEET  
CANYON LARGO UNIT 466

CASH FLOW SUMMARY

| Date     | Gas1<br>Rate | Gas1<br>Volume | Net Gas<br>Volume | Net Cond<br>Volume | Net Oth<br>Volume | Gas1<br>Price | Gas<br>Price | Cond<br>Price | Oth<br>Price | Net<br>Revenue | Prod<br>Taxes | Total<br>Opcosts | Total<br>Oper Inc | Total<br>Capital | Total<br>BT Cash |
|----------|--------------|----------------|-------------------|--------------------|-------------------|---------------|--------------|---------------|--------------|----------------|---------------|------------------|-------------------|------------------|------------------|
|          | mcf/d        | MMSCF          | MMSCF             | MSTB               | MSTB              | \$/MMBTU      | \$/mcf       | \$/Bbl        | \$/Bbl       | M\$            | M\$           | M\$              | M\$               | M\$              | M\$              |
| 2005(12) | 83.7         | 5.1            | 4.47              | 0.00               | 0.36              | 4.86          | 4.86         | 35.51         | 22.66        | 28.9           | 2.97          | 2.70             | 23.26             | 1,216.79         | -1,193.53        |
| 2006(12) | 18.5         | 6.8            | 5.91              | 0.00               | 0.48              | 4.86          | 4.86         | 35.51         | 22.66        | 38.3           | 3.92          | 16.20            | 18.14             | 0.00             | 18.14            |
| 2007(12) | 1.2          | 0.4            | 0.37              | 0.00               | 0.03              | 4.86          | 4.86         | 35.51         | 22.66        | 2.4            | 0.25          | 16.20            | -14.05            | 0.00             | -14.05           |
| 2008(12) | 0.0          | 0.0            | 0.00              | 0.00               | 0.00              | 4.86          | 4.86         | 35.51         | 22.66        | 0.0            | 0.00          | 16.20            | -16.20            | 0.00             | -16.20           |
| 2009(12) | 0.0          | 0.0            | 0.00              | 0.00               | 0.00              | 4.86          | 4.86         | 35.51         | 22.66        | 0.0            | 0.00          | 16.20            | -16.20            | 0.00             | -16.20           |
| 2010(12) | 0.0          | 0.0            | 0.00              | 0.00               | 0.00              | 4.86          | 4.86         | 35.51         | 22.66        | 0.0            | 0.00          | 16.20            | -16.20            | 0.00             | -16.20           |
| 2011(12) | 0.0          | 0.0            | 0.00              | 0.00               | 0.00              | 4.86          | 4.86         | 35.51         | 22.66        | 0.0            | 0.00          | 16.20            | -16.20            | 0.00             | -16.20           |
| 2012(12) | 0.0          | 0.0            | 0.00              | 0.00               | 0.00              | 4.86          | 4.86         | 35.51         | 22.66        | 0.0            | 0.00          | 8.10             | -8.10             | 0.00             | -8.10            |
| Total    | ---          | 12.3           | 10.75             | 0.00               | 0.88              | ---           | ---          | ---           | ---          | 69.6           | 7.14          | 108.00           | -45.55            | 1,216.79         | -1,262.34        |

A G HILL  
5000 THANKSGIVING TOWER  
DALLAS ,TX 75201

ALLAYNALEE K LANCE  
4800 PONDEROSA AVE NE  
ALBUQUERQUE ,NM 87110

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

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  
777 TAYLOR ST  
PII-A FORT WORTH CLUB TOWER  
FORT WORTH ,TX 76102

LELAND FIKES FOUNDATION  
3080 LINCOLN PLAZA  
500 N AKARD STE 1919  
DALLAS ,TX 752013322

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

•  
M&M PRODUCTION  
PO BOX 3470  
FARMINGTON ,NM 87499

MERRION OIL & GAS CORP  
610 REILLY AVE  
FARMINGTON ,NM 874012634

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 L BAYLESS  
PO BOX 461002  
DENVER ,CO 80246

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