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September 6, 2007

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

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: Huerfanito Unit (#I Sec. No. 943)
Commerciality Determination
Fruitland Coal Formation
San Juan County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the Huerfano Unit Agreement, #I Sec. No. 943, approved June 2, 1952, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the well listed below is capable of producing unitized substances in paying quantities from the Fruitland Coal Formation. Burlington is seeking confirmation of the paying well determination enclosed.

<u>Prop. Code</u>	<u>Well Name & Number</u>	<u>Well Dedication</u>	<u>Dedicated Leases</u>	<u>Completion Date</u>	<u>Commerciality Determination</u>
A723154	Huerfanito Unit #176	W/2 26-27N-9W	SF-080117	8-6-06	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.

Copies of this letter and enclosures are being sent to the working interest owners as listed on the attached page. Please contact Karen Stevens at 326-9754 for any technical questions, and all other questions to the undersigned at 599-4030.

Sincerely,

Dawn Howell
Staff Land Technician

Huerfanito Unit 4.5 File

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

HUERFANITO UNIT 176

WELL INFORMATION

LEASE HUERFANITO UNIT 176
 LOCATION 26027N009WM
 COUNTY, STATE SAN JUAN, New Mexico
 FORMATION FRUITLAND COAL
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR BURLINGTON RESOURCES O&G CO LP
 SPUD DATE 3/30/2006
 COMP DATE 8/6/2006
 1ST DELIVERY 8/22/2006
 COMM GWI % 100.00
 COMM NRI % 87.50
 BOARD RATE % 10.00

PRODUCTION TAXES

TAXES FOR: SAN JUAN, New Mexico
 2003 - 2004 Commerciality

GAS % OF REVENUE

SEVERANCE:
 Severance, School, Conservation 7.93

AD VALOREM:
 Production, Equipment 1.40

TOTAL %: 9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

528.78 M\$ AVERAGE WELL COST
 546.86 MMCF ULT. GROSS GAS RESERVES
 209.22 MCFD INITIAL GAS RATE
 29.96 % RATE OF RETURN
 0.67 \$/\$ P/I, DISC. @ 10.00 %
 351.99 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
 3.00 YRS PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 176

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\$
2006 09	103.0	3.1	2.18	0.00	0.11	4.63	4.63	35.51	22.66	12.4	1.28	1.38	9.71	528.78	-519.07
2006 10	199.4	6.2	4.36	0.00	0.23	4.63	4.63	35.51	22.66	24.7	2.56	1.38	20.81	0.00	20.81
2006 11	257.4	7.7	5.45	0.00	0.29	4.63	4.63	35.51	22.66	30.9	3.19	1.38	26.33	0.00	26.33
2006 12	275.1	8.5	6.01	0.00	0.32	4.63	4.63	35.51	22.66	34.1	3.53	1.38	29.23	0.00	29.23
2007 01	238.4	7.4	5.21	0.00	0.27	4.63	4.63	35.51	22.66	29.6	3.05	1.38	25.14	0.00	25.14
2007 02	229.3	6.4	4.53	0.00	0.24	4.63	4.63	35.51	22.66	25.7	2.65	1.38	21.66	0.00	21.66
2007 03	191.6	5.9	4.19	0.00	0.22	4.63	4.63	35.51	22.66	23.8	2.45	1.38	19.93	0.00	19.93
2007 04	154.1	4.6	3.26	0.00	0.17	4.63	4.63	35.51	22.66	18.5	1.91	1.38	15.21	0.00	15.21
2007 05	180.0	5.6	3.93	0.00	0.21	4.63	4.63	35.51	22.66	22.3	2.31	1.38	18.64	0.00	18.64
2007 06	177.9	5.3	3.76	0.00	0.20	4.63	4.63	35.51	22.66	21.4	2.21	1.38	17.77	0.00	17.77
2007 07	165.2	5.1	3.61	0.00	0.19	4.63	4.63	35.51	22.66	20.5	2.12	1.38	17.00	0.00	17.00
2007 08	159.1	4.9	3.48	0.00	0.18	4.63	4.63	35.51	22.66	19.7	2.04	1.38	16.31	0.00	16.31
2007 09	158.7	4.8	3.36	0.00	0.18	4.63	4.63	35.51	22.66	19.0	1.97	1.38	15.70	0.00	15.70
2007 10	148.6	4.6	3.25	0.00	0.17	4.63	4.63	35.51	22.66	18.4	1.90	1.38	15.15	0.00	15.15
2007 11	148.9	4.5	3.15	0.00	0.17	4.63	4.63	35.51	22.66	17.9	1.85	1.38	14.65	0.00	14.65
2007 12	139.9	4.3	3.06	0.00	0.16	4.63	4.63	35.51	22.66	17.4	1.79	1.38	14.19	0.00	14.19
2008 01	136.1	4.2	2.98	0.00	0.16	4.63	4.63	35.51	22.66	16.9	1.74	1.38	13.76	0.00	13.76
2008 02	141.8	4.1	2.90	0.00	0.15	4.63	4.63	35.51	22.66	16.5	1.70	1.38	13.38	0.00	13.38
2008 03	129.4	4.0	2.83	0.00	0.15	4.63	4.63	35.51	22.66	16.1	1.66	1.38	13.01	0.00	13.01
2008 04	130.6	3.9	2.76	0.00	0.15	4.63	4.63	35.51	22.66	15.7	1.62	1.38	12.68	0.00	12.68
Sub.	---	105.3	74.25	0.00	3.91	---	---	---	---	421.4	43.52	27.58	350.26	528.78	-178.52
Rem.	---	441.6	311.38	0.00	16.41	---	---	---	---	1,767.0	182.50	455.07	1,129.45	0.00	1,129.45
Total	---	546.9	385.63	0.00	20.32	---	---	---	---	2,188.4	226.02	482.65	1,479.71	528.78	950.93

**HUERFANITO UNIT
WORKING INTEREST OWNERS**

AJM LLC
ALBERT R GREER
BENSON MONTIN GREER
BURLINGTON RESOURCES O&G Co LP
CHARLES AND NANCY GREER
CHARLES W GAY
ELIZABETH J TURNER CALLOWAY
CHEVRON TEXACO
FRANKLIN P LILLY
J GLENN TURNER JR
J&M RAYMOND LTD
JACK LONDON JR
LA PLATA GATHERING SYSTEMS INC
LORRAYN GAY HACKER
MARY E GLENN
MARY FRANCES TURNER JR TRUST
MAYDELL MILLER MAST TRUST
MCCONNELL LTD CO
MICHAEL J LILLY
TH MCELVAIN OIL & GAS LTD
THOMAS S SENTER