



551

RECEIVED

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

2007 SEP 13 PM 2 02

Burlington Resources Inc.
"A wholly owned subsidiary"

September 11, 2007

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
1235 La Plata Highway
Farmington, NM 87401

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

RE: San Juan 28-4 Unit (#14-08-001-933)
Commerciality Determination
Mesaverde Formation
Rio Arriba County, New Mexico

Gentlemen:

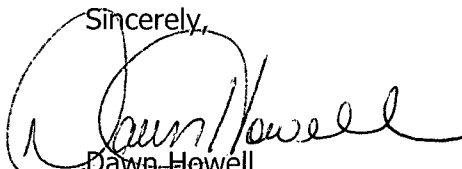
Pursuant to the provisions of Section 11(a) of the San Juan 28-4 Unit Agreement, #14-08-001-933, approved, July 24, 1953, Burlington Resources Oil & Gas Company, as Operator, has determined that the well listed below is capable of producing unitized substances in paying quantities from the Mesaverde 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 Lease</u>	<u>Completion Date</u>	<u>Commerciality Determination</u>
A746886	SJ 28-4 Unit #33E	N/2 Sec. 33-28N-4W	SF-079731-A	9-14-06	Commercial

Upon receipt of response from the Bureau of Land Management and concurring response from the 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

San Juan 28-4 Unit 4.2

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 28-4 UNIT 33E

WELL INFORMATION

LEASE	SAN JUAN 28-4 UNIT 33E
LOCATION	33028N004WE
COUNTY, STATE	RIO ARRIBA, New Mexico
FORMATION	MESAVERDE
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES O&G CO LP
SPUD DATE	6/25/2006
COMP DATE	9/14/2006
1ST DELIVERY	10/20/2006
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

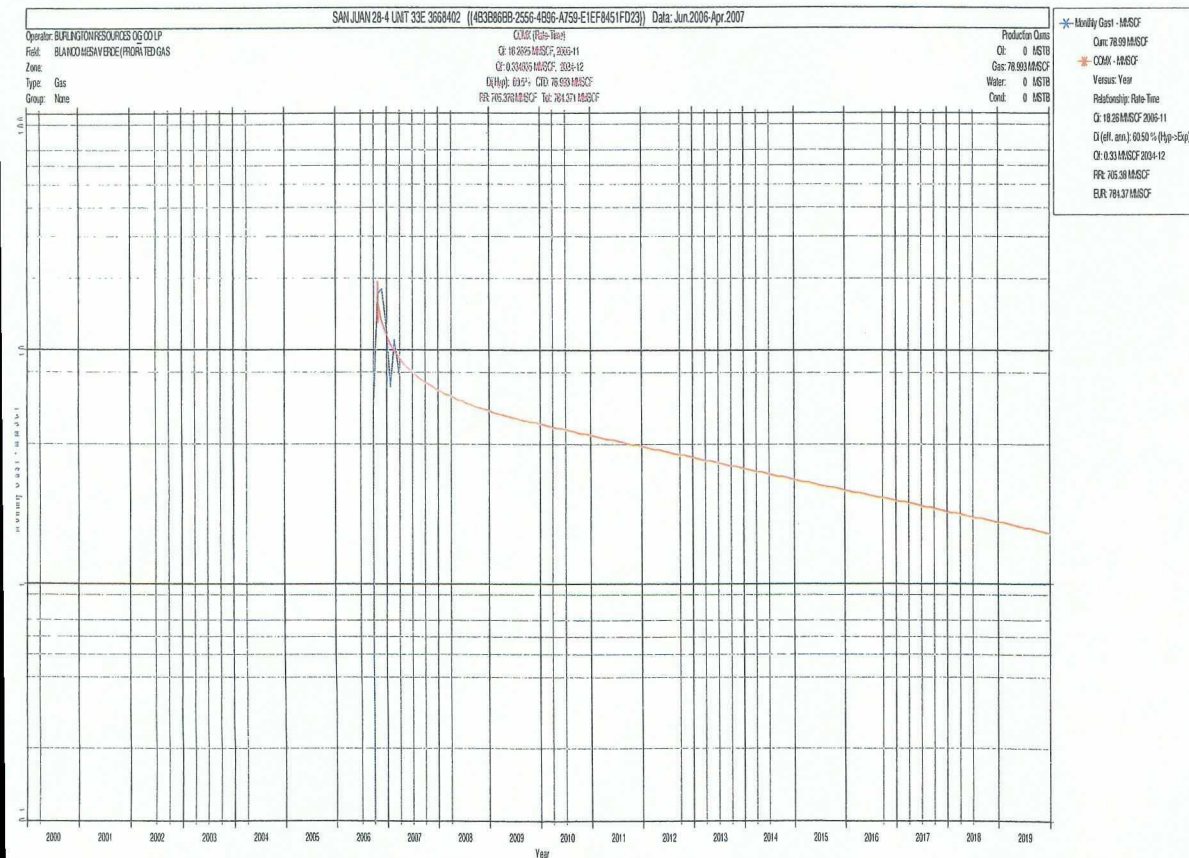
TAXES FOR:	RIO ARRIBA, New Mexico
	2003 - 2004 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

684.00	M\$	AVERAGE WELL COST
778.63	MMCF	ULT. GROSS GAS RESERVES
572.10	MCFD	INITIAL GAS RATE
84.47	%	RATE OF RETURN
1.82	\$/	P/I, DISC. @ 10.00 %
1,247.62	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
1.45	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-4 UNIT 33E

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 11	567.7	17.0	12.17	0.00	1.18	4.86	4.86	35.51	22.66	82.6	8.44	0.64	73.54	684.00	-610.46
2006 12	576.3	17.9	12.77	0.00	1.24	4.86	4.86	35.51	22.66	86.7	8.85	0.64	77.17	0.00	77.17
2007 01	402.7	12.5	8.92	0.00	0.87	4.86	4.86	35.51	22.66	60.6	6.19	0.64	53.73	0.00	53.73
2007 02	249.1	7.0	4.99	0.00	0.48	4.86	4.86	35.51	22.66	33.8	3.46	0.64	29.74	0.00	29.74
2007 03	355.6	11.0	7.88	0.00	0.77	4.86	4.86	35.51	22.66	53.5	5.46	0.64	47.37	0.00	47.37
2007 04	262.5	7.9	5.63	0.00	0.55	4.86	4.86	35.51	22.66	38.2	3.90	0.64	33.65	0.00	33.65
2007 05	283.2	8.8	6.27	0.00	0.61	4.86	4.86	35.51	22.66	42.6	4.35	0.64	37.60	0.00	37.60
2007 06	279.9	8.4	6.00	0.00	0.58	4.86	4.86	35.51	22.66	40.7	4.16	0.64	35.92	0.00	35.92
2007 07	260.3	8.1	5.77	0.00	0.56	4.86	4.86	35.51	22.66	39.1	4.00	0.64	34.50	0.00	34.50
2007 08	251.1	7.8	5.56	0.00	0.54	4.86	4.86	35.51	22.66	37.8	3.86	0.64	33.27	0.00	33.27
2007 09	251.2	7.5	5.39	0.00	0.52	4.86	4.86	35.51	22.66	36.6	3.73	0.64	32.18	0.00	32.18
2007 10	236.0	7.3	5.23	0.00	0.51	4.86	4.86	35.51	22.66	35.5	3.63	0.64	31.22	0.00	31.22
2007 11	237.3	7.1	5.09	0.00	0.49	4.86	4.86	35.51	22.66	34.5	3.53	0.64	30.36	0.00	30.36
2007 12	223.8	6.9	4.96	0.00	0.48	4.86	4.86	35.51	22.66	33.7	3.44	0.64	29.58	0.00	29.58
2008 01	218.6	6.8	4.84	0.00	0.47	4.86	4.86	35.51	22.66	32.9	3.36	0.64	28.87	0.00	28.87
2008 02	228.5	6.6	4.74	0.00	0.46	4.86	4.86	35.51	22.66	32.1	3.28	0.64	28.22	0.00	28.22
2008 03	209.4	6.5	4.64	0.00	0.45	4.86	4.86	35.51	22.66	31.5	3.22	0.64	27.62	0.00	27.62
2008 04	212.1	6.4	4.55	0.00	0.44	4.86	4.86	35.51	22.66	30.9	3.15	0.64	27.07	0.00	27.07
2008 05	201.4	6.2	4.46	0.00	0.43	4.86	4.86	35.51	22.66	30.3	3.09	0.64	26.56	0.00	26.56
2008 06	204.5	6.1	4.38	0.00	0.43	4.86	4.86	35.51	22.66	29.8	3.04	0.64	26.08	0.00	26.08
Sub.	---	173.8	124.22	0.00	12.08	---	---	---	---	843.2	86.14	12.80	744.26	684.00	60.26
Rem.	---	604.7	432.13	0.00	42.01	---	---	---	---	2,933.2	299.65	202.88	2,430.67	0.00	2,430.67
Total	---	778.5	556.35	0.00	54.09	---	---	---	---	3,776.4	385.78	215.68	3,174.93	684.00	2,490.93

WORKING INTEREST OWNERS
SAN JUAN 28-4 UNIT

ANADARKO E & P COMPANY LP

BURLINGTON RESOURCES OIL & GAS CO LP

CONOCOPHILLIPS

ROBERT CRITCHFIELD

WILLIAMS PRODUCTION COMPANY

XTO ENERGY INC.