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ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289

2008 DEC 9 11 18
December 9, 2008

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

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

RE: San Juan 29-5 Unit (#14-08-001-437)
Commercial Determination
Dakota Formation
Rio Arriba County, New Mexico

Ladies and Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-5 Unit Agreement, #14-08-001-437, approved, September 8, 1952, ConocoPhillips Company, as operator, has determined that one of the wells listed below is capable of producing unitized substances in paying quantities from the Dakota Formation. ConocoPhillips is seeking confirmation of the well determinations enclosed.

| Well Name | Dedication | Lease No. | Completion Date | Determination |
|-------------------|--------------------|-----------|-----------------|----------------|
| SJ 29-5 Unit #69M | E/2 Sec. 21-29N-5W | FEE | 1/02/2007 | Commercial |
| SJ 29-5 Unit #72F | N/2 Sec. 17-29N-5W | SF-078281 | 10/26/2007 | Non-Commercial |

The SJ 29-5 Unit #69F completed 1/22/07 will come in with the SJ 29-5 Unit #69M

Upon confirmation 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. The non-commercial well will continue to be reported on a lease basis.

Copies of this letter and enclosures 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
Staff Land Technician

SJ 29-5 Unit, 4.3

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
 SAN JUAN 29-5 UNIT 69M

WELL INFORMATION

LEASE SAN JUAN 29-5 UNIT 69M
 LOCATION 21029N005W
 COUNTY, STATE RIO ARRIBA, NEW MEXICO
 FORMATION DAKOTA
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS CO
 SPUD DATE 10/14/2006
 COMP DATE 1/2/2007
 1ST DELIVERY 1/20/2007
 COMM GWI % 100.00
 COMM NRI % 87.50
 BOARD RATE % 10.00

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

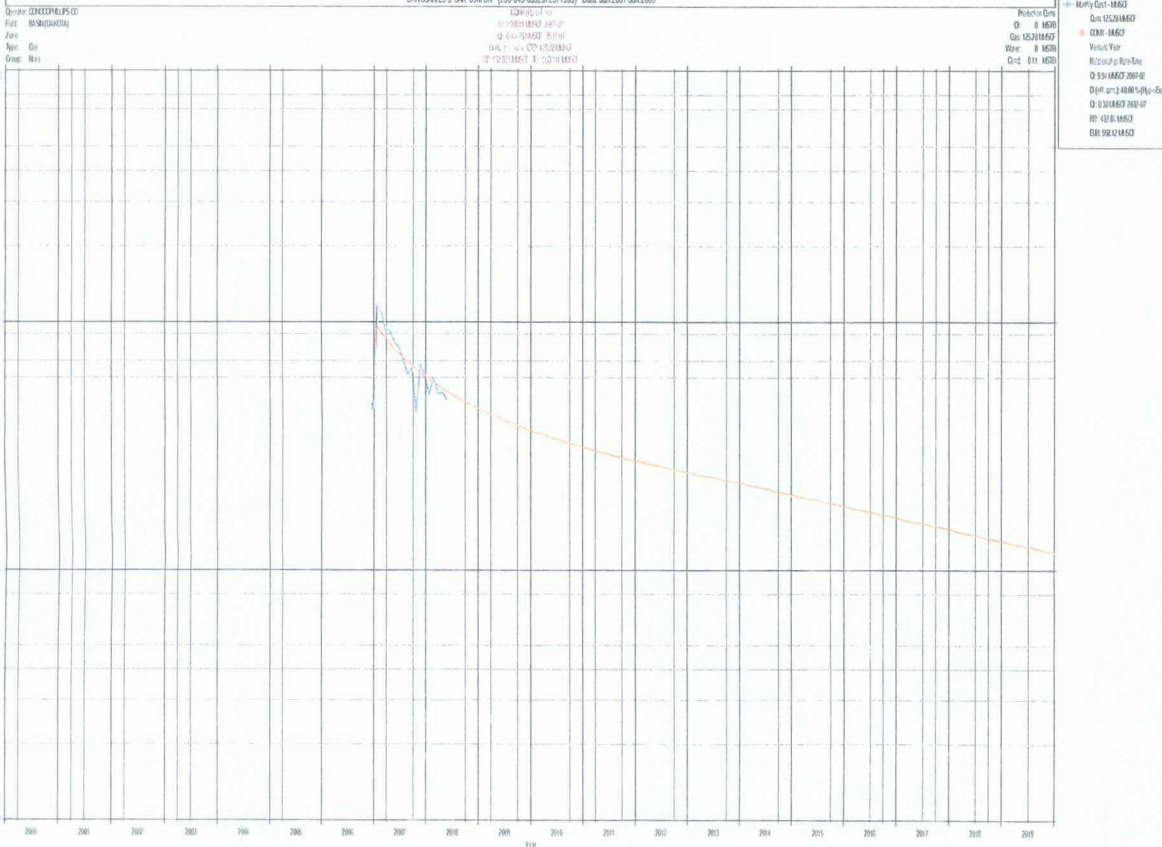
AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,034.49 M\$ AVERAGE WELL COST
 553.54 MMCF ULT. GROSS GAS RESERVES
 417.14 MCFD INITIAL GAS RATE
 19.12 % RATE OF RETURN
 0.28 \$\$ P/I, DISC. @ 10.00 %
 292.61 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
 4.14 YRS PAYOUT

SAN JUAN 29-5 UNIT 69M DDK (210-043-68292271690) Date: Jan 2007 - Jun 2008



BURLINGTON RESOURCES
 COMMERCIALITY DETERMINATION
 BLM DATA SHEET
 SAN JUAN 29-5 UNIT 69M

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 Opccosts | Total Oper Inc | Total Capital | Total BT Cash |
|---------|-----------|-------------|----------------|-----------------|----------------|------------|-----------|------------|-----------|-------------|------------|----------------|----------------|---------------|---------------|
| | mc/d | MMSCF | MMSCF | MSTB | MSTB | \$/MMBTU | \$/mcfd | \$/Bbl | \$/Bbl | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ |
| 2007 02 | 417.1 | 11.7 | 8.35 | 0.00 | 0.81 | 4.86 | 4.86 | 35.51 | 22.66 | 56.7 | 5.79 | 1.32 | 49.55 | 1,034.49 | -984.94 |
| 2007 03 | 352.9 | 10.9 | 7.82 | 0.00 | 0.76 | 4.86 | 4.86 | 35.51 | 22.66 | 53.1 | 5.42 | 1.32 | 46.32 | 0.00 | 46.32 |
| 2007 04 | 310.3 | 9.3 | 6.65 | 0.00 | 0.65 | 4.86 | 4.86 | 35.51 | 22.66 | 45.2 | 4.61 | 1.32 | 39.23 | 0.00 | 39.23 |
| 2007 05 | 295.2 | 9.1 | 6.54 | 0.00 | 0.64 | 4.86 | 4.86 | 35.51 | 22.66 | 44.4 | 4.53 | 1.32 | 38.53 | 0.00 | 38.53 |
| 2007 06 | 276.0 | 8.3 | 5.92 | 0.00 | 0.58 | 4.86 | 4.86 | 35.51 | 22.66 | 40.2 | 4.10 | 1.32 | 34.74 | 0.00 | 34.74 |
| 2007 07 | 255.5 | 7.9 | 5.66 | 0.00 | 0.55 | 4.86 | 4.86 | 35.51 | 22.66 | 38.4 | 3.92 | 1.32 | 33.17 | 0.00 | 33.17 |
| 2007 08 | 229.0 | 7.1 | 5.07 | 0.00 | 0.49 | 4.86 | 4.86 | 35.51 | 22.66 | 34.4 | 3.52 | 1.32 | 29.60 | 0.00 | 29.60 |
| 2007 09 | 205.3 | 6.2 | 4.40 | 0.00 | 0.43 | 4.86 | 4.86 | 35.51 | 22.66 | 29.9 | 3.05 | 1.32 | 25.51 | 0.00 | 25.51 |
| 2007 10 | 211.6 | 6.6 | 4.69 | 0.00 | 0.46 | 4.86 | 4.86 | 35.51 | 22.66 | 31.8 | 3.25 | 1.32 | 27.25 | 0.00 | 27.25 |
| 2007 11 | 144.3 | 4.3 | 3.09 | 0.00 | 0.30 | 4.86 | 4.86 | 35.51 | 22.66 | 21.0 | 2.15 | 1.32 | 17.54 | 0.00 | 17.54 |
| 2007 12 | 219.7 | 6.8 | 4.87 | 0.00 | 0.47 | 4.86 | 4.86 | 35.51 | 22.66 | 33.0 | 3.37 | 1.32 | 28.34 | 0.00 | 28.34 |
| 2008 01 | 196.1 | 6.1 | 4.34 | 0.00 | 0.42 | 4.86 | 4.86 | 35.51 | 22.66 | 29.5 | 3.01 | 1.32 | 25.16 | 0.00 | 25.16 |
| 2008 02 | 175.9 | 5.1 | 3.64 | 0.00 | 0.35 | 4.86 | 4.86 | 35.51 | 22.66 | 24.7 | 2.53 | 1.32 | 20.89 | 0.00 | 20.89 |
| 2008 03 | 194.2 | 6.0 | 4.30 | 0.00 | 0.42 | 4.86 | 4.86 | 35.51 | 22.66 | 29.2 | 2.98 | 1.32 | 24.90 | 0.00 | 24.90 |
| 2008 04 | 171.7 | 5.2 | 3.68 | 0.00 | 0.36 | 4.86 | 4.86 | 35.51 | 22.66 | 25.0 | 2.55 | 1.32 | 21.11 | 0.00 | 21.11 |
| 2008 05 | 169.0 | 5.2 | 3.74 | 0.00 | 0.36 | 4.86 | 4.86 | 35.51 | 22.66 | 25.4 | 2.60 | 1.32 | 21.50 | 0.00 | 21.50 |
| 2008 06 | 162.3 | 4.9 | 3.48 | 0.00 | 0.34 | 4.86 | 4.86 | 35.51 | 22.66 | 23.6 | 2.41 | 1.32 | 19.89 | 0.00 | 19.89 |
| 2008 07 | 166.2 | 5.2 | 3.68 | 0.00 | 0.36 | 4.86 | 4.86 | 35.51 | 22.66 | 25.0 | 2.55 | 1.32 | 21.12 | 0.00 | 21.12 |
| 2008 08 | 162.3 | 5.0 | 3.60 | 0.00 | 0.35 | 4.86 | 4.86 | 35.51 | 22.66 | 24.4 | 2.49 | 1.32 | 20.60 | 0.00 | 20.60 |
| 2008 09 | 164.0 | 4.9 | 3.52 | 0.00 | 0.34 | 4.86 | 4.86 | 35.51 | 22.66 | 23.9 | 2.44 | 1.32 | 20.11 | 0.00 | 20.11 |
| Sub. | --- | 135.8 | 97.05 | 0.00 | 9.44 | --- | --- | --- | --- | 658.7 | 67.29 | 26.40 | 565.04 | 1,034.49 | -469.45 |
| Rem. | --- | 417.6 | 298.46 | 0.00 | 29.02 | --- | --- | --- | --- | 2,025.9 | 206.96 | 376.20 | 1,442.71 | 0.00 | 1,442.71 |
| Total | --- | 553.5 | 395.50 | 0.00 | 38.45 | --- | --- | --- | --- | 2,684.6 | 274.25 | 402.60 | 2,007.75 | 1,034.49 | 973.26 |

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 29-5 UNIT 72F

WELL INFORMATION

LEASE SAN JUAN 29-5 UNIT 72F
 LOCATION 17029N005W
 COUNTY, STATE RIO ARRIBA, NEW MEXICO
 FORMATION DAKOTA
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR
 SPUD DATE 7/31/2007
 COMP DATE 10/26/2007
 1ST DELIVERY 12/5/2007
 COMM GWI % 100.00
 COMM NRI % 87.50
 BOARD RATE % 10.00

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

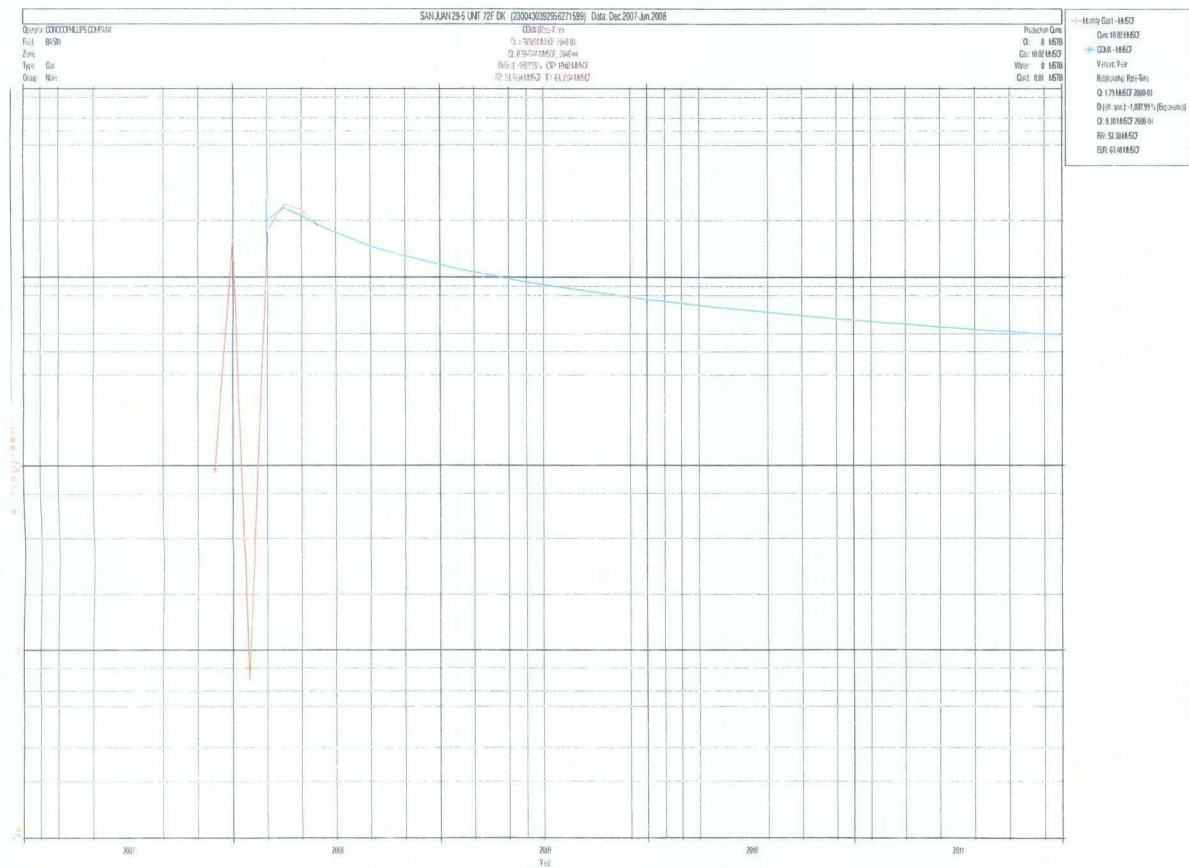
TOTAL %: 9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

| | | |
|----------|------|------------------------------------|
| 1,034.49 | M\$ | AVERAGE WELL COST |
| 63.30 | MMCF | ULT. GROSS GAS RESERVES |
| 51.77 | MCFD | INITIAL GAS RATE |
| 0.00 | % | RATE OF RETURN |
| -0.24 | \$\$ | P/I, DISC. @ 10.00 % |
| -252.94 | M\$ | NET PRESENT VALUE, DISC. @ 10.00 % |
| 0.00 | YRS | PAYOUT |



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-5 UNIT 72F

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 Op costs | Total Oper Inc | Total Capital | Total BT Cash |
|---------|--------------|----------------|-------------------|--------------------|-------------------|---------------|--------------|---------------|--------------|----------------|---------------|-------------------|-------------------|------------------|------------------|
| | mcf/d | MMSCF | MMSCF | MSTB | MSTB | \$/MMBTU | \$/mcf | \$/Bbl | \$/Bbl | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ |
| 2008 01 | 51.8 | 1.6 | 1.40 | 0.00 | 2.95 | 4.86 | 4.86 | 35.51 | 22.66 | 65.3 | 6.23 | 1.32 | 57.80 | 1,034.49 | -976.69 |
| 2008 02 | 0.2 | 0.0 | 0.01 | 0.00 | 2.67 | 4.86 | 4.86 | 35.51 | 22.66 | 53.1 | 4.99 | 1.32 | 46.74 | 0.00 | 46.74 |
| 2008 03 | 57.2 | 1.8 | 1.55 | 0.00 | 2.43 | 4.86 | 4.86 | 35.51 | 22.66 | 55.8 | 5.34 | 1.32 | 49.15 | 0.00 | 49.15 |
| 2008 04 | 80.9 | 2.4 | 2.12 | 0.00 | 2.23 | 4.86 | 4.86 | 35.51 | 22.66 | 54.4 | 5.24 | 1.32 | 47.89 | 0.00 | 47.89 |
| 2008 05 | 73.3 | 2.3 | 1.99 | 0.00 | 2.04 | 4.86 | 4.86 | 35.51 | 22.66 | 50.1 | 4.83 | 1.32 | 44.00 | 0.00 | 44.00 |
| 2008 06 | 61.4 | 1.8 | 1.61 | 0.00 | 1.88 | 4.86 | 4.86 | 35.51 | 22.66 | 45.1 | 4.33 | 1.32 | 39.46 | 0.00 | 39.46 |
| 2008 07 | 55.9 | 1.7 | 1.52 | 0.00 | 1.74 | 4.86 | 4.86 | 35.51 | 22.66 | 41.8 | 4.02 | 1.32 | 36.48 | 0.00 | 36.48 |
| 2008 08 | 51.4 | 1.6 | 1.39 | 0.00 | 1.61 | 4.86 | 4.86 | 35.51 | 22.66 | 38.7 | 3.72 | 1.32 | 33.66 | 0.00 | 33.66 |
| 2008 09 | 49.3 | 1.5 | 1.29 | 0.00 | 1.50 | 4.86 | 4.86 | 35.51 | 22.66 | 36.0 | 3.45 | 1.32 | 31.18 | 0.00 | 31.18 |
| 2008 10 | 44.6 | 1.4 | 1.21 | 0.00 | 1.39 | 4.86 | 4.86 | 35.51 | 22.66 | 33.5 | 3.22 | 1.32 | 28.98 | 0.00 | 28.98 |
| 2008 11 | 43.4 | 1.3 | 1.14 | 0.00 | 1.30 | 4.86 | 4.86 | 35.51 | 22.66 | 31.3 | 3.01 | 1.32 | 27.02 | 0.00 | 27.02 |
| 2008 12 | 39.7 | 1.2 | 1.08 | 0.00 | 1.22 | 4.86 | 4.86 | 35.51 | 22.66 | 29.4 | 2.83 | 1.32 | 25.25 | 0.00 | 25.25 |
| 2009 01 | 37.7 | 1.2 | 1.02 | 0.00 | 1.14 | 4.86 | 4.86 | 35.51 | 22.66 | 27.6 | 2.66 | 1.32 | 23.66 | 0.00 | 23.66 |
| 2009 02 | 39.8 | 1.1 | 0.98 | 0.00 | 1.07 | 4.86 | 4.86 | 35.51 | 22.66 | 26.0 | 2.50 | 1.32 | 22.22 | 0.00 | 22.22 |
| 2009 03 | 34.4 | 1.1 | 0.93 | 0.00 | 1.01 | 4.86 | 4.86 | 35.51 | 22.66 | 24.6 | 2.37 | 1.32 | 20.91 | 0.00 | 20.91 |
| 2009 04 | 34.1 | 1.0 | 0.90 | 0.00 | 0.95 | 4.86 | 4.86 | 35.51 | 22.66 | 23.3 | 2.24 | 1.32 | 19.72 | 0.00 | 19.72 |
| 2009 05 | 31.7 | 1.0 | 0.86 | 0.00 | 0.90 | 4.86 | 4.86 | 35.51 | 22.66 | 22.1 | 2.12 | 1.32 | 18.62 | 0.00 | 18.62 |
| 2009 06 | 31.6 | 0.9 | 0.83 | 0.00 | 0.85 | 4.86 | 4.86 | 35.51 | 22.66 | 21.0 | 2.02 | 1.32 | 17.62 | 0.00 | 17.62 |
| 2009 07 | 29.5 | 0.9 | 0.80 | 0.00 | 0.81 | 4.86 | 4.86 | 35.51 | 22.66 | 19.9 | 1.92 | 1.32 | 16.69 | 0.00 | 16.69 |
| 2009 08 | 28.5 | 0.9 | 0.77 | 0.00 | 0.77 | 4.86 | 4.86 | 35.51 | 22.66 | 19.0 | 1.83 | 1.32 | 15.84 | 0.00 | 15.84 |
| Sub. | --- | 26.8 | 23.41 | 0.00 | 30.48 | --- | --- | --- | --- | 718.1 | 68.85 | 26.40 | 622.89 | 1,034.49 | -411.60 |
| Rem. | --- | 32.6 | 28.48 | 0.00 | 10.65 | --- | --- | --- | --- | 349.5 | 34.44 | 84.48 | 230.58 | 0.00 | 230.58 |
| Total | --- | 59.3 | 51.89 | 0.00 | 41.13 | --- | --- | --- | --- | 1,067.6 | 103.29 | 110.88 | 853.47 | 1,034.49 | -181.02 |

SAN JUAN 29-5 UNIT
DAKOTA FORMATION
WORKING INTEREST OWNERS

BP America Production Company

Burlington Resources Oil & Gas Co, LP

Charles W. Gay

ConocoPhillips Company

J&M Raymond LTD

Lorrayn Gay Hacker

McElvain Oil Company

TH McElvain Oil & Gas Limited

TAMACAM LLC

Vaughn-McElvain Energy Inc.