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

2009 SEP 16, 2009

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

674
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 29-7 Unit (#14-08-001-1650)
Commerciality Determination
Fruitland Coal Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-7 Unit Agreement, #14-08-001-1650, approved September 3, 1954, Burlington Resources Oil & Gas Company, as Operator, has determined that the well listed below is not capable of producing unitized substances in paying quantities from the Fruitland Coal formation. Burlington is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Completion	Determination
SJ 29-7 Unit #588	E/2 Sec. 17-29N-7W	SF-078423	9/3/2008	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., this well will continue to be reported under the lease.

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 Susan Rainbolt at 326-9574, all other questions to the undersigned at 599-4030.

Sincerely,,

Dawn Howell, CPLTA
Staff Land Technician

DH
SJ 29-7 Unit, 4.5

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 29-7 UNIT 588

WELL INFORMATION

LEASE	SAN JUAN 29-7 UNIT 588
LOCATION	17029N007W
COUNTY, STATE	RIO ARriba, NEW MEXICO
FORMATION	FRUITLAND COAL
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES O&G CO LP
SPUD DATE	4/1/2008
COMP DATE	9/3/2009
1ST DELIVERY	9/26/2008
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

840.00	M\$	AVERAGE WELL COST
168.41	MMCF	ULT. GROSS GAS RESERVES
187.64	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.61	\$/	P/L DISC. @ 10.00 %
-513.08	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

SAN JUAN 29-7 UNIT 588

Operator: SUPPLYGTONRESOURCES 06/00 LP

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Or 0 MSB
Gas 33.74 MMSO
Water 0.217 MSB
Cond 0.006 MSB

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Monthly Gas - MMSCF

Month	Monthly Gas (MMSCF)
1968-12	0.0
1969-01	0.0
1969-02	0.0
1969-03	0.0
1969-04	0.0
1969-05	0.0
1969-06	0.0
1969-07	0.0
1969-08	0.0
1969-09	0.0
1969-10	0.0
1969-11	0.0
1969-12	0.0
1970-01	0.0
1970-02	0.0
1970-03	0.0
1970-04	0.0
1970-05	0.0
1970-06	0.0
1970-07	0.0
1970-08	0.0
1970-09	0.0
1970-10	0.0
1970-11	0.0
1970-12	0.0
1971-01	0.0
1971-02	0.0
1971-03	0.0
1971-04	0.0
1971-05	0.0
1971-06	0.0
1971-07	0.0
1971-08	0.0
1971-09	0.0
1971-10	0.0
1971-11	0.0
1971-12	0.0
1972-01	0.0
1972-02	0.0
1972-03	0.0
1972-04	0.0
1972-05	0.0
1972-06	0.0
1972-07	0.0
1972-08	0.0
1972-09	0.0
1972-10	0.0
1972-11	0.0
1972-12	0.0
1973-01	0.0
1973-02	0.0
1973-03	0.0
1973-04	0.0
1973-05	0.0
1973-06	0.0
1973-07	0.0
1973-08	0.0
1973-09	0.0
1973-10	0.0
1973-11	0.0
1973-12	0.0
1974-01	0.0
1974-02	0.0
1974-03	0.0
1974-04	0.0
1974-05	0.0
1974-06	0.0
1974-07	0.0
1974-08	0.0
1974-09	0.0
1974-10	0.0
1974-11	0.0
1974-12	0.0
1975-01	0.0
1975-02	0.0
1975-03	0.0
1975-04	0.0
1975-05	0.0
1975-06	0.0
1975-07	0.0
1975-08	0.0
1975-09	0.0
1975-10	0.0
1975-11	0.0
1975-12	0.0
1976-01	0.0
1976-02	0.0
1976-03	0.0
1976-04	0.0
1976-05	0.0
1976-06	0.0
1976-07	0.0
1976-08	0.0
1976-09	0.0
1976-10	0.0
1976-11	0.0
1976-12	0.0
1977-01	0.0
1977-02	0.0
1977-03	0.0
1977-04	0.0
1977-05	0.0
1977-06	0.0
1977-07	0.0
1977-08	0.0
1977-09	0.0
1977-10	0.0
1977-11	0.0
1977-12	0.0
1978-01	0.0
1978-02	0.0
1978-03	0.0
1978-04	0.0
1978-05	0.0
1978-06	0.0
1978-07	0.0
1978-08	0.0
1978-09	0.0
1978-10	0.0
1978-11	0.0
1978-12	0.0
1979-01	0.0
1979-02	0.0
1979-03	0.0
1979-04	0.0
1979-05	0.0
1979-06	0.0
1979-07	0.0
1979-08	0.0
1979-09	0.0
1979-10	0.0
1979-11	0.0
1979-12	0.0
1980-01	0.0
1980-02	0.0
1980-03	0.0
1980-04	0.0
1980-05	0.0
1980-06	0.0
1980-07	0.0
1980-08	0.0
1980-09	0.0
1980-10	0.0
1980-11	0.0
1980-12	0.0
1981-01	0.0
1981-02	0.0
1981-03	0.0
1981-04	0.0
1981-05	0.0
1981-06	0.0
1981-07	0.0
1981-08	0.0
1981-09	0.0
1981-10	0.0
1981-11	0.0
1981-12	0.0
1982-01	0.0
1982-02	0.0

	Gast	Gast	Net Gas	Net Cond	Net Oth	Gast	Gas	Cond	Oth	Net	Prod	Total	Total	Total
Date	Rate	Volume	Volume	Volume	Volume	Price	Price	Price	Revenue	Taxes	Opcosts	Oper Inc	Capital	BT Cash
mcf/d	MMSCF	MMSCF	MSTR	\$/MMBtu			\$/mcf	\$/Bbl	\$/Bbl	\$/M	\$/M	\$/M	\$/M	\$/M

08/11/2009 12:00

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 588

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 Opcostr	Total Oper Inc	Total Capital	Total BT Cash
	mc/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2008(12)	187.6	17.3	12.17	0.00	0.64	4.63	4.63	35.51	22.66	69.1	7.13	5.75	56.20	840.00	-783.80
2009(12)	102.4	37.4	26.37	0.00	1.39	4.63	4.63	35.51	22.66	149.6	15.45	22.99	111.18	0.00	111.18
2010(12)	69.9	25.5	18.00	0.00	0.95	4.63	4.63	35.51	22.66	102.1	10.55	22.99	68.61	0.00	68.61
2011(12)	55.9	20.4	14.39	0.00	0.76	4.63	4.63	35.51	22.66	81.7	8.43	22.99	50.23	0.00	50.23
2012(12)	46.0	16.8	11.87	0.00	0.63	4.63	4.63	35.51	22.66	67.4	6.96	22.99	37.43	0.00	37.43
2013(12)	38.1	13.9	9.80	0.00	0.52	4.63	4.63	35.51	22.66	55.6	5.74	22.99	26.87	0.00	26.87
2014(12)	31.4	11.5	8.09	0.00	0.43	4.63	4.63	35.51	22.66	45.9	4.74	22.99	18.16	0.00	18.16
2015(12)	25.9	9.5	6.67	0.00	0.35	4.63	4.63	35.51	22.66	37.9	3.91	22.99	10.97	0.00	10.97
2016(12)	21.3	7.8	5.51	0.00	0.29	4.63	4.63	35.51	22.66	31.3	3.23	22.99	5.03	0.00	5.03
2017(12)	18.4	3.9	2.76	0.00	0.15	4.63	4.63	35.51	22.66	15.6	1.62	13.41	0.62	0.00	0.62
Total	---	164.0	115.62	0.00	6.09	---	---	---	---	656.1	67.77	203.10	385.28	840.00	-454.72

**SAN JUAN 29-7 UNIT
WORKING INTEREST OWNERS
FRUITLAND COAL FORMATION**

BP America Production Company
Burlington Resources Oil & Gas Co
ConocoPhillips
David A Pierce
Dirk Vanhorn Reemtsma
Four Star Oil & Gas Company
Lance Reemtsma
Phillips-San Juan Partners
Williams Production Company