



February 25, 2010

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

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

RECEIVED OGD
2010 MAR -2 P 1:11

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

RE: Huerfano Unit (I Sec. No. 731)
Commerciality Determinations
Dakota Formation
San Juan County, New Mexico

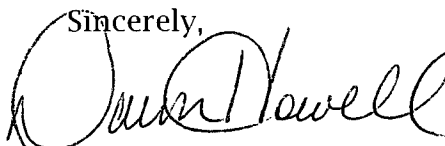
Gentlemen:

Pursuant to the provisions of Section 11(a) of the Huerfano Unit Agreement, #I Sec. No. 731, approved June 6, 1950, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the wells listed below are not capable of producing unitized substances in paying quantities from the Dakota formation. Burlington is seeking confirmation of the paying well determinations enclosed.

Well Name	Dedication	Dedicated Lse.	Compl. Date	Determination
Huerfano Unit #306	E/2 4-25N-9W	SF-078518	10-8-08	Non-Commercial
Huerfano Unit #310	E/2 9-25N-9W	NM-03039	10-9-08	Non-Commercial
Huerfano Unit #313	W/2 11-25N-9W	NM-03016	10-03-08	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., these wells 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
Land Analyst

Huerfano Unit 4.3

**WORKING INTEREST OWNERS
HUERFANO UNIT
DAKOTA FORMATION**

AJM LLC
Benson Montin Greer
Betty T Johnson
Burlington Resources
Carolyn Beamon Tilley
Cathryn Beamon
ConocoPhillips Company
Eula May Johnston Trust
Franklin P Lilly
Grayfore Partners LP
Gross Resources LTD
James Robert Beamon
Kelly Minerals Interests
Langdon Harrison Trust
Linda Jeanne Lundell
MacDonald Halberstadt Rev
Marcia Claudia Gilmer Lundell
Maryann Klinger Tr.
McConnell LTD CO
Michael R Dimond
Production Gathering Co
Robert Beamon
Robert Walter Lundell
Rogers-Gibbard Trust
Sharon Beamon Burns
Sunland Refining Corp
Susan Beamon Porter
Thomas H Yates Jr
V A Johnston Ltd
William J Green Estate
XTO Energy
ZZZ Kelly & Trust

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANO UNIT 306

WELL INFORMATION

LEASE HUERFANO UNIT 306
LOCATION 04025N009W
COUNTY, STATE SAN JUAN, NEW MEXICO
FORMATION DAKOTA
PROJECT TYPE NEWDRILL
WELL TYPE GAS WELL
OPERATOR XTO ENERGY INC
SPUD DATE 8/17/2008
COMP DATE 10/8/2008
1ST DELIVERY 2/18/2009
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 1.26

TOTAL %: 9.19

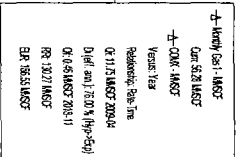
AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,304.00 M\$ AVERAGE WELL COST
169.94 MMCF ULT. GROSS GAS RESERVES
170.15 MCFD INITIAL GAS RATE
0.00 % RATE OF RETURN
-0.62 \$/\$ P/L DISC. @ 10.00 %
-810.87 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
0.00 YRS PAYOUT

HUERFANO UNIT 306



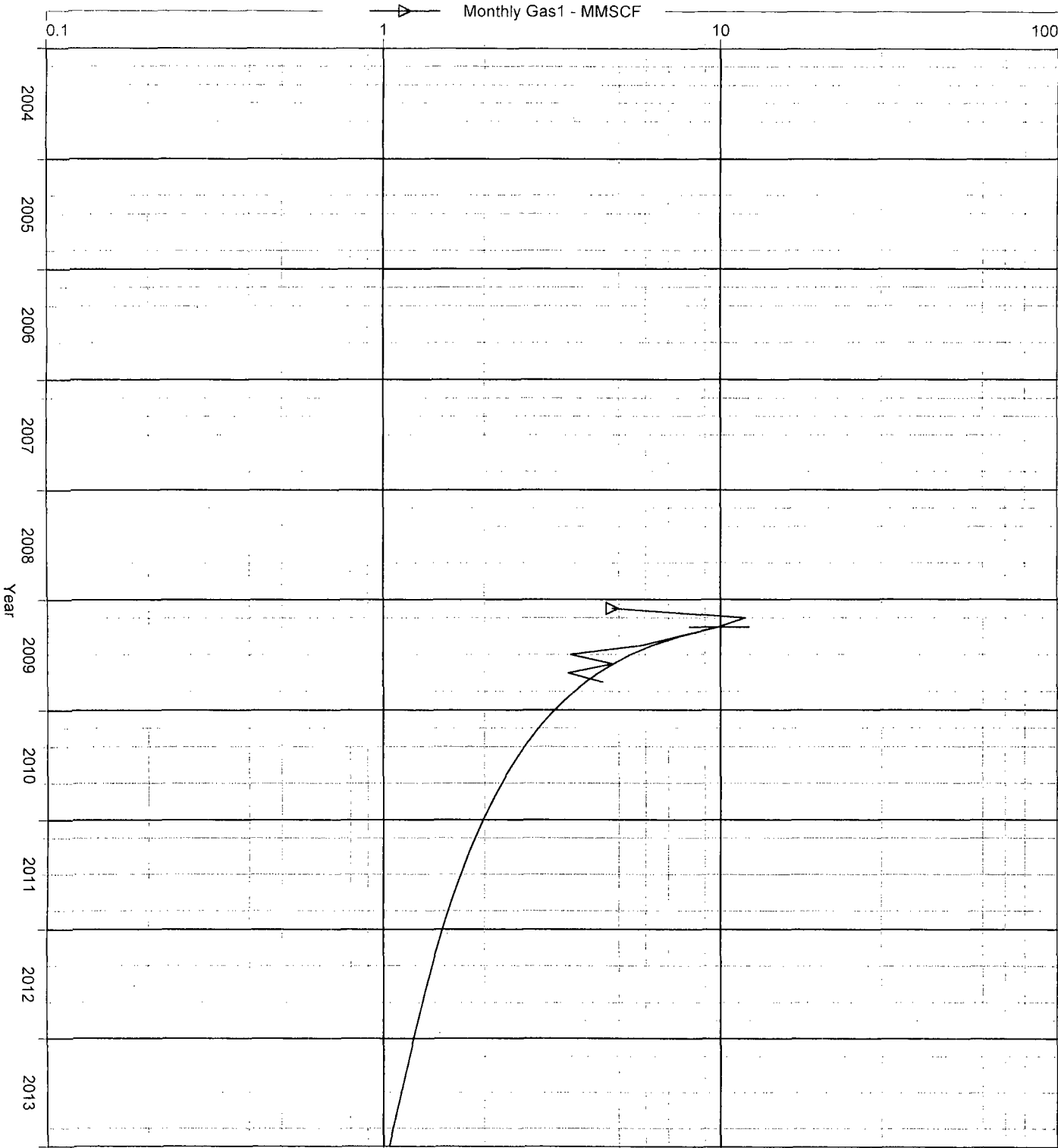
CASH FLOW SUMMARY

HUERFANO UNIT 306 DK (COMX) (2300430453456571599) Data: Feb.2009-Oct.2009

Operator: BURLINGTON RESOURCES OG CO LP
 Field: BASIN
 Zone: DAKOTA
 Type: Gas
 Group: None

COMX (Rate-Time)
 Qi: 11.75 MMSCF, 2009-04
 Qi: 0.459321 MMSCF, 2018-11
 Di(Hyp): 76% CTD: 56.28 MMSCF
 RR: 130.273 MMSCF Tot: 186.553 MMSCF

Production Cums
 Oil: 0 MSTB
 Gas: 56.28 MMSCF
 Water: 23.616 MSTB
 Cond: 1.257 MSTB



—▲— Monthly Gas1 - MMSCF
 Cum: 56.28 MMSCF
 —▲— COMX - MMSCF
 Relationship: Rate-Time
 Qi: 11.75 MMSCF 2009-04
 Di (eff. ann.): 76.00 % (Hyp->Exp)
 Qi: 0.46 MMSCF 2018-11
 RR: 130.27 MMSCF
 EUR: 186.55 MMSCF

**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANO UNIT 306**

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\$
2009(12)	170.2	46.8	33.44	0.00	3.25	4.86	4.86	35.51	22.66	227.0	22.95	11.26	192.76	1,304.00	-1,111.24
2010(12)	83.3	30.4	21.72	0.00	2.11	4.86	4.86	35.51	22.66	147.4	14.91	15.01	117.52	0.00	117.52
2011(12)	57.0	20.8	14.86	0.00	1.44	4.86	4.86	35.51	22.66	100.8	10.19	15.01	75.63	0.00	75.63
2012(12)	44.8	16.4	11.71	0.00	1.14	4.86	4.86	35.51	22.66	79.5	8.04	15.01	56.44	0.00	56.44
2013(12)	37.5	13.7	9.79	0.00	0.95	4.86	4.86	35.51	22.66	66.4	6.72	15.01	44.70	0.00	44.70
2014(12)	31.7	11.6	8.26	0.00	0.80	4.86	4.86	35.51	22.66	56.1	5.67	15.01	35.40	0.00	35.40
2015(12)	26.7	9.8	6.98	0.00	0.68	4.86	4.86	35.51	22.66	47.3	4.79	15.01	27.55	0.00	27.55
2016(12)	22.5	8.2	5.89	0.00	0.57	4.86	4.86	35.51	22.66	40.0	4.04	15.01	20.92	0.00	20.92
2017(12)	19.1	7.0	4.97	0.00	0.48	4.86	4.86	35.51	22.66	33.7	3.41	15.01	15.32	0.00	15.32
2018(12)	16.0	5.4	3.83	0.00	0.37	4.86	4.86	35.51	22.66	26.0	2.63	13.76	9.59	0.00	9.59
Total	---	169.9	121.44	0.00	11.81	---	---	---	---	824.3	83.34	145.12	595.84	1,304.00	-708.16

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANO UNIT 310

WELL INFORMATION

LEASE HUERFANO UNIT 310
LOCATION 09025N009W
COUNTY, STATE SAN JUAN, NEW MEXICO
FORMATION DAKOTA
PROJECT TYPE NEWDRILL
WELL TYPE GAS WELL
OPERATOR XTO ENERGY INC
SPUD DATE 8/28/2008
COMP DATE 10/8/2008
1ST DELIVERY 3/1/2009
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 1.26

TOTAL %: 9.19

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

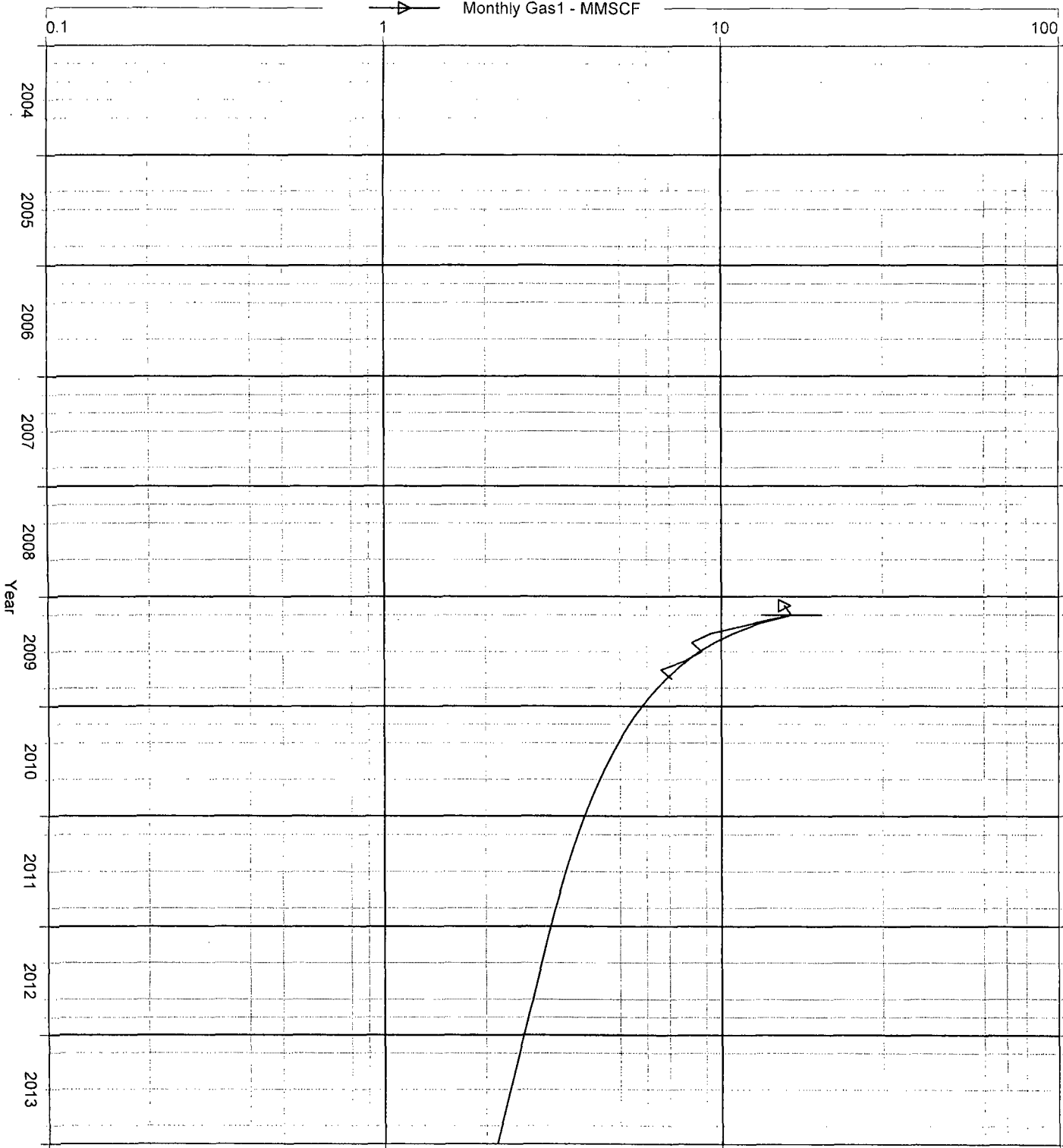
1,304.00 M\$ AVERAGE WELL COST
377.86 MCMF ULT. GROSS GAS RESERVES
.285.03 MCFD INITIAL GAS RATE
3.96 % RATE OF RETURN
-0.14 \$/\$ P/I, DISC. @ 10.00 %
-182.77 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
7.65 YRS PAYOUT

HUERFANO UNIT 310 DK (COMX) (2300430453456271599) Data: Feb. 2009-Oct. 2009

Operator: BURLINGTON RESOURCES OG CO LP
 Field: BASIN
 Zone: DAKOTA
 Type: Gas
 Group: None

COMX (Rate-Time)
 Qi: 18.75 MMSCF, 2009-03
 Qf: 0.458518 MMSCF, 2022-06
 Di(Hyp): 71% CTD: 91.474 MMSCF
 RR: 286.382 MMSCF Tot: 377.856 MMSCF

Production Cums
 Oil: 0 MSTB
 Gas: 91.474 MMSCF
 Water: 0 MSTB
 Cond: 1.943 MSTB



Monthly Gas1 - MMSCF
 Cum: 91.47 MMSCF

COMX - MMSCF
 Versus: Year

Relationship: Rate-Time

Qi: 18.75 MMSCF 2009-03

Di (eff. ann.): 71.00 % (Hyp->Exp)

Qf: 0.46 MMSCF 2022-06

RR: 286.38 MMSCF

EUR: 377.86 MMSCF

*Post
 cost*

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

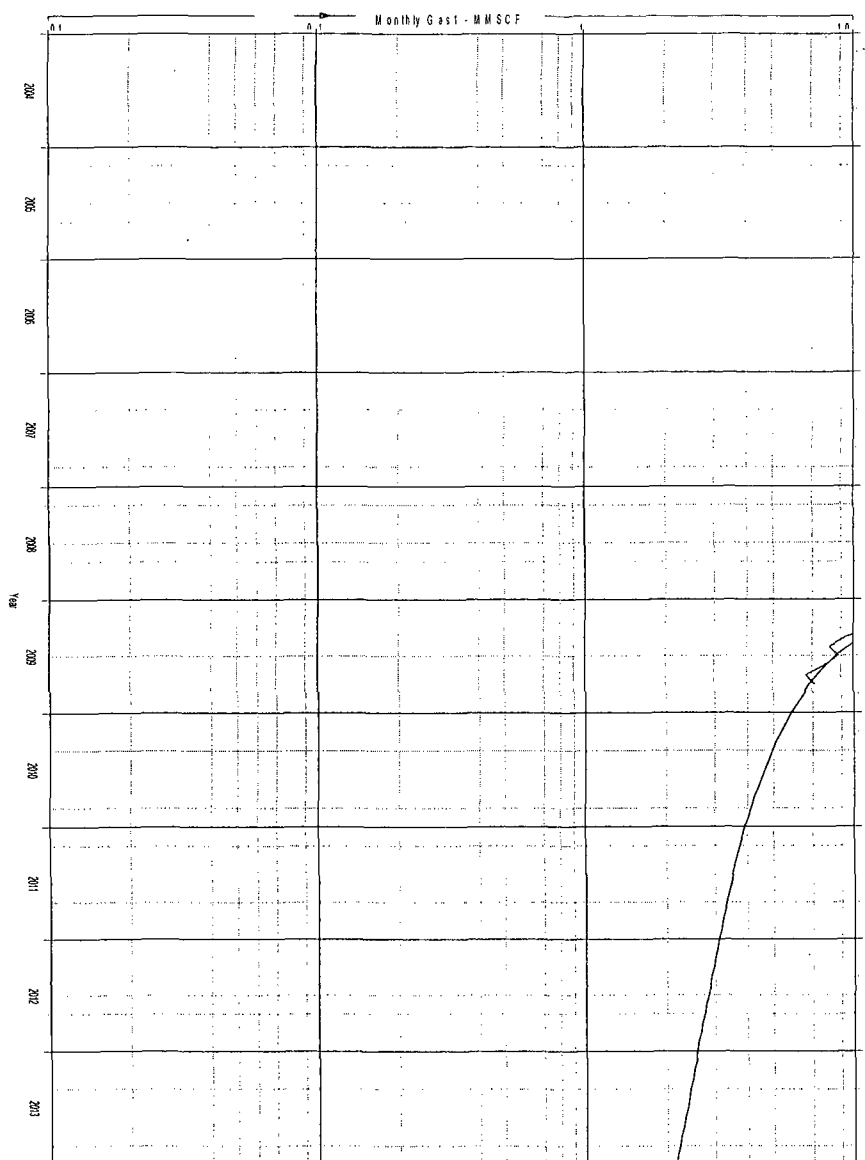
HUERFANO UNIT 310

Operator: BURLINGTON RESOURCES (230454536271599) Date: Feb 2009-04-2009
 Well: 310H
 Zone: DAKOTA
 Type: Gas
 Gas: 100%

Oil: 0.000000
 Gas: 0.000000
 Water: 0.000000
 Other: 0.000000

Production: 0.000000
 Gas: 0.000000
 Oil: 0.000000
 Water: 0.000000
 Other: 0.000000

Oil: 0.000000
 Gas: 0.000000
 Water: 0.000000
 Other: 0.000000
 Production: 0.000000
 Gas: 0.000000
 Oil: 0.000000
 Water: 0.000000
 Other: 0.000000



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	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M/\$	M/\$	M/\$	M/\$	M/\$	M/\$

**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANO UNIT 310**

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\$
2009(12)	285.0	104.0	74.35	0.00	7.23	4.86	4.86	35.51	22.66	504.6	51.02	15.01	438.61	1,304.00	-865.39
2010(12)	157.1	57.3	40.97	0.00	3.98	4.86	4.86	35.51	22.66	278.1	28.11	15.01	234.95	0.00	234.95
2011(12)	115.2	42.1	30.05	0.00	2.92	4.86	4.86	35.51	22.66	204.0	20.63	15.01	168.37	0.00	168.37
2012(12)	93.8	34.3	24.53	0.00	2.39	4.86	4.86	35.51	22.66	166.5	16.83	15.01	134.66	0.00	134.66
2013(12)	78.2	28.6	20.41	0.00	1.98	4.86	4.86	35.51	22.66	138.5	14.00	15.01	109.50	0.00	109.50
2014(12)	65.1	23.8	16.98	0.00	1.65	4.86	4.86	35.51	22.66	115.2	11.65	15.01	88.57	0.00	88.57
2015(12)	54.1	19.8	14.12	0.00	1.37	4.86	4.86	35.51	22.66	95.9	9.69	15.01	71.16	0.00	71.16
2016(12)	44.9	16.4	11.75	0.00	1.14	4.86	4.86	35.51	22.66	79.7	8.06	15.01	56.67	0.00	56.67
2017(12)	37.5	13.7	9.77	0.00	0.95	4.86	4.86	35.51	22.66	66.3	6.71	15.01	44.62	0.00	44.62
2018(12)	31.2	11.4	8.13	0.00	0.79	4.86	4.86	35.51	22.66	55.2	5.58	15.01	34.60	0.00	34.60
2019(12)	25.9	9.5	6.76	0.00	0.66	4.86	4.86	35.51	22.66	45.9	4.64	15.01	26.26	0.00	26.26
2020(12)	21.5	7.9	5.63	0.00	0.55	4.86	4.86	35.51	22.66	38.2	3.86	15.01	19.32	0.00	19.32
2021(12)	17.9	6.6	4.68	0.00	0.46	4.86	4.86	35.51	22.66	31.8	3.21	15.01	13.55	0.00	13.55
2022(12)	15.8	2.4	1.71	0.00	0.17	4.86	4.86	35.51	22.66	11.6	1.17	6.26	4.18	0.00	4.18
Total	---	377.6	269.84	0.00	26.24	---	---	---	---	1,831.6	185.18	201.41	1,445.01	1,304.00	141.01

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

HUERFANO UNIT 313

WELL INFORMATION

LEASE HUERFANO UNIT 313
 LOCATION 11025N009W
 COUNTY, STATE SAN JUAN, NEW MEXICO
 FORMATION DAKOTA
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR XTO ENERGY INC
 SPUD DATE 8/9/2008
 COMP DATE 5/9/2008
 1ST DELIVERY 2/12/2010
 COMM GVI % 100.00
 COMM NRI % 87.50
 BOARD RATE % 10.00

PRODUCTION TAXES

TAXES FOR: SAN JUAN, NEW MEXICO
 2003 - 2004 Commercially
 GAS % OF REVENUE

SEVERANCE:
 Severance, School, Conservation 7.93

AD VALOREM:
 Production, Equipment 1.26

TOTAL %: 9.19

AVERAGE HEAT CONTENT

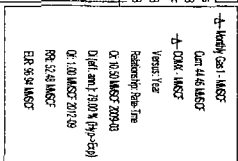
1,000 MM/Btu / Mcf

WELL COST AND ECONOMICS

1,304.00 M\$ AVERAGE WELL COST
 96.94 MMCF ULT. GROSS GAS RESERVES
 136.16 MCFD INITIAL GAS RATE
 0.00 % RATE OF RETURN
 -0.74 \$/S P/I, DISC. @ 10.00 %
 -968.21 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
 0.00 YRS PAYOUT

HUERFANO UNIT 313

DE 10.50 MMSCT 2009-03
 D (a) 1. am 17.00 % (p) 0-50
 DE 1.00 MMSCT 2012-09
 PR 52.45 MMSCT
 ER 96.94 MMSCT



	Gas1	Gas1	Net Gas	Net Cond	Net Oih	Gas1	Gas	Cond	Oih	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	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANO UNIT 313

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oih Volume	Gas1 Price	Gas Price	Cond Price	Oih 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\$
2009(12)	136.2	49.7	35.51	0.00	3.45	4.86	4.86	35.51	22.66	241.1	24.37	15.01	201.68	1,304.00	-1,102.32
2010(12)	62.3	22.7	16.24	0.00	1.58	4.86	4.86	35.51	22.66	110.2	11.15	15.01	84.08	0.00	84.08
2011(12)	43.1	15.7	11.25	0.00	1.09	4.86	4.86	35.51	22.66	76.4	7.72	15.01	53.63	0.00	53.63
2012(12)	35.2	8.6	6.13	0.00	0.60	4.86	4.86	35.51	22.66	41.6	4.21	10.01	27.39	0.00	27.39
Total	---	96.7	69.13	0.00	6.72	---	---	---	---	469.3	47.44	55.04	366.78	1,304.00	-937.22