

 ConocoPhillips

2010 MAR

2 PM 1 23
March 1, 2010

RECEIVED

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

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:

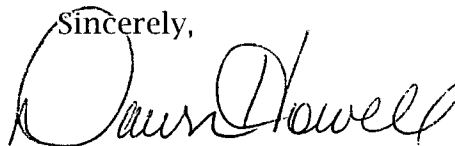
Pursuant to the provisions of Section 11(a) of the Huerfano Unit Agreement, #I Sec. No. 731, approved June 6, 1950, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the wells listed below are capable of producing unitized substances in paying quantities from the Dakota formation. Burlington is seeking confirmation of the paying well determinations enclosed.

Well Name	Dedication	Dedicated Lse.	Compl. Date	Determination
Huerfano Unit #289	S/2 34-26N-9W	SF-078103-A	1/26/2009	Commercial
Huerfano Unit #308	E/2 3-25N-9W	NM-03039	9/26/2008	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. 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

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

HUERFANO UNIT 289

WELL INFORMATION

LEASE HUERFANO UNIT 289
 LOCATION 34026N009W
 COUNTY, STATE SAN JUAN, NEW MEXICO
 FORMATION DAKOTA
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS CO
 SPUD DATE 11/8/2008
 COMP DATE 12/6/2008
 1ST DELIVERY 3/11/2009
 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
559.14	MMCF	ULT. GROSS GAS RESERVES
306.74	MCFD	INITIAL GAS RATE
13.59	%	RATE OF RETURN
0.11	\$/\$	P/I, DISC. @ 10.00 %
141.80	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
5.12	YRS	PAYOUT

HUERFANO UNIT 289 DK (COMX) (2300430453463871599) Data: Mar.2009-Nov.2009

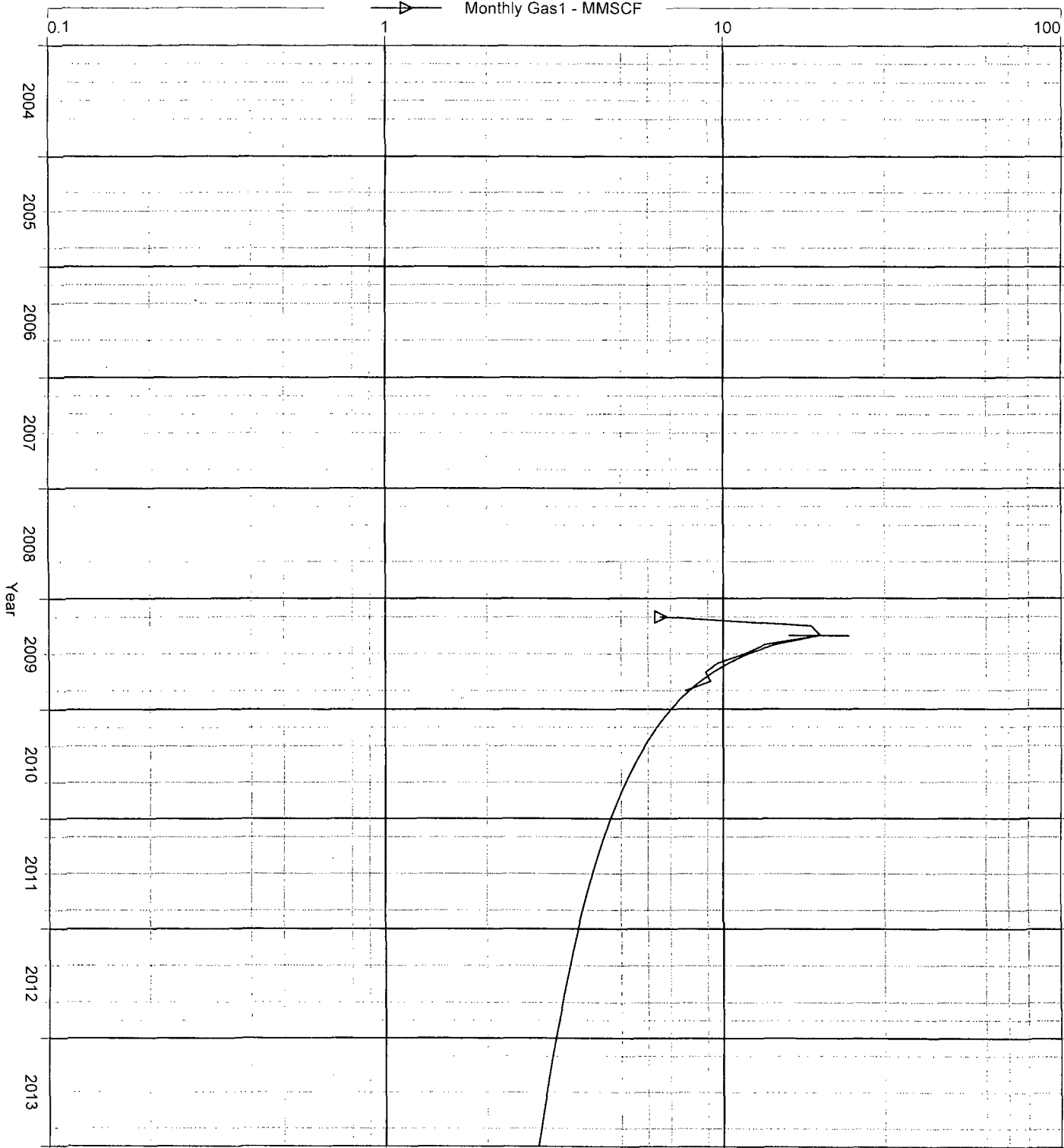
Operator: BURLINGTON RESOURCES OG CO LP
Field: BASIN
Zone: DAKOTA
Type: Gas
Group: None

COMX (Rate-Time)
Q: 24 MMSCF, 2009-05
Qf: 0.45723 MMSCF, 2030-01
Di(Hyp): 75% CTD: 104.505 MMSCF
RR: 454.638 MMSCF Tot: 559.143 MMSCF

Production Cums
Oil: 0 MSTB
Gas: 104.505 MMSCF
Water: 8.16 MSTB
Cond: 2.054 MSTB

Monthly Gas1 - MMSCF
Cum: 104.51 MMSCF
COMX - MMSCF
Versus: Year
Relationship: Rate-Time
Q: 24.00 MMSCF 2009-05
Di (eff. ann.): 75.00 % (Hyp->Exp)
Qf: 0.46 MMSCF 2030-01
RRt: 454.64 MMSCF
EUR: 559.14 MMSCF

Monthly Gas1 - MMSCF



**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET**

HUERFANO UNIT 289

CASH FLOW SUMMARY

Date	Gast Rate	Gast Volume	Net Gas Volume	Net Cond Volume	Net Oth Volume	Gast Price	Gast 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	MS	MS	MS	MS	MS	MS
2009(12)	306.7	112.0	80.01	0.00	7.78	4.86	4.86	35.51	22.66	543.1	54.91	15.01	473.16	1,304.00	-830.84
2010(12)	187.5	68.4	48.91	0.00	4.76	4.86	4.86	35.51	22.66	332.0	33.57	15.01	283.42	0.00	283.42
2011(12)	137.2	50.1	35.79	0.00	3.48	4.86	4.86	35.51	22.66	242.9	24.56	15.01	203.34	0.00	203.34
2012(12)	113.3	41.5	29.64	0.00	2.88	4.86	4.86	35.51	22.66	201.2	20.34	15.01	165.85	0.00	165.85
2013(12)	99.2	36.2	25.87	0.00	2.52	4.86	4.86	35.51	22.66	175.6	17.75	15.01	142.82	0.00	142.82
2014(12)	88.4	32.3	23.05	0.00	2.24	4.86	4.86	35.51	22.66	156.4	15.82	15.01	125.61	0.00	125.61
2015(12)	78.8	28.8	20.56	0.00	2.00	4.86	4.86	35.51	22.66	139.6	14.11	15.01	110.44	0.00	110.44
2016(12)	70.1	25.7	18.34	0.00	1.78	4.86	4.86	35.51	22.66	124.5	12.59	15.01	96.91	0.00	96.91
2017(12)	62.7	22.9	16.36	0.00	1.59	4.86	4.86	35.51	22.66	111.1	11.23	15.01	84.84	0.00	84.84
2018(12)	56.0	20.4	14.60	0.00	1.42	4.86	4.86	35.51	22.66	99.1	10.02	15.01	74.07	0.00	74.07
2019(12)	49.9	18.2	13.02	0.00	1.27	4.86	4.86	35.51	22.66	88.4	8.94	15.01	64.46	0.00	64.46
2020(12)	44.4	16.3	11.62	0.00	1.13	4.86	4.86	35.51	22.66	78.9	7.97	15.01	55.88	0.00	55.88
2021(12)	39.7	14.5	10.37	0.00	1.01	4.86	4.86	35.51	22.66	70.4	7.11	15.01	48.24	0.00	48.24
2022(12)	35.5	12.9	9.25	0.00	0.90	4.86	4.86	35.51	22.66	62.8	6.35	15.01	41.41	0.00	41.41
2023(12)	31.6	11.5	8.25	0.00	0.80	4.86	4.86	35.51	22.66	56.0	5.66	15.01	35.33	0.00	35.33
2024(12)	28.1	10.3	7.36	0.00	0.72	4.86	4.86	35.51	22.66	50.0	5.05	15.01	29.90	0.00	29.90
2025(12)	25.2	9.2	6.57	0.00	0.64	4.86	4.86	35.51	22.66	44.6	4.51	15.01	25.05	0.00	25.05
2026(12)	22.5	8.2	5.86	0.00	0.57	4.86	4.86	35.51	22.66	39.8	4.02	15.01	20.73	0.00	20.73
2027(12)	20.0	7.3	5.23	0.00	0.51	4.86	4.86	35.51	22.66	35.5	3.59	15.01	16.88	0.00	16.88
2028(12)	17.8	6.5	4.66	0.00	0.45	4.86	4.86	35.51	22.66	31.6	3.20	15.01	13.44	0.00	13.44
Sub.	---	553.2	395.31	0.00	38.44	---	---	---	---	2,683.3	271.29	300.24	2,111.76	1,304.00	807.76
Rem.	---	5.8	4.16	0.00	0.40	---	---	---	---	28.2	2.85	15.01	10.37	0.00	10.37
Total	---	559.0	399.47	0.00	38.84	---	---	---	---	2,711.5	274.14	315.25	2,122.12	1,304.00	818.12

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET HUERFANO UNIT 308

WELL INFORMATION	
LEASE	HUERFANO UNIT 308
LOCATION	03025N009W
COUNTY, STATE	SAN JUAN, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	XTO ENERGY INC
SPUD DATE	7/30/2008
COMP DATE	9/26/2008
1ST DELIVERY	2/4/2009
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

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

WELL COST AND ECONOMICS

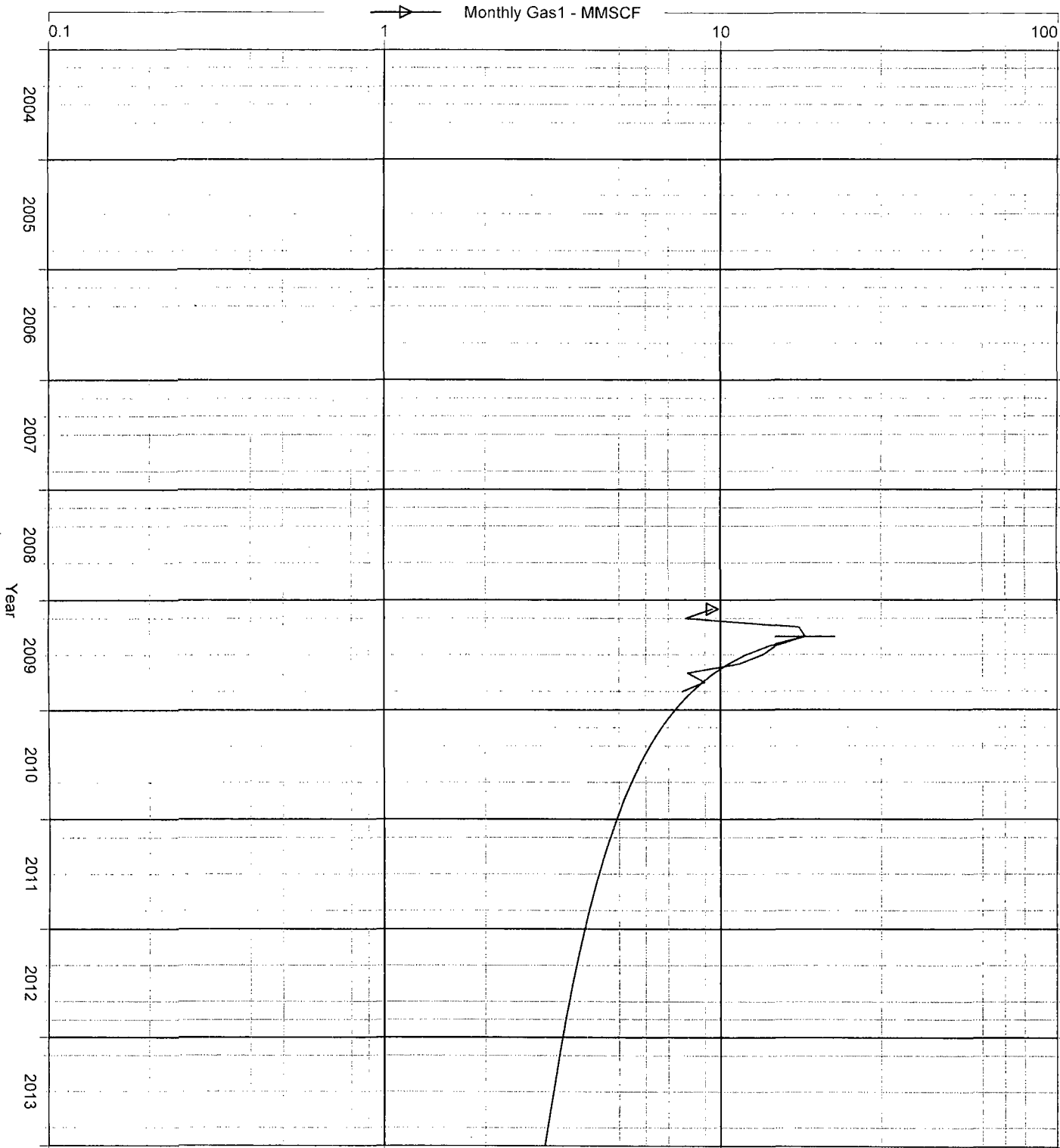
1,304.00	M\$	AVERAGE WELL COST
636.77	MMCF	ULT. GROSS GAS RESERVES
339.85	MCFD	INITIAL GAS RATE
19.73	%	RATE OF RETURN
0.31	\$/\$	P/I, DISC. @ 10.00 %
404.79	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
4.05	YRS	PAYOUT

HUERFANO UNIT 308 DK (COMX) (2300430453456771599) Data: Feb.2009-Nov.2009

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

COMX (Rate-Time)
Q1: 21 MMSCF, 2009-05
Q1: 0.0304715 MMSCF, 2053-03
D1(Hyp): 70% CTD: 116.279 MMSCF
RR: 520.494 MMSCF Tot: 636.773 MMSCF

Production Cums
Oil: 0 MSTB
Gas: 116.279 MMSCF
Water: 6.752 MSTB
Cond: 2.039 MSTB



Monthly Gas1 - MMSCF
Cum: 116.28 MMSCF

COMX - MMSCF

Versus: Year

Relationship: Rate-Time

Q1: 21.00 MMSCF 2009-05

D1 (eff. ann.): 70.00 % (Hyp->Exp)

Q1: 0.03 MMSCF 2053-03

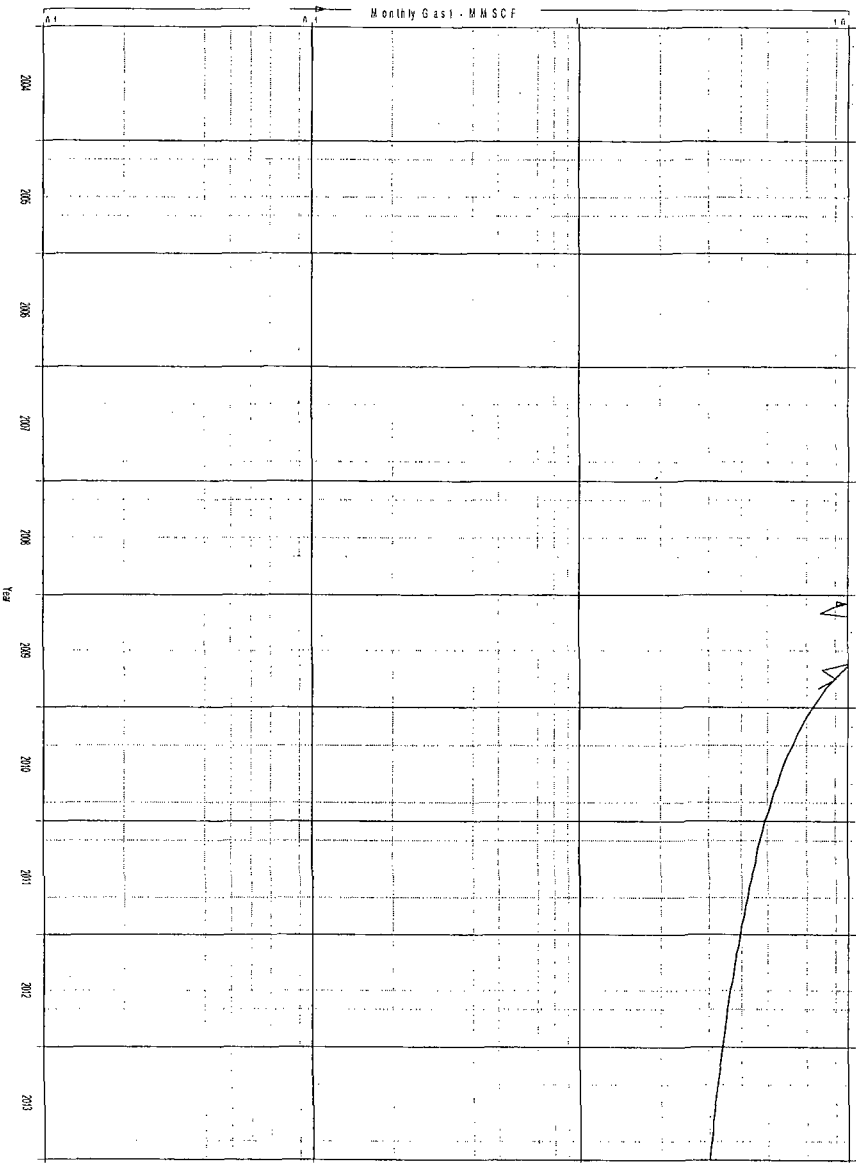
RR: 520.49 MMSCF

EUR: 636.77 MMSCF

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET HUERFANO UNIT 308

Operator: BURLINGTON RESOURCES
Field: 3430
Zone: D407A
Type: Gas
Comp. Name:
HURFANO UNIT 308 (CUM) (2004030505071599) Date: Feb 2009-Apr 2009
CUM (Base Line)
Q: 214657 MMSCF
Q: 0.000015 MMSCF 253.45
30 Day TDS: 0.01537 MMSCF
RR: 30.64 MMSCF 16.6377 MMSCF
Production Date
Q: 0 MMSCF
Gas: 16.271 MMSCF
Water: 6.12 MMSCF
Cond: 2.09 MMSCF

+ Weekly Gas: 14657
Cum: 113.21 MMSCF
+ OGR: 14657
Version: 154
Secondary Gas: 154
Q: 21.01 MMSCF 202.65
30 Day TDS: 0.01537 MMSCF
RR: 30.64 MMSCF
RR: 30.64 MMSCF
RR: 30.64 MMSCF



CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas 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	\$/mcf	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

HUERFANO UNIT 308

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oh Volume	Gas1 Price	Gas Price	Cond Price	Oh Price	Net Revenue	Prod Taxes	Total Opcosts	Total Oper Inc	Total Capital	Total BT Cash
mc/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2009(12)	339.8	124.0	88.64	0.00	8.62	4.86	4.86	35.51	22.66	601.7	60.83	0.00	540.86	1,304.00	-763.14
2010(12)	197.1	71.9	51.40	0.00	5.00	4.86	4.86	35.51	22.66	348.9	35.27	0.00	313.61	0.00	313.61
2011(12)	145.1	53.0	37.86	0.00	3.68	4.86	4.86	35.51	22.66	257.0	25.98	0.00	231.00	0.00	231.00
2012(12)	120.2	44.0	31.43	0.00	3.06	4.86	4.86	35.51	22.66	213.4	21.57	0.00	191.78	0.00	191.78
2013(12)	105.3	38.4	27.45	0.00	2.67	4.86	4.86	35.51	22.66	186.4	18.84	0.00	167.51	0.00	167.51
2014(12)	93.5	34.1	24.40	0.00	2.37	4.86	4.86	35.51	22.66	165.6	16.74	0.00	148.88	0.00	148.88
2015(12)	83.2	30.4	21.70	0.00	2.11	4.86	4.86	35.51	22.66	147.3	14.89	0.00	132.40	0.00	132.40
2016(12)	73.8	27.0	19.30	0.00	1.88	4.86	4.86	35.51	22.66	131.0	13.24	0.00	117.75	0.00	117.75
2017(12)	65.8	24.0	17.16	0.00	1.67	4.86	4.86	35.51	22.66	116.5	11.78	0.00	104.72	0.00	104.72
2018(12)	58.5	21.4	15.26	0.00	1.48	4.86	4.86	35.51	22.66	103.6	10.47	0.00	93.13	0.00	93.13
2019(12)	52.0	19.0	13.57	0.00	1.32	4.86	4.86	35.51	22.66	92.1	9.32	0.00	82.82	0.00	82.82
2020(12)	46.2	16.9	12.07	0.00	1.17	4.86	4.86	35.51	22.66	81.9	8.28	0.00	73.66	0.00	73.66
2021(12)	41.2	15.0	10.74	0.00	1.04	4.86	4.86	35.51	22.66	72.9	7.37	0.00	65.51	0.00	65.51
2022(12)	36.6	13.4	9.55	0.00	0.93	4.86	4.86	35.51	22.66	64.8	6.55	0.00	58.26	0.00	58.26
2023(12)	32.6	11.9	8.49	0.00	0.83	4.86	4.86	35.51	22.66	57.6	5.83	0.00	51.81	0.00	51.81
2024(12)	28.9	10.6	7.55	0.00	0.73	4.86	4.86	35.51	22.66	51.3	5.18	0.00	46.08	0.00	46.08
2025(12)	25.7	9.4	6.72	0.00	0.65	4.86	4.86	35.51	22.66	45.6	4.61	0.00	40.98	0.00	40.98
2026(12)	22.9	8.4	5.97	0.00	0.58	4.86	4.86	35.51	22.66	40.5	4.10	0.00	36.44	0.00	36.44
2027(12)	20.4	7.4	5.31	0.00	0.52	4.86	4.86	35.51	22.66	36.1	3.65	0.00	32.41	0.00	32.41
2028(12)	18.1	6.6	4.72	0.00	0.46	4.86	4.86	35.51	22.66	32.1	3.24	0.00	28.82	0.00	28.82
Sub.	---	586.8	419.31	0.00	40.77	---	---	---	---	2,846.2	287.76	0.00	2,558.43	1,304.00	1,254.43
Rem.	---	50.0	35.74	0.00	3.47	---	---	---	---	242.6	24.52	0.00	218.04	0.00	218.04
Total	---	636.8	455.05	0.00	44.24	---	---	---	---	3,088.8	312.28	0.00	2,776.47	1,304.00	1,472.47