

Brooks



RECEIVED OCD

2010 SEP 28 A 11:08

Terry Simcoe, CPL  
Staff Landman  
San Juan Business Unit  
Suite 436

ConocoPhillips Company  
3401 E. 30<sup>th</sup> St.  
Farmington, NM 87402  
Off: 505.326.9878  
terry.simcoe@conocophillips.com

September 24, 2010

**Re: NOTIFICATION OF ELECTION**

Compulsory Pooling

Wells: **State Com SRC 1B, API #30-045-35038 and State Com SRC 1C, API #30-045035961**

Dedication: N/2 Section 2, T29N, R8W, NMPM

San Juan County, New Mexico

NMOCD Case 14526

Dear Interest Owner:

On behalf of Burlington Oil & Gas Co. LP, a wholly owned subsidiary of ConocoPhillips Company, and in accordance with the rules of the New Mexico Oil Conservation Division (NMOCD), I am providing you with this notice of your right to elect to participate in the drilling and completion of these wells into the Dakota Formation to be downhole commingled with the Mesaverde Formation production pursuant to orders of the NMOCD.

Burlington's records indicate that you have a working interest ownership in this 326.92-acre spacing unit in one or more formations from the surface to the base of the Dakota formation in these wells. Should you desire to participate in these wells and avoid the payment of the 200% risk factor out of your share of production, then within thirty days of the date you receive this letter, Burlington Oil & Gas Co. LP, P.O. Box 4289, Farmington, NM 87399-4289 must receive a cashier's check for your percentage of the completed well costs and a letter signed by you agreeing to participate in this well pursuant to this pooling order. Enclosed is a copy of the AFE for this well which is the same as AFE introduced at the hearing.

If you decide not to participate then you need do nothing further. In that event, Burlington will pay your share of the costs of drilling and completing the well and will recover your share out of production, plus an additional 200 percent.

Sincerely,

A handwritten signature in cursive script that reads "Terry Simcoe".

Terry Simcoe

✓cc: Director NMOCD-Santa Fe

**NOTIFICATION OF ELECTION**

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San Juan County, New Mexico

NMOCD Case 14526

Distribution:

Bert Brown; Certified Mail 7009 2820 0000 5759 4149

PO Box 752

Wichita Falls, TX 76307

Brady Brown; Certified Mail 7009 2820 0000 5759 4156

PO Box 752

Wichita Falls, TX 76307

Donald Brown; Certified Mail 7009 2820 0000 5759 4163

PO Box 752

Wichita Falls, TX 76307

Marcia Berger Estate; Certified Mail 7009 2820 0000 5759 4132

Attn: Sandra Baxter

3325 Enterprise Dr

Hobbs, NM 88240

Randolph Briggs; Certified Mail 7009 2820 0000 5759 4170

Attn: Reynoldshix & Co

6729 Academy Rd NE Ste D

Albuquerque, NM 87109

Estate of Roger B. Nielsen; Certified Mail 7009 2820 0000 5759 4187

1200 Danbury Drive

Mansfield, TX 76063-3809

Shannon Brown; Certified Mail 7009 2820 0000 5759 4194

PO Box 752

Wichita Falls, TX 76307

WWR Enterprises; Certified Mail 7009 2820 0000 5759 4200

Attn: Sandra Baxter

3325 Enterprises Dr.

Hobbs, NM 88240

# Well Capital Cost Estimate Summary by Zone

This document contains proposed and estimated project cost information which is proprietary and confidential to ConocoPhillips.

**Well Name: STATE COM SRC 1B**  
**Zone Name: BASIN DAKOTA (PRORATED GAS)**

Cost Feature Code/Name:	Drilling \$\$	Completion \$\$	P & A \$\$	Facility \$\$
A000: Casing and Tubing	\$94,378.91	\$15,210.00	\$0.00	\$0.00
B000: Wellhead, Tree and Assoc Equip.	\$9,000.00	\$3,900.00	\$0.00	\$0.00
C000: Completion Equipment & Other	\$6,000.60	\$3,600.00	\$0.00	\$59,166.50
D000: Location (Wellsite Related)	\$51,000.00	\$1,029.00	\$0.00	\$0.00
E000: Rigs & Rig Related	\$165,000.00	\$15,390.00	\$0.00	\$0.00
F000: Drilling & Completion Utilities	\$12,600.00	\$6,000.00	\$0.00	\$0.00
G000: Fluid & Chemical Services	\$15,000.00	\$14,586.00	\$0.00	\$0.00
H000: Directional drilling / MWD / LWD	\$36,000.00	\$0.00	\$0.00	\$0.00
J000: Cementing Matls, Svcs & Casing Access	\$24,600.60	\$0.30	\$0.00	\$0.00
K000: Formation Evaluation	\$4,500.60	\$4,290.00	\$0.00	\$0.00
M000: Completion & Testing	\$0.60	\$75.00	\$0.00	\$0.00
N000: Formation Stimulation Services	\$0.00	\$51,375.30	\$0.00	\$0.00
O000: Certification & Inspection	\$9,000.00	\$30.00	\$0.00	\$0.00
P000: Transportation, Supply & Disposal	\$36,000.00	\$19,917.00	\$0.00	\$280.00
Q000: Drilling Tools & Equipment Rental	\$16,800.00	\$13,974.00	\$0.00	\$0.00
R000: Bits & Mills	\$10,479.23	\$360.00	\$0.00	\$0.00
S000: Special Services	\$40,500.60	\$15,900.90	\$0.00	\$0.00
T000: Miscellaneous	\$42,300.00	\$6,858.00	\$0.00	\$24,250.00
U000: Perforating & Slickline Services	\$1,200.00	\$6,360.00	\$0.00	\$700.00
V000: Eng & Construction, Consulting, R&D	\$0.00	\$0.00	\$0.00	\$600.00
W000: General Fees	\$6,000.60	\$0.00	\$0.00	\$0.00
X000: PPCo Labor & Overhead	\$4,500.00	\$180.00	\$0.00	\$2,000.10
Y000: Totals, Contingency & Miscellaneous	\$20,035.63	\$0.00	\$0.00	\$0.00
Zone Tangibles:	\$109,379.51	\$22,710.00	\$0.00	\$59,166.50
Zone Intangibles:	\$495,517.86	\$156,325.50	\$0.00	\$27,830.10
BASIN DAKOTA (PRORATED GAS) Total:	\$604,897.37	\$179,035.50	\$0.00	\$86,996.60
BASIN DAKOTA (PRORATED GAS) Percent of Well Total:	60.00%	30.00%	0.00%	50.00%

Approved By: \_\_\_\_\_

Date: \_\_\_\_\_

# Well Capital Cost Estimate Summary by Zone

This document contains proposed and estimated project cost information which is proprietary and confidential to ConocoPhillips.

**Well Name: STATE COM SRC 1B**  
**Zone Name: BLANCO MESAVERDE (PRORATED GAS)**

Cost Feature Code/Name:	Drilling \$\$	Completion \$\$	P & A \$\$	Facility \$\$
A000: Casing and Tubing	\$62,919.27	\$35,490.00	\$0.00	\$0.00
B000: Wellhead, Tree and Assoc Equip.	\$6,000.00	\$9,100.00	\$0.00	\$0.00
C000: Completion Equipment & Other	\$4,000.40	\$8,400.00	\$0.00	\$59,166.50
D000: Location (Wellsite Related)	\$34,000.00	\$2,401.00	\$0.00	\$0.00
E000: Rigs & Rig Related	\$110,000.00	\$35,910.00	\$0.00	\$0.00
F000: Drilling & Completion Utilities	\$8,400.00	\$14,000.00	\$0.00	\$0.00
G000: Fluid & Chemical Services	\$10,000.00	\$34,034.00	\$0.00	\$0.00
H000: Directional drilling / MWD / LWD	\$24,000.00	\$0.00	\$0.00	\$0.00
J000: Cementing Matls, Svcs & Casing Access	\$16,400.40	\$0.70	\$0.00	\$0.00
K000: Formation Evaluation	\$3,000.40	\$10,010.00	\$0.00	\$0.00
M000: Completion & Testing	\$0.40	\$175.00	\$0.00	\$0.00
N000: Formation Stimulation Services	\$0.00	\$119,875.70	\$0.00	\$0.00
O000: Certification & Inspection	\$6,000.00	\$70.00	\$0.00	\$0.00
P000: Transportation, Supply & Disposal	\$24,000.00	\$46,473.00	\$0.00	\$280.00
Q000: Drilling Tools & Equipment Rental	\$11,200.00	\$32,606.00	\$0.00	\$0.00
R000: Bits & Mills	\$6,986.15	\$840.00	\$0.00	\$0.00
S000: Special Services	\$27,000.40	\$37,102.10	\$0.00	\$0.00
T000: Miscellaneous	\$28,200.00	\$16,002.00	\$0.00	\$24,250.00
U000: Perforating & Slickline Services	\$800.00	\$14,840.00	\$0.00	\$700.00
V000: Eng & Construction, Consulting, R&D	\$0.00	\$0.00	\$0.00	\$600.00
W000: General Fees	\$4,000.40	\$0.00	\$0.00	\$0.00
X000: PPS Co Labor & Overhead	\$3,000.00	\$420.00	\$0.00	\$2,000.10
Y000: Totals, Contingency & Miscellaneous	\$13,357.09	\$0.00	\$0.00	\$0.00
Zone Tangibles:	\$72,919.67	\$52,990.00	\$0.00	\$59,166.50
Zone Intangibles:	\$330,345.24	\$364,759.50	\$0.00	\$27,830.10
BLANCO MESAVERDE (PRORATED GAS) Total:	\$403,264.91	\$417,749.50	\$0.00	\$86,996.60
BLANCO MESAVERDE (PRORATED GAS) Percent of Well Total:	40.00%	70.00%	0.00%	50.00%

Approved By: \_\_\_\_\_

Date: \_\_\_\_\_

# Well Capital Cost Estimate Summary by Zone

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## Well Name: STATE COM SRC 1B

Totals for Well:	Drilling \$\$	Completion \$\$	P & A \$\$	Facility \$\$
Well Tangibles:	\$182,299.18	\$75,700.00	\$0.00	\$118,333.00
Well Intangibles:	\$825,863.10	\$521,085.00	\$0.00	\$55,660.20
Well Total:	\$1,008,162.28	\$596,785.00	\$0.00	\$173,993.20

Well Total Tangibles: \$376,332.18

Well Total Intangibles: \$1,402,608.30

Well Grand Total: \$1,778,940.48

# Well Capital Cost Estimate Summary by Zone

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**Well Name:** STATE COM SRC 1C  
**Zone Name:** BASIN DAKOTA (PRORATED GAS)

Cost Feature Code/Name:	Drilling \$\$	Completion \$\$	P & A \$\$	Facility \$\$
A000: Casing and Tubing	\$111,494.90	\$14,850.00	\$0.00	\$0.00
B000: Wellhead, Tree and Assoc Equip.	\$13,200.00	\$3,900.00	\$0.00	\$0.00
C000: Completion Equipment & Other	\$1.20	\$3,600.00	\$0.00	\$42,993.00
D000: Location (Wellsite Related)	\$30,000.00	\$540.00	\$0.00	\$1,121.00
E000: Rigs & Rig Related	\$130,440.00	\$15,090.00	\$0.00	\$0.00
F000: Drilling & Completion Utilities	\$21,900.60	\$6,000.00	\$0.00	\$0.00
G000: Fluid & Chemical Services	\$9,000.00	\$1,980.00	\$0.00	\$0.00
H000: Directional drilling / MWD / LWD	\$0.60	\$0.00	\$0.00	\$0.00
J000: Cementing Matls, Svcs & Casing Access	\$24,600.60	\$0.30	\$0.00	\$0.00
K000: Formation Evaluation	\$4,020.60	\$4,392.00	\$0.00	\$0.00
M000: Completion & Testing	\$0.60	\$72.00	\$0.00	\$0.00
N000: Formation Stimulation Services	\$0.00	\$54,072.30	\$0.00	\$0.00
O000: Certification & Inspection	\$3,600.00	\$4.50	\$0.00	\$0.00
P000: Transportation, Supply & Disposal	\$29,400.00	\$18,234.00	\$0.00	\$280.00
Q000: Drilling Tools & Equipment Rental	\$9,000.00	\$3,294.00	\$0.00	\$0.00
R000: Bits & Mills	\$8,400.00	\$360.00	\$0.00	\$0.00
S000: Special Services	\$17,881.20	\$13,368.60	\$0.00	\$0.00
T000: Miscellaneous	\$15,360.00	\$5,040.00	\$0.00	\$13,250.00
U000: Perforating & Slickline Services	\$540.00	\$6,270.00	\$0.00	\$906.50
V000: Eng & Construction, Consulting, R&D	\$0.00	\$0.00	\$0.00	\$5,467.50
W000: General Fees	\$2,400.50	\$0.00	\$0.00	\$0.00
X000: PPS Co Labor & Overhead	\$4,200.60	\$180.00	\$0.00	\$2,636.50
Y000: Totals, Contingency & Miscellaneous	\$3,001.20	\$0.00	\$0.00	\$0.00
Zone Tangibles:	\$124,696.10	\$22,350.00	\$0.00	\$42,993.00
Zone Intangibles:	\$313,746.50	\$128,897.70	\$0.00	\$23,661.50
BASIN DAKOTA (PRORATED GAS) Total:	\$438,442.60	\$151,247.70	\$0.00	\$66,654.50
BASIN DAKOTA (PRORATED GAS) Percent of Well Total:	60.00%	30.00%	0.00%	50.00%

Approved By: \_\_\_\_\_

Date: \_\_\_\_\_

# Well Capital Cost Estimate Summary by Zone

This document contains proposed and estimated project cost information which is proprietary and confidential to ConocoPhillips.

**Well Name: STATE COM SRC 1C**  
**Zone Name: BLANCO MESAVERDE (PRORATED GAS)**

Cost Feature Code/Name:	Drilling \$\$	Completion \$\$	P & A \$\$	Facility \$\$
A000: Casing and Tubing	\$74,329.93	\$34,650.00	\$0.00	\$0.00
B000: Wellhead, Tree and Assoc Equip.	\$8,800.00	\$9,100.00	\$0.00	\$0.00
C000: Completion Equipment & Other	\$0.80	\$8,400.00	\$0.00	\$42,993.00
D000: Location (Wellsite Related)	\$20,000.00	\$1,260.00	\$0.00	\$1,121.00
E000: Rigs & Rig Related	\$86,960.00	\$35,210.00	\$0.00	\$0.00
F000: Drilling & Completion Utilities	\$14,600.40	\$14,000.00	\$0.00	\$0.00
G000: Fluid & Chemical Services	\$6,000.00	\$4,620.00	\$0.00	\$0.00
H000: Directional drilling / MWD / LWD	\$0.40	\$0.00	\$0.00	\$0.00
J000: Cementing Matls, Svcs & Casing Access	\$16,400.40	\$0.70	\$0.00	\$0.00
K000: Formation Evaluation	\$2,680.40	\$10,248.00	\$0.00	\$0.00
M000: Completion & Testing	\$0.40	\$168.00	\$0.00	\$0.00
N000: Formation Stimulation Services	\$0.00	\$126,168.70	\$0.00	\$0.00
O000: Certification & Inspection	\$2,400.00	\$10.50	\$0.00	\$0.00
P000: Transportation, Supply & Disposal	\$19,600.00	\$42,546.00	\$0.00	\$280.00
Q000: Drilling Tools & Equipment Rental	\$6,000.00	\$7,686.00	\$0.00	\$0.00
R000: Bits & Mills	\$5,600.00	\$840.00	\$0.00	\$0.00
S000: Special Services	\$11,920.80	\$31,193.40	\$0.00	\$0.00
T000: Miscellaneous	\$10,240.00	\$11,760.00	\$0.00	\$13,250.00
U000: Perforating & Slickline Services	\$360.00	\$14,630.00	\$0.00	\$906.50
V000: Eng & Construction, Consulting, R&D	\$0.00	\$0.00	\$0.00	\$5,467.50
W000: General Fees	\$1,600.50	\$0.00	\$0.00	\$0.00
X000: PPS Co Labor & Overhead	\$2,800.40	\$420.00	\$0.00	\$2,636.50
Y000: Totals, Contingency & Miscellaneous	\$2,000.80	\$0.00	\$0.00	\$0.00
Zone Tangibles:	\$83,130.73	\$52,150.00	\$0.00	\$42,993.00
Zone Intangibles:	\$209,164.50	\$300,761.30	\$0.00	\$23,661.50
BLANCO MESAVERDE (PRORATED GAS) Total:	\$292,295.23	\$352,911.30	\$0.00	\$66,654.50
BLANCO MESAVERDE (PRORATED GAS) Percent of Well Total:	40.00%	70.00%	0.00%	50.00%

Approved By: \_\_\_\_\_

Date: \_\_\_\_\_

# Well Capital Cost Estimate Summary by Zone

This document contains proposed and estimated project cost information which is proprietary and confidential to ConocoPhillips.

**Well Name: STATE COM SRC 1C**

Totals for Well:	Drilling \$\$	Completion \$\$	P & A \$\$	Facility \$\$
Well Tangibles:	\$207,826.83	\$74,500.00	\$0.00	\$85,986.00
Well Intangibles:	\$522,911.00	\$429,659.00	\$0.00	\$47,323.00
Well Total:	\$730,737.83	\$504,159.00	\$0.00	\$133,309.00

Well Total Tangibles:	\$368,312.83
Well Total Intangibles:	\$999,893.00
Well Grand Total:	\$1,368,205.83

State Com SRC 1B & 1C  
Township 29 North, Range 8 West, N.M.P.M.  
San Juan County, NM

Section 2: Dakota - N/2 - Containing 326.92 acres, more or less  
Mesaverde - N/2 - Containing 320.00 acres, more or less

WORKING INTEREST OWNERS	Mesaverde Formation	Dakota Formation
Burlington Resources Oil & Gas Company LP P.O. Box 4289 Farmington, NM 87499-4289	93.1250%	87.2629%
BP America Production Company Attn: San Juan Land Manager P.O. Box 3092 Houston, TX 77253	0.0000%	4.4580%
Energen Resources Corp. 2010 Afton Place Farmington, NM 87401	0.0000%	4.1380%
Las Colinas Minerals, L.P. 125 E. John Carpenter Ste 660 Irving, TX 75062	0.0000%	1.4501%
Shannon Brown DBA Brown Energy PO Box 752 Wichita Fall, TX 76307	1.2500%	0.0000%
Brady H. Brown DBA Brown Energy PO Box 752 Wichita Falls, TX 76307	1.2500%	0.0000%
Bert H. Brown DBA Brown Energy PO Box 752 Wichita Falls, TX 76307	1.2500%	0.0000%
Donald H. Brown DBA Brown Energy PO Box 752 Wichita Falls, TX 76307	3.1250%	0.0000%
MacLondon Energy L.P. PO Box 14230 Odessa, TX 79768	0.0000%	0.3718%
MHT Properties, L.P. 3840 Windsor Ln Dallas, TX 75205	0.0000%	0.0372%
Production Gathering Company, LP 8080 N. Central Expressway, Ste 1090 Dallas, TX 75206	0.0000%	0.1592%
WWR Enterprises 3325 Enterprise Dr. Hobbs, NM 88240	0.0000%	0.1094%
Marcia Berger Estate 3325 Enterprise Dr. Hobbs, NM 88240	0.0000%	0.1094%
Carolyn Nielsen Sedberry c/o Little Oil & Gas (Cheri Whitney) P.O. Box 1258 Farmington, NM 87499	0.0000%	0.2188%
Roger B. Nielson 1200 Danbury Drive Mansfield, TX 76063	0.0000%	0.2188%
Robert W. Umbach Cancer Foundation P.O. Drawer 110 Farmington, NM 87499	0.0000%	0.2388%
	0.0000%	0.2388%

George W. Umbach 208 R.H. Carr Road Manchester, TN 37355		
Randolph Briggs DBA RHB Enterprises LLC 6729 Academy Rd NE Suite D Albuquerque, NM 87109	0.0000%	0.0547%
Joann Briggs DBA JRB Investments LLC 6729 Academy Rd NE Suite D Albuquerque, NM 87109	0.0000%	0.0547%
Pennies From Heaven, LLC Bank of America (Leonard Kersh) P.O. Box 832407 Dallas, TX 75283-2407	0.0000%	0.2158%
Cyrene L. Inman c/o Bank of America (Leonard Kersh) P.O. Box 832407 Dallas, TX 75283-2407	0.0000%	0.2158%
CEEFAM, LLC Agent: Little Oil & Gas P.O. Box 1258 Farmington, NM 87499	0.0000%	0.1225%
William Briggs 3729 Academy Rd, Ste D Albuquerque, NM 87109	0.0000%	0.1093%
Accord Du Lac Partnership, LLC c/o Frank A. Potenziani, Pres. P.O. Box 676281 Santa Fe, NM 92067-6281	0.0000%	0.2086%
Potenziani Family Partnership P.O. Box 4098 Station A Albuquerque, NM 87196	0.0000%	0.0074%