



195
ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289

RECEIVED
September 27 2010

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

2010 SEP - 7 P 1: 08
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 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 #304	N/2 4-25N-10W	SF-078124	3-20-08	Non-Commercial
Huerfano Unit #320	E/2 14-25N-9W	NM-03016	11-14-08	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

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET

HUERFANO UNIT 304

WELL INFORMATION

LEASE HUERFANO UNIT 304
LOCATION 04025N010W
COUNTY, STATE SAN JUAN, NEW MEXICO
FORMATION DAKOTA
PROJECT TYPE NEWDRILL
WELL TYPE GAS WELL
OPERATOR CONOCOPHILLIPS CO
SPUD DATE 1/16/2008
COMP DATE 3/20/2008
1ST DELIVERY 4/10/2008
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
294.67 MMCF ULT. GROSS GAS RESERVES
107.48 MCFD INITIAL GAS RATE
0.00 % RATE OF RETURN
-0.56 \$/\$ P/L DISC. @ 10.00 %
-735.29 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
0.00 YRS. PAYOUT

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET

HUERFANO UNIT 304

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	MS	MS	MS	MS	MS	MS
2009 10	107.5	3.3	2.38	0.00	0.23	4.86	4.86	35.51	22.66	16.2	1.63	1.25	13.28	1,304.00	-1,290.72
2009 11	83.9	2.5	1.80	0.00	0.17	4.86	4.86	35.51	22.66	12.2	1.23	1.25	9.73	0.00	9.73
2009 12	109.1	3.4	2.42	0.00	0.23	4.86	4.86	35.51	22.66	16.4	1.66	1.25	13.49	0.00	13.49
2010 01	109.1	3.4	2.42	0.00	0.23	4.86	4.86	35.51	22.66	16.4	1.66	1.25	13.50	0.00	13.50
2010 02	107.7	3.0	2.15	0.00	0.21	4.86	4.86	35.51	22.66	14.6	1.48	1.25	11.90	0.00	11.90
2010 03	101.1	3.1	2.24	0.00	0.22	4.86	4.86	35.51	22.66	15.2	1.54	1.25	12.41	0.00	12.41
2010 04	103.5	3.1	2.22	0.00	0.22	4.86	4.86	35.51	22.66	15.1	1.52	1.25	12.29	0.00	12.29
2010 05	97.5	3.0	2.16	0.00	0.21	4.86	4.86	35.51	22.66	14.7	1.48	1.25	11.93	0.00	11.93
2010 06	98.2	2.9	2.11	0.00	0.20	4.86	4.86	35.51	22.66	14.3	1.44	1.25	11.59	0.00	11.59
2010 07	92.7	2.9	2.05	0.00	0.20	4.86	4.86	35.51	22.66	13.9	1.41	1.25	11.28	0.00	11.28
2010 08	90.6	2.8	2.01	0.00	0.20	4.86	4.86	35.51	22.66	13.6	1.38	1.25	10.99	0.00	10.99
2010 09	91.5	2.7	1.96	0.00	0.19	4.86	4.86	35.51	22.66	13.3	1.35	1.25	10.72	0.00	10.72
2010 10	86.6	2.7	1.92	0.00	0.19	4.86	4.86	35.51	22.66	13.0	1.32	1.25	10.46	0.00	10.46
2010 11	87.7	2.6	1.88	0.00	0.18	4.86	4.86	35.51	22.66	12.8	1.29	1.25	10.22	0.00	10.22
2010 12	83.2	2.6	1.84	0.00	0.18	4.86	4.86	35.51	22.66	12.5	1.26	1.25	9.99	0.00	9.99
2011 01	81.5	2.5	1.81	0.00	0.18	4.86	4.86	35.51	22.66	12.3	1.24	1.25	9.77	0.00	9.77
2011 02	88.6	2.5	1.77	0.00	0.17	4.86	4.86	35.51	22.66	12.0	1.22	1.25	9.57	0.00	9.57
2011 03	78.6	2.4	1.74	0.00	0.17	4.86	4.86	35.51	22.66	11.8	1.19	1.25	9.37	0.00	9.37
2011 04	79.8	2.4	1.71	0.00	0.17	4.86	4.86	35.51	22.66	11.6	1.17	1.25	9.18	0.00	9.18
2011 05	75.9	2.4	1.68	0.00	0.16	4.86	4.86	35.51	22.66	11.4	1.15	1.25	9.01	0.00	9.01
Sub.	---	56.3	40.27	0.00	3.92	---	---	---	---	273.3	27.63	25.02	220.67	1,304.00	-1,083.33
Rem.	---	206.9	147.89	0.00	14.38	---	---	---	---	1,003.8	101.49	280.22	622.11	0.00	622.11
Total	---	263.3	188.15	0.00	18.29	---	---	---	---	1,277.1	129.12	305.24	842.78	1,304.00	-461.22

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANO UNIT 320

WELL INFORMATION

LEASE HUERFANO UNIT 320
LOCATION 14025N009W
COUNTY, STATE SAN JUAN, NEW MEXICO
FORMATION DAKOTA
PROJECT TYPE NEWDRILL
WELL TYPE GAS WELL
OPERATOR CONOCOPHILLIPS CO
SPUD DATE 9/29/2008
COMP DATE 11/14/2008
1ST DELIVERY 3/3/2009
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

912 MMBtu / Mcf

WELL COST AND ECONOMICS

1,214.04 M\$ AVERAGE WELL COST
103.64 MMCF ULT. GROSS GAS RESERVES
295.23 MCFTD INITIAL GAS RATE
>800.00 % RATE OF RETURN
-0.91 \$/\$ P/L DISC. @ 10.00 %
-1,104.46 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
0.00 YRS PAYOUT

HUEFANO UNIT 320

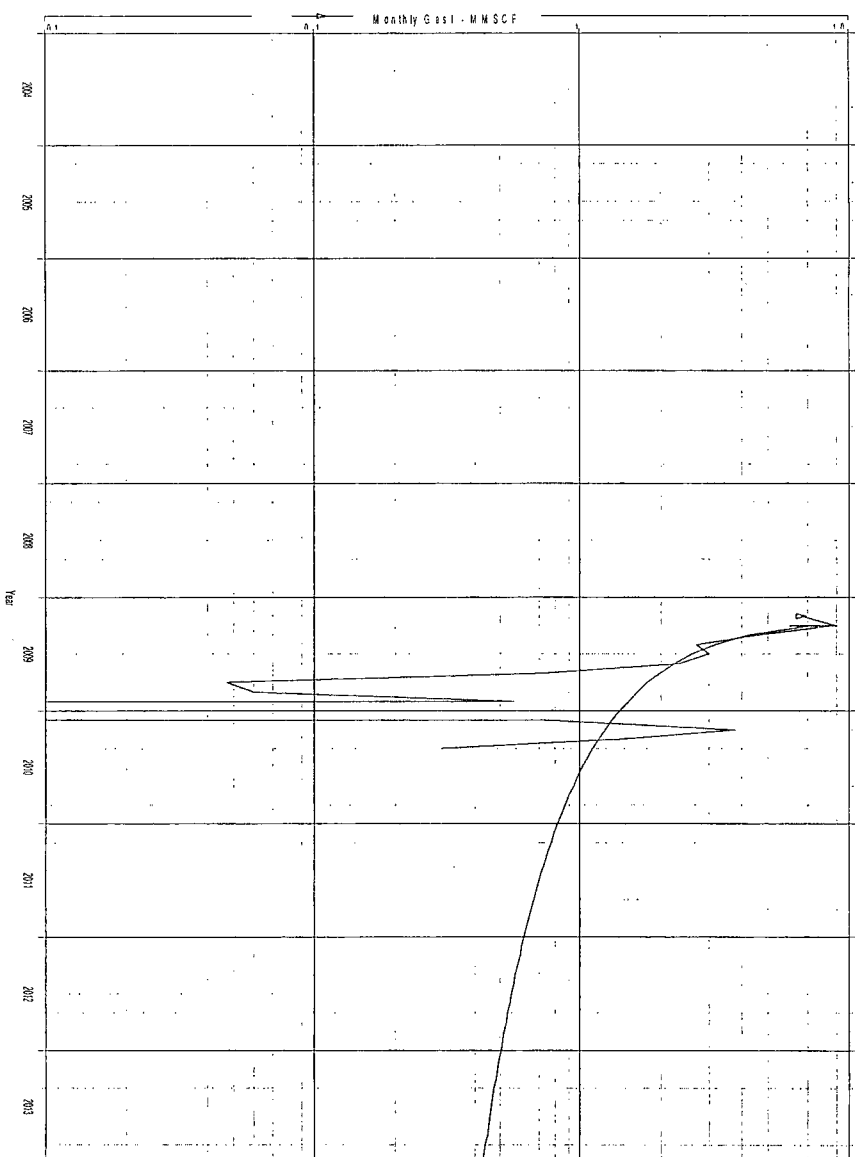
Operator: EUR/ASTION RESOURCES OG CO LP

Felt	EASN
Zone	DANDIA
Type	Gas
Geop.	More

0000 (File Time)
0: 12.MSOF.XC9-9
C:\0000.MSOF.XC9-9
0000: 95 C:\0000.MSOF
0000: 95 C:\0000.MSOF
0000: 95 C:\0000.MSOF

Production Counts
OK 0 MSIB
Gas: 35.791 MSOC
Water: 6.763 MSIB
Cond: 2.053 MSIB

+1 408/581-1400
 Can 12/13/MSCT
 +1 404-1400
 Venice, Tex
 Redox/Pe-Tin
 Cc 12/01/MSCT 20/04
 Diff: ant 91.00 % (44-50)
 Cc 02/01/MSCT 20/40
 Pe 74/41 MSCT
 ER 110/50 MSCT



	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	Opposts	Oper Inc	Capital	BT Cash
mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	\$	\$	\$	\$	\$	\$

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

HUERFANO UNIT 320

CASH FLOW SUMMARY

Date	Gas1 Rate mcf/d	Gas1 Volume MMSCF	Net Gas Volume MMSCF	Net Cond Volume MSTB	Net Oth Volume MSTB	Gas1 Price \$/MMBTU	Gas Price \$/mcf	Cond Price \$/Bbl	Oth Price \$/Bbl	Net Revenue M\$	Prod Taxes M\$	Total Opcosts M\$	Total Oper Inc M\$	Total Capital M\$	Total BT Cash M\$
2009 04	296.2	8.9	0.00	0.00	0.62	4.86	0.00	35.51	22.66	12.2	1.15	0.00	11.05	0.00	11.05
2009 05	148.8	4.6	0.00	0.00	0.32	4.86	0.00	35.51	22.66	6.4	0.60	0.00	5.76	0.00	5.76
2009 06	90.1	2.7	0.00	0.00	0.19	4.86	0.00	35.51	22.66	3.7	0.35	0.00	3.37	0.00	3.37
2009 07	96.7	3.0	0.00	0.00	0.21	4.86	0.00	35.51	22.66	4.1	0.39	0.00	3.74	0.00	3.74
2009 08	75.5	2.3	0.00	0.00	0.16	4.86	0.00	35.51	22.66	3.2	0.30	0.00	2.92	0.00	2.92
2009 09	24.0	0.7	0.00	0.00	0.05	4.86	0.00	35.51	22.66	1.0	0.09	0.00	0.90	0.00	0.90
2009 10	1.5	0.0	0.00	0.00	0.00	4.86	0.00	35.51	22.66	0.1	0.01	0.00	0.06	0.00	0.06
2009 11	2.0	0.1	0.00	0.00	0.00	4.86	0.00	35.51	22.66	0.1	0.01	0.00	0.07	0.00	0.07
2009 12	18.2	0.6	0.00	0.00	0.04	4.86	0.00	35.51	22.66	0.8	0.07	0.00	0.70	0.00	0.70
2010 01	0.0	0.0	0.00	0.00	0.00	4.86	0.00	35.51	22.66	0.0	0.00	1.25	-1.25	1,304.00	-1,305.25
2010 02	26.3	0.7	0.53	0.00	0.05	4.86	4.86	35.51	22.66	3.6	0.36	1.25	1.96	0.00	1.96
2010 03	122.1	3.8	2.70	0.00	0.26	4.86	4.86	35.51	22.66	18.4	1.86	1.25	15.25	0.00	15.25
2010 04	48.2	1.4	1.03	0.00	0.10	4.86	4.86	35.51	22.66	7.0	0.71	1.25	5.05	0.00	5.05
2010 05	9.7	0.3	0.22	0.00	0.02	4.86	4.86	35.51	22.66	1.5	0.15	1.25	0.06	0.00	0.06
2010 06	35.4	1.1	0.76	0.00	0.07	4.86	4.86	35.51	22.66	5.2	0.52	1.25	3.38	0.00	3.38
2010 07	32.8	1.0	0.73	0.00	0.07	4.86	4.86	35.51	22.66	4.9	0.50	1.25	3.18	0.00	3.18
2010 08	31.5	1.0	0.70	0.00	0.07	4.86	4.86	35.51	22.66	4.7	0.48	1.25	3.01	0.00	3.01
2010 09	31.3	0.9	0.67	0.00	0.07	4.86	4.86	35.51	22.66	4.6	0.46	1.25	2.85	0.00	2.85
2010 10	29.2	0.9	0.65	0.00	0.06	4.86	4.86	35.51	22.66	4.4	0.44	1.25	2.70	0.00	2.70
2010 11	29.2	0.9	0.63	0.00	0.06	4.86	4.86	35.51	22.66	4.2	0.43	1.25	2.57	0.00	2.57
Sub.	---	34.9	8.61	0.00	2.43	---	---	---	---	90.0	8.87	13.76	67.33	1,304.00	-1,236.67
Rem.	---	37.4	26.73	0.00	2.60	---	---	---	---	181.4	18.34	102.58	60.49	0.00	60.49
Total	---	72.3	35.33	0.00	5.03	---	---	---	---	271.4	27.22	116.34	127.82	1,304.00	-1,176.18

**HUERFANO UNIT
DAKOTA FORMATION
WORKING INTEREST OWNERS**

AJM LLC
BENSON MONTIN GREER
BETTY T JOHNSTON MARITAL TRUST
BURLINGTON RESOURCES O&G CO LP
CAROLYN BEAMON TILLEY
CATHERYN BEAMON
CLAUDIA MARCIA LUNDELL
CONOCOPHILLIPS COMPANY
EULA MAY JOHNSTON TRUST
FRANKLIN P LILLY
GRAYFORE PARTNERS
GROSS RESOURCES LTD PTSHP
JAMES R BEAMON
KELLY MINERAL INTERESTS JV
LA PLATA GATHERING SYSTEM INC
LANGDON D HARRISON REVOC TRUST B
LINDA JEANNE LUNDELL
MACDONALD HALBERSTADT
REVOCABLE FAMILY TRUST
MARYAN KLINGER TRUST
MCCONNELL LTD CO
MICHAEL R DIMOND
PRODUCTION GATHERING CO LP
ROBERT BEAMON TRUSTEE
ROBERT WALTER LUNDELL
ROGERS-GIBBARD TRUST
SHARON BEAMON BURNS
SUNLAND REFINING CORP
SUSAN BEAMON PORTER
THOMAS YATES JR
V A JOHNSTON LTD
WILLIAM j GREEN ESTATE
XTO ENERGY INC
ZZZ KELLY & TRUST LLC