

BURLINGTON RESOURCES

SAN JUAN DIVISION

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

State of New Mexico
Oil Conservation Division
Attn: Ms. Lori Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

March 5, 2003

State of New Mexico
Commissioner of Public Lands
Attn: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, NM 87504-1148

#286
RECEIVED

MAR 08 2004

OIL CONSERVATION
DIVISION

RE: Huerfanito Unit (I Sec. No. 943)
Commerciality Determination
Chacra Formation
San Juan County, New Mexico

Gentlemen:

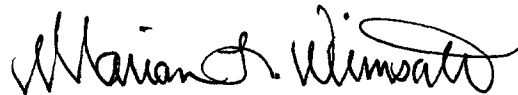
Pursuant to the provisions of Section 11(a) of the Huerfanito Unit Agreement, #I Sec. No. 943, approved June 2, 1952, Burlington Resources Oil & Gas Company LP, as Operator, has determined the well listed below is not capable of producing unitized substances in paying quantities from the Chacra formation. Burlington is seeking confirmation of the paying well determination enclosed.

BROG's AIN No.	Well Name & Number	Well Dedication	Dedicated Lease	Completion Date	Commerciality Determination
3002803	Huerfanito Unit #82	SW/4 Sec. 25-27N-9W	Navajo I-149-IND-8473	7/16/2003	Non-Commercial

Upon receipt of response from the Bureau of Land Management and concurring response from the Commissioner of Public Lands and New Mexico Oil Conservation Division, the well will be carried as non-commercial on a lease basis.

Copies of this letter are being sent to the working interest owners on the attached sheet. If you have any questions or need any additional information, please contact the undersigned at (505) 326-9860.

Very truly yours,



Marian L. Wimsatt, CPLTA, CPL
Land Analyst

MLW:ll
Huerfanito Unit, 4.4
cc: Linda Dean

WORKING INTEREST OWNERS HUERFANITO UNIT

J GLENN TURNER JR

AJM LLC

ALBERT R GREER

BENSON MONTIN GREER

BURLINGTON RESO O&G (SJB)

BURLINGTON RESOURCES O&G CO LP

CHARLES A & NANCIE A GREER TTE

CHARLES W GAY

CONOCOPHILLIPS COMPANY

ELIZABETH J TURNER CALLOWAY

FOUR STAR OIL & GAS COMPANY

ADAM BRUSS TRUST

J & M RAYMOND LTD

THOMAS S SENTER

JACK LONDON JR

K E MCAFEE

LA PLATA GATHERING SYSTEM INC

LORRAYN GAY HACKER

MARY E GLENN

MARY FRANCES TURNER JR TRUST

MAYDELL MILLER MAST

MCCONNELL LTD CO

MICHAEL J LILLY

T H MCELVAIN OIL & GAS LTD

FRANKLIN P LILLY

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

HUERFANITO UNIT 82

WELL INFORMATION

LEASE	HUERFANITO UNIT 82
LOCATION	25027N009WL
COUNTY, STATE	SAN JUAN, NEW MEXICO
FORMATION	CHACRA
PROJECT TYPE	RECOMPLETION
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES O&G CO LP
SPUD DATE	9/19/1965
COMP DATE	7/16/2003
1ST DELIVERY	7/22/2003
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	8.00

PRODUCTION TAXES

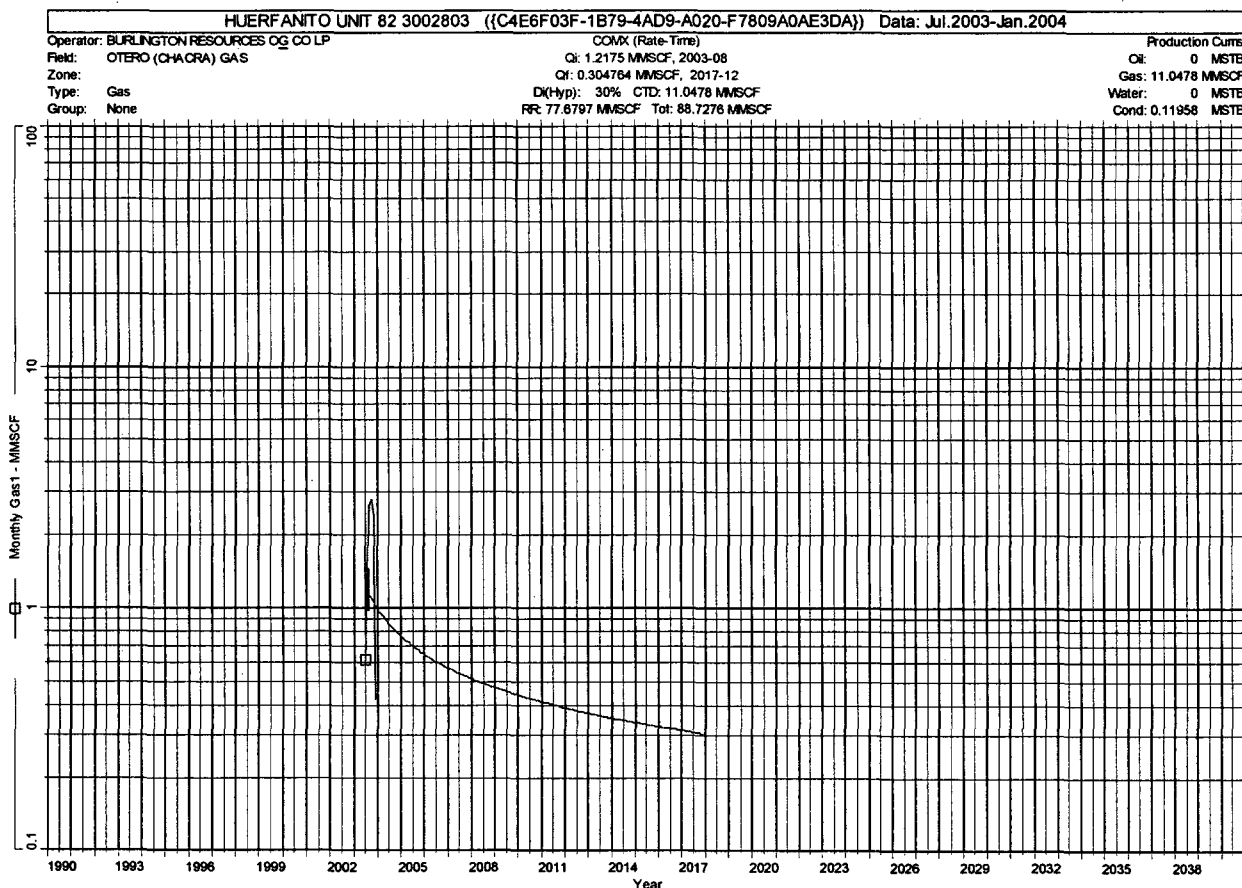
TAXES FOR:	SAN JUAN, NEW MEXICO	
	2003 - 2004 Commerciality	
	<u>GAS % OF REVENUE</u>	
SEVERANCE:		
Severance, School, Conservation	7.93	
AD VALOREM:		
Production, Equipment	1.26	
TOTAL %:	9.19	

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

280.00	M\$	AVERAGE WELL COST
88.12	MMCF	ULT. GROSS GAS RESERVES
65.27	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.43	\$/	P/I, DISC. @ 8.00 %
-119.89	M\$	NET PRESENT VALUE, DISC. @ 8.00 %
0.00	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 82

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Gas1 Price	Gas Price	Net Revenue	Production Taxes	Total Opcostrs	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	\$/MMBTU	\$/mcf	M\$	M\$	M\$	M\$	M\$	M\$
2003(12)	65.3	10.0	6.2	3.87	3.87	27.52	2.82	0.00	24.70	280.00	-255.30
2004(12)	27.3	10.0	6.2	3.87	3.87	30.09	3.07	2.20	24.83	0.00	24.83
2005(12)	23.2	8.5	5.2	3.87	3.87	27.35	2.77	2.40	22.18	0.00	22.18
2006(12)	20.0	7.3	4.5	3.87	3.87	24.17	2.45	2.40	19.33	0.00	19.33
2007(12)	17.8	6.5	4.0	3.87	3.87	21.94	2.22	2.40	17.32	0.00	17.32
2008(12)	16.2	5.9	3.7	3.87	3.87	20.24	2.04	2.40	15.79	0.00	15.79
2009(12)	15.0	5.5	3.4	3.87	3.87	18.84	1.90	2.40	14.54	0.00	14.54
2010(12)	14.0	5.1	3.2	3.87	3.87	17.70	1.79	2.40	13.52	0.00	13.52
2011(12)	13.2	4.8	3.0	3.87	3.87	16.72	1.69	2.40	12.63	0.00	12.63
2012(12)	12.5	4.6	2.8	3.87	3.87	15.87	1.60	2.40	11.87	0.00	11.87
2013(12)	11.9	4.3	2.7	3.87	3.87	15.09	1.52	2.40	11.17	0.00	11.17
2014(12)	11.4	4.2	2.6	3.87	3.87	14.42	1.45	2.40	10.56	0.00	10.56
2015(12)	10.9	4.0	2.5	3.87	3.87	13.80	1.39	2.40	10.01	0.00	10.01
2016(12)	10.5	3.8	2.4	3.87	3.87	13.24	1.34	2.40	9.50	0.00	9.50
2017(12)	10.1	3.7	2.3	3.87	3.87	12.67	1.28	2.40	8.99	0.00	8.99
2018(12)	0.0	0.0	0.0	3.87	3.87	3.65	0.34	2.40	0.90	0.00	0.90
2019(12)	0.0	0.0	0.0	3.87	3.87	3.47	0.33	2.40	0.74	0.00	0.74
2020(12)	0.0	0.0	0.0	3.87	3.87	3.30	0.31	2.40	0.59	0.00	0.59
2021(12)	0.0	0.0	0.0	3.87	3.87	3.12	0.29	2.40	0.43	0.00	0.43
2022(12)	0.0	0.0	0.0	3.87	3.87	2.97	0.28	2.40	0.29	0.00	0.29
Sub.	---	88.1	54.4	---	---	306.16	30.87	45.40	229.89	280.00	-50.11
Rem.	---	0.0	0.0	---	---	4.64	0.44	4.00	0.20	0.00	0.20
Total	---	88.1	54.4	---	---	310.80	31.31	49.40	230.10	280.00	-49.90