



2006 NOV 3 PM 1 15

San Juan Business Unit  
 P.O. Box 4289  
 Farmington, NM 87402-4289  
 (505) 326-9700

**Burlington Resources Inc.**  
*A wholly owned subsidiary of  
 ConocoPhillips*

November 1, 2006

Bureau of Land Management  
 Attn: Mr. Wayne Townsend  
 Farmington Resource Area  
 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: San Juan 29-7 Unit (#14-08-001-1650)  
 Commerciality Determination  
 Dakota Formation  
 Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-7 Unit Agreement, #14-08-001-1650, approved September 3, 1954, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the well listed below is not capable of producing unitized substances in paying quantities from the Dakota formation. Burlington is seeking confirmation of the paying well determination enclosed.

<u>BR's AIN #</u>	<u>Well Name &amp; Number</u>	<u>Well Dedication</u>	<u>Dedicated Lease</u>	<u>Completion Date</u>	<u>Commerciality Determination</u>
84710202	S J 29-7 Unit #550S	E/2 11-29N-7W	USA SF-078423	11/14/05	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, the well will be carried as non-commercial on a lease basis.

Copies of this letter and enclosures are being sent to the working interest owners as listed on the attached page. Please contact Karen Stevens at 326-9754 for any technical questions, and all other questions to the undersigned at 599-4030.

Sincerely,

Dawn Howell  
 Sr. Land Technician

# BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 29-7 UNIT 550S

## WELL INFORMATION

LEASE SAN JUAN 29-7 UNIT 550S  
 LOCATION 11029N007W1  
 COUNTY, STATE RIO ARRIBA, NEW MEXICO  
 FORMATION DAKOTA  
 PROJECT TYPE NEWDRILL  
 WELL TYPE GAS WELL  
 OPERATOR BURLINGTON RESOURCES O&G CO LP  
 SPUD DATE 9/19/2005  
 COMP DATE 11/14/2005  
 1ST DELIVERY 1/16/2006  
 COMM GWI % 100.00  
 COMM NRI % 87.50  
 BOARD RATE % 10.00

## PRODUCTION TAXES

TAXES FOR: RIO ARRIBA, NEW MEXICO  
 2003 - 2004 Commerciality

### GAS % OF REVENUE

SEVERANCE:  
 Severance, School, Conservation 7.93

AD VALOREM:  
 Production, Equipment 1.24

TOTAL %: 9.17

## AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

## WELL COST AND ECONOMICS

526.90 M\$ AVERAGE WELL COST  
 20.49 MMCF ULT. GROSS GAS RESERVES  
 15.65 MCFD INITIAL GAS RATE  
 0.00 % RATE OF RETURN  
 -0.97 \$/\$ P/I, DISC. @ 10.00 %  
 -509.55 M\$ NET PRESENT VALUE, DISC. @ 10.00 %  
 0.00 YRS PAYOUT

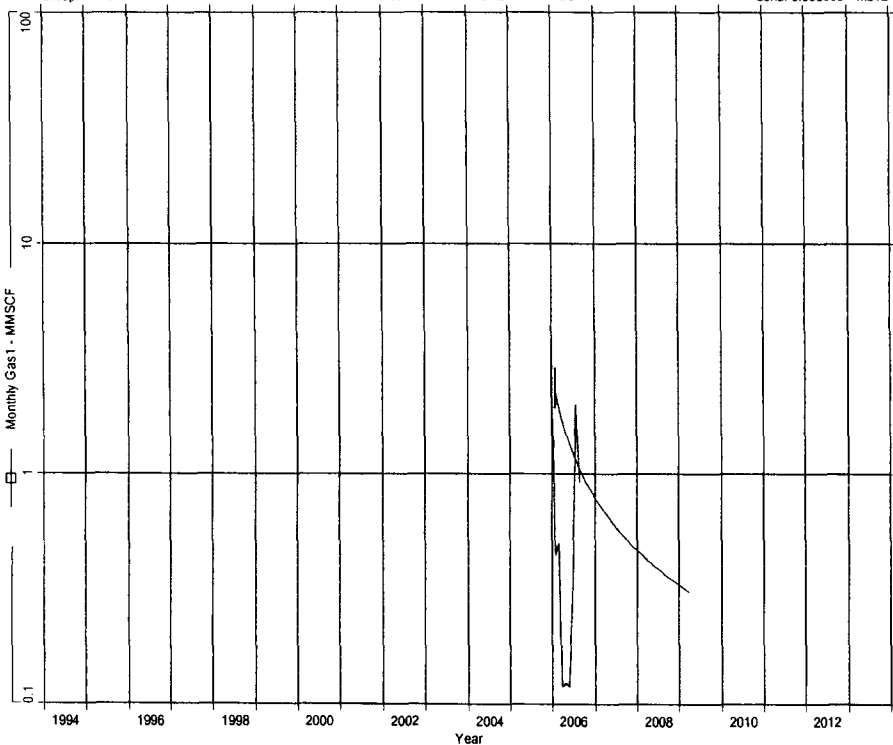
SAN JUAN 29-7 UNIT 550S 84710202 Data: Sep.2005-Sep.2006

Operator: BURLINGTON RESOURCES O&G CO LP  
 Field: BASIN DAKOTA (PRORATED GAS)  
 Zone: Gas  
 Group: None

COMX (Rate-Time)  
 Qi: 2.58719 MMSCF, 2006-02  
 Cf: 0.306382 MMSCF, 2009-04  
 Di(Hyp): 70% CTD: 9.02642 MMSCF  
 RR: 15.9905 MMSCF Tot: 25.017 MMSCF

Production Cums  
 Oil: 0 MSTB  
 Gas: 9.02642 MMSCF  
 Water: 0.004379 MSTB  
 Cond: 0.006568 MSTB

□ Monthly Gas1 - MMSCF  
 Curr: 9.03 MMSCF  
 — COMX - MMSCF  
 Versus: Year  
 Relationship: Rate-Time  
 Qi: 2.59 MMSCF 2006-02  
 Di (eff. ann.): 70.00 % (Hyp->Exp)  
 Cf: 0.30 MMSCF 2009-04  
 RR: 15.99 MMSCF  
 EUR: 25.02 MMSCF



**BURLINGTON RESOURCES**  
**COMMERCIALITY DETERMINATION**  
**BLM DATA SHEET**  
**SAN JUAN 29-7 UNIT 550S**

**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 Opccosts	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2006 02	15.7	0.4	0.32	0.00	0.02	4.86	4.86	35.51	22.66	2.0	0.20	0.98	0.83	526.90	-526.07
2006 03	16.0	0.5	0.36	0.00	0.03	4.86	4.86	35.51	22.66	2.3	0.23	0.98	1.07	0.00	1.07
2006 04	4.0	0.1	0.09	0.00	0.01	4.86	4.86	35.51	22.66	0.5	0.06	0.98	-0.49	0.00	-0.49
2006 05	4.0	0.1	0.09	0.00	0.01	4.86	4.86	35.51	22.66	0.6	0.06	0.98	-0.47	0.00	-0.47
2006 06	4.0	0.1	0.09	0.00	0.01	4.86	4.86	35.51	22.66	0.5	0.06	0.98	-0.49	0.00	-0.49
2006 07	9.1	0.3	0.20	0.00	0.02	4.86	4.86	35.51	22.66	1.3	0.13	0.98	0.19	0.00	0.19
2006 08	64.5	2.0	1.44	0.00	0.11	4.86	4.86	35.51	22.66	9.2	0.93	0.98	7.28	0.00	7.28
2006 09	30.8	0.9	0.67	0.00	0.05	4.86	4.86	35.51	22.66	4.2	0.43	0.98	2.83	0.00	2.83
2006 10	31.5	1.0	0.70	0.00	0.05	4.86	4.86	35.51	22.66	4.5	0.45	0.98	3.05	0.00	3.05
2006 11	30.3	0.9	0.66	0.00	0.05	4.86	4.86	35.51	22.66	4.2	0.42	0.98	2.77	0.00	2.77
2006 12	27.4	0.9	0.61	0.00	0.05	4.86	4.86	35.51	22.66	3.9	0.40	0.98	2.53	0.00	2.53
2007 01	25.8	0.8	0.58	0.00	0.04	4.86	4.86	35.51	22.66	3.7	0.37	0.98	2.32	0.00	2.32
2007 02	26.9	0.8	0.54	0.00	0.04	4.86	4.86	35.51	22.66	3.5	0.35	0.98	2.13	0.00	2.13
2007 03	23.0	0.7	0.51	0.00	0.04	4.86	4.86	35.51	22.66	3.3	0.33	0.98	1.97	0.00	1.97
2007 04	22.6	0.7	0.49	0.00	0.04	4.86	4.86	35.51	22.66	3.1	0.32	0.98	1.82	0.00	1.82
2007 05	20.8	0.6	0.46	0.00	0.04	4.86	4.86	35.51	22.66	3.0	0.30	0.98	1.68	0.00	1.68
2007 06	20.5	0.6	0.44	0.00	0.03	4.86	4.86	35.51	22.66	2.8	0.29	0.98	1.56	0.00	1.56
2007 07	19.0	0.6	0.42	0.00	0.03	4.86	4.86	35.51	22.66	2.7	0.27	0.98	1.45	0.00	1.45
2007 08	18.2	0.6	0.41	0.00	0.03	4.86	4.86	35.51	22.66	2.6	0.26	0.98	1.34	0.00	1.34
2007 09	18.0	0.5	0.39	0.00	0.03	4.86	4.86	35.51	22.66	2.5	0.25	0.98	1.25	0.00	1.25
Sub.	---	13.1	9.47	0.00	0.72	---	---	---	---	60.3	6.11	19.54	34.63	526.90	-492.27
Rem.	---	7.4	5.31	0.00	0.40	---	---	---	---	33.8	3.43	58.62	-28.26	0.00	-28.26
Total	---	20.5	14.77	0.00	1.12	---	---	---	---	94.1	9.54	78.16	6.37	526.90	-520.53

BOLACK MINERALS COMPANY  
3901 BLOOMFIELD HWY  
FARMINGTON ,NM 87401

BOLIN PAT S  
1 PARKER SQ  
2525 KELL BLVD STE 510

BP AMERICA PRODUCTION COMPANY  
ATTN KAREN CLAY - SAN JUAN BU  
WEST LAKE 1 RM 19.179  
501 WESTLAKE PARK BLVD

HOUSTON ,TX 77079

C W BOLIN PROPERTIES LTD  
813 8TH ST STE 1120  
WICHITA FALLS ,TX 763013354

CHARLES W GAY  
C/O JAMES M RAYMOND-POA  
PO BOX 291445  
KERRVILLE ,TX 780291445

CONOCOPHILLIPS COMPANY  
CHIEF LANDMAN SAN JUAN/ROCKIES  
PO BOX 2197

HOUSTON ,TX 772522197

D PHIL BOLIN  
2525 KELL BLVD S - 510  
WICHITA FALLS ,TX 76308

DAN H BOLIN  
1 PARKER SQ STE 510  
2525 KELL BLVD  
WICHITA FALLS ,TX 763081061

DAVID A PIERCE  
CITIZENS BANK AGENT FOR  
PO BOX 4140  
FARMINGTON ,NM 87499

DIRK VANHORN REEMTSMA  
556 CRESTWOOD DR

DOUGLAS CAMERON MCLEOD  
518 17TH ST STE 1455  
DENVER ,CO 80202

DUGAN PRODUCTION CORPORATION  
PO BOX 420  
FARMINGTON ,NM 874990420

OCEANSIDE ,CA 92054

FOUR STAR OIL & GAS COMPANY  
ATTN BARBARA NELMS  
PO BOX 36366  
HOUSTON ,TX 77236

J&M RAYMOND LTD  
RAYMOND & SONS I LLC GEN PARTNER  
PO BOX 291445  
KERRVILLE ,TX 780291445

JILL SOENS  
728 E 4TH AVE  
DURANGO ,CO 81301

LANCE REEMTSMA  
2601 GRANT ST  
BERKELEY ,CA 947031915

LESLIE HARDWICK OSHEA  
120 E 79TH ST APT 11E  
NEW YORK ,NY 10021

LORRAYN GAY HACKER  
C/O JAMES M RAYMOND-POA  
PO BOX 291445  
KERRVILLE ,TX 780291445

MAYDELL MILLER MAST TRUST  
JAMES M RAYMOND TRUSTEE  
PO BOX 291445  
KERRVILLE ,TX 780291445

MOORE LOYAL TRUST  
LEE WAYNE MOORE TRUSTEE  
403 N MARIENFELD  
MIDLAND ,TX 79701

PHILLIPS-SAN JUAN PARTNERS  
C/O CONOCOPHILLIPS  
PO BOX 2197

HOUSTON ,TX 772522197

R L BOLIN PROPERTIES LTD  
4245 KEMP BLVD STE 316  
WICHITA FALLS ,TX 76308

ROBERT P SOENS  
808 ENDERBY DR  
ALEXANDRIA ,VA 223022224

T H MCELVAIN OIL & GAS LTD  
PARTNERSHIP  
1050 17TH ST STE 1800  
DENVER ,CO 80265

WILLIAMS PRODUCTION COMPANY  
ONE WILLIAMS CENTER  
PO BOX 3102 MD25-1  
TULSA ,OK 74101

XTO ENERGY INC  
810 HOUSTON ST STE 2000  
FORT WORTH ,TX 761026298