



Burlington Resources Inc.
A wholly owned subsidiary

January 15, 2013

Bureau of Land Management
Attn: Mr. Wayne Townsend
6251 N. College Blvd, Suite A
Farmington, NM 87402

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 27-4 Unit (#14-08-001-1054)
Commerciality Determinations
Dakota Formation
Rio Arriba County, New Mexico

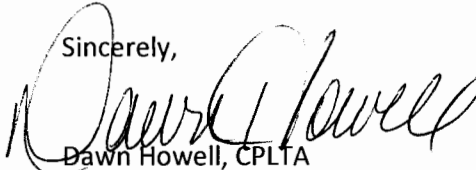
Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 27-4 Unit Agreement, #14-08-001-1054, approved, September 3, 1953, Burlington Resources Oil & Gas Company LP, as Operator, has determined that two of the three wells listed below are capable of producing unitized substances in paying quantities from the Dakota Formation. Burlington is seeking confirmation of the well determinations enclosed.

Well Name	Dedication	Lease No.	Comp. Date	Determination
SJ 27-4 Unit #32B	W/2 23-27N-4W	SF-080672	9-19-11	Non-Commercial
SJ 27-4 Unit #35M	W/2 26-27N-4W	SF-079527	9-29-11	Commercial
SJ 27-4 Unit #109M	E/2 23-27N-4W	SF-080672	10-14-11	Commercial

Upon receipt of response from the Bureau of Land Management and concurring response from the New Mexico Oil Conservation Division, the formal Participating Area Schedules will be prepared and submitted. The Non-Commercial well will continue to be reported to 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 Shara Graham at 326-9819, all other questions to the undersigned at 599-4030.

Sincerely,

Dawn Howell, CPLTA
Senior Land Analyst

SJ 27-4 Unit 4.3

SAN JUAN 27-4 UNIT
WORKING INTEREST OWNERS
DAKOTA FORMATION

BURLINGTON RESOURCES OIL & GAS COMPANY LP
CHAPPELL FAMILY TR UTA DTD JUNE 4 98
HARCO LIMITED PARTNERSHIP
TEMPE LIMITED PARTNERSHIP
TIERRA POBRE LLC

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 27-4 35M

WELL INFORMATION

LEASE SAN JUAN 27-4 35M
LOCATION 26027N04W4
COUNTY, STATE RIO ARriba, NM
FORMATION DAKOTA
PROJECT TYPE NEWDRILL
WELL TYPE GAS WELL
OPERATOR CONOCOPHILLIPS CO
SPUD DATE 5/23/2011
COMP DATE 9/29/2011
1ST DELIVERY 9/29/2011
COMM GWI % 100.00
COMM NRI % 87.50
BOARD RATE % 10.00

PRODUCTION TAXES

TAXES FOR:

RIO ARriba, NM
2012 - 2013 Commerciality

GAS % OF REVENUE

SEVERANCE:

Severance, School, Conservation

7.93

AD VALOREM:

Production, Equipment

1.40

TOTAL %:

9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

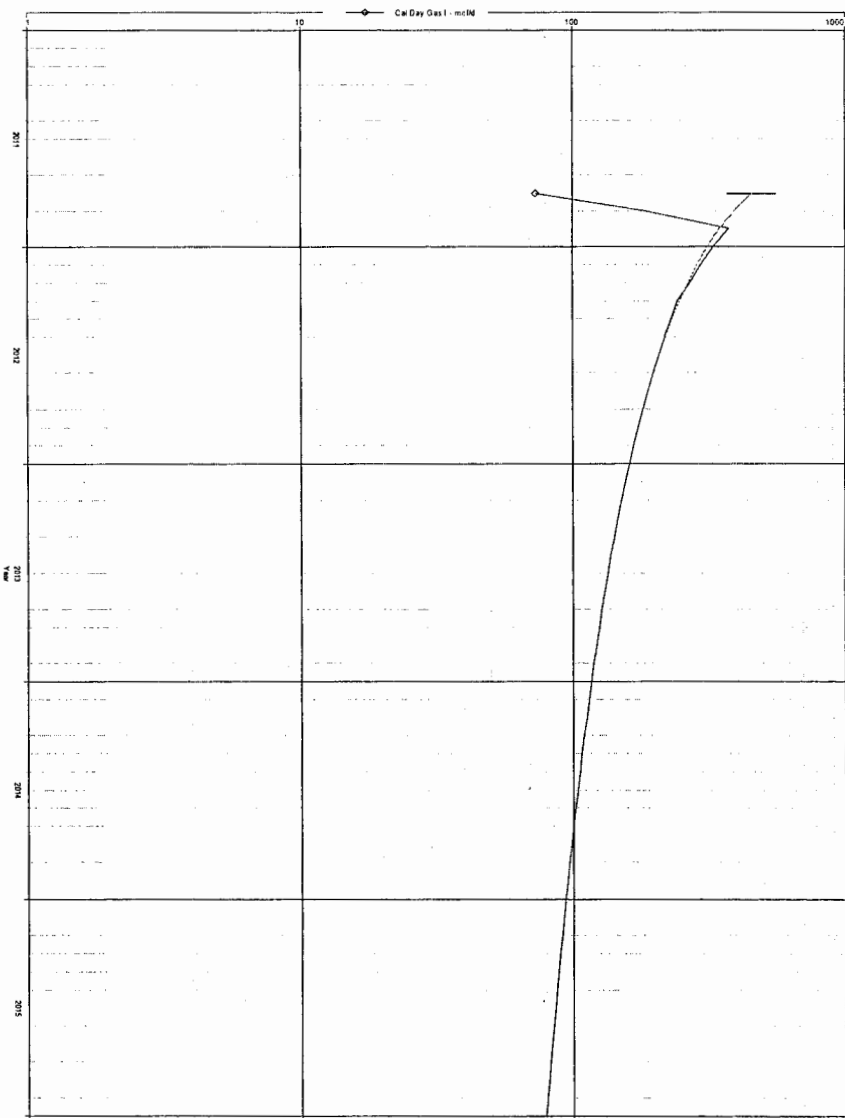
WELL COST AND ECONOMICS

918.80 M\$ AVERAGE WELL COST
447.80 MMCF ULT. GROSS GAS RESERVES
212.58 MCFFD INITIAL GAS RATE
31.07 % RATE OF RETURN
0.57 \$/\$ P/I, DISC. @ 10.00 %
522.38 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
2.74 YRS PAYOUT

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

SAN JUAN 27-4-35M

San Juan 27-4-35M 1.0250433333333333 Date: Oct 2011 to Sep 2012
 Title: BLM Data Sheet
 Zone: BLM Data Sheet
 Project: BLM Data Sheet
 Owner: BLM Data Sheet
 Date: Oct 2011 to Sep 2012
 Title: BLM Data Sheet
 Zone: BLM Data Sheet
 Project: BLM Data Sheet
 Owner: BLM Data Sheet



San Juan 27-4-35M 1.0250433333333333 Date: Oct 2011 to Sep 2012
 Title: BLM Data Sheet
 Zone: BLM Data Sheet
 Project: BLM Data Sheet
 Owner: BLM Data Sheet

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
2011(12)	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/bbl	\$/bbl	M\$	M\$	M\$	M\$	M\$	M\$
	212.6	19.6	17.08	0.00	1.82	4.86	4.86	35.51	22.66	119.0	12.13	3.20	103.69	918.80	-815.11

Peep 2011.1

**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 27-4 35M**

CASH FLOW SUMMARY

Date	Gasl Rate	Gasl Volume	Net Gas Volume	Net Cond Volume	Net Oth Volume	Gasl Price	Gas Price	Cond Price	Oth Price	Net Revenue	Prod Taxes	Total Opcosts	Total Oper Inc	Total Capital	Total BT Cash
2012(12)	224.8	82.3	71.87	0.00	7.64	4.86	4.86	35.51	22.66	500.7	51.05	12.80	436.88	0.00	436.88
2013(12)	138.0	50.4	43.99	0.00	4.67	4.86	4.86	35.51	22.66	306.5	31.24	12.80	262.42	0.00	262.42
2014(12)	105.1	38.4	33.51	0.00	3.56	4.86	4.86	35.51	22.66	233.4	23.80	12.80	196.83	0.00	196.83
2015(12)	86.7	31.7	27.66	0.00	2.94	4.86	4.86	35.51	22.66	192.7	19.64	12.80	160.24	0.00	160.24
2016(12)	74.6	27.3	23.84	0.00	2.53	4.86	4.86	35.51	22.66	166.1	16.93	12.80	136.37	0.00	136.37
2017(12)	66.2	24.2	21.10	0.00	2.24	4.86	4.86	35.51	22.66	147.0	14.99	12.80	119.21	0.00	119.21
2018(12)	59.0	21.5	18.82	0.00	2.00	4.86	4.86	35.51	22.66	131.1	13.37	12.80	104.96	0.00	104.96
2019(12)	52.7	19.2	16.79	0.00	1.78	4.86	4.86	35.51	22.66	117.0	11.93	12.80	92.25	0.00	92.25
2020(12)	46.9	17.1	14.98	0.00	1.59	4.86	4.86	35.51	22.66	104.4	10.64	12.80	80.92	0.00	80.92
2021(12)	41.9	15.3	13.36	0.00	1.42	4.86	4.86	35.51	22.66	93.1	9.49	12.80	70.81	0.00	70.81
2022(12)	37.4	13.6	11.92	0.00	1.27	4.86	4.86	35.51	22.66	83.1	8.47	12.80	61.79	0.00	61.79
2023(12)	33.4	12.2	10.64	0.00	1.13	4.86	4.86	35.51	22.66	74.1	7.55	12.80	53.75	0.00	53.75
2024(12)	29.7	10.9	9.49	0.00	1.01	4.86	4.86	35.51	22.66	66.1	6.74	12.80	46.57	0.00	46.57
2025(12)	26.6	9.7	8.47	0.00	0.90	4.86	4.86	35.51	22.66	59.0	6.01	12.80	40.16	0.00	40.16
2026(12)	23.7	8.6	7.55	0.00	0.80	4.86	4.86	35.51	22.66	52.6	5.36	12.80	34.45	0.00	34.45
2027(12)	21.1	7.7	6.74	0.00	0.72	4.86	4.86	35.51	22.66	46.9	4.79	12.80	29.35	0.00	29.35
2028(12)	18.8	6.9	6.01	0.00	0.64	4.86	4.86	35.51	22.66	41.9	4.27	12.80	24.80	0.00	24.80
2029(12)	16.8	6.1	5.36	0.00	0.57	4.86	4.86	35.51	22.66	37.4	3.81	12.80	20.75	0.00	20.75
2030(12)	15.0	5.5	4.78	0.00	0.51	4.86	4.86	35.51	22.66	33.3	3.40	12.80	17.13	0.00	17.13
Sub.	428.1	373.97	0.00	0.00	39.74	---	---	---	---	2,605.4	265.62	246.48	2,093.32	918.80	1,174.52
Rem.	19.7	17.21	0.00	0.00	1.83	---	---	---	---	119.9	12.22	64.02	43.64	0.00	43.64
Total	447.8	391.18	0.00	0.00	41.57	---	---	---	---	2,725.3	277.84	310.50	2,136.96	918.80	1,218.16

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 27-4 109M

WELL INFORMATION

LEASE SAN JUAN 27-4 109M
 LOCATION 23027N04WJ
 COUNTY, STATE RIO ARriba, NM
 FORMATION DAKOTA
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS CO
 SPUD DATE 6/29/2011
 COMP DATE 10/14/2011
 1ST DELIVERY 11/30/2011
 COMM GVI % 100.00
 COMM NRI % 87.50
 BOARD RATE % 10.00

PRODUCTION TAXES

TAXES FOR: RIO ARriba, NM
 2012 - 2013 Commerciality
 GAS % OF REVENUE

SEVERANCE:
 Severance, School, Conservation 7.93
 AD VALOREM:
 Production, Equipment 1.40
 TOTAL %: 9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

918.80 M\$ AVERAGE WELL COST
 455.94 MCF ULT. GROSS GAS RESERVES
 129.49 MCFD INITIAL GAS RATE
 27.12 % RATE OF RETURN
 0.53 \$/\$ P/Y, DISC. @ 10.00 %
 488.31 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
 3.22 YRS PAYOUT

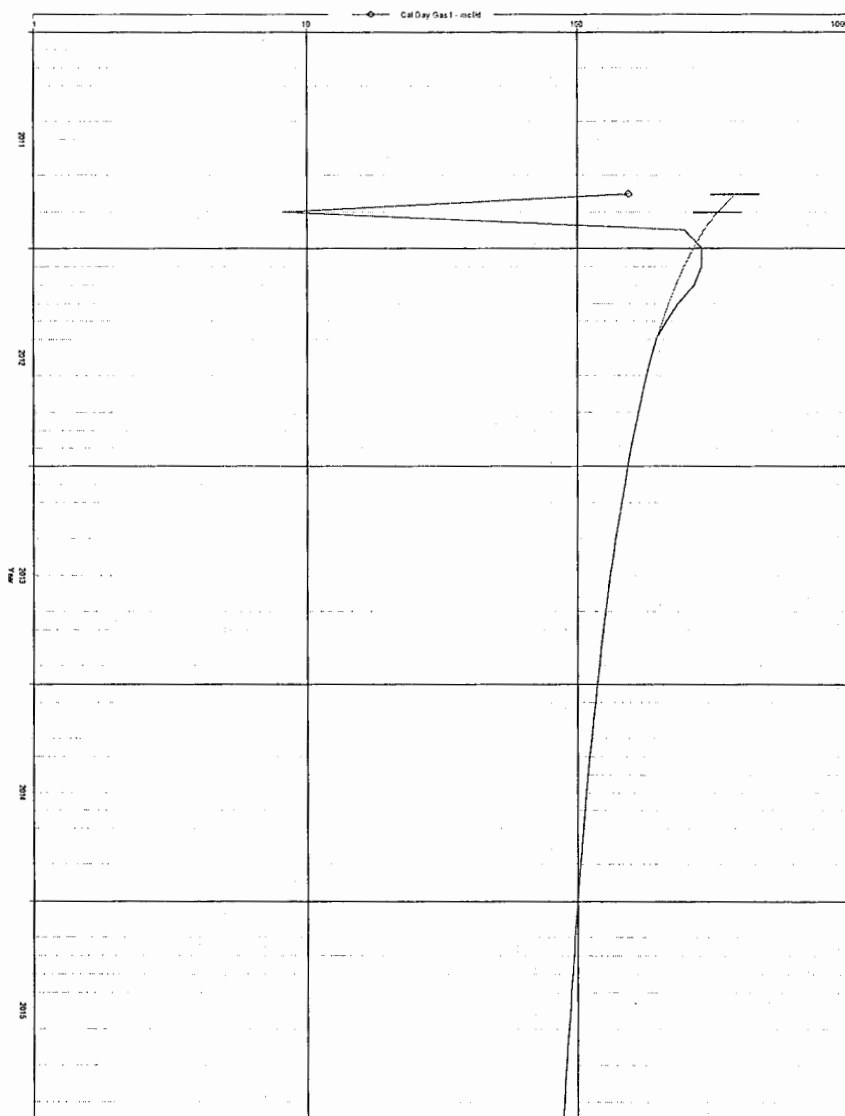
SAN JUAN 27-4 109M

SAN JUAN 27 4 UNIT (109M) (230043039304971599) Date: Oct 2011-Jan 2012

Owner	3424 NICHOLS RD	City	LAUREL
Phone	840		
Year	2004		
Type	DMOTR		
Color	Blue		

Production Costs	Cost 57.56 M\$6CF
Oil 0.000000 M\$7B	Oil Day Gas 1 FC 1 - mcf/d
Gas 57.560000 M\$6CF	Vertical Year
Water 0.239000 M\$7B	Production Rate Time
Cond 0.874000 M\$7B	Oil 350.00 mcf/d 2011-11

Cal Day/Gm: 1 FC; 1 .ac66
Vertical: Year
Relative Isp: Polar Time
Or: 300.00 ac66 2011.17
Or (rel. max.): 53.00 % (Mg→En)
Or: 4.65 ac66 2009.09
Pfr: 414.37 LABSCF
SLR: 471.92 LABSCF

[illegible]

2011(12)	mc/d	MMSCE	MMSCE	MSTR	MSTR	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	\$/M\$	\$/M\$	\$/M\$	\$/M\$	\$/M\$	\$/M\$	\$/M\$
	129.5	7.9	6.90	0.00	0.71	4.86	4.86	35.51	22.66	47.6	4.86	2.13	40.61	918.80	-878.19	

Peep 2011.1

**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 27-4 109M**

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
2012(12)	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2012(12)	208.0	76.1	66.51	0.00	6.84	4.86	4.86	35.51	22.66	458.8	46.81	12.80	399.20	0.00	399.20
2013(12)	134.7	49.2	42.94	0.00	4.41	4.86	4.86	35.51	22.66	296.2	30.22	12.80	253.20	0.00	253.20
2014(12)	109.0	39.8	34.75	0.00	3.57	4.86	4.86	35.51	22.66	239.7	24.46	12.80	202.44	0.00	202.44
2015(12)	94.0	34.3	29.98	0.00	3.08	4.86	4.86	35.51	22.66	206.8	21.10	12.80	172.90	0.00	172.90
2016(12)	83.2	30.4	26.59	0.00	2.73	4.86	4.86	35.51	22.66	183.4	18.71	12.80	151.88	0.00	151.88
2017(12)	74.2	27.1	23.64	0.00	2.43	4.86	4.86	35.51	22.66	163.1	16.64	12.80	133.66	0.00	133.66
2018(12)	65.9	24.1	21.03	0.00	2.16	4.86	4.86	35.51	22.66	145.1	14.80	12.80	117.45	0.00	117.45
2019(12)	58.6	21.4	18.70	0.00	1.92	4.86	4.86	35.51	22.66	129.0	13.16	12.80	103.04	0.00	103.04
2020(12)	52.0	19.0	16.63	0.00	1.71	4.86	4.86	35.51	22.66	114.7	11.71	12.80	90.22	0.00	90.22
2021(12)	46.4	16.9	14.79	0.00	1.52	4.86	4.86	35.51	22.66	102.0	10.41	12.80	78.81	0.00	78.81
2022(12)	41.3	15.1	13.15	0.00	1.35	4.86	4.86	35.51	22.66	90.7	9.26	12.80	68.68	0.00	68.68
2023(12)	36.7	13.4	11.70	0.00	1.20	4.86	4.86	35.51	22.66	80.7	8.23	12.80	59.66	0.00	59.66
2024(12)	32.5	11.9	10.40	0.00	1.07	4.86	4.86	35.51	22.66	71.8	7.32	12.80	51.64	0.00	51.64
2025(12)	29.0	10.6	9.25	0.00	0.95	4.86	4.86	35.51	22.66	63.8	6.51	12.80	44.51	0.00	44.51
2026(12)	25.8	9.4	8.23	0.00	0.85	4.86	4.86	35.51	22.66	56.8	5.79	12.80	38.16	0.00	38.16
2027(12)	22.9	8.4	7.32	0.00	0.75	4.86	4.86	35.51	22.66	50.5	5.15	12.80	32.52	0.00	32.52
2028(12)	20.4	7.4	6.51	0.00	0.67	4.86	4.86	35.51	22.66	44.9	4.58	12.80	27.51	0.00	27.51
2029(12)	18.2	6.6	5.79	0.00	0.59	4.86	4.86	35.51	22.66	39.9	4.07	12.80	23.05	0.00	23.05
2030(12)	16.1	5.9	5.15	0.00	0.53	4.86	4.86	35.51	22.66	35.5	3.62	12.80	19.08	0.00	19.08
Sub.	---	434.9	379.95	0.00	39.06	---	---	---	---	2,621.1	267.42	245.41	2,108.23	918.80	1,189.43
Rem.	---	21.0	18.35	0.00	1.89	---	---	---	---	126.6	12.92	64.02	49.66	0.00	49.66
Total	---	455.9	398.30	0.00	40.95	---	---	---	---	2,747.7	280.34	309.43	2,157.89	918.80	1,239.09

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 27-4 32B

WELL INFORMATION

LEASE SAN JUAN 27-4 32B
 LOCATION 23027N04WF
 COUNTY, STATE RIO ARriba, NM
 FORMATION DAKOTA
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS CO
 SPUD DATE 6/24/2011
 COMP DATE 9/19/2011
 1ST DELIVERY 8/23/2011
 COMM GWT % 100.00
 COMM NRI % 87.50
 BOARD RATE % 10.00

PRODUCTION TAXES

TAXES FOR: RIO ARriba, NM
 2012 - 2013 Commerciality
 GAS % OF REVENUE

SEVERANCE:
 Severance, School, Conservation 7.93
 AD VALOREM:
 Production, Equipment 1.40
 TOTAL %: 9.33

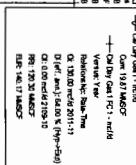
AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

918.80 M\$ AVERAGE WELL COST
 132.29 MMCF ULT. GROSS GAS RESERVES
 112.64 MCfD INITIAL GAS RATE
 0.00 % RATE OF RETURN
 -0.63 \$/\$ P/I, DISC. @ 10.00 %
 -581.96 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
 0.00 YRS PAYOUT

SAN JUAN 27-4 32B

Peep 2011.1

**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 27-4 32B**

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
2012(12)	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/bbl	\$/bbl	M\$	M\$	M\$	M\$	M\$	M\$
2012(12)	59.9	21.9	19.16	0.00	1.96	4.86	4.86	35.51	22.66	132.0	13.47	12.80	105.77	0.00	105.77
2013(12)	37.6	13.7	12.00	0.00	1.23	4.86	4.86	35.51	22.66	82.7	8.43	12.80	61.42	0.00	61.42
2014(12)	30.0	11.0	9.58	0.00	0.98	4.86	4.86	35.51	22.66	66.0	6.73	12.80	46.45	0.00	46.45
2015(12)	25.8	9.4	8.21	0.00	0.84	4.86	4.86	35.51	22.66	56.6	5.77	12.80	38.01	0.00	38.01
2016(12)	22.8	8.3	7.28	0.00	0.75	4.86	4.86	35.51	22.66	50.2	5.12	12.80	32.25	0.00	32.25
2017(12)	20.4	7.4	6.50	0.00	0.67	4.86	4.86	35.51	22.66	44.8	4.57	12.80	27.39	0.00	27.39
2018(12)	18.2	6.6	5.79	0.00	0.59	4.86	4.86	35.51	22.66	39.9	4.07	12.80	23.05	0.00	23.05
2019(12)	16.2	5.9	5.17	0.00	0.53	4.86	4.86	35.51	22.66	35.6	3.63	12.80	19.18	0.00	19.18
2020(12)	14.4	5.3	4.61	0.00	0.47	4.86	4.86	35.51	22.66	31.8	3.24	12.80	15.73	0.00	15.73
2021(12)	12.9	4.7	4.11	0.00	0.42	4.86	4.86	35.51	22.66	28.4	2.89	12.80	12.66	0.00	12.66
2022(12)	11.5	4.2	3.67	0.00	0.38	4.86	4.86	35.51	22.66	25.3	2.58	12.80	9.91	0.00	9.91
2023(12)	10.3	3.7	3.27	0.00	0.34	4.86	4.86	35.51	22.66	22.6	2.30	12.80	7.46	0.00	7.46
2024(12)	9.1	3.3	2.92	0.00	0.30	4.86	4.86	35.51	22.66	20.1	2.05	12.80	5.27	0.00	5.27
2025(12)	8.2	3.0	2.61	0.00	0.27	4.86	4.86	35.51	22.66	18.0	1.83	12.80	3.32	0.00	3.32
2026(12)	7.3	2.7	2.33	0.00	0.24	4.86	4.86	35.51	22.66	16.0	1.63	12.80	1.58	0.00	1.58
2027(12)	6.6	1.6	1.41	0.00	0.14	4.86	4.86	35.51	22.66	9.7	0.99	8.54	0.18	0.00	0.18
Total	---	119.8	104.63	0.00	10.71	---	---	---	---	720.9	73.56	202.73	444.64	918.80	-474.16