



Burlington Resources Inc.
A wholly owned subsidiary

August 12, 2013

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

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 28-6 Unit (#14-08-001-1051)
Commerciality Determination
Mancos Formation
Rio Arriba County, New Mexico

RECEIVED OGD
2013 AUG 13 P 2:59

Gentlemen:

Pursuant to the provisions of Section 11 (a) of the San Juan 28-6 Unit Agreement, #14-08-001-1051, approved, August 31, 1953, Burlington Resources Oil & Gas Company, as Operator, has determined that the well listed below is not capable of producing unitized substances in paying quantities from the Mancos formation. Burlington is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Comp. Date	Determination
SJ 28-6 Unit #117N	ALL 10-28N-06W	SF-080505-A	4-26-11	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, this well will continue to report to its Communitization Agreement NMNM 130825.

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 28-6 Unit 4.4

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-6 117N

WELL INFORMATION

LEASE	SAN JUAN 28-6 117N
LOCATION	10028N06WJ
COUNTY, STATE	RIO ARRIBA, NM
FORMATION	MANCOS
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	1/12/2010
COMP DATE	4/26/2011
1ST DELIVERY	4/26/2011
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR:	RIO ARRIBA, NM
	2012 - 2013 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

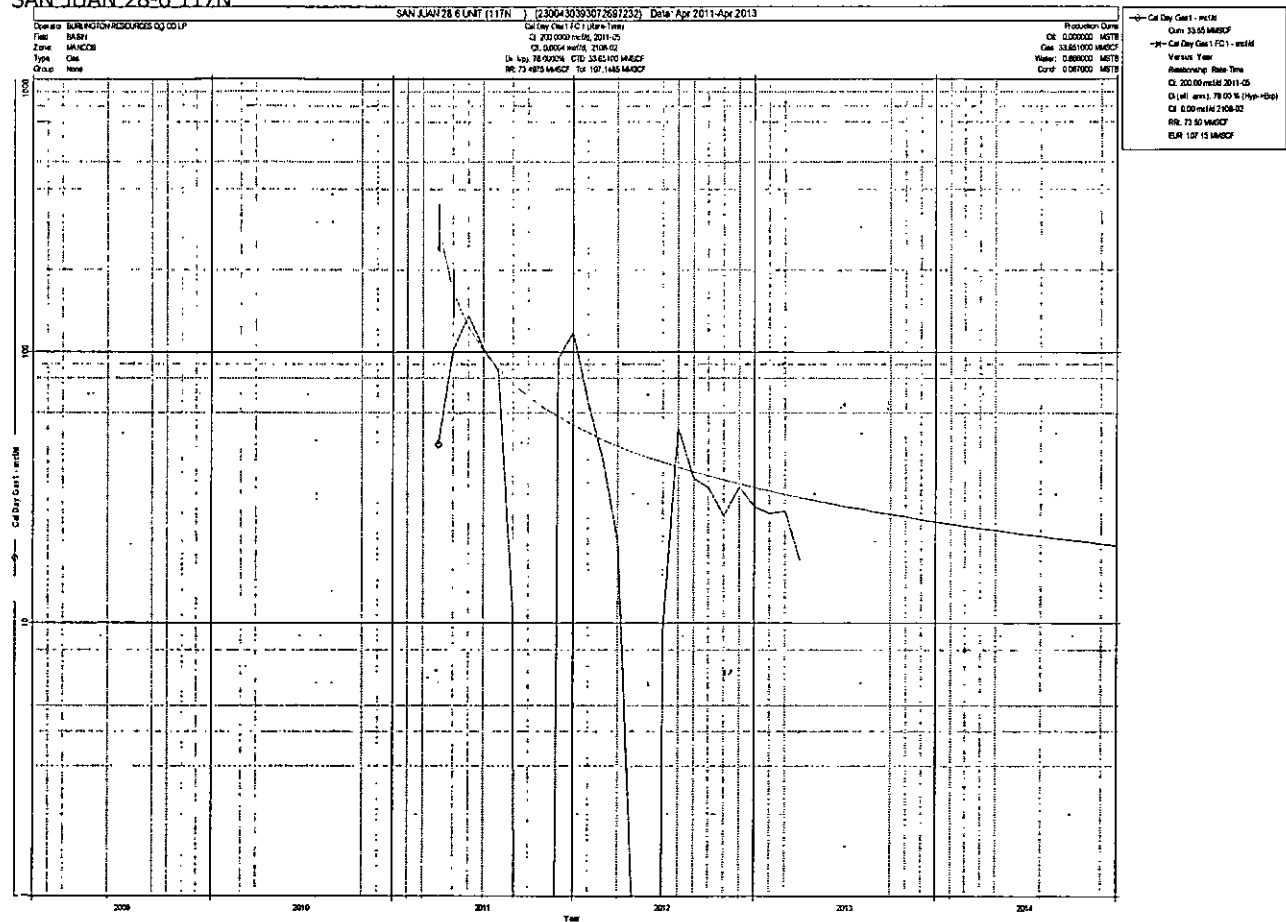
1,000	MMBtu / Mcf
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WELL COST AND ECONOMICS

723.00	M\$	AVERAGE WELL COST
101.78	MMCF	ULT. GROSS GAS RESERVES
45.77	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.80	\$/ \$	P/I, DISC. @ 10.00 %
-579.38	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

SAN JUAN 28-6 117N



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	M\$	M\$	M\$	M\$	M\$	M\$
2011 04	45.8	1.4	0.97	0.00	0.12	4.86	4.86	35.51	22.66	7.2	0.73	1.34	5.09	723.00	-717.91

Peep 2011.1

07/30/2013 11:57

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-6 117N

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	M\$	M\$	M\$	M\$	M\$	M\$
2011 05	101.9	3.2	2.24	0.01	0.27	4.86	4.86	35.51	22.66	16.5	1.67	1.34	13.47	0.00	13.47
2011 06	135.7	4.1	2.88	0.01	0.35	4.86	4.86	35.51	22.66	21.2	2.15	1.34	17.73	0.00	17.73
2011 07	102.6	3.2	2.25	0.01	0.27	4.86	4.86	35.51	22.66	16.6	1.68	1.34	13.56	0.00	13.56
2011 08	85.2	2.6	1.87	0.01	0.23	4.86	4.86	35.51	22.66	13.8	1.40	1.34	11.03	0.00	11.03
2011 09	10.9	0.3	0.23	0.00	0.03	4.86	4.86	35.51	22.66	1.7	0.17	1.34	0.20	0.00	0.20
2011 10	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.34	-1.34	0.00	-1.34
2011 11	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.34	-1.34	0.00	-1.34
2011 12	94.2	2.9	2.06	0.01	0.25	4.86	4.86	35.51	22.66	15.2	1.55	1.34	12.34	0.00	12.34
2012 01	118.1	3.7	2.59	0.01	0.31	2.31	2.31	81.16	33.37	15.8	1.55	1.34	12.89	0.00	12.89
2012 02	65.9	1.9	1.35	0.00	0.16	2.31	2.31	81.16	33.37	8.2	0.81	1.34	6.09	0.00	6.09
2012 03	40.2	1.2	0.88	0.00	0.11	2.31	2.31	81.16	33.37	5.4	0.53	1.34	3.50	0.00	3.50
2012 04	20.1	0.6	0.43	0.00	0.05	2.31	2.31	81.16	33.37	2.6	0.26	1.34	1.01	0.00	1.01
2012 05	0.9	0.0	0.02	0.00	0.00	2.31	2.31	81.16	33.37	0.1	0.01	1.34	-1.23	0.00	-1.23
2012 06	0.0	0.0	0.00	0.00	0.00	2.31	2.31	81.16	33.37	0.0	0.00	1.34	-1.34	0.00	-1.34
2012 07	9.5	0.3	0.21	0.00	0.03	2.31	2.31	81.16	33.37	1.3	0.13	1.34	-0.19	0.00	-0.19
2012 08	52.7	1.6	1.16	0.00	0.14	2.31	2.31	81.16	33.37	7.0	0.69	1.34	5.01	0.00	5.01
2012 09	34.2	1.0	0.73	0.00	0.09	2.31	2.31	81.16	33.37	4.4	0.43	1.34	2.65	0.00	2.65
2012 10	31.7	1.0	0.70	0.00	0.08	2.31	2.31	81.16	33.37	4.2	0.42	1.34	2.48	0.00	2.48
2012 11	24.9	0.7	0.53	0.00	0.06	2.31	2.31	81.16	33.37	3.2	0.32	1.34	1.57	0.00	1.57
Sub.	---	29.8	21.08	0.07	2.56	---	---	---	---	144.4	14.50	26.76	103.18	723.00	-619.82
Rem.	---	41.7	29.48	0.10	3.57	---	---	---	---	179.7	17.67	104.36	57.65	0.00	57.65
Total	---	71.5	50.57	0.17	6.13	---	---	---	---	324.1	32.17	131.12	160.83	723.00	-562.17