



286

August 21, 2013

BROG GP LLC.
A wholly owned subsidiary

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
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: Huerfanito Unit (#1 Sec. No. 943)
Commerciality Determinations
Mancos Formation
San Juan County, New Mexico

RECEIVED OGD
2013 AUG 22 P 2:27

Pursuant to the provisions of Section 11(a) of the Huerfanito Unit Agreement, #1 Sec. No. 943, approved June 2, 1952, 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 Mancos Formation. Burlington is seeking confirmation of the paying well determinations enclosed.

Well Name	Dedication	Dedicated Lse.	Compl. Date	Determination
Huerfanito Unit 79N	E/2 26-27N-9W	NMSF-078358	5-9-12	<i>Non-Commercial</i>
Huerfanito Unit #85M	W/2 26-27N-9W	NMSF-078356-A	5-24-12	<i>Non-Commercial</i>

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 their respected 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

File: Huerfanito Unit 4.4

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 79N

WELL INFORMATION

LEASE	HUERFANITO UNIT 79N
LOCATION	3327N09WP
COUNTY, STATE	SAN JUAN, NM
FORMATION	MANCOS
PROJECT TYPE	NEWDRIILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	3/8/2012
COMP DATE	6/26/2012
1ST DELIVERY	5/9/2012
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
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PRODUCTION TAXES

TAXES FOR:	SAN JUAN, NM
	2012 - 2013 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.26
TOTAL %:	9.19

WELL COST AND ECONOMICS

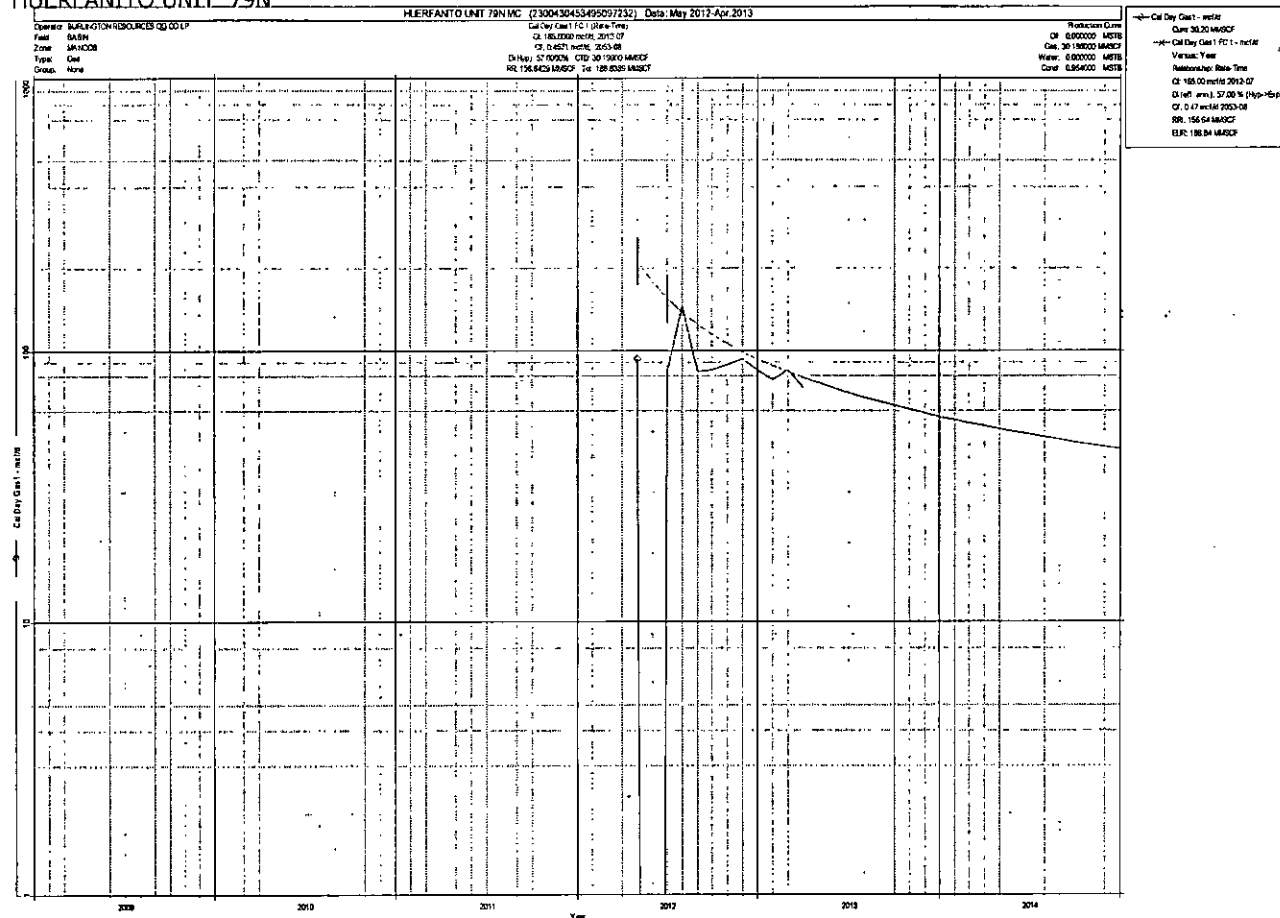
591.80	M\$	AVERAGE WELL COST
175.54	MMCF	ULT. GROSS GAS RESERVES
83.48	MCFD	INITIAL GAS RATE
8.64	%	RATE OF RETURN
-0.03	\$/ \$	P/I, DISC. @ 10.00 %
-18.82	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
5.75	YRS	PAYOUT

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

HUERFANITO UNIT 79N



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\$
2012 07	83.5	2.6	1.66	0.13	0.36	2.31	2.31	81.16	33.37	23.7	2.26	1.34	20.05	591.80	-571.75

Peep 2011.1

07/30/2013 10:35

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 79N

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\$
2012 08	145.8	4.5	2.90	0.13	0.63	2.31	2.31	81.16	33.37	34.1	3.27	1.34	29.45	0.00	29.45
2012 09	83.2	2.5	1.60	0.09	0.35	2.31	2.31	81.16	33.37	20.2	1.94	1.34	16.95	0.00	16.95
2012 10	84.5	2.6	1.68	0.09	0.37	2.31	2.31	81.16	33.37	21.1	2.03	1.34	17.77	0.00	17.77
2012 11	88.2	2.6	1.70	0.11	0.37	2.31	2.31	81.16	33.37	22.3	2.14	1.34	18.86	0.00	18.86
2012 12	92.7	2.9	1.84	0.09	0.40	2.31	2.31	81.16	33.37	22.2	2.13	1.34	18.72	0.00	18.72
2013 01	84.4	2.6	1.68	0.08	0.37	2.31	2.31	81.16	33.37	20.4	1.96	1.34	17.10	0.00	17.10
2013 02	77.5	2.2	1.39	0.08	0.30	2.31	2.31	81.16	33.37	17.9	1.72	1.34	14.85	0.00	14.85
2013 03	84.3	2.6	1.68	0.08	0.37	2.31	2.31	81.16	33.37	20.2	1.94	1.34	16.89	0.00	16.89
2013 04	72.6	2.2	1.40	0.08	0.31	2.31	2.31	81.16	33.37	17.9	1.71	1.34	14.84	0.00	14.84
2013 05	74.2	2.3	1.47	0.08	0.32	2.31	2.31	81.16	33.37	18.3	1.75	1.34	15.18	0.00	15.18
2013 06	73.5	2.2	1.41	0.07	0.31	2.31	2.31	81.16	33.37	17.4	1.66	1.34	14.35	0.00	14.35
2013 07	68.3	2.1	1.36	0.07	0.30	2.31	2.31	81.16	33.37	16.5	1.59	1.34	13.61	0.00	13.61
2013 08	65.8	2.0	1.31	0.06	0.29	2.31	2.31	81.16	33.37	15.8	1.52	1.34	12.95	0.00	12.95
2013 09	65.6	2.0	1.26	0.06	0.28	2.31	2.31	81.16	33.37	15.1	1.45	1.34	12.35	0.00	12.35
2013 10	61.4	1.9	1.22	0.06	0.27	2.31	2.31	81.16	33.37	14.5	1.40	1.34	11.80	0.00	11.80
2013 11	61.4	1.8	1.18	0.05	0.26	2.31	2.31	81.16	33.37	14.0	1.34	1.34	11.30	0.00	11.30
2013 12	57.6	1.8	1.15	0.05	0.25	2.31	2.31	81.16	33.37	13.5	1.29	1.34	10.84	0.00	10.84
2014 01	56.0	1.7	1.11	0.05	0.24	2.31	2.31	81.16	33.37	13.0	1.25	1.34	10.42	0.00	10.42
2014 02	60.2	1.7	1.08	0.04	0.24	2.31	2.31	81.16	33.37	12.6	1.21	1.34	10.03	0.00	10.03
Sub.	---	46.9	30.08	1.54	6.57	---	---	---	---	370.6	35.55	26.76	308.32	591.80	-283.48
Rem.	---	112.6	72.21	1.59	15.78	---	---	---	---	740.6	71.31	231.47	437.82	0.00	437.82
Total	---	159.5	102.29	3.13	22.35	---	---	---	---	1,111.2	106.87	258.23	746.14	591.80	154.34

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 85M

WELL INFORMATION

LEASE	HUERFANITO UNIT 85M
LOCATION	2627N09WC
COUNTY, STATE	SAN JUAN, NM
FORMATION	MANCOS
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	3/9/2012
COMP DATE	5/24/2012
1ST DELIVERY	5/23/2012
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
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PRODUCTION TAXES

TAXES FOR:	SAN JUAN, NM
	2012 - 2013 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.26
TOTAL %:	9.19

WELL COST AND ECONOMICS

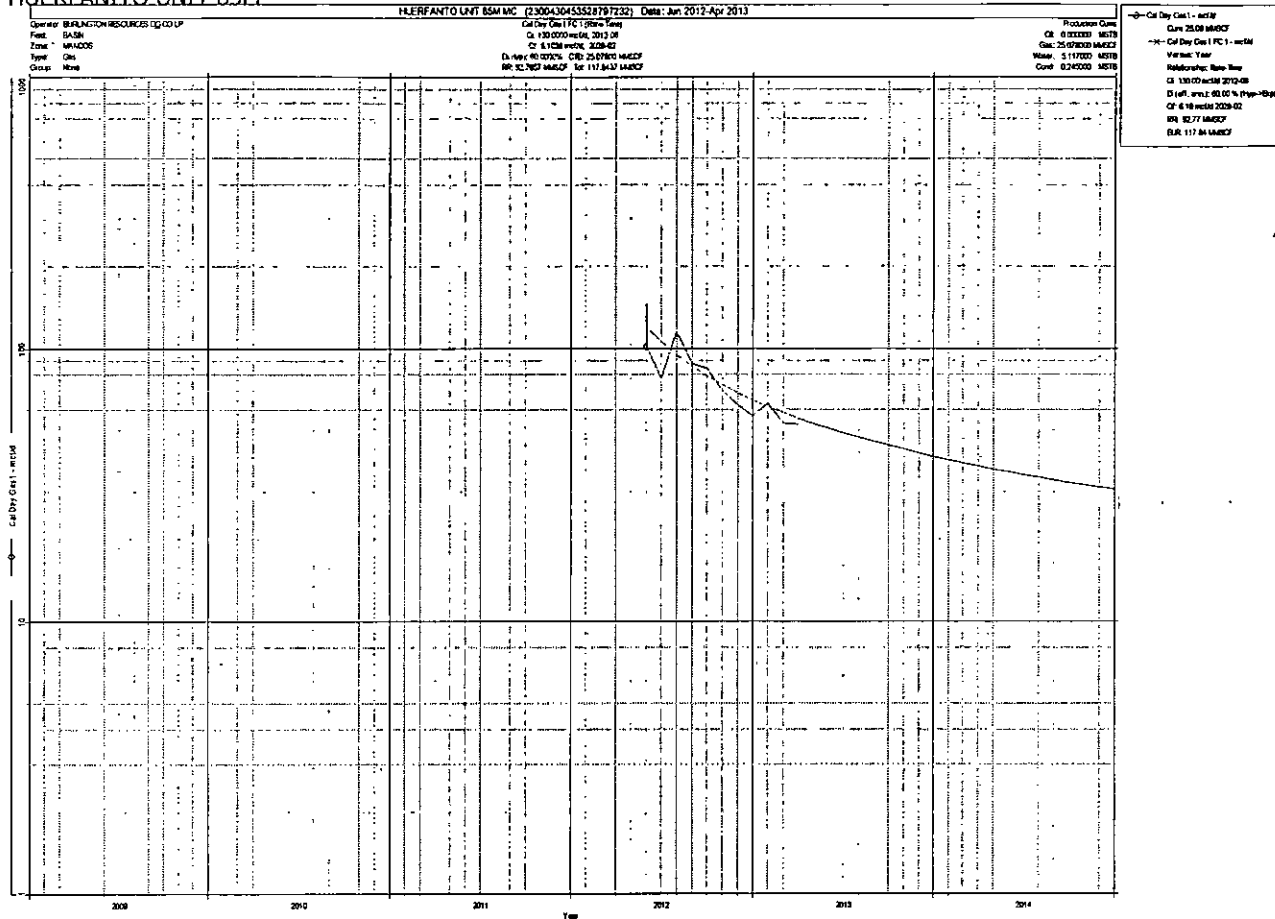
606.69	M\$	AVERAGE WELL COST
117.84	MMCF	ULT. GROSS GAS RESERVES
101.47	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.49	\$/ \$	P/I, DISC. @ 10.00 %
-300.01	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

HUERFANTO UNIT 85M



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\$
2012 06	101.5	3.0	1.96	0.00	0.42	2.31	2.31	81.16	33.37	16.7	1.62	1.34	13.76	606.69	-592.93

Peep 2011.1

07/30/2013 10:44

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 85M

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\$
2012 07	77.5	2.4	1.54	0.03	0.33	2.31	2.31	81.16	33.37	15.6	1.50	1.34	12.76	0.00	12.76
2012 08	115.7	3.6	2.31	0.05	0.49	2.31	2.31	81.16	33.37	23.3	2.25	1.34	19.73	0.00	19.73
2012 09	87.5	2.6	1.69	0.02	0.36	2.31	2.31	81.16	33.37	15.8	1.52	1.34	12.91	0.00	12.91
2012 10	84.4	2.6	1.68	0.03	0.36	2.31	2.31	81.16	33.37	16.6	1.60	1.34	13.70	0.00	13.70
2012 11	69.9	2.1	1.35	0.02	0.29	2.31	2.31	81.16	33.37	13.1	1.26	1.34	10.48	0.00	10.48
2012 12	62.4	1.9	1.24	0.02	0.27	2.31	2.31	81.16	33.37	11.7	1.13	1.34	9.28	0.00	9.28
2013 01	57.0	1.8	1.14	0.03	0.24	2.31	2.31	81.16	33.37	11.8	1.14	1.34	9.36	0.00	9.36
2013 02	63.3	1.8	1.14	0.01	0.24	2.31	2.31	81.16	33.37	10.4	1.01	1.34	8.09	0.00	8.09
2013 03	53.4	1.7	1.06	0.02	0.23	2.31	2.31	81.16	33.37	10.8	1.04	1.34	8.41	0.00	8.41
2013 04	52.7	1.6	1.02	0.01	0.22	2.31	2.31	81.16	33.37	9.2	0.89	1.34	6.95	0.00	6.95
2013 05	52.2	1.6	1.04	0.01	0.22	2.31	2.31	81.16	33.37	9.8	0.94	1.34	7.51	0.00	7.51
2013 06	51.7	1.6	1.00	0.01	0.21	2.31	2.31	81.16	33.37	9.4	0.90	1.34	7.12	0.00	7.12
2013 07	48.1	1.5	0.96	0.01	0.20	2.31	2.31	81.16	33.37	9.0	0.87	1.34	6.77	0.00	6.77
2013 08	46.4	1.4	0.92	0.01	0.20	2.31	2.31	81.16	33.37	8.6	0.83	1.34	6.45	0.00	6.45
2013 09	46.3	1.4	0.89	0.01	0.19	2.31	2.31	81.16	33.37	8.3	0.80	1.34	6.16	0.00	6.16
2013 10	43.3	1.3	0.86	0.01	0.18	2.31	2.31	81.16	33.37	8.0	0.77	1.34	5.90	0.00	5.90
2013 11	43.4	1.3	0.84	0.01	0.18	2.31	2.31	81.16	33.37	7.7	0.75	1.34	5.65	0.00	5.65
2013 12	40.7	1.3	0.81	0.01	0.17	2.31	2.31	81.16	33.37	7.5	0.72	1.34	5.43	0.00	5.43
2014 01	39.5	1.2	0.79	0.01	0.17	2.31	2.31	81.16	33.37	7.3	0.70	1.34	5.22	0.00	5.22
Sub.	---	37.7	24.23	0.33	5.17	---	---	---	---	230.6	22.25	26.76	181.62	606.69	-425.07
Rem.	---	72.2	46.39	0.23	9.90	---	---	---	---	412.9	39.90	176.62	196.38	0.00	196.38
Total	---	109.9	70.62	0.57	15.07	---	---	---	---	643.5	62.14	203.38	378.00	606.69	-228.69

**HUERFANITO UNIT #79N and #85M
WORKING INTEREST OWNERS
MANCOS FORMATION**

Burlington Resources
ConocoPhillips Company
Elizabeth J Turner Calloway
J Glenn Turner, Jr.
Mary Frances Turner Trust #6743