



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 OCD
2013 AUG 22 P 2:27

Gentlemen:

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 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 #88N	E/2 23-27N-9W	NMSF-078356	6-6-12	Commercial
Huerfanito Unit #99E	W/2 35-27N-9W	NMSF-080117	6-25-12	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 formal Participating Area Schedules will be prepared and submitted.

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
HURFANITO UNIT 88N

WELL INFORMATION

LEASE	HURFANITO UNIT 88N
LOCATION	2327N09WJ
COUNTY, STATE	SAN JUAN, NM
FORMATION	MANCOS
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	3/27/2012
COMP DATE	6/6/2012
1ST DELIVERY	7/2/2012
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
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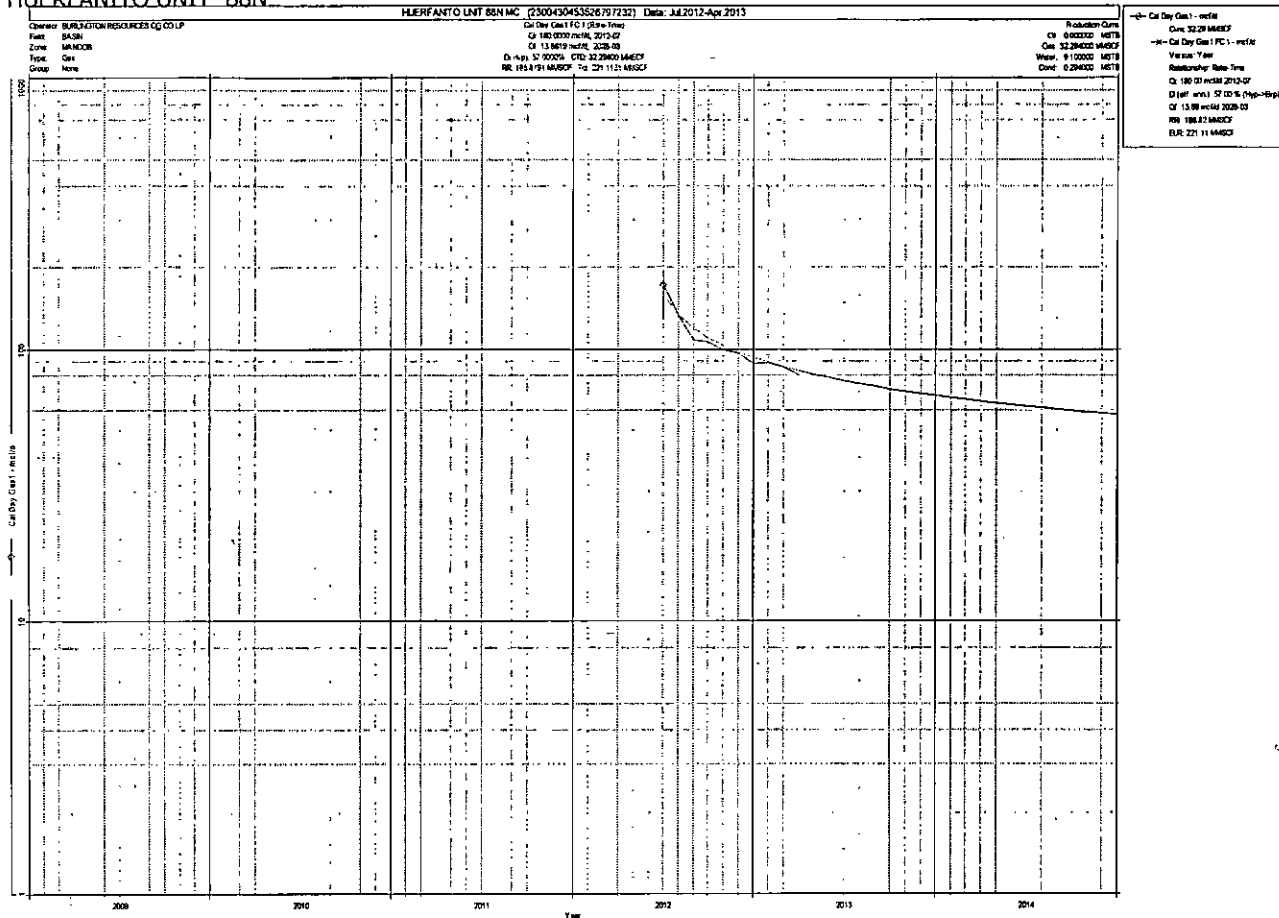
PRODUCTION TAXES

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

WELL COST AND ECONOMICS

572.03	M\$	AVERAGE WELL COST
221.11	MMCF	ULT. GROSS GAS RESERVES
172.35	MCFD	INITIAL GAS RATE
18.10	%	RATE OF RETURN
0.25	\$/	P/I, DISC. @ 10.00 %
142.59	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
4.34	YRS	PAYOUT

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET HUERFANITO UNIT 88N



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	172.4	5.3	3.43	0.06	0.76	2.31	2.31	81.16	33.37	34.5	3.33	1.34	29.88	572.03	-542.15

Peep 2011.1

07/30/2013 13:16

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 88N

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	134.6	4.2	2.68	0.05	0.59	2.31	2.31	81.16	33.37	27.0	2.60	1.34	23.05	0.00	23.05
2012 09	107.7	3.2	2.07	0.04	0.46	2.31	2.31	81.16	33.37	20.9	2.01	1.34	17.54	0.00	17.54
2012 10	106.6	3.3	2.12	0.04	0.47	2.31	2.31	81.16	33.37	21.4	2.06	1.34	17.98	0.00	17.98
2012 11	99.2	3.0	1.91	0.04	0.42	2.31	2.31	81.16	33.37	19.2	1.85	1.34	16.04	0.00	16.04
2012 12	96.4	3.0	1.92	0.04	0.42	2.31	2.31	81.16	33.37	19.3	1.86	1.34	16.12	0.00	16.12
2013 01	88.0	2.7	1.75	0.03	0.39	2.31	2.31	81.16	33.37	17.6	1.70	1.34	14.60	0.00	14.60
2013 02	88.9	2.5	1.60	0.03	0.35	2.31	2.31	81.16	33.37	16.1	1.55	1.34	13.20	0.00	13.20
2013 03	85.3	2.6	1.70	0.03	0.37	2.31	2.31	81.16	33.37	17.1	1.65	1.34	14.11	0.00	14.11
2013 04	80.5	2.4	1.55	0.03	0.34	2.31	2.31	81.16	33.37	15.6	1.50	1.34	12.76	0.00	12.76
2013 05	79.2	2.5	1.57	0.03	0.35	2.31	2.31	81.16	33.37	15.9	1.53	1.34	13.00	0.00	13.00
2013 06	79.6	2.4	1.53	0.03	0.34	2.31	2.31	81.16	33.37	15.4	1.49	1.34	12.61	0.00	12.61
2013 07	75.1	2.3	1.49	0.03	0.33	2.31	2.31	81.16	33.37	15.0	1.45	1.34	12.25	0.00	12.25
2013 08	73.3	2.3	1.46	0.03	0.32	2.31	2.31	81.16	33.37	14.7	1.41	1.34	11.94	0.00	11.94
2013 09	74.1	2.2	1.43	0.03	0.31	2.31	2.31	81.16	33.37	14.4	1.38	1.34	11.64	0.00	11.64
2013 10	70.2	2.2	1.40	0.03	0.31	2.31	2.31	81.16	33.37	14.1	1.36	1.34	11.38	0.00	11.38
2013 11	71.1	2.1	1.37	0.03	0.30	2.31	2.31	81.16	33.37	13.8	1.33	1.34	11.13	0.00	11.13
2013 12	67.6	2.1	1.34	0.03	0.30	2.31	2.31	81.16	33.37	13.5	1.30	1.34	10.90	0.00	10.90
2014 01	66.4	2.1	1.32	0.02	0.29	2.31	2.31	81.16	33.37	13.3	1.28	1.34	10.69	0.00	10.69
2014 02	72.3	2.0	1.30	0.02	0.29	2.31	2.31	81.16	33.37	13.1	1.26	1.34	10.49	0.00	10.49
Sub.	---	54.4	34.94	0.66	7.70	---	---	---	---	352.0	33.91	26.76	291.30	572.03	-280.73
Rem.	---	166.7	106.95	2.01	23.56	---	---	---	---	1,077.4	103.79	224.78	748.86	0.00	748.86
Total	---	221.1	141.88	2.66	31.25	---	---	---	---	1,429.4	137.70	251.54	1,040.17	572.03	468.14

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUEFANITO UNIT 99E

WELL INFORMATION

LEASE	HUEFANITO UNIT 99E
LOCATION	3527N09WF
COUNTY, STATE	SAN JUAN, NM
FORMATION	MANCOS
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	3/15/2012
COMP DATE	6/23/2012
1ST DELIVERY	6/23/2012
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

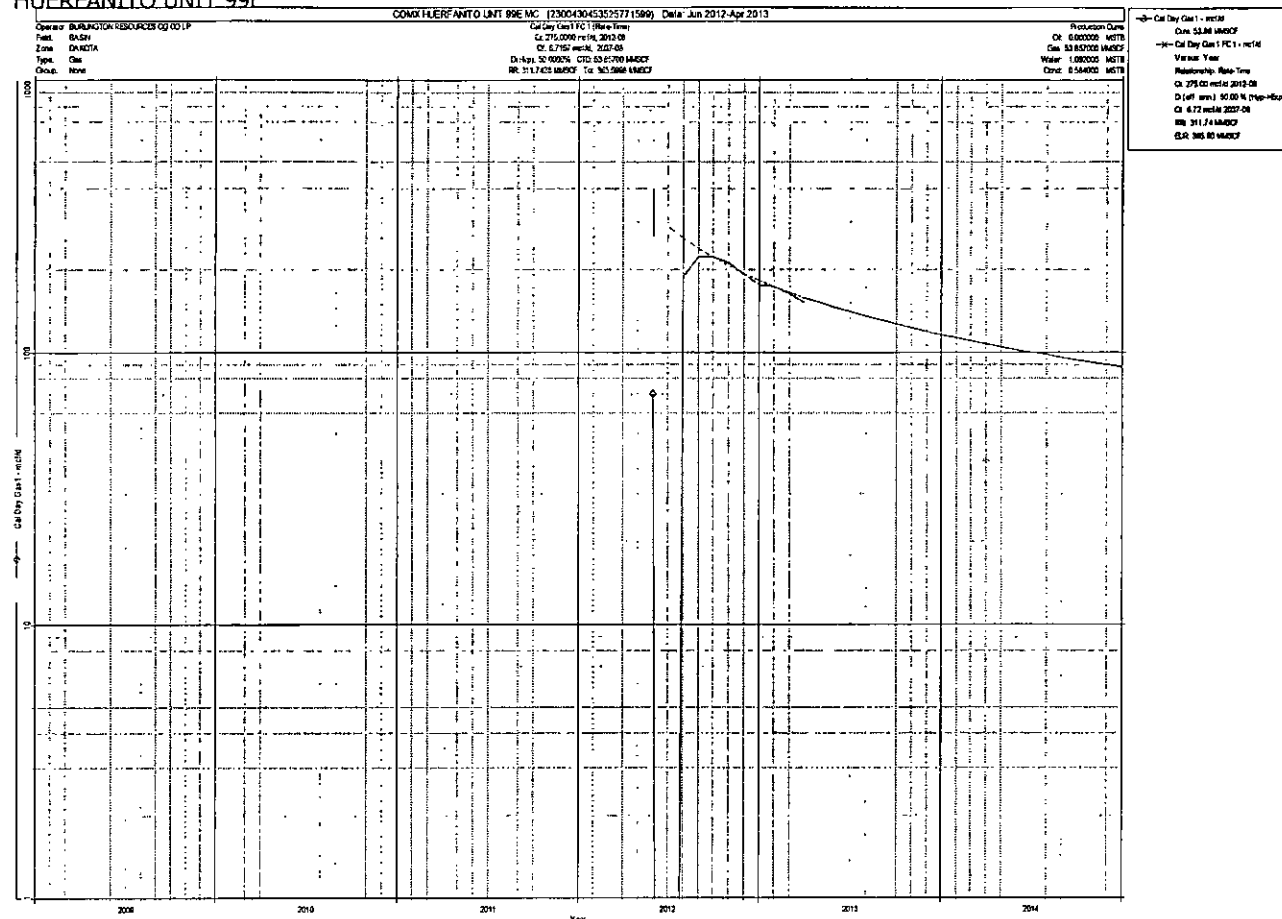
642.21	M\$	AVERAGE WELL COST
362.00	MMCF	ULT. GROSS GAS RESERVES
188.32	MCFD	INITIAL GAS RATE
43.22	%	RATE OF RETURN
0.84	\$/	P/I, DISC. @ 10.00 %
536.73	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
2.18	YRS	PAYOUT

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

HUERFANITO UNIT 99F



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	188.3	5.8	3.75	0.08	0.82	2.31	2.31	81.16	33.37	38.1	3.67	1.34	33.05	642.21	-609.16

Peep 2011.1

07/31/2013 11:26

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 99E

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 09	223.0	6.7	4.29	0.09	0.94	2.31	2.31	81.16	33.37	43.6	4.20	1.34	38.08	0.00	38.08
2012 10	224.0	6.9	4.46	0.09	0.98	2.31	2.31	81.16	33.37	45.3	4.36	1.34	39.56	0.00	39.56
2012 11	211.9	6.4	4.08	0.08	0.90	2.31	2.31	81.16	33.37	41.4	3.99	1.34	36.12	0.00	36.12
2012 12	192.3	6.0	3.82	0.08	0.84	2.31	2.31	81.16	33.37	38.9	3.74	1.34	33.77	0.00	33.77
2013 01	176.5	5.5	3.51	0.07	0.77	2.31	2.31	81.16	33.37	35.7	3.44	1.34	30.90	0.00	30.90
2013 02	173.8	4.9	3.12	0.06	0.69	2.31	2.31	81.16	33.37	31.7	3.06	1.34	27.33	0.00	27.33
2013 03	163.3	5.1	3.25	0.07	0.71	2.31	2.31	81.16	33.37	33.0	3.18	1.34	28.49	0.00	28.49
2013 04	151.6	4.5	2.92	0.06	0.64	2.31	2.31	81.16	33.37	29.6	2.85	1.34	25.45	0.00	25.45
2013 05	148.7	4.6	2.96	0.06	0.65	2.31	2.31	81.16	33.37	30.1	2.89	1.34	25.82	0.00	25.82
2013 06	147.6	4.4	2.84	0.06	0.62	2.31	2.31	81.16	33.37	28.9	2.78	1.34	24.75	0.00	24.75
2013 07	137.5	4.3	2.74	0.06	0.60	2.31	2.31	81.16	33.37	27.8	2.68	1.34	23.77	0.00	23.77
2013 08	132.7	4.1	2.64	0.05	0.58	2.31	2.31	81.16	33.37	26.8	2.58	1.34	22.89	0.00	22.89
2013 09	132.5	4.0	2.55	0.05	0.56	2.31	2.31	81.16	33.37	25.9	2.50	1.34	22.08	0.00	22.08
2013 10	124.1	3.8	2.47	0.05	0.54	2.31	2.31	81.16	33.37	25.1	2.42	1.34	21.33	0.00	21.33
2013 11	124.3	3.7	2.39	0.05	0.53	2.31	2.31	81.16	33.37	24.3	2.34	1.34	20.64	0.00	20.64
2013 12	116.8	3.6	2.32	0.05	0.51	2.31	2.31	81.16	33.37	23.6	2.27	1.34	20.00	0.00	20.00
2014 01	113.6	3.5	2.26	0.05	0.50	2.31	2.31	81.16	33.37	23.0	2.21	1.34	19.40	0.00	19.40
2014 02	122.4	3.4	2.20	0.04	0.48	2.31	2.31	81.16	33.37	22.3	2.15	1.34	18.85	0.00	18.85
2014 03	107.7	3.3	2.14	0.04	0.47	2.31	2.31	81.16	33.37	21.8	2.10	1.34	18.33	0.00	18.33
Sub.	---	94.6	60.71	1.23	13.33	---	---	---	---	616.8	59.40	26.76	530.59	642.21	-111.62
Rem.	---	266.7	171.17	3.46	37.59	---	---	---	---	1,738.8	167.47	361.26	1,210.08	0.00	1,210.08
Total	---	361.3	231.88	4.69	50.92	---	---	---	---	2,355.6	226.87	388.02	1,740.67	642.21	1,098.46