

BURLINGTON RESOURCES

San Juan Division

RECEIVED

August 17, 2005

AUG 18 2005

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
1235 La Plata Highway
Farmington, NM 87401

OIL CONSERVATION
DIVISION

State of New Mexico
Commissioner of Public Lands
Attn: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, NM 87504-1148

State of New Mexico
Oil Conservation Division
Attn: Ms. Lori Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

*WV
RTH
already
and contacted
9/2/05*

RE: San Juan 32-9 Unit (#14-08-001-569)
Commercial Determinations
Fruitland Coal Formation
San Juan County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-9 Unit Agreement, #14-08-001-569, approved, June 26, 1953, Burlington Resources Oil & Gas Company LP, as Operator, has previously determined that the San Juan 32-9 Unit #241 well was non-commercial as of October 17, 2003. Since that determination, a six-month review of increased production as of January 1, 2005, Burlington Resources has determined that this well is capable of producing unitized substances in paying quantities from the Fruitland Coal Formation. Burlington is seeking confirmation of the paying well determination enclosed.

<u>BROG's</u> <u>AIN No.</u>	<u>Well Name</u> <u>& Number</u>	<u>Well</u> <u>Dedication</u>	<u>Dedicated</u> <u>Lease</u>	<u>Review</u> <u>Date</u>	<u>Commerciality</u> <u>Determination</u>
83676401	San Juan 32-9 Unit #241	W/2 Sec. 13-32N-9W	SF-079322	1/01/2005	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 are being sent to the working interest owners on the attached sheet. If you have any questions or need any additional information, please contact the undersigned at (505) 326-9860.

Very truly yours,

Marian L. Wimsatt

Marian L. Wimsatt, CPLTA, CPL
Senior Land Analyst

MLW:ll
San Juan 32-9 Unit, 4.5

WORKING INTEREST OWNERS SAN JUAN 32-9 UNIT

JOHN S BROWN JR

BP AMERICA PRODUCTION COMPANY

BURLINGTON RESO O&G (SJBT)

BURLINGTON RESOURCES O&G CO LP

CONOCOPHILLIPS COMPANY

DEVON ENERGY PRODUCTION CO LP

ENERGEN RESOURCES CORP

BOLACK MINERALS CO

J & M RAYMOND LTD

XTO ENERGY INC

JRP SAN JUAN LP

PHILLIPS-SAN JUAN PARTNERS

PRODUCTION GATHERING CO LP

ROBERT UMBACH CANCER FOUNDATION

T H MCELVAIN OIL & GAS LTD

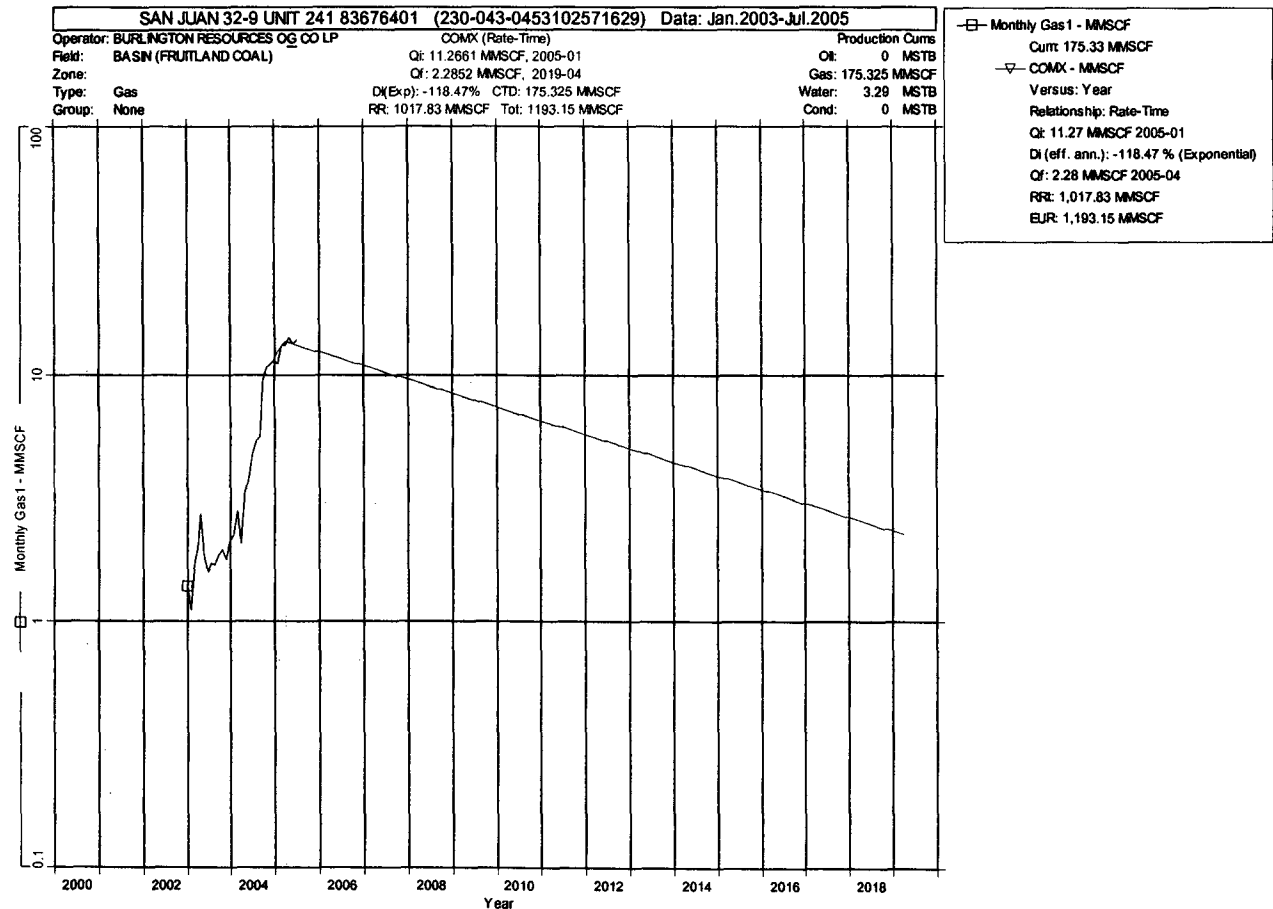
WILLIAMS PRODUCTION COMPANY

FOUR STAR OIL & GAS COMPANY

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-9 UNIT 241

WELL INFORMATION		PRODUCTION TAXES	
LEASE	SAN JUAN 32-9 UNIT 241	TAXES FOR:	SAN JUAN, NEW MEXICO
LOCATION	13032N009WM		2003 - 2004 Commerciality
COUNTY, STATE	SAN JUAN, NEW MEXICO		
FORMATION	FRUITLAND COAL		
PROJECT TYPE			GAS % OF REVENUE
WELL TYPE	GAS WELL	SEVERANCE:	
OPERATOR	BURLINGTON RESOURCES O&G CO LP	Severance, School, Conservation	7.93
SPUD DATE	6/19/2002	AD VALOREM:	
COMP DATE	11/8/2002	Production, Equipment	1.40
1ST DELIVERY	1/1/2003		
COMM GWI %	100.00	TOTAL %:	9.33
COMM NRI %	87.50		
BOARD RATE %	10.00		

AVERAGE HEAT CONTENT		WELL COST AND ECONOMICS	
1,000	MMBtu / Mcf	450.00	M\$
		2,706.45	MMCF
		430.35	MCFD
		157.11	%
		5.68	\$/
		2,555.61	M\$
		1.07	YRS
			AVERAGE WELL COST
			ULT. GROSS GAS RESERVES
			INITIAL GAS RATE
			RATE OF RETURN
			P/I, DISC. @ 10.00 %
			NET PRESENT VALUE, DISC. @ 10.00 %
			PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-9 UNIT 241

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Gas1 Price	Gas Price	Net Revenue	Production Taxes	Total Opcosts	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	\$/MMBTU	\$/mcf	M\$	M\$	M\$	M\$	M\$	M\$
2005 01	370.8	11.5	9.5	3.87	3.87	36.9	3.89	2.87	30.16	450.00	-419.84
2005 02	395.3	11.1	9.1	3.87	3.87	35.5	3.74	2.77	29.04	0.00	29.04
2005 03	426.7	13.2	10.9	3.87	3.87	42.5	4.47	3.31	34.70	0.00	34.70
2005 04	439.9	13.2	10.9	3.87	3.87	42.4	4.46	3.30	34.62	0.00	34.62
2005 05	458.7	14.2	11.7	3.87	3.87	45.7	4.81	3.56	37.31	0.00	37.31
2005 06	445.5	13.4	11.0	3.87	3.87	42.9	4.52	3.34	35.07	0.00	35.07
2005 07	448.4	13.9	11.4	3.87	3.87	44.6	4.70	3.47	36.47	0.00	36.47
2005 08	433.4	13.4	11.1	3.87	3.87	43.2	4.54	3.36	35.25	0.00	35.25
2005 09	446.0	13.4	11.0	3.87	3.87	43.0	4.52	3.34	35.10	0.00	35.10
2005 10	429.7	13.3	11.0	3.87	3.87	42.8	4.50	3.33	34.95	0.00	34.95
2005 11	442.2	13.3	10.9	3.87	3.87	42.6	4.48	3.32	34.80	0.00	34.80
2005 12	426.1	13.2	10.9	3.87	3.87	42.4	4.47	3.30	34.65	0.00	34.65
2006 01	424.3	13.2	10.8	3.87	3.87	42.2	4.45	3.29	34.51	0.00	34.51
2006 02	467.7	13.1	10.8	3.87	3.87	42.1	4.43	3.27	34.36	0.00	34.36
2006 03	420.6	13.0	10.7	3.87	3.87	41.9	4.41	3.26	34.21	0.00	34.21
2006 04	432.8	13.0	10.7	3.87	3.87	41.7	4.39	3.25	34.07	0.00	34.07
2006 05	417.1	12.9	10.6	3.87	3.87	41.5	4.37	3.23	33.92	0.00	33.92
2006 06	429.1	12.9	10.6	3.87	3.87	41.3	4.35	3.22	33.78	0.00	33.78
2006 07	413.5	12.8	10.5	3.87	3.87	41.2	4.33	3.20	33.63	0.00	33.63
2006 08	411.7	12.8	10.5	3.87	3.87	41.0	4.32	3.19	33.49	0.00	33.49
Sub.	---	260.7	214.5	---	---	837.4	88.15	65.18	684.11	450.00	234.11
Rem.	---	2,445.7	2,011.6	---	---	7,802.5	821.28	611.43	6,369.82	0.00	6,369.82
Total	---	2,706.5	2,226.1	---	---	8,640.0	909.43	676.61	7,053.93	450.00	6,603.93