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San Juan Business Unit
P.O. Box 4289
Farmington, NM 87402-4289
(505) 326-9700

Burlington Resources Inc.
A wholly owned subsidiary of
ConocoPhillips

January 10, 2007

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: San Juan 29-7 Unit (#14-08-001-1650)
Commerciality Determination
Dakota Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-7 Unit Agreement, #14-08-001-1650, approved September 3, 1954, 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 Dakota formation. Burlington is seeking confirmation of the paying well determinations enclosed.

WELL NAME	Well Dedication	Dedicated Lease	Completion Date	Commerciality Determination
SJ 29-7 Unit #34B	W/2 4-29N-7W	SF-078945	5-15-06	Non-Commercial
SJ 29-7 Unit #38B	E/2 12-29N-7W	SF-078945	5-5-06	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, these wells will be carried on a lease basis.

Copies of this letter and enclosures are being sent to the working interest owners as listed on the attached page. Please contact Karen Stevens at 326-9754 for any technical questions, and all other questions to the undersigned at 599-4030.

Sincerely,

Dawn Howell
Sr. Land Technician

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 29-7 UNIT 34B

WELL INFORMATION

LEASE	SAN JUAN 29-7 UNIT 34B
LOCATION	04029N007WE
COUNTY, STATE	RIO ARriba, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES O&G CO LP
SPUD DATE	2/9/2006
COMP DATE	5/15/2006
1ST DELIVERY	5/18/2006
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

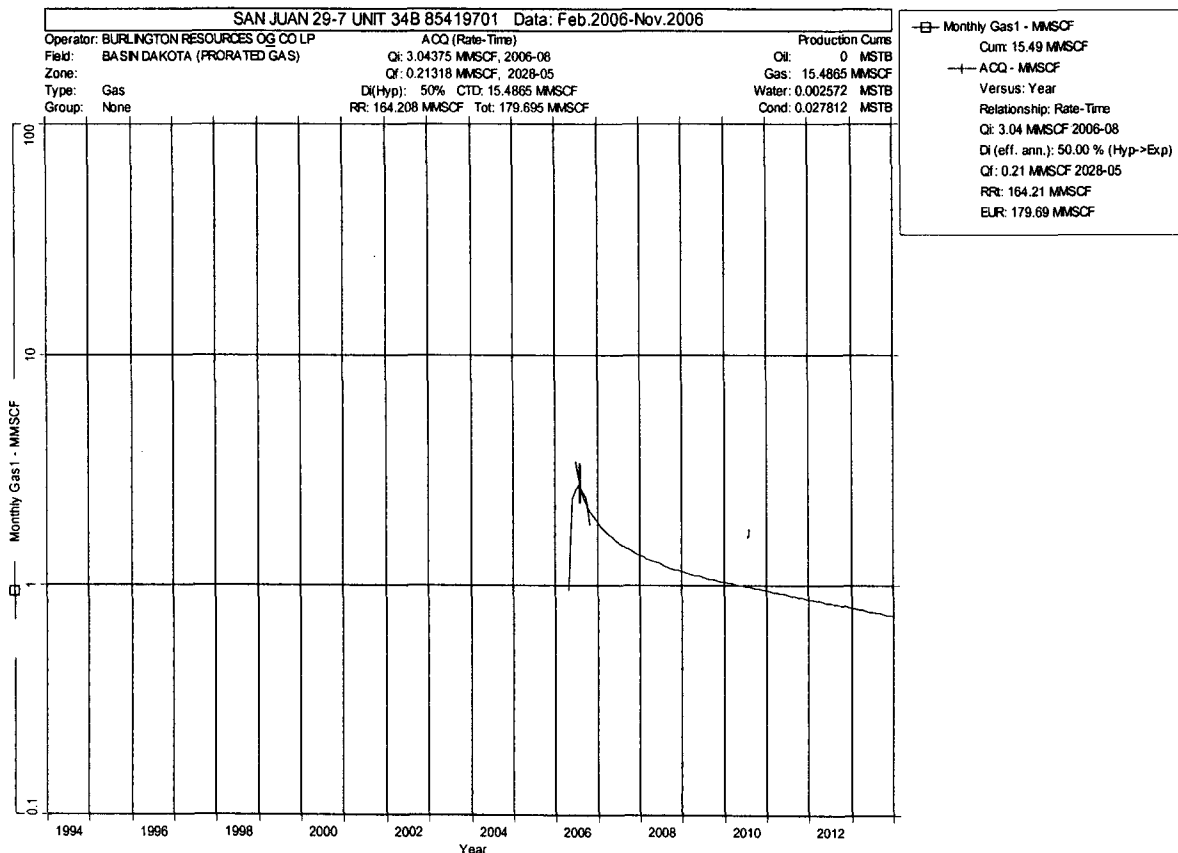
TAXES FOR:	RIO ARriba, NEW MEXICO
	2003 - 2004 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

684.00	M\$	AVERAGE WELL COST
178.74	MMCF	ULT. GROSS GAS RESERVES
77.15	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.43	\$/	P/I, DISC. @ 10.00 %
-291.01	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 34B

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 Opcostrs	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2006(12)	77.2	16.5	11.80	0.03	1.18	4.86	4.86	35.51	22.66	81.6	8.33	4.48	68.84	684.00	-615.16
2007(12)	52.2	19.1	13.63	0.03	1.36	4.86	4.86	35.51	22.66	94.2	9.61	7.68	76.94	0.00	76.94
2008(12)	41.2	15.1	10.77	0.03	1.07	4.86	4.86	35.51	22.66	74.5	7.60	7.68	59.22	0.00	59.22
2009(12)	36.1	13.2	9.42	0.02	0.94	4.86	4.86	35.51	22.66	65.1	6.64	7.68	50.80	0.00	50.80
2010(12)	32.8	12.0	8.55	0.02	0.85	4.86	4.86	35.51	22.66	59.1	6.03	7.68	45.43	0.00	45.43
2011(12)	30.1	11.0	7.84	0.02	0.78	4.86	4.86	35.51	22.66	54.2	5.53	7.68	41.03	0.00	41.03
2012(12)	27.5	10.1	7.19	0.02	0.72	4.86	4.86	35.51	22.66	49.7	5.07	7.68	36.99	0.00	36.99
2013(12)	25.3	9.2	6.60	0.02	0.66	4.86	4.86	35.51	22.66	45.6	4.65	7.68	33.29	0.00	33.29
2014(12)	23.2	8.5	6.05	0.02	0.60	4.86	4.86	35.51	22.66	41.8	4.27	7.68	29.90	0.00	29.90
2015(12)	21.3	7.8	5.55	0.01	0.55	4.86	4.86	35.51	22.66	38.4	3.92	7.68	26.79	0.00	26.79
2016(12)	19.5	7.1	5.09	0.01	0.51	4.86	4.86	35.51	22.66	35.2	3.59	7.68	23.93	0.00	23.93
2017(12)	17.9	6.5	4.67	0.01	0.47	4.86	4.86	35.51	22.66	32.3	3.29	7.68	21.31	0.00	21.31
2018(12)	16.4	6.0	4.28	0.01	0.43	4.86	4.86	35.51	22.66	29.6	3.02	7.68	18.91	0.00	18.91
2019(12)	15.1	5.5	3.93	0.01	0.39	4.86	4.86	35.51	22.66	27.2	2.77	7.68	16.71	0.00	16.71
2020(12)	13.8	5.0	3.60	0.01	0.36	4.86	4.86	35.51	22.66	24.9	2.54	7.68	14.69	0.00	14.69
2021(12)	12.7	4.6	3.30	0.01	0.33	4.86	4.86	35.51	22.66	22.8	2.33	7.68	12.84	0.00	12.84
2022(12)	11.6	4.2	3.03	0.01	0.30	4.86	4.86	35.51	22.66	21.0	2.14	7.68	11.14	0.00	11.14
2023(12)	10.7	3.9	2.78	0.01	0.28	4.86	4.86	35.51	22.66	19.2	1.96	7.68	9.58	0.00	9.58
2024(12)	9.7	3.6	2.55	0.01	0.25	4.86	4.86	35.51	22.66	17.6	1.80	7.68	8.15	0.00	8.15
2025(12)	9.0	3.3	2.34	0.01	0.23	4.86	4.86	35.51	22.66	16.2	1.65	7.68	6.84	0.00	6.84
Sub.	---	172.1	122.98	0.31	12.26	---	---	---	---	850.5	86.76	150.40	613.33	684.00	-70.67
Rem.	---	6.6	4.73	0.01	0.47	---	---	---	---	32.7	3.34	17.92	11.45	0.00	11.45
Total	---	178.7	127.70	0.32	12.73	---	---	---	---	883.2	90.09	168.32	624.77	684.00	-59.23

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 29-7 UNIT 38B

WELL INFORMATION

LEASE	SAN JUAN 29-7 UNIT 38B
LOCATION	12029N007WJ
COUNTY, STATE	RIO ARriba, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES O&G CO LP
SPUD DATE	3/4/2006
COMP DATE	5/5/2006
1ST DELIVERY	5/26/2006
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

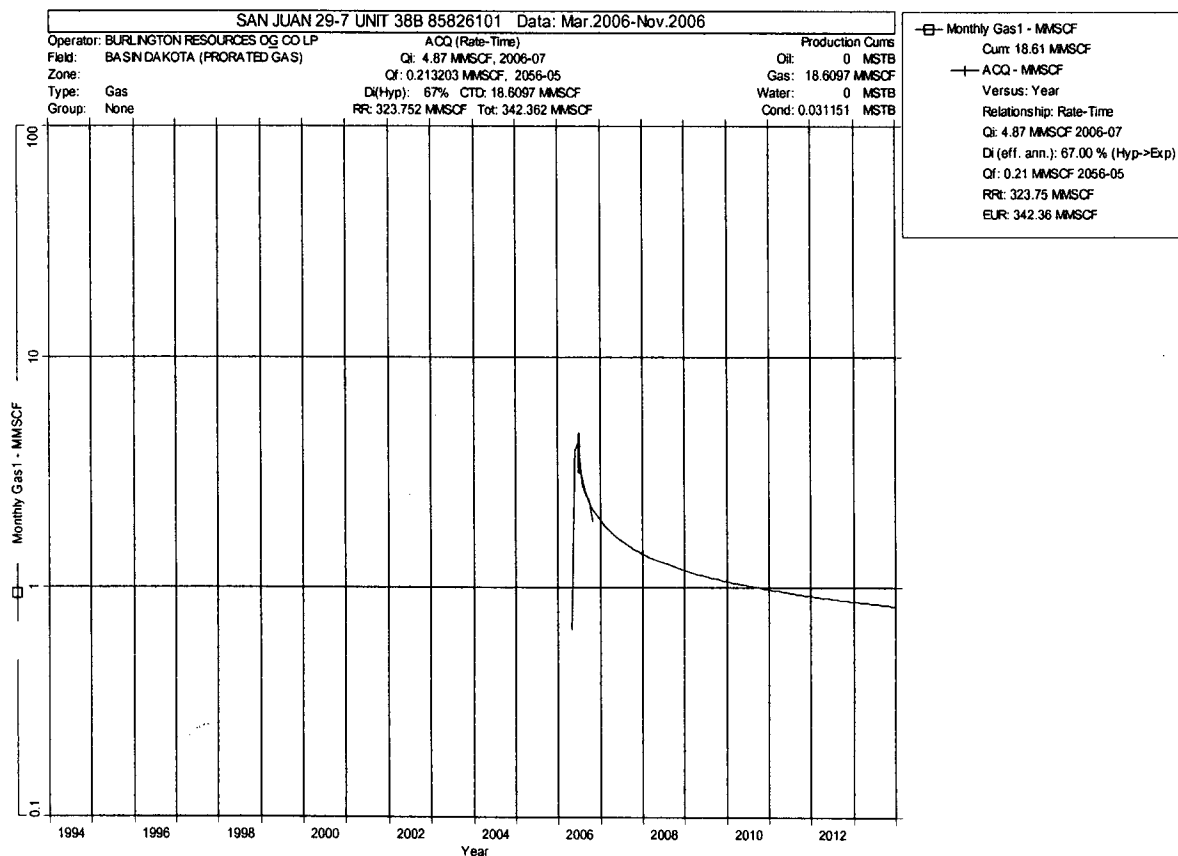
TAXES FOR:	RIO ARriba, NEW MEXICO
	2003 - 2004 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

684.00	M\$	AVERAGE WELL COST
341.71	MMCF	ULT. GROSS GAS RESERVES
93.52	MCFD	INITIAL GAS RATE
4.67	%	RATE OF RETURN
-0.30	\$/	P/I, DISC. @ 10.00 %
-204.44	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
14.94	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 38B

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\$
2006(12)	93.5	20.0	14.30	0.03	1.43	4.86	4.86	35.51	22.66	98.9	10.08	4.48	84.29	684.00	-599.71
2007(12)	53.8	19.7	14.04	0.03	1.40	4.86	4.86	35.51	22.66	97.0	9.90	7.68	79.44	0.00	79.44
2008(12)	42.3	15.5	11.05	0.03	1.10	4.86	4.86	35.51	22.66	76.4	7.79	7.68	60.90	0.00	60.90
2009(12)	37.0	13.5	9.65	0.02	0.96	4.86	4.86	35.51	22.66	66.7	6.80	7.68	52.20	0.00	52.20
2010(12)	33.6	12.3	8.77	0.02	0.87	4.86	4.86	35.51	22.66	60.6	6.18	7.68	46.73	0.00	46.73
2011(12)	31.2	11.4	8.14	0.02	0.81	4.86	4.86	35.51	22.66	56.3	5.74	7.68	42.84	0.00	42.84
2012(12)	29.3	10.7	7.67	0.02	0.76	4.86	4.86	35.51	22.66	53.0	5.40	7.68	39.87	0.00	39.87
2013(12)	27.9	10.2	7.28	0.02	0.73	4.86	4.86	35.51	22.66	50.3	5.13	7.68	37.50	0.00	37.50
2014(12)	26.7	9.7	6.97	0.02	0.69	4.86	4.86	35.51	22.66	48.1	4.91	7.68	35.54	0.00	35.54
2015(12)	25.7	9.4	6.70	0.02	0.67	4.86	4.86	35.51	22.66	46.3	4.72	7.68	33.88	0.00	33.88
2016(12)	24.7	9.1	6.47	0.01	0.65	4.86	4.86	35.51	22.66	44.7	4.56	7.68	32.45	0.00	32.45
2017(12)	24.0	8.8	6.26	0.01	0.62	4.86	4.86	35.51	22.66	43.3	4.41	7.68	31.18	0.00	31.18
2018(12)	23.3	8.5	6.07	0.01	0.61	4.86	4.86	35.51	22.66	41.9	4.28	7.68	29.96	0.00	29.96
2019(12)	22.5	8.2	5.88	0.01	0.59	4.86	4.86	35.51	22.66	40.6	4.14	7.68	28.79	0.00	28.79
2020(12)	21.8	8.0	5.70	0.01	0.57	4.86	4.86	35.51	22.66	39.3	4.01	7.68	27.65	0.00	27.65
2021(12)	21.2	7.7	5.52	0.01	0.55	4.86	4.86	35.51	22.66	38.1	3.89	7.68	26.55	0.00	26.55
2022(12)	20.5	7.5	5.35	0.01	0.53	4.86	4.86	35.51	22.66	36.9	3.77	7.68	25.48	0.00	25.48
2023(12)	19.9	7.2	5.18	0.01	0.52	4.86	4.86	35.51	22.66	35.8	3.65	7.68	24.45	0.00	24.45
2024(12)	19.2	7.0	5.02	0.01	0.50	4.86	4.86	35.51	22.66	34.7	3.54	7.68	23.45	0.00	23.45
2025(12)	18.6	6.8	4.86	0.01	0.48	4.86	4.86	35.51	22.66	33.6	3.43	7.68	22.47	0.00	22.47
Sub.	---	211.1	150.88	0.35	15.05	---	---	---	---	1,042.3	106.34	150.40	785.61	684.00	101.61
Rem.	---	130.5	93.24	0.21	9.30	---	---	---	---	644.1	65.71	232.96	345.43	0.00	345.43
Total	---	341.6	244.11	0.56	24.34	---	---	---	---	1,686.4	172.04	383.36	1,131.04	684.00	447.04

BOLACK MINERALS COMPANY
3901 BLOOMFIELD HWY
FARMINGTON, NM 87401

BOLIN PAT S
1 PARKER SQ
2525 KELL BLVD STE 510

WICHITA FALLS, TX 76308

BP AMERICA PRODUCTION COMPANY
ATTN KAREN CLAY - SAN JUAN BU
WEST LAKE 1 RM 19.179
501 WESTLAKE PARK BLVD

HOUSTON, TX 77079

C W BOLIN PROPERTIES LTD
813 8TH ST STE 1120
WICHITA FALLS, TX 763013354

CHARLES W GAY
C/O JAMES M RAYMOND-POA
PO BOX 291445
KERRVILLE, TX 780291445

CONOCOPHILLIPS COMPANY
CHIEF LANDMAN SAN JUAN/ROCKIES
PO BOX 2197

HOUSTON, TX 772522197

D PHIL BOLIN
2525 KELL BLVD S - 510
WICHITA FALLS, TX 76308

DAN H BOLIN
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2525 KELL BLVD
WICHITA FALLS, TX 763081061

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CITIZENS BANK AGENT FOR
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556 CRESTWOOD DR

OCEANSIDE, CA 92054

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DENVER, CO 80202

DUGAN PRODUCTION CORPORATION
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FARMINGTON, NM 874990420

FOUR STAR OIL & GAS COMPANY
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HOUSTON, TX 77236

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RAYMOND & SONS I LLC GEN PARTNER
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KERRVILLE, TX 780291445

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728 E 4TH AVE
DURANGO, CO 81301

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2601 GRANT ST
BERKELEY, CA 947031915

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NEW YORK, NY 10021

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MAYDELL MILLER MAST TRUST
JAMES M RAYMOND TRUSTEE
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KERRVILLE, TX 780291445

MOORE LOYAL TRUST
LEE WAYNE MOORE TRUSTEE
403 N MARIENFELD
MIDLAND, TX 79701

PHILLIPS-SAN JUAN PARTNERS
C/O CONOCOPHILLIPS
PO BOX 2197

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WICHITA FALLS, TX 76308

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808 ENDERBY DR
ALEXANDRIA, VA 223022224

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PARTNERSHIP
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DENVER, CO 80265

WILLIAMS PRODUCTION COMPANY
ONE WILLIAMS CENTER
PO BOX 3102 MD25-1
TULSA, OK 74101

XTO ENERGY INC
810 HOUSTON ST STE 2000
FORT WORTH, TX 761026298