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ConocoPhillips

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ConocoPhillips Company
PO Box 4289
Farmington NM 87499-4289
505-326-9700

February 25, 2008

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

RE: San Juan 29-5 Unit (#14-08-001-437)
Commercial Determination
Fruitland Coal Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-5 Unit Agreement, #14-08-001-437, approved, September 8, 1952, ConocoPhillips Company, as Operator, has determined that the well listed below is capable of producing unitized substances in paying quantities from the Fruitland Coal formation. ConocoPhillips is seeking confirmation of the well determination enclosed.

Well Name	Dedication	Lease No.	Completion Date	Determination
San Juan 29-5 Unit #26	W/2 Sec.18-29N-5W	SF-078277	11-15-06	Commercial

Upon confirmation 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 on the attached sheet. If you have any questions or need any additional information, please contact the undersigned at (505) 599-4030.

Sincerely,

Dawn Howell

Dawn Howell
Staff Land Technician

SJ 29-5 Unit 4.5

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

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

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BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET

SAN JUAN 29-5 UNIT 26

WELL INFORMATION

LEASE	SAN JUAN 29-5 UNIT 26
LOCATION	18029N005W
COUNTY, STATE	RIO ARRIBA, New Mexico
FORMATION	FRUITLAND COAL
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS COMPANY
SPUD DATE	10/13/2006
COMP DATE	11/14/2006
1ST DELIVERY	1/4/2007
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR: RIO ARRIBA, New Mexico
2003 - 2004 Commerciality

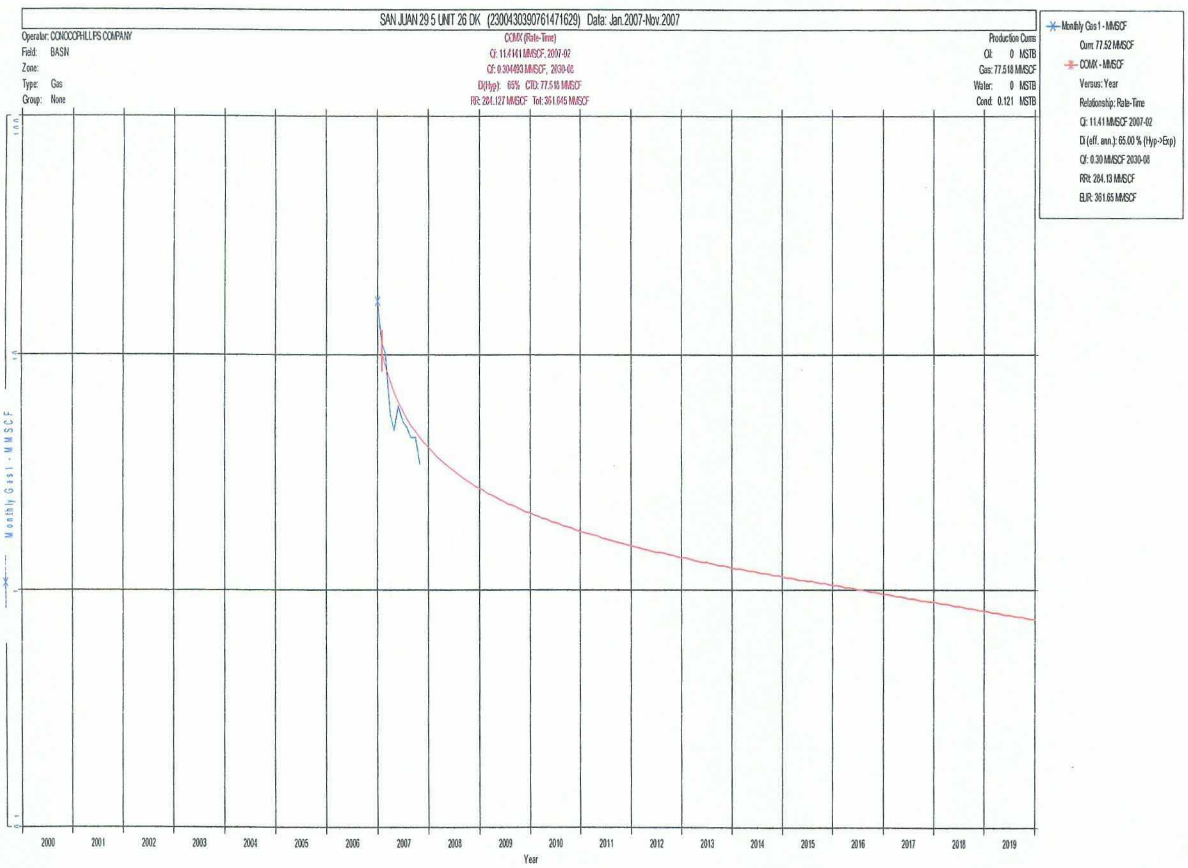
	GAS % OF REVENUE
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

450.00	M$	AVERAGE WELL COST
344.95	MMCF	ULT. GROSS GAS RESERVES
194.93	MCFD	INITIAL GAS RATE
33.02	%	RATE OF RETURN
0.61	$/$	P/I, DISC. @ 10.00 %
272.26	M$	NET PRESENT VALUE, DISC. @ 10.00 %
2.65	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-5 UNIT 26

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$
2007(12)	194.9	65.1	45.91	0.00	2.42	4.63	4.63	35.51	22.66	260.5	26.91	4.98	228.64	450.00	-221.36
2008(12)	110.1	40.3	28.43	0.00	1.50	4.63	4.63	35.51	22.66	161.3	16.66	5.44	139.22	0.00	139.22
2009(12)	80.0	29.2	20.60	0.00	1.09	4.63	4.63	35.51	22.66	116.9	12.07	5.44	99.38	0.00	99.38
2010(12)	64.6	23.6	16.62	0.00	0.88	4.63	4.63	35.51	22.66	94.3	9.74	5.44	79.13	0.00	79.13
2011(12)	54.9	20.0	14.14	0.00	0.75	4.63	4.63	35.51	22.66	80.2	8.29	5.44	66.51	0.00	66.51
2012(12)	48.1	17.6	12.42	0.00	0.65	4.63	4.63	35.51	22.66	70.5	7.28	5.44	57.75	0.00	57.75
2013(12)	43.3	15.8	11.14	0.00	0.59	4.63	4.63	35.51	22.66	63.2	6.53	5.44	51.25	0.00	51.25
2014(12)	39.4	14.4	10.15	0.00	0.53	4.63	4.63	35.51	22.66	57.6	5.95	5.44	46.20	0.00	46.20
2015(12)	36.2	13.2	9.31	0.00	0.49	4.63	4.63	35.51	22.66	52.9	5.46	5.44	41.96	0.00	41.96
2016(12)	33.1	12.1	8.55	0.00	0.45	4.63	4.63	35.51	22.66	48.5	5.01	5.44	38.09	0.00	38.09
2017(12)	30.5	11.1	7.85	0.00	0.41	4.63	4.63	35.51	22.66	44.6	4.60	5.44	34.54	0.00	34.54
2018(12)	28.0	10.2	7.21	0.00	0.38	4.63	4.63	35.51	22.66	40.9	4.23	5.44	31.27	0.00	31.27
2019(12)	25.7	9.4	6.62	0.00	0.35	4.63	4.63	35.51	22.66	37.6	3.88	5.44	28.28	0.00	28.28
2020(12)	23.6	8.6	6.08	0.00	0.32	4.63	4.63	35.51	22.66	34.5	3.57	5.44	25.52	0.00	25.52
2021(12)	21.7	7.9	5.59	0.00	0.29	4.63	4.63	35.51	22.66	31.7	3.28	5.44	23.00	0.00	23.00
2022(12)	19.9	7.3	5.13	0.00	0.27	4.63	4.63	35.51	22.66	29.1	3.01	5.44	20.68	0.00	20.68
2023(12)	18.3	6.7	4.71	0.00	0.25	4.63	4.63	35.51	22.66	26.7	2.76	5.44	18.55	0.00	18.55
2024(12)	16.8	6.1	4.33	0.00	0.23	4.63	4.63	35.51	22.66	24.6	2.54	5.44	16.59	0.00	16.59
2025(12)	15.4	5.6	3.97	0.00	0.21	4.63	4.63	35.51	22.66	22.6	2.33	5.44	14.79	0.00	14.79
2026(12)	14.2	5.2	3.65	0.00	0.19	4.63	4.63	35.51	22.66	20.7	2.14	5.44	13.14	0.00	13.14
Sub.	---	329.6	232.42	0.00	12.25	---	---	---	---	1,319.0	136.23	108.27	1,074.46	450.00	624.46
Rem.	---	15.3	10.80	0.00	0.57	---	---	---	---	61.3	6.33	19.48	35.48	0.00	35.48
Total	---	344.9	243.22	0.00	12.82	---	---	---	---	1,380.2	142.56	127.75	1,109.95	450.00	659.95

SAN JUAN 29-5 UNIT
WORKING INTEREST OWNERS

BP AMERICA PRODUCTION COMPANY

BURLINGTON RESOURCES OIL & GAS

CONOCOPHILLIPS COMPANY

CHARLES W GAY

J WM MCELVAIN

J&M RAYMOND LTD

LORRAYN GAY HACKER

MAYDELL MILLER MAST TRUST

MCELVAIN OIL COMPANY

PHILLIPS-SAN JUAN PARTNERS LP

SYNERGY OPERATING LLC

T H MCELVAIN OIL AND GAS PROP

VAUGHAN-MCELVAIN ENERGY INC

WILLIAMS PRODUCTION COMPANY

2/26/2008