

Chronological List of Events - Prepared 10/13/08 - D. Wierenga & T. Simcoe
Re: Kelly A 3E MV & DK New Drill
E/2 Sec 15, T31N, R10W
San Juan County, NM

- 12/07/07 Terry Simcoe, Landman, communicated w/BP America Production Company re Amending the JOA dated 5/17/1976 for Kelly A 3E MV & DK new drill
- 12/12/07 COPC sent AFE & Ballots for Kelly A 3E MV & DK new drill
- 12/12/07 ConocoPhillips signed ballot
- 12/17/07 COPC received letter from Steve Coldwell, Successor Trustee for Laurence C. Kelly Trust, requesting to have their Working Interest exchanged for an ORI
- 12/26/07 COPC received Kelly Family Trust, Gregory L. Kelly, Trustee's signed ballot, Approved
- 01/02/08 COPC received Hope S. Kelly for deceased Laurence B. Kelly's signed ballot - Approval
- 01/22/08 COPC's Terry Simcoe, Landman, sent email to Steve Coldwell, Kelly Family CPA, asking for identity information. Coldwell responded same day
- 01/29/08 COPC's Terry Simcoe, Landman, discussed possible acquisition of Kelly Family Interest with COPC's Jordan Wiess, COPC SJBU IM Manager
- 05/19/08 Burlington Resources Oil & Gas Company LP prepared new JOA and Burlington Resources Oil & Gas Company LP signed new JOA
- 05/19/08 COPC sent new AFE, new JOA & ballots
- 05/20/08 ConocoPhillips signed new JOA & ballot
- 06/02/08 COPC received Laurence C. Kelly Trust ballot & JOA back (MV only) - Approval
- 06/02/08 COPC received Kelly Family Trust, Gregory Kelly, Trustee, ballot back (MV only) - Disapproval
- 06/11/08 COPC received Laurence B. Kelly Living Trust ballot back (MV only) - Disapproval
- 06/24/08 COPC received Kelly Living Trust (Rosalie H Kelly Trustee) ballot back (MV only)- Disapproval
- 07/25/08 Steve Coldwell, Kelly CPA, left a telephone message on 07/24/08. Terry Simcoe COPC landman, responded with an email stating current status of the Kelly A 3E well
- 07/30/08 Terry Simcoe, COPC landman, sent an email to COPC Senior Land Representative, Alan Alexander, starting force pooling action
- 08/08/08 Alan Alexander, COPC Senior Land Representative, sent an email to Terry Simcoe, COPC landman, which had attached the draft of the letter to NMOCD's Mr. Fesmire requesting a hearing on force pooling the Kelly A 3E

08/11/08 COPC received BP America Production Company ballot back (MV & DK) - Approval

09/09/08 Steve Coldwell, Kelly CPA, sent an email to terry Simcoe, COPC landman, stating that Mr. Greg Kelly had not received notice of the hearing scheduled for 10/02/08

09/22/08 Steve Coldwell, Kelly CPA, again sent an email to terry Simcoe, COPC landman, stating that Mr. Greg Kelly had still not received notice of the hearing scheduled for 10/02/08

09/24/08 COPC received Laurence B. Kelly Living Trust's attorney's response re Compulsory Pooling Case No 14188 Notification - Approval

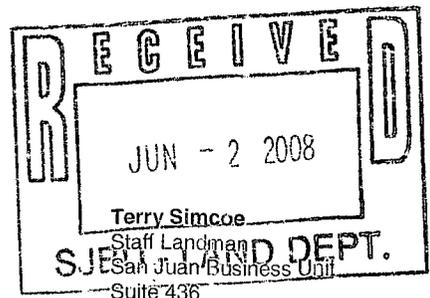
09/29/08 Tom Kellahin, COPC legal counsel, sent an email transmitting a letter from the attorney of the Laurence Kelly Living Trust regarding the hearing.

Steve Coldwell, Kelly CPA, again sent an email to terry Simcoe, COPC landman, stating that Mr. Greg Kelly had still not received notice of the hearing scheduled for 10/02/08. Mr. Simcoe checked with Mr. Kellahin, COPC's legal counsel, and determined that Mr. Kelly had not been properly noticed and that a continuance would be requested. Mr. Kellahin sent an email transmitting the request for continuance for Case 14188

10/13/08 Steve Coldwell, Kelly CPA, sent an email indicating that Greg Kelly did receive the notice of hearing with the new hearing date of 10/30/08, and that there were some errors in the document. This was transmitted to Mr. Kellahin, COPC legal counsel, and he amended and filed the documents

10/14/08 Terry Simcoe, COPC landman, transmitted amended application to Steve Coldwell, Kelly CPA

10/22/08 Terry Simcoe, COPC landman, had two telephone conversations with Mr. Gregory Kelly, Trustee of the Kelly Family Trust. Mr. Kelly expressed his desire to not have to pay any share of the well's costs.



ConocoPhillips Company
 3401 E. 30th St.
 Farmington, NM 87402
 Off: 505.326.9878
 terry.simcoe@conocophillips.com

May 19, 2008

7110 6605 9590 0025 3281 Certified Mail – Return Receipt Requested

Kelly Family Trust
 Gregory Kelly Trustee
 3526 Bayberry Lane
 Malibu, CA 90265

RE: 2008 NEW DRILL RE-PROPOSAL
Kelly A 3E- MV/DK
Property #A712001 – DK
Property #A721798 – MV
San Juan County, NM

Dear Interest Owner:

Burlington Resources Oil & Gas Company LP (hereinafter Burlington), an affiliate of ConocoPhillips Company, as Operator, again proposes to drill, complete and equip the above referenced Mesaverde and Dakota commingled well at a TVD of 7,625' for an estimated total of \$1,338,692.50. The details of the well are as follows:

Well Name/Dedication	Formation	Owners	GWI%
Kelly A 3E Unit Letter 'P' 810' FSL & 815' FEL SESE, Sec. 15-T31N-R10W E/2 Dedication	Mesaverde Drillblock	Burlington Resources O&G Laurence B Kelly Living Trust Laurence C. Kelly (Deceased) Trust Kelly Living Trust BP America Production Company Kelly Family Trust	37.500% 6.250% 12.500% 3.125% 37.500% 3.125%
	Total		100.00%
	Dakota Drillblock	Burlington Resources O&G ConocoPhillips Company BP America Production Company	12.474911% 49.891018% 37.634071%
		Total	100.00%

Burlington currently plans to drill this well in the fourth quarter of 2008, but due to rig scheduling it may be prior to then. We would appreciate your concurrence to the drilling, completion and development costs as detailed in the attached cost estimate. Please execute and return a copy of this letter ballot and attached cost estimate to the attention of **Valerie Wells** at the letterhead address or fax to **505-326-9781 AND SHOWING EITHER APPROVAL OR DISAPPROVAL.**

BP America Production Company has suggested that a new operating agreement be executed by the parties to cover this well's dedicated drillblock because the existing operating agreement, dated May 17, 1976, covers only the Mesaverde Formation. Burlington's current model form operating agreement is attached for your execution and brings the Dakota Formation under the agreement, stating each party's interest, and restates the agreement with current contractual considerations. If concurrence concerning this new operating agreement cannot be reached, then Burlington Resources proposes that the May 17, 1976 operating agreement be amended to include the Dakota Formation, stating each party's interest, and add current accounting and insurance procedures. Burlington Resources is prepared, if the parties fail to approve the drilling of this well, to begin administrative relief (forced pooling) procedures with the New Mexico Oil & Gas Commission.

Please execute and return the attached ballot indicating your approval/disapproval of the drilling of this well. Also, please execute the attached operating agreement signature page for your interest or send a letter to me rejecting this agreement and indicating whether or not you will agree to amend the existing operating agreement. **You must so respond by June 16, 2008.** Failure to respond will include you in the administrative action before the New Mexico Oil & Gas Commission.

If there are any questions regarding this proposal please contact me at 505-326-9878.

Sincerely,



Terry Simcoe,
Staff Landman

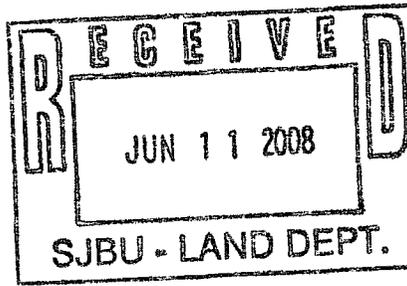
vw:TBS
Enclosures

xc: NM 324, 3.0 (2008 New Drill)

THE UNDERSIGNED APPROVES ___ or ~~DISAPPROVES~~ THE DEVELOPMENT OF THE KELLY A 3E MESAVERDE/DAKOTA WELL AS DESCRIBED IN THE LETTER DATED MAY 1, 2008.

Name: Gregory L. Kelly, Trustee
Company: Kelly Family Trust
Title: Trustee Phone # 310-456-3623
Date: Trustee

YOU ARE REQUIRED TO RESPOND TO THIS LETTER



Terry Simcoe
 Staff Landman
 San Juan Business Unit
 Suite 436

ConocoPhillips Company
 3401 E. 30th St.
 Farmington, NM 87402
 Off: 505.326.9878
 terry.simcoe@conocophillips.com

May 19, 2008

7110 6605 9590 0025 3250 Certified Mail - Return Receipt Requested

Laurence B Kelly Living Trust
 Laurence B Kelly Trustee
 839 Summit Rd Montecito
 Santa Barbara, CA 93108

RE: 2008 NEW DRILL RE-PROPOSAL
Kelly A 3E- MV/DK
Property #A712001 - DK
Property #A721798 - MV
San Juan County, NM

Dear Interest Owner:

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Kelly A 3E Unit Letter 'P' 810' FSL & 815' FEL SESE, Sec. 15-T31N-R10W E/2 Dedication	Mesaverde Drillblock	Burlington Resources O&G Laurence B Kelly Living Trust Laurence C. Kelly (Deceased) Trust Kelly Living Trust BP America Production Company Kelly Family Trust <hr/> Total	37.500% 6.250% 12.500% 3.125% 37.500% 3.125% <hr/> 100.00%
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If there are any questions regarding this proposal please contact me at 505-326-9878.

Sincerely,



Terry Simcoe,
Staff Landman

vw:TBS
Enclosures

xc: NM 324, 3.0 (2008 New Drill)

THE UNDERSIGNED APPROVES ___ or DISAPPROVES THE DEVELOPMENT OF THE KELLY A 3E MESAVERDE/DAKOTA WELL AS DESCRIBED IN THE LETTER DATED MAY 1, 2008.

Name: Hope S. Kelly
Company: Laurence B. Kelly Living Trust
Title: _____ Phone # 805/969-5779
Date: June 3, 2008

YOU ARE REQUIRED TO RESPOND TO THIS LETTER



Terry Simcoe
Staff Landman
San Juan Business Unit
Suite 436

ConocoPhillips Company
3401 E. 30th St.
Farmington, NM 87402
Off: 505.326.9878
terry.simcoe@conocophillips.com

May 19, 2008

7110 6605 9590 0025 3274 Certified Mail – Return Receipt Requested

Kelly Living Trust
Rosalie H Kelly Trustee
P.O. Box 383
Amherst, VA 24521

RE: 2008 NEW DRILL RE-PROPOSAL
Kelly A 3E- MV/DK
Property #A712001 – DK
Property #A721798 – MV
San Juan County, NM

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		Laurence C. Kelly (Deceased) Trust	12.500%
		Kelly Living Trust	3.125%
		BP America Production Company	37.500%
		Kelly Family Trust	3.125%
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		ConocoPhillips Company	49.891018%
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If there are any questions regarding this proposal please contact me at 505-326-9878.

Sincerely,



Terry Simcoe,
Staff Landman

vw:TBS
Enclosures

xc: NM 324, 3.0 (2008 New Drill)

THE UNDERSIGNED APPROVES ___ or DISAPPROVES THE DEVELOPMENT OF THE KELLY A 3E MESAVERDE/DAKOTA WELL AS DESCRIBED IN THE LETTER DATED MAY 1 , 2008.

Name: Koralie M. Kelly
Company: Kelly Mining Trust
Title: Trusted Phone #: 734-946-7106
Date: 10-16-08

YOU ARE REQUIRED TO RESPOND TO THIS LETTER

WORKING INTEREST OWNER LIST

BP America Production Company
Attn: San Juan Land Manager
P.O. Box 3092
Houston, TX 77253

ConocoPhillips Company
PO Box 4289
Farmington, NM 87499-4289

Kelly Living Trust
Rosalie H Kelly Trustee
P.O. Box 383
Amherst, VA 24521

Kelly Family Trust
Gregory Kelly Trustee
3526 Bay Berry Ln
Malibu, CA 90265

Laurence B. Kelly Living Trust
839 Summit Rd
Montecito
Santa Barbara, CA 93108

Laurence C. Kelly Trust
Steve Coldwell Trustee
Laurence C. Kelly Dec
C/O Coldwell Sclafani & Co
3239 N Verdugo Rd
Glendale, CA 91208-1633

Well Capital Cost Estimate Summary by Zone

This document contains proposed and estimated project cost information which is proprietary and confidential to ConocoPhillips.

Well Name: KELLY A 3E

Zone Name: BLANCO MESAVERDE (PRORATED GAS)

Cost Feature Code/Name:	Drilling \$\$	Completion \$\$	P & A \$\$	Facility \$\$
A000: Casing and Tubing	\$57,227.40	\$26,680.50	\$0.00	\$0.00
B000: Wellhead, Tree and Assoc Equip.	\$8,000.00	\$4,900.00	\$0.00	\$0.00
C000: Completion Equipment & Other	\$0.00	\$5,600.00	\$0.00	\$35,443.00
D000: Location (Wellsite Related)	\$16,480.80	\$0.00	\$0.00	\$1,121.00
E000: Rigs & Rig Related	\$74,000.00	\$31,500.00	\$0.00	\$0.00
F000: Drilling & Completion Utilities	\$9,600.00	\$0.00	\$0.00	\$0.00
G000: Fluid & Chemical Services	\$8,000.00	\$8,400.00	\$0.00	\$0.00
J000: Cementing Matls, Svcs & Casing Access	\$20,615.60	\$0.00	\$0.00	\$0.00
K000: Formation Evaluation	\$3,200.00	\$12,600.00	\$0.00	\$0.00
M000: Completion & Testing	\$0.00	\$0.00	\$0.00	\$0.00
N000: Formation Stimulation Services	\$0.00	\$197,400.00	\$0.00	\$0.00
O000: Certification & Inspection	\$4,800.00	\$1,050.00	\$0.00	\$0.00
P000: Transportation, Supply & Disposal	\$8,000.00	\$33,950.00	\$0.00	\$280.00
Q000: Drilling Tools & Equipment Rental	\$4,800.00	\$14,000.00	\$0.00	\$0.00
R000: Bits & Mills	\$10,000.00	\$0.00	\$0.00	\$0.00
S000: Special Services	\$18,680.00	\$23,310.00	\$0.00	\$0.00
T000: Miscellaneous	\$15,513.60	\$6,300.00	\$0.00	\$9,750.00
U000: Perforating & Slickline Services	\$0.00	\$11,200.00	\$0.00	\$906.50
V000: Eng & Construction, Consulting, R&D	\$0.00	\$0.00	\$0.00	\$5,467.50
W000: General Fees	\$2,400.00	\$0.00	\$0.00	\$0.00
X000: PPCo Labor & Overhead	\$2,800.00	\$4,200.00	\$0.00	\$2,636.50
Y000: Totals, Contingency & Miscellaneous	\$0.00	\$15,942.50	\$0.00	\$0.00
Zone Tangibles:	\$65,227.40	\$37,180.50	\$0.00	\$35,443.00
Zone Intangibles:	\$198,890.00	\$359,852.50	\$0.00	\$20,161.50
Zone Total:	\$264,117.40	\$397,033.00	\$0.00	\$55,604.50

Approved By: _____

Date: _____

Well Capital Cost Estimate Summary by Zone

This document contains proposed and estimated project cost information
 which is proprietary and confidential to ConocoPhillips.

Well Name: KELLY A 3E

Zone Name: BASIN DAKOTA (PRORATED GAS)

Cost Feature Code/Name:	Drilling \$\$	Completion \$\$	P & A \$\$	Facility \$\$
A000: Casing and Tubing	\$85,841.10	\$11,434.50	\$0.00	\$0.00
B000: Wellhead, Tree and Assoc Equip.	\$12,000.00	\$2,100.00	\$0.00	\$0.00
C000: Completion Equipment & Other	\$0.00	\$2,400.00	\$0.00	\$35,443.00
D000: Location (Wellsite Related)	\$24,721.20	\$0.00	\$0.00	\$1,121.00
E000: Rigs & Rig Related	\$111,000.00	\$13,500.00	\$0.00	\$0.00
F000: Drilling & Completion Utilities	\$14,400.00	\$0.00	\$0.00	\$0.00
G000: Fluid & Chemical Services	\$12,000.00	\$3,600.00	\$0.00	\$0.00
J000: Cementing Matls, Svcs & Casing Access.	\$30,923.40	\$0.00	\$0.00	\$0.00
K000: Formation Evaluation	\$4,800.00	\$5,400.00	\$0.00	\$0.00
M000: Completion & Testing	\$0.00	\$0.00	\$0.00	\$0.00
N000: Formation Stimulation Services	\$0.00	\$84,600.00	\$0.00	\$0.00
O000: Certification & Inspection	\$7,200.00	\$450.00	\$0.00	\$0.00
P000: Transportation, Supply & Disposal	\$12,000.00	\$14,550.00	\$0.00	\$280.00
Q000: Drilling Tools & Equipment Rental	\$7,200.00	\$6,000.00	\$0.00	\$0.00
R000: Bits & Mills	\$15,000.00	\$0.00	\$0.00	\$0.00
S000: Special Services	\$28,020.00	\$9,990.00	\$0.00	\$0.00
T000: Miscellaneous	\$23,270.40	\$2,700.00	\$0.00	\$9,750.00
U000: Perforating & Slickline Services	\$0.00	\$4,800.00	\$0.00	\$906.50
V000: Eng & Construction, Consulting, R&D	\$0.00	\$0.00	\$0.00	\$5,467.50
W000: General Fees	\$3,600.00	\$0.00	\$0.00	\$0.00
X000: PPCo Labor & Overhead	\$4,200.00	\$1,800.00	\$0.00	\$2,636.50
Y000: Totals, Contingency & Miscellaneous	\$0.00	\$6,832.50	\$0.00	\$0.00
Zone Tangibles:	\$97,841.10	\$15,934.50	\$0.00	\$35,443.00
Zone Intangibles:	\$298,335.00	\$154,222.50	\$0.00	\$20,161.50
Zone Total:	\$396,176.10	\$170,157.00	\$0.00	\$55,604.50

Approved By: _____

Date: _____

Well Capital Cost Estimate Summary by Zone

This document contains proposed and estimated project cost information which is proprietary and confidential to ConocoPhillips.

Well Name: KELLY A 3E

Totals for Well:	Drilling \$\$	Completion \$\$	P & A \$\$	Facility \$\$
Well Tangibles:	\$163,068.50	\$53,115.00	\$0.00	\$70,886.00
Well Intangibles:	\$497,225.00	\$514,075.00	\$0.00	\$40,323.00
Well Total:	\$660,293.50	\$567,190.00	\$0.00	\$111,209.00

Well Total Tangibles:	\$287,069.50
Well Total Intangibles:	\$1,051,623.00
Well Grand Total:	\$1,338,692.50