



467

RECEIVED
ConocoPhillips
San Juan Business Unit
P.O. Box 2289
Farmington, NM 87499-4289
December 11, 2008 9 PM 1 39

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 31-6 Unit (14-06-001-464)
Commerciality Determinations
Dakota Formation
Rio Arriba County, New Mexico

Ladies and Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 31-6 Unit Agreement, #14-06-001-464, approved November 28, 1952, ConocoPhillips Company, as Operator, has determined that one of the wells listed below is capable of producing unitized substances in paying quantities from the Dakota Formation. ConocoPhillips is seeking confirmation of the well determinations enclosed.

Well Name	Dedication	Lease No.	Comp. Date	Determination
SJ 31-6 Unit #13G	W/2 Sec. 4-30N-6W	SF-079012	9/11/2007	Commercial
SJ 31-6 Unit #7F	E/2 Sec. 1-30N-7W	NM-079000-A	10/25/2007	Non-Commercial
SJ 31-6 Unit #50M	W/2 Sec. 31-31N-6W	SF-078995	11/21/2007	Non-Commercial

The SJ 31-6 Unit #13H and #13M will come into the next revision with the #13G well

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 for the commercial well, the non-commercial wells will continue to be carried on a lease basis.

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) 599-4030.

Sincerely,

Dawn Howell
Staff Land Technician

SJ 31-6 Unit, 4.3

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 UNIT 13G

WELL INFORMATION

LEASE	SAN JUAN 31-6 UNIT 13G
LOCATION	04030N006W
COUNTY, STATE	RIO ARriba, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	10/3/2006
COMP DATE	9/11/2007
1ST DELIVERY	10/2/2007
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

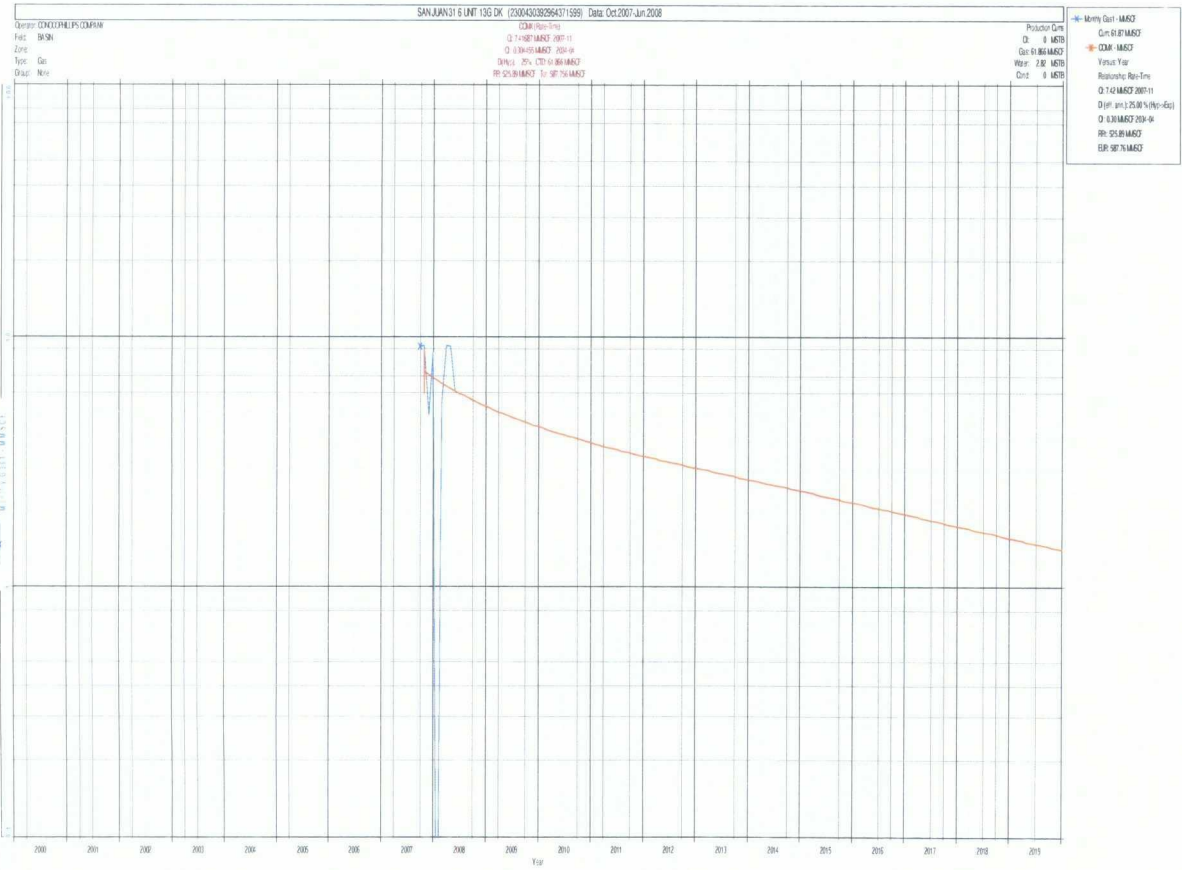
TAXES FOR:	RIO ARriba, NEW MEXICO
	2003 - 2004 Commerciality
	GAS % OF REVENUE
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,032.00	M\$	AVERAGE WELL COST
578.54	MMCF	ULT. GROSS GAS RESERVES
230.87	MCFD	INITIAL GAS RATE
17.93	%	RATE OF RETURN
0.28	\$/	P/I, DISC. @ 10.00 %
292.45	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
4.48	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 UNIT 13G

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)	230.9	14.1	10.06	0.00	0.98	4.86	4.86	35.51	22.66	68.3	6.98	2.64	58.69	1,032.00	-973.31
2008(12)	198.5	72.7	51.92	0.00	5.05	4.86	4.86	35.51	22.66	352.4	36.00	15.84	300.60	0.00	300.60
2009(12)	159.6	58.3	41.63	0.00	4.05	4.86	4.86	35.51	22.66	282.6	28.86	15.84	237.85	0.00	237.85
2010(12)	134.9	49.2	35.18	0.00	3.42	4.86	4.86	35.51	22.66	238.8	24.40	15.84	198.58	0.00	198.58
2011(12)	118.0	43.1	30.77	0.00	2.99	4.86	4.86	35.51	22.66	208.9	21.34	15.84	171.69	0.00	171.69
2012(12)	105.1	38.5	27.48	0.00	2.67	4.86	4.86	35.51	22.66	186.5	19.05	15.84	151.63	0.00	151.63
2013(12)	94.5	34.5	24.66	0.00	2.40	4.86	4.86	35.51	22.66	167.4	17.10	15.84	134.46	0.00	134.46
2014(12)	84.9	31.0	22.13	0.00	2.15	4.86	4.86	35.51	22.66	150.2	15.35	15.84	119.05	0.00	119.05
2015(12)	76.2	27.8	19.86	0.00	1.93	4.86	4.86	35.51	22.66	134.8	13.77	15.84	105.21	0.00	105.21
2016(12)	68.2	24.9	17.83	0.00	1.73	4.86	4.86	35.51	22.66	121.0	12.36	15.84	92.80	0.00	92.80
2017(12)	61.3	22.4	16.00	0.00	1.56	4.86	4.86	35.51	22.66	108.6	11.09	15.84	81.66	0.00	81.66
2018(12)	55.0	20.1	14.36	0.00	1.40	4.86	4.86	35.51	22.66	97.5	9.96	15.84	71.66	0.00	71.66
2019(12)	49.4	18.0	12.89	0.00	1.25	4.86	4.86	35.51	22.66	87.5	8.94	15.84	62.69	0.00	62.69
2020(12)	44.2	16.2	11.56	0.00	1.12	4.86	4.86	35.51	22.66	78.5	8.02	15.84	54.64	0.00	54.64
2021(12)	39.8	14.5	10.38	0.00	1.01	4.86	4.86	35.51	22.66	70.4	7.20	15.84	47.41	0.00	47.41
2022(12)	35.7	13.0	9.31	0.00	0.91	4.86	4.86	35.51	22.66	63.2	6.46	15.84	40.93	0.00	40.93
2023(12)	32.0	11.7	8.36	0.00	0.81	4.86	4.86	35.51	22.66	56.7	5.80	15.84	35.11	0.00	35.11
2024(12)	28.7	10.5	7.50	0.00	0.73	4.86	4.86	35.51	22.66	50.9	5.20	15.84	29.88	0.00	29.88
2025(12)	25.8	9.4	6.73	0.00	0.65	4.86	4.86	35.51	22.66	45.7	4.67	15.84	25.19	0.00	25.19
2026(12)	23.2	8.5	6.04	0.00	0.59	4.86	4.86	35.51	22.66	41.0	4.19	15.84	20.99	0.00	20.99
Sub.	---	538.3	384.67	0.00	37.40	---	---	---	---	2,611.1	266.74	303.60	2,040.72	1,032.00	1,008.72
Rem.	---	40.2	28.75	0.00	2.80	---	---	---	---	195.1	19.93	114.84	60.37	0.00	60.37
Total	---	578.5	413.42	0.00	40.20	---	---	---	---	2,806.2	286.67	418.44	2,101.08	1,032.00	1,069.08

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 31-6 UNIT 7F

WELL INFORMATION

LEASE	SAN JUAN 31-6 UNIT 7F
LOCATION	01030N007W
COUNTY, STATE	RIO ARriba, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRIll
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	6/6/2007
COMP DATE	10/25/2007
1ST DELIVERY	11/19/2007
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

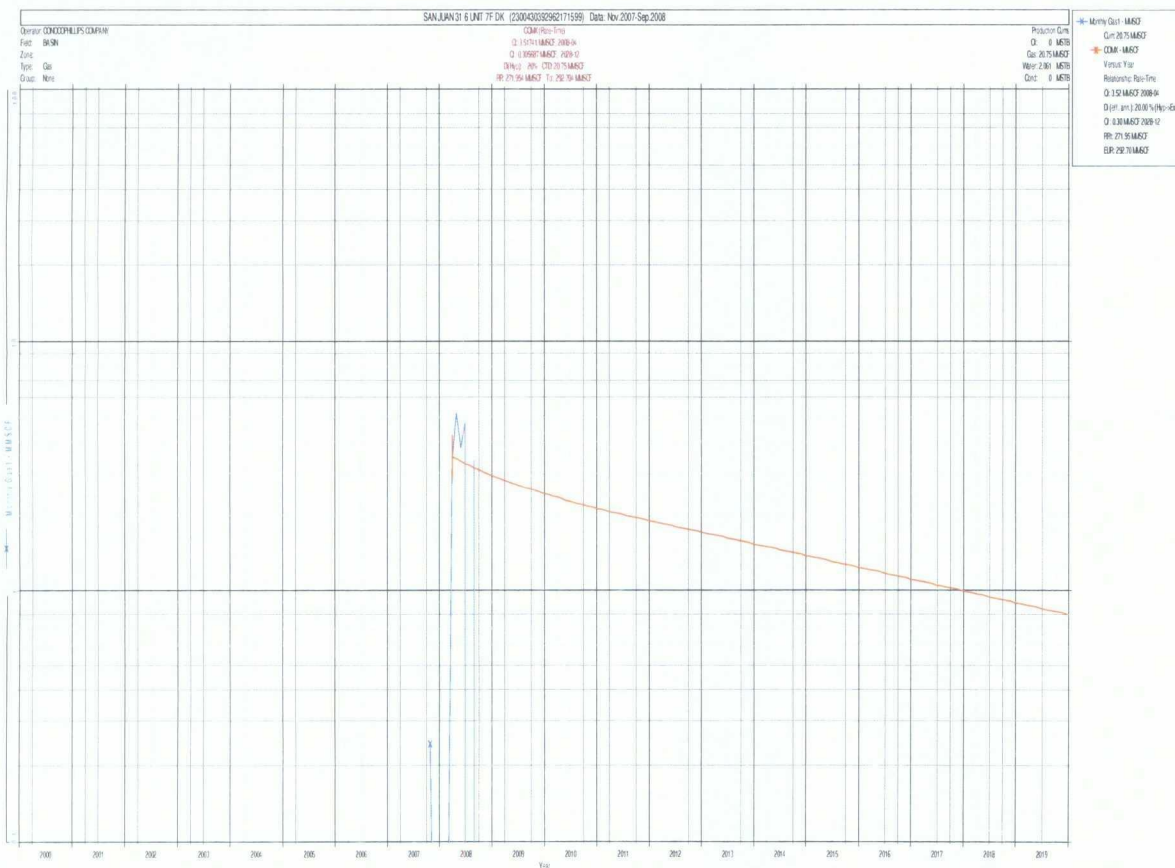
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,032.00	M\$	AVERAGE WELL COST
292.41	MMCF	ULT. GROSS GAS RESERVES
107.49	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.39	\$\$	P/I, DISC. @ 10.00 %
-403.94	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 UNIT 7F

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\$
2008(12)	107.5	29.6	21.12	0.00	2.05	4.86	4.86	35.51	22.66	143.4	14.65	11.88	116.86	1,032.00	-915.14
2009(12)	88.7	32.4	23.13	0.00	2.25	4.86	4.86	35.51	22.66	157.0	16.04	15.84	125.10	0.00	125.10
2010(12)	75.7	27.6	19.74	0.00	1.92	4.86	4.86	35.51	22.66	134.0	13.69	15.84	104.47	0.00	104.47
2011(12)	66.6	24.3	17.38	0.00	1.69	4.86	4.86	35.51	22.66	117.9	12.05	15.84	90.05	0.00	90.05
2012(12)	59.5	21.8	15.56	0.00	1.51	4.86	4.86	35.51	22.66	105.6	10.79	15.84	78.97	0.00	78.97
2013(12)	53.5	19.5	13.96	0.00	1.36	4.86	4.86	35.51	22.66	94.8	9.68	15.84	69.25	0.00	69.25
2014(12)	48.0	17.5	12.53	0.00	1.22	4.86	4.86	35.51	22.66	85.1	8.69	15.84	60.52	0.00	60.52
2015(12)	43.1	15.7	11.25	0.00	1.09	4.86	4.86	35.51	22.66	76.3	7.80	15.84	52.69	0.00	52.69
2016(12)	38.6	14.1	10.09	0.00	0.98	4.86	4.86	35.51	22.66	68.5	7.00	15.84	45.67	0.00	45.67
2017(12)	34.7	12.7	9.06	0.00	0.88	4.86	4.86	35.51	22.66	61.5	6.28	15.84	39.36	0.00	39.36
2018(12)	31.2	11.4	8.13	0.00	0.79	4.86	4.86	35.51	22.66	55.2	5.64	15.84	33.70	0.00	33.70
2019(12)	28.0	10.2	7.30	0.00	0.71	4.86	4.86	35.51	22.66	49.5	5.06	15.84	28.62	0.00	28.62
2020(12)	25.0	9.2	6.55	0.00	0.64	4.86	4.86	35.51	22.66	44.4	4.54	15.84	24.06	0.00	24.06
2021(12)	22.5	8.2	5.88	0.00	0.57	4.86	4.86	35.51	22.66	39.9	4.07	15.84	19.97	0.00	19.97
2022(12)	20.2	7.4	5.27	0.00	0.51	4.86	4.86	35.51	22.66	35.8	3.66	15.84	16.30	0.00	16.30
2023(12)	18.1	6.6	4.73	0.00	0.46	4.86	4.86	35.51	22.66	32.1	3.28	15.84	13.00	0.00	13.00
2024(12)	16.2	5.9	4.25	0.00	0.41	4.86	4.86	35.51	22.66	28.8	2.95	15.84	10.04	0.00	10.04
2025(12)	14.6	5.3	3.81	0.00	0.37	4.86	4.86	35.51	22.66	25.9	2.64	15.84	7.39	0.00	7.39
2026(12)	13.1	4.8	3.42	0.00	0.33	4.86	4.86	35.51	22.66	23.2	2.37	15.84	5.01	0.00	5.01
2027(12)	11.8	4.3	3.07	0.00	0.30	4.86	4.86	35.51	22.66	20.8	2.13	15.84	2.87	0.00	2.87
Sub.	---	288.6	206.22	0.00	20.05	---	---	---	---	1,399.7	142.99	312.84	943.91	1,032.00	-88.09
Rem.	---	3.6	2.54	0.00	0.25	---	---	---	---	17.2	1.76	14.52	0.94	0.00	0.94
Total	---	292.1	208.75	0.00	20.30	---	---	---	---	1,417.0	144.75	327.36	944.85	1,032.00	-87.15

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 UNIT 50M

WELL INFORMATION

LEASE	SAN JUAN 31-6 UNIT 50M
LOCATION	31031N006W
COUNTY, STATE	RIO ARriba, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	7/23/2007
COMP DATE	11/16/2007
1ST DELIVERY	11/19/2007
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

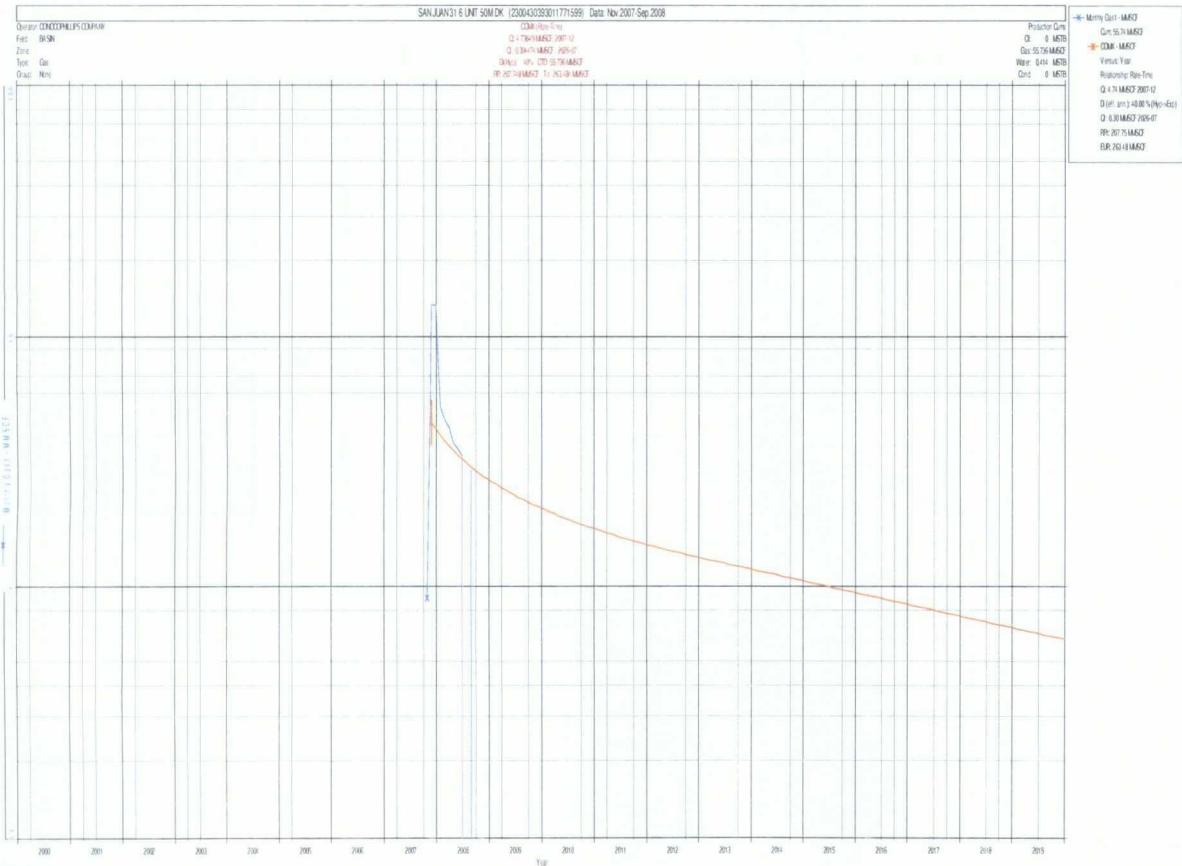
TAXES FOR:	RIO ARriba, NEW MEXICO
	2003 - 2004 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,032.00	M\$	AVERAGE WELL COST
262.59	MMCF	ULT. GROSS GAS RESERVES
432.68	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.39	\$/	P/I, DISC. @ 10.00 %
-403.31	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 UNIT 50M

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)	432.7	13.4	9.59	0.00	0.93	4.86	4.86	35.51	22.66	65.1	6.65	1.32	57.10	1,032.00	-974.90
2008(12)	136.9	50.1	35.79	0.00	3.48	4.86	4.86	35.51	22.66	243.0	24.82	15.84	202.30	0.00	202.30
2009(12)	78.6	28.7	20.49	0.00	1.99	4.86	4.86	35.51	22.66	139.1	14.21	15.84	109.05	0.00	109.05
2010(12)	62.3	22.7	16.25	0.00	1.58	4.86	4.86	35.51	22.66	110.3	11.27	15.84	83.19	0.00	83.19
2011(12)	52.5	19.2	13.69	0.00	1.33	4.86	4.86	35.51	22.66	92.9	9.49	15.84	67.61	0.00	67.61
2012(12)	45.7	16.7	11.95	0.00	1.16	4.86	4.86	35.51	22.66	81.1	8.29	15.84	57.01	0.00	57.01
2013(12)	40.9	14.9	10.67	0.00	1.04	4.86	4.86	35.51	22.66	72.4	7.40	15.84	49.16	0.00	49.16
2014(12)	36.7	13.4	9.57	0.00	0.93	4.86	4.86	35.51	22.66	65.0	6.64	15.84	42.49	0.00	42.49
2015(12)	32.9	12.0	8.59	0.00	0.84	4.86	4.86	35.51	22.66	58.3	5.96	15.84	36.51	0.00	36.51
2016(12)	29.5	10.8	7.71	0.00	0.75	4.86	4.86	35.51	22.66	52.3	5.35	15.84	31.14	0.00	31.14
2017(12)	26.5	9.7	6.92	0.00	0.67	4.86	4.86	35.51	22.66	47.0	4.80	15.84	26.32	0.00	26.32
2018(12)	23.8	8.7	6.21	0.00	0.60	4.86	4.86	35.51	22.66	42.1	4.31	15.84	22.00	0.00	22.00
2019(12)	21.4	7.8	5.57	0.00	0.54	4.86	4.86	35.51	22.66	37.8	3.86	15.84	18.12	0.00	18.12
2020(12)	19.1	7.0	5.00	0.00	0.49	4.86	4.86	35.51	22.66	33.9	3.47	15.84	14.64	0.00	14.64
2021(12)	17.2	6.3	4.49	0.00	0.44	4.86	4.86	35.51	22.66	30.5	3.11	15.84	11.51	0.00	11.51
2022(12)	15.4	5.6	4.03	0.00	0.39	4.86	4.86	35.51	22.66	27.3	2.79	15.84	8.71	0.00	8.71
2023(12)	13.9	5.1	3.61	0.00	0.35	4.86	4.86	35.51	22.66	24.5	2.51	15.84	6.19	0.00	6.19
2024(12)	12.4	4.5	3.24	0.00	0.32	4.86	4.86	35.51	22.66	22.0	2.25	15.84	3.93	0.00	3.93
2025(12)	11.2	4.1	2.91	0.00	0.28	4.86	4.86	35.51	22.66	19.8	2.02	15.84	1.90	0.00	1.90
2026(12)	10.4	1.9	1.34	0.00	0.13	4.86	4.86	35.51	22.66	9.1	0.93	7.92	0.26	0.00	0.26
Total	---	262.6	187.63	0.00	18.24	---	---	---	---	1,273.6	130.11	294.36	849.13	1,032.00	-182.87