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ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289

2008 DEC 9 PM 1 39
December 3, 2008

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 29-6 Unit (14-06-001-439)
Commerciality Determination
Dakota Formation
Rio Arriba County, New Mexico

Ladies and Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-6 Unit Agreement, #14-06-001-464, 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 Dakota Formation. ConocoPhillips is seeking confirmation of the well determination enclosed.

Well Name	Dedication	Lease No.	Completion Date	Determination
SJ 29-6 Unit #109M	W/2 , 32-29N-6W	ST of NM 289	8-13-07	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 and enclosures are being sent to the working interest owners as listed on the attached page. For technical questions please contact Karen Stevens at 505-326-9754, all other questions to the undersigned at 505-599-4030.

Sincerely,

Dawn Howell
Staff Land Technician

SJ 29-6 Unit, 4.3

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 29-6 UNIT 109M

WELL INFORMATION

LEASE SAN JUAN 29-6 UNIT 109M
 LOCATION 32029N006W
 COUNTY, STATE RIO ARriba, NEW MEXICO
 FORMATION DAKOTA
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS CO
 SPUD DATE 5/12/2007
 COMP DATE 8/13/2007
 1ST DELIVERY 8/27/2007
 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

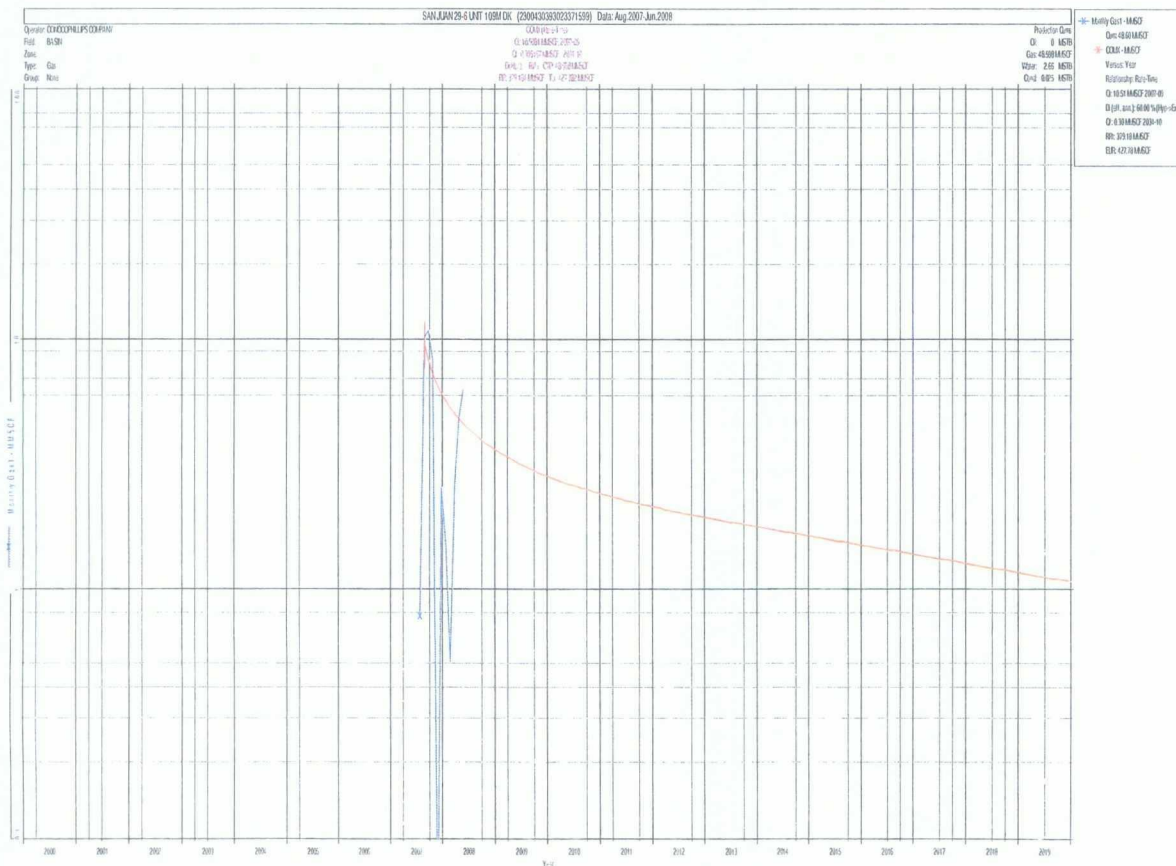
SEVERANCE:
 Severance, School, Conservation 0.00
 AD VALOREM:
 Production, Equipment 0.00
 TOTAL %: 0.00

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,003.45	M\$	AVERAGE WELL COST
427.01	MMCF	ULT. GROSS GAS RESERVES
241.33	MCFD	INITIAL GAS RATE
10.84	%	RATE OF RETURN
0.03	\$/	P/I, DISC. @ 10.00 %
32.27	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
6.60	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-6 UNIT 109M

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)	241.3	29.4	21.04	0.00	2.05	4.86	4.86	35.51	22.66	142.8	0.00	4.00	138.81	1,003.45	-864.64
2008(12)	117.2	42.9	30.65	0.00	2.98	4.86	4.86	35.51	22.66	208.0	0.00	12.00	196.01	0.00	196.01
2009(12)	106.8	39.0	27.86	0.00	2.71	4.86	4.86	35.51	22.66	189.1	0.00	12.00	177.12	0.00	177.12
2010(12)	87.0	31.8	22.69	0.00	2.21	4.86	4.86	35.51	22.66	154.0	0.00	12.00	142.05	0.00	142.05
2011(12)	75.3	27.5	19.64	0.00	1.91	4.86	4.86	35.51	22.66	133.3	0.00	12.00	121.34	0.00	121.34
2012(12)	67.2	24.6	17.57	0.00	1.71	4.86	4.86	35.51	22.66	119.2	0.00	12.00	107.25	0.00	107.25
2013(12)	61.4	22.4	16.03	0.00	1.56	4.86	4.86	35.51	22.66	108.8	0.00	12.00	96.79	0.00	96.79
2014(12)	56.4	20.6	14.72	0.00	1.43	4.86	4.86	35.51	22.66	99.9	0.00	12.00	87.90	0.00	87.90
2015(12)	51.8	18.9	13.52	0.00	1.31	4.86	4.86	35.51	22.66	91.7	0.00	12.00	79.75	0.00	79.75
2016(12)	47.5	17.4	12.41	0.00	1.21	4.86	4.86	35.51	22.66	84.3	0.00	12.00	72.26	0.00	72.26
2017(12)	43.7	16.0	11.40	0.00	1.11	4.86	4.86	35.51	22.66	77.4	0.00	12.00	65.38	0.00	65.38
2018(12)	40.1	14.7	10.47	0.00	1.02	4.86	4.86	35.51	22.66	71.1	0.00	12.00	59.07	0.00	59.07
2019(12)	36.9	13.5	9.62	0.00	0.93	4.86	4.86	35.51	22.66	65.3	0.00	12.00	53.27	0.00	53.27
2020(12)	33.8	12.4	8.83	0.00	0.86	4.86	4.86	35.51	22.66	59.9	0.00	12.00	47.94	0.00	47.94
2021(12)	31.1	11.3	8.11	0.00	0.79	4.86	4.86	35.51	22.66	55.0	0.00	12.00	43.05	0.00	43.05
2022(12)	28.6	10.4	7.45	0.00	0.72	4.86	4.86	35.51	22.66	50.6	0.00	12.00	38.55	0.00	38.55
2023(12)	26.2	9.6	6.84	0.00	0.67	4.86	4.86	35.51	22.66	46.4	0.00	12.00	34.43	0.00	34.43
2024(12)	24.0	8.8	6.28	0.00	0.61	4.86	4.86	35.51	22.66	42.6	0.00	12.00	30.64	0.00	30.64
2025(12)	22.1	8.1	5.77	0.00	0.56	4.86	4.86	35.51	22.66	39.2	0.00	12.00	27.16	0.00	27.16
2026(12)	20.3	7.4	5.30	0.00	0.52	4.86	4.86	35.51	22.66	36.0	0.00	12.00	23.96	0.00	23.96
Sub.	---	386.5	276.19	0.00	26.85	---	---	---	---	1,874.7	0.00	232.00	1,642.71	1,003.45	639.26
Rem.	---	40.5	28.96	0.00	2.82	---	---	---	---	196.6	0.00	94.00	102.56	0.00	102.56
Total	---	427.0	305.15	0.00	29.67	---	---	---	---	2,071.3	0.00	326.00	1,745.27	1,003.45	741.82

**SAN JUAN 29-6 UNIT
DAKOTA FORMATION
WORKING INTEREST OWNERS**

Betty T. Johnston Marital Trust

Burlington Resources Oil & Gas Co, LP

Charles W. Gay

ConocoPhillips Company

Eula May Johnston Trust

J&M Raymond LTD

Lorrayn Gay Hacker

TAMACAM

McElvain Oil Company

Pintail Production Co, Inc.

Sable Energy, Ltd.

T.H. McElvain Oil & Gas Limited

V A Johnston Family Trust

Vaughan-McElvain Energy Inc.

Veva Jean Gibbard