ConocoPhillips

420

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

December 5, 2008

2008 DEC 9 PM 1 41

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 32-7 UNIT, #14-08-001-441**
Commerciality Determinations
Dakota Formation
Rio Arriba County, New Mexico

Ladies and Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-7 Unit Agreement, ConocoPhillips Company, as Operator, has determined that only one of the wells listed below is capable of producing in 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 32-7 Unit #93M	N/2 36-32N-7W	ST E-503-13	12/22/2006	Commercial
SJ 32-7 Unit #93	N/2 36-32N-7W	ST E-503-13	12/8/2006	Non-Commercial
SJ 32-7 Unit #24A	W/2 21-32N-7W	FEE	12/10/2007	Non-Commercial
SJ 32-7 Unit #25F	S/2 36-32N-7W	ST E-503-13	12/14/2006	Non-Commercial
SJ 32-7 Unit #25A	S/2 36-32N-7W	ST E-503-13	9/27/07	Non-Commercial
SJ 32-7 Unit #26M	S/2 35-32N-7W	SF-078542	8/6/2007	Non-Commercial
SJ 32-7 Unit #43M	E/2 21-32N-7W	SF-078460	7/26/2007	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, the formal Participating Area Schedule will be prepared and submitted for the commercial well, the non-commercial wells will continue to be reported 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

Dawn Howell
Staff Land Technician

SJ 32-7 Unit, 4.3

SAN JUAN 32-7 UNIT
DAKOTA FORMATION
WORKING INTEREST OWNERS

CONOCOPHILLIPS COMPANY

BURLINGTON RESOURCES OIL & GAS CO LP

ENERGEN RESOURCES CORPORATION

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 93M

WELL INFORMATION

LEASE	SAN JUAN 32-7 UNIT 93M
LOCATION	36032N007W
COUNTY, STATE	SAN JUAN, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	10/10/2006
COMP DATE	12/18/2006
1ST DELIVERY	1/15/2007
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR: SAN JUAN, NEW MEXICO
2003 - 2004 Commerciality

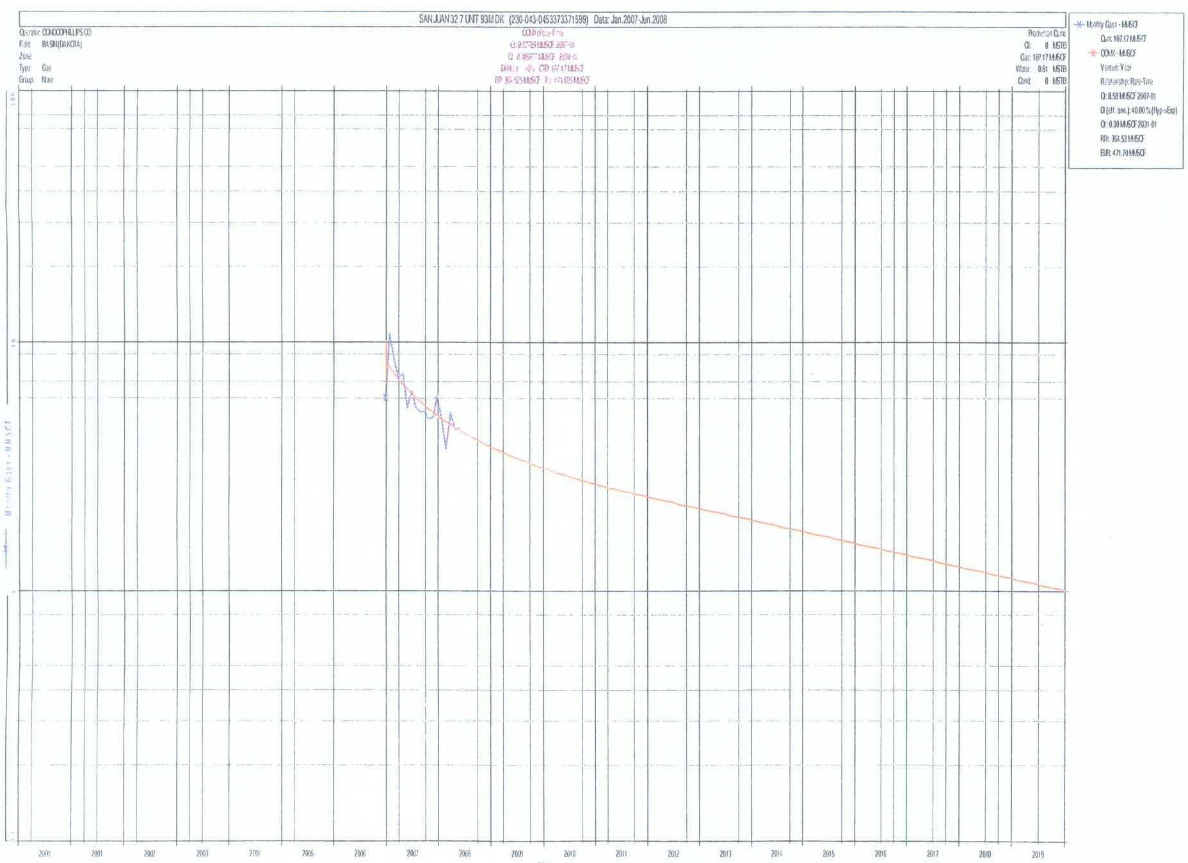
	GAS % OF REVENUE
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.26
TOTAL %:	9.19

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,032.00	M$	AVERAGE WELL COST
465.68	MMCF	ULT. GROSS GAS RESERVES
215.87	MCFD	INITIAL GAS RATE
12.12	%	RATE OF RETURN
0.07	$/$	P/I, DISC. @ 10.00 %
70.30	M$	NET PRESENT VALUE, DISC. @ 10.00 %
5.65	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 93M

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)	215.9	72.1	51.52	0.00	5.01	4.86	4.86	35.51	22.66	349.7	35.36	14.52	299.85	1,032.00	-732.15
2008(12)	146.9	53.8	38.41	0.00	3.73	4.86	4.86	35.51	22.66	260.7	26.36	15.84	218.52	0.00	218.52
2009(12)	114.7	41.9	29.92	0.00	2.91	4.86	4.86	35.51	22.66	203.1	20.53	15.84	166.70	0.00	166.70
2010(12)	96.3	35.1	25.11	0.00	2.44	4.86	4.86	35.51	22.66	170.5	17.24	15.84	137.40	0.00	137.40
2011(12)	83.9	30.6	21.87	0.00	2.13	4.86	4.86	35.51	22.66	148.5	15.01	15.84	117.61	0.00	117.61
2012(12)	74.5	27.3	19.49	0.00	1.89	4.86	4.86	35.51	22.66	132.3	13.38	15.84	103.08	0.00	103.08
2013(12)	67.1	24.5	17.49	0.00	1.70	4.86	4.86	35.51	22.66	118.7	12.00	15.84	90.88	0.00	90.88
2014(12)	60.2	22.0	15.70	0.00	1.53	4.86	4.86	35.51	22.66	106.5	10.77	15.84	79.94	0.00	79.94
2015(12)	54.0	19.7	14.09	0.00	1.37	4.86	4.86	35.51	22.66	95.6	9.67	15.84	70.11	0.00	70.11
2016(12)	48.3	17.7	12.64	0.00	1.23	4.86	4.86	35.51	22.66	85.8	8.68	15.84	61.30	0.00	61.30
2017(12)	43.5	15.9	11.35	0.00	1.10	4.86	4.86	35.51	22.66	77.0	7.79	15.84	53.39	0.00	53.39
2018(12)	39.0	14.2	10.18	0.00	0.99	4.86	4.86	35.51	22.66	69.1	6.99	15.84	46.29	0.00	46.29
2019(12)	35.0	12.8	9.14	0.00	0.89	4.86	4.86	35.51	22.66	62.0	6.27	15.84	39.92	0.00	39.92
2020(12)	31.4	11.5	8.20	0.00	0.80	4.86	4.86	35.51	22.66	55.7	5.63	15.84	34.20	0.00	34.20
2021(12)	28.2	10.3	7.36	0.00	0.72	4.86	4.86	35.51	22.66	50.0	5.05	15.84	29.07	0.00	29.07
2022(12)	25.3	9.2	6.61	0.00	0.64	4.86	4.86	35.51	22.66	44.8	4.53	15.84	24.47	0.00	24.47
2023(12)	22.7	8.3	5.93	0.00	0.58	4.86	4.86	35.51	22.66	40.2	4.07	15.84	20.33	0.00	20.33
2024(12)	20.3	7.4	5.32	0.00	0.52	4.86	4.86	35.51	22.66	36.1	3.65	15.84	16.62	0.00	16.62
2025(12)	18.3	6.7	4.78	0.00	0.46	4.86	4.86	35.51	22.66	32.4	3.28	15.84	13.30	0.00	13.30
2026(12)	16.4	6.0	4.29	0.00	0.42	4.86	4.86	35.51	22.66	29.1	2.94	15.84	10.31	0.00	10.31
Sub.	---	446.9	319.39	0.00	31.05	---	---	---	---	2,168.0	219.19	315.48	1,633.31	1,032.00	601.31
Rem.	---	18.4	13.18	0.00	1.28	---	---	---	---	89.4	9.04	63.36	17.03	0.00	17.03
Total	---	465.4	332.57	0.00	32.34	---	---	---	---	2,257.4	228.23	378.84	1,650.35	1,032.00	618.35

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 93

WELL INFORMATION

LEASE	SAN JUAN 32-7 UNIT 93
LOCATION	36032N007W
COUNTY, STATE	SAN JUAN, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	9/19/2006
COMP DATE	12/8/2006
1ST DELIVERY	1/17/2007
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR: SAN JUAN, NEW MEXICO
2003 - 2004 Commerciality

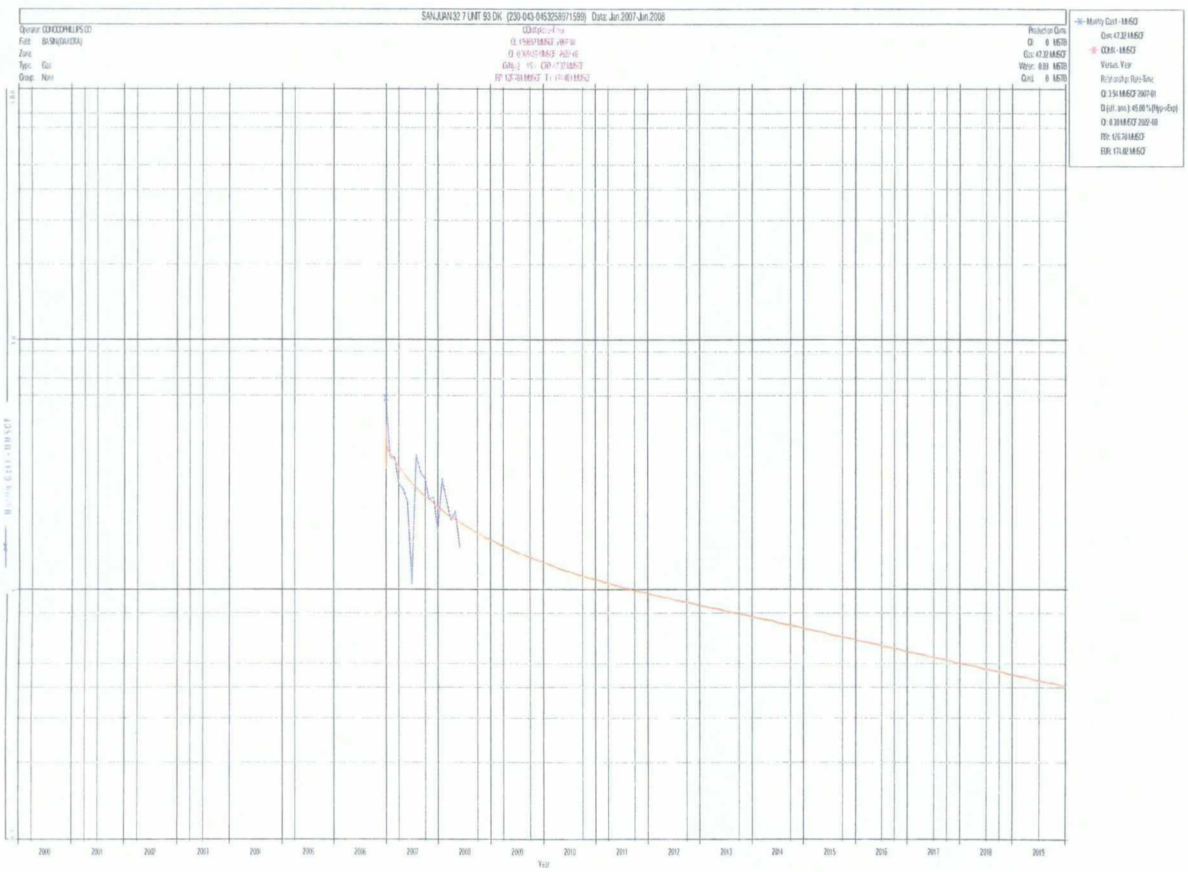
	GAS % OF REVENUE
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,032.00	M$	AVERAGE WELL COST
78.99	MMCF	ULT. GROSS GAS RESERVES
49.18	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.85	$/$	P/I, DISC. @ 10.00 %
-878.72	M$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 93

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)	49.2	16.4	11.74	0.00	1.14	4.86	4.86	35.51	22.66	79.7	8.14	14.52	57.01	1,032.00	-974.99
2008(12)	35.1	12.8	9.18	0.00	0.89	4.86	4.86	35.51	22.66	62.3	6.36	15.84	40.08	0.00	40.08
2009(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	26.36	0.00	26.36
2010(12)	21.8	8.0	5.69	0.00	0.55	4.86	4.86	35.51	22.66	38.6	3.95	15.84	18.84	0.00	18.84
2011(12)	18.8	6.8	4.89	0.00	0.48	4.86	4.86	35.51	22.66	33.2	3.39	15.84	13.98	0.00	13.98
2012(12)	16.5	6.1	4.33	0.00	0.42	4.86	4.86	35.51	22.66	29.4	3.00	15.84	10.53	0.00	10.53
2013(12)	14.9	5.4	3.88	0.00	0.38	4.86	4.86	35.51	22.66	26.3	2.69	15.84	7.80	0.00	7.80
2014(12)	13.3	4.9	3.48	0.00	0.34	4.86	4.86	35.51	22.66	23.6	2.41	15.84	5.37	0.00	5.37
2015(12)	12.0	4.4	3.12	0.00	0.30	4.86	4.86	35.51	22.66	21.2	2.17	15.84	3.20	0.00	3.20
2016(12)	10.7	3.9	2.80	0.00	0.27	4.86	4.86	35.51	22.66	19.0	1.94	15.84	1.25	0.00	1.25
2017(12)	9.9	0.3	0.22	0.00	0.02	4.86	4.86	35.51	22.66	1.5	0.15	1.32	0.02	0.00	0.02
Total	---	78.7	56.26	0.00	5.47	---	---	---	---	381.9	39.01	158.40	184.45	1,032.00	-847.55

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BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 24A

WELL INFORMATION

LEASE	SAN JUAN 32-7 UNIT 24A
LOCATION	21032N007W
COUNTY, STATE	SAN JUAN, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	10/19/2007
COMP DATE	12/10/2007
1ST DELIVERY	1/7/2008
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR: SAN JUAN, NEW MEXICO
2003 - 2004 Commerciality

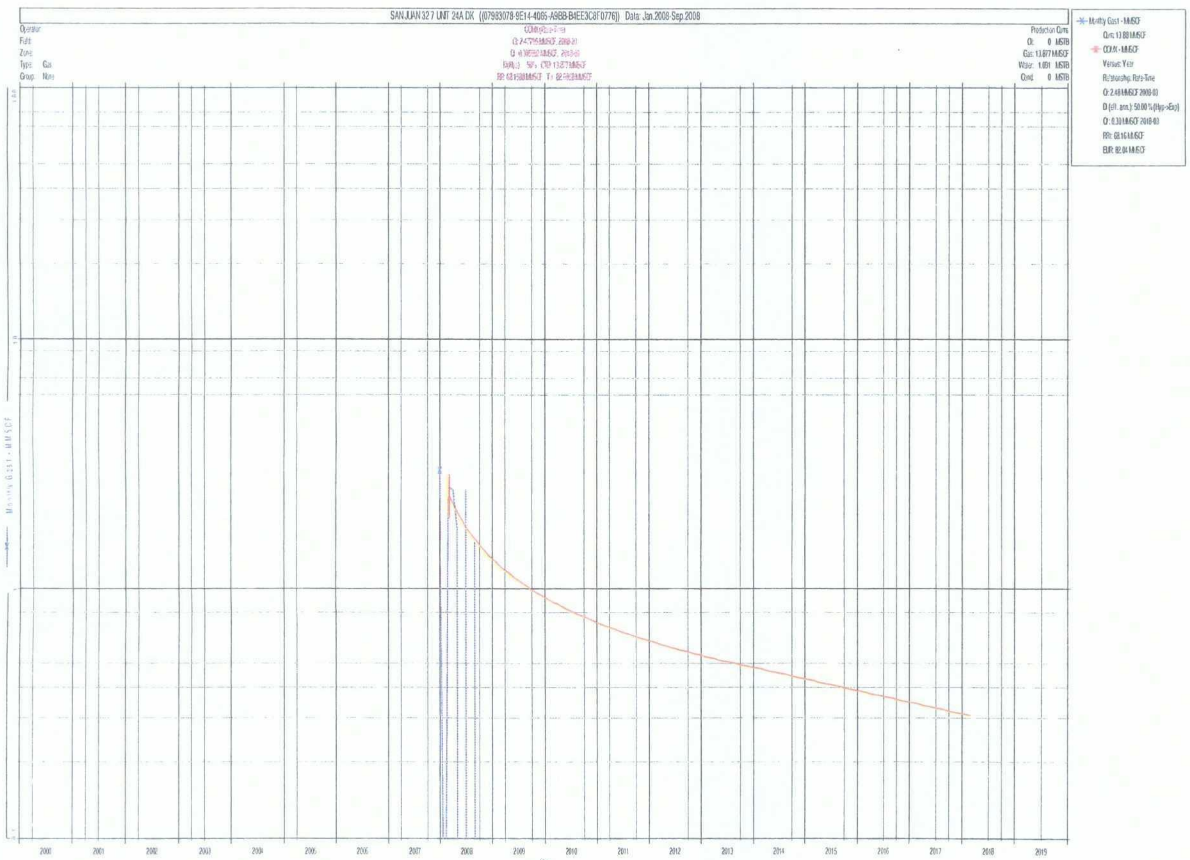
	GAS % OF REVENUE
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,032.00	M$	AVERAGE WELL COST
78.99	MMCF	ULT. GROSS GAS RESERVES
49.39	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.85	$/$	P/I, DISC. @ 10.00 %
-878.72	M$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 24A

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)	49.4	15.1	10.80	0.00	1.05	4.86	4.86	35.51	22.66	73.3	7.49	13.20	52.62	1,032.00	-979.38
2009(12)	36.2	13.2	9.46	0.00	0.92	4.86	4.86	35.51	22.66	64.2	6.56	15.84	41.78	0.00	41.78
2010(12)	27.1	9.9	7.06	0.00	0.69	4.86	4.86	35.51	22.66	47.9	4.90	15.84	27.18	0.00	27.18
2011(12)	22.1	8.1	5.77	0.00	0.56	4.86	4.86	35.51	22.66	39.2	4.00	15.84	19.34	0.00	19.34
2012(12)	18.9	6.9	4.95	0.00	0.48	4.86	4.86	35.51	22.66	33.6	3.43	15.84	14.32	0.00	14.32
2013(12)	16.7	6.1	4.37	0.00	0.42	4.86	4.86	35.51	22.66	29.6	3.03	15.84	10.78	0.00	10.78
2014(12)	15.0	5.5	3.91	0.00	0.38	4.86	4.86	35.51	22.66	26.6	2.71	15.84	8.01	0.00	8.01
2015(12)	13.5	4.9	3.51	0.00	0.34	4.86	4.86	35.51	22.66	23.8	2.44	15.84	5.57	0.00	5.57
2016(12)	12.1	4.4	3.15	0.00	0.31	4.86	4.86	35.51	22.66	21.4	2.19	15.84	3.37	0.00	3.37
2017(12)	10.8	4.0	2.83	0.00	0.28	4.86	4.86	35.51	22.66	19.2	1.96	15.84	1.40	0.00	1.40
2018(12)	10.5	0.6	0.44	0.00	0.04	4.86	4.86	35.51	22.66	3.0	0.31	2.64	0.06	0.00	0.06
Total	---	78.7	56.26	0.00	5.47	---	---	---	---	381.9	39.01	158.40	184.45	1,032.00	-847.55

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 25F

WELL INFORMATION

LEASE	SAN JUAN 32-7 UNIT 25F
LOCATION	36032N007W
COUNTY, STATE	SAN JUAN, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	10/28/2006
COMP DATE	12/14/2006
1ST DELIVERY	1/8/2007
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR: SAN JUAN, NEW MEXICO
2003 - 2004 Commerciality

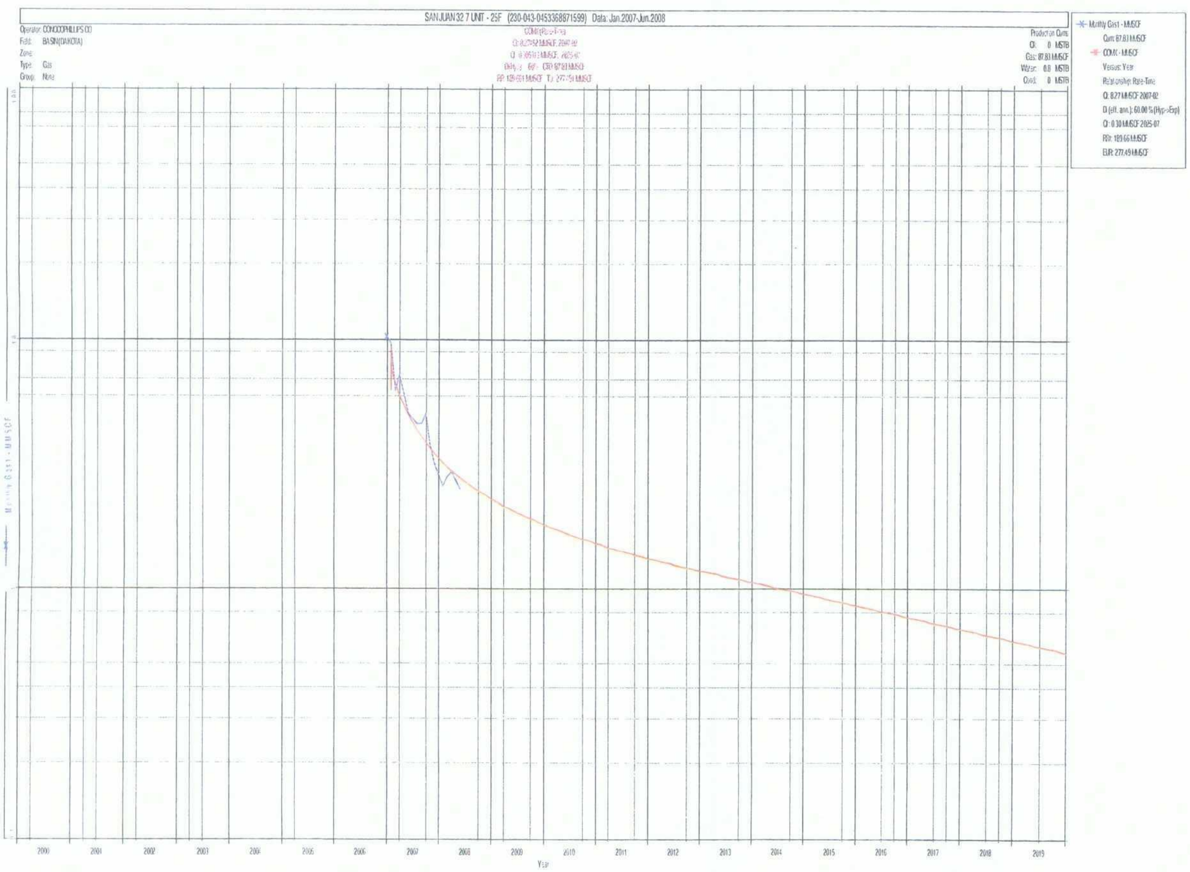
	GAS % OF REVENUE
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.26
TOTAL %:	9.19

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,032.00	M$	AVERAGE WELL COST
267.19	MMCF	ULT. GROSS GAS RESERVES
182.16	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.37	$/$	P/I, DISC. @ 10.00 %
-381.78	M$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 25F

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)	182.2	60.8	43.48	0.00	4.23	4.86	4.86	35.51	22.66	295.1	29.84	14.52	250.76	1,032.00	-781.24
2008(12)	87.2	31.9	22.80	0.00	2.22	4.86	4.86	35.51	22.66	154.7	15.65	15.84	123.26	0.00	123.26
2009(12)	67.7	24.7	17.65	0.00	1.72	4.86	4.86	35.51	22.66	119.8	12.11	15.84	91.85	0.00	91.85
2010(12)	54.9	20.0	14.32	0.00	1.39	4.86	4.86	35.51	22.66	97.2	9.82	15.84	71.51	0.00	71.51
2011(12)	46.8	17.1	12.22	0.00	1.19	4.86	4.86	35.51	22.66	82.9	8.38	15.84	58.70	0.00	58.70
2012(12)	41.1	15.0	10.75	0.00	1.05	4.86	4.86	35.51	22.66	73.0	7.38	15.84	49.75	0.00	49.75
2013(12)	36.9	13.5	9.62	0.00	0.94	4.86	4.86	35.51	22.66	65.3	6.60	15.84	42.88	0.00	42.88
2014(12)	33.1	12.1	8.64	0.00	0.84	4.86	4.86	35.51	22.66	58.6	5.93	15.84	36.86	0.00	36.86
2015(12)	29.7	10.8	7.75	0.00	0.75	4.86	4.86	35.51	22.66	52.6	5.32	15.84	31.46	0.00	31.46
2016(12)	26.6	9.7	6.96	0.00	0.68	4.86	4.86	35.51	22.66	47.2	4.77	15.84	26.61	0.00	26.61
2017(12)	23.9	8.7	6.24	0.00	0.61	4.86	4.86	35.51	22.66	42.4	4.28	15.84	22.25	0.00	22.25
2018(12)	21.5	7.8	5.60	0.00	0.54	4.86	4.86	35.51	22.66	38.0	3.85	15.84	18.35	0.00	18.35
2019(12)	19.3	7.0	5.03	0.00	0.49	4.86	4.86	35.51	22.66	34.1	3.45	15.84	14.84	0.00	14.84
2020(12)	17.3	6.3	4.51	0.00	0.44	4.86	4.86	35.51	22.66	30.6	3.10	15.84	11.70	0.00	11.70
2021(12)	15.5	5.7	4.05	0.00	0.39	4.86	4.86	35.51	22.66	27.5	2.78	15.84	8.87	0.00	8.87
2022(12)	13.9	5.1	3.63	0.00	0.35	4.86	4.86	35.51	22.66	24.7	2.49	15.84	6.34	0.00	6.34
2023(12)	12.5	4.6	3.26	0.00	0.32	4.86	4.86	35.51	22.66	22.1	2.24	15.84	4.06	0.00	4.06
2024(12)	11.2	4.1	2.93	0.00	0.28	4.86	4.86	35.51	22.66	19.9	2.01	15.84	2.02	0.00	2.02
2025(12)	10.4	1.9	1.35	0.00	0.13	4.86	4.86	35.51	22.66	9.2	0.93	7.92	0.31	0.00	0.31
Total	---	267.0	190.79	0.00	18.55	---	---	---	---	1,295.0	130.93	291.72	872.38	1,032.00	-159.62

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 25A

WELL INFORMATION

LEASE	SAN JUAN 32-7 UNIT 25A
LOCATION	36032N007W
COUNTY, STATE	SAN JUAN, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	7/13/2007
COMP DATE	9/27/2007
1ST DELIVERY	10/16/2007
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR: SAN JUAN, NEW MEXICO
2003 - 2004 Commerciality

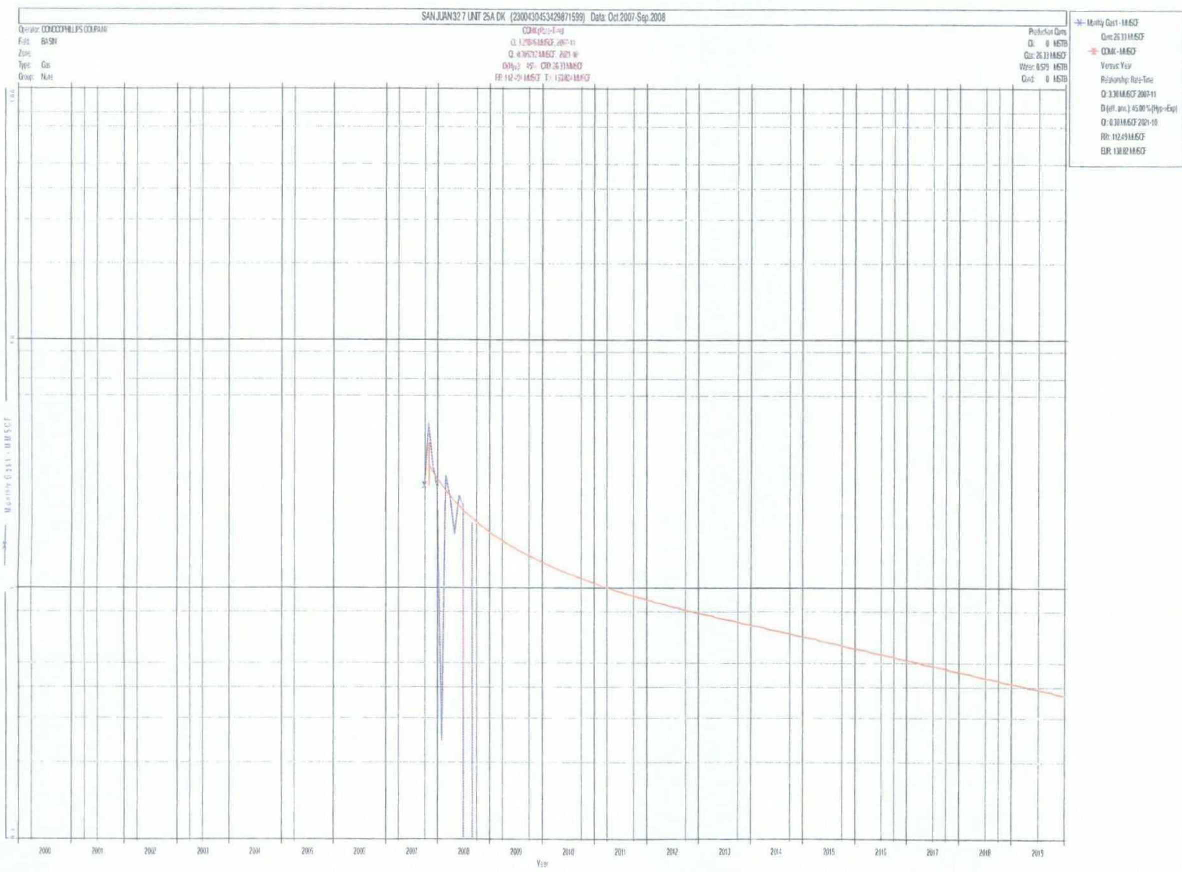
	GAS % OF REVENUE
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.26
TOTAL %:	9.19

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,032.00	M$	AVERAGE WELL COST
136.22	MMCF	ULT. GROSS GAS RESERVES
127.56	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.72	$/$	P/I, DISC. @ 10.00 %
-746.43	M$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 25A

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)	127.6	7.8	5.56	0.00	0.54	4.86	4.86	35.51	22.66	37.7	3.82	2.64	31.29	1,032.00	-1,000.71
2008(12)	58.2	21.3	15.22	0.00	1.48	4.86	4.86	35.51	22.66	103.3	10.45	15.84	77.04	0.00	77.04
2009(12)	48.2	17.6	12.57	0.00	1.22	4.86	4.86	35.51	22.66	85.3	8.63	15.84	60.85	0.00	60.85
2010(12)	37.9	13.8	9.88	0.00	0.96	4.86	4.86	35.51	22.66	67.1	6.78	15.84	44.47	0.00	44.47
2011(12)	31.8	11.6	8.29	0.00	0.81	4.86	4.86	35.51	22.66	56.3	5.69	15.84	34.76	0.00	34.76
2012(12)	27.6	10.1	7.22	0.00	0.70	4.86	4.86	35.51	22.66	49.0	4.95	15.84	28.21	0.00	28.21
2013(12)	24.7	9.0	6.43	0.00	0.63	4.86	4.86	35.51	22.66	43.7	4.41	15.84	23.40	0.00	23.40
2014(12)	22.1	8.1	5.77	0.00	0.56	4.86	4.86	35.51	22.66	39.2	3.96	15.84	19.38	0.00	19.38
2015(12)	19.9	7.2	5.18	0.00	0.50	4.86	4.86	35.51	22.66	35.2	3.55	15.84	15.77	0.00	15.77
2016(12)	17.8	6.5	4.65	0.00	0.45	4.86	4.86	35.51	22.66	31.6	3.19	15.84	12.52	0.00	12.52
2017(12)	16.0	5.8	4.17	0.00	0.41	4.86	4.86	35.51	22.66	28.3	2.86	15.84	9.62	0.00	9.62
2018(12)	14.4	5.2	3.74	0.00	0.36	4.86	4.86	35.51	22.66	25.4	2.57	15.84	7.01	0.00	7.01
2019(12)	12.9	4.7	3.36	0.00	0.33	4.86	4.86	35.51	22.66	22.8	2.31	15.84	4.66	0.00	4.66
2020(12)	11.5	4.2	3.02	0.00	0.29	4.86	4.86	35.51	22.66	20.5	2.07	15.84	2.56	0.00	2.56
2021(12)	10.5	2.9	2.06	0.00	0.20	4.86	4.86	35.51	22.66	14.0	1.41	11.88	0.67	0.00	0.67
Total	---	135.9	97.13	0.00	9.44	---	---	---	---	659.3	66.66	220.44	372.20	1,032.00	-659.80

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 26M

WELL INFORMATION

LEASE	SAN JUAN 32-7 UNIT 26M
LOCATION	35032N007W
COUNTY, STATE	SAN JUAN, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	9/18/2006
COMP DATE	8/6/2007
1ST DELIVERY	8/29/2007
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR: SAN JUAN, NEW MEXICO
2003 - 2004 Commerciality

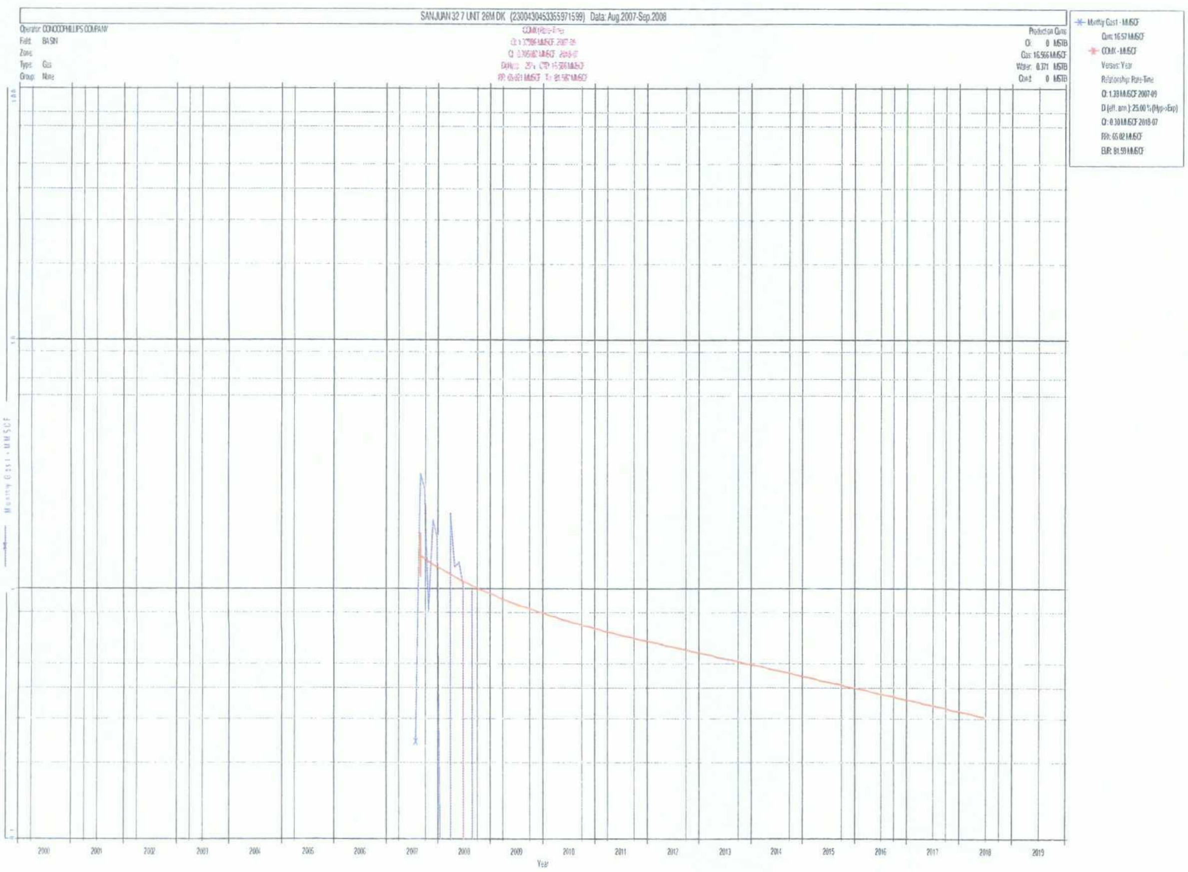
	GAS % OF REVENUE
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,032.00	M$	AVERAGE WELL COST
71.55	MMCF	ULT. GROSS GAS RESERVES
34.51	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.88	$/$	P/I, DISC. @ 10.00 %
-913.29	M$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 26M

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)	34.5	9.5	6.78	0.00	0.66	4.86	4.86	35.51	22.66	46.0	4.70	11.88	29.45	1,032.00	-1,002.55
2009(12)	28.8	10.5	7.51	0.00	0.73	4.86	4.86	35.51	22.66	51.0	5.21	15.84	29.91	0.00	29.91
2010(12)	24.5	8.9	6.39	0.00	0.62	4.86	4.86	35.51	22.66	43.4	4.43	15.84	23.09	0.00	23.09
2011(12)	21.5	7.9	5.61	0.00	0.55	4.86	4.86	35.51	22.66	38.1	3.89	15.84	18.36	0.00	18.36
2012(12)	19.2	7.0	5.02	0.00	0.49	4.86	4.86	35.51	22.66	34.1	3.48	15.84	14.76	0.00	14.76
2013(12)	17.3	6.3	4.51	0.00	0.44	4.86	4.86	35.51	22.66	30.6	3.12	15.84	11.62	0.00	11.62
2014(12)	15.5	5.7	4.04	0.00	0.39	4.86	4.86	35.51	22.66	27.5	2.80	15.84	8.81	0.00	8.81
2015(12)	13.9	5.1	3.63	0.00	0.35	4.86	4.86	35.51	22.66	24.6	2.52	15.84	6.28	0.00	6.28
2016(12)	12.5	4.6	3.26	0.00	0.32	4.86	4.86	35.51	22.66	22.1	2.26	15.84	4.01	0.00	4.01
2017(12)	11.2	4.1	2.92	0.00	0.28	4.86	4.86	35.51	22.66	19.8	2.03	15.84	1.98	0.00	1.98
2018(12)	10.4	1.9	1.35	0.00	0.13	4.86	4.86	35.51	22.66	9.1	0.93	7.92	0.29	0.00	0.29
Total	---	71.4	51.02	0.00	4.96	---	---	---	---	346.3	35.38	162.36	148.56	1,032.00	-883.44

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 43M

WELL INFORMATION

LEASE	SAN JUAN 32-7 UNIT 43M
LOCATION	21032N007W
COUNTY, STATE	SAN JUAN, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	4/22/2007
COMP DATE	7/26/2007
1ST DELIVERY	8/15/2007
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR: SAN JUAN, NEW MEXICO
2003 - 2004 Commerciality

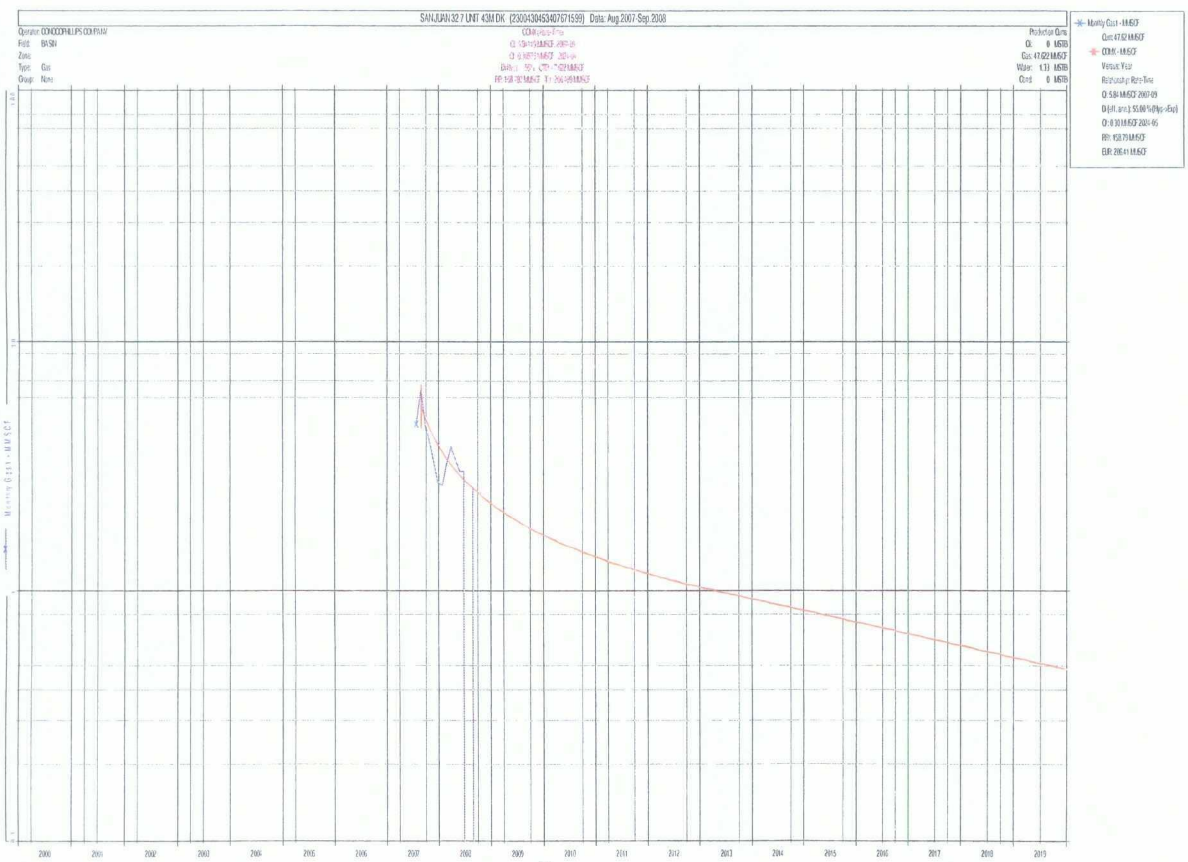
	GAS % OF REVENUE
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,032.00	M$	AVERAGE WELL COST
174.65	MMCF	ULT. GROSS GAS RESERVES
83.90	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.64	$/$	P/I, DISC. @ 10.00 %
-661.20	M$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 43M

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)	83.9	23.1	16.49	0.00	1.60	4.86	4.86	35.51	22.66	111.9	11.43	11.88	88.61	1,032.00	-943.39
2009(12)	64.2	23.4	16.76	0.00	1.63	4.86	4.86	35.51	22.66	113.7	11.62	15.84	86.28	0.00	86.28
2010(12)	50.1	18.3	13.07	0.00	1.27	4.86	4.86	35.51	22.66	88.7	9.06	15.84	63.81	0.00	63.81
2011(12)	41.9	15.3	10.92	0.00	1.06	4.86	4.86	35.51	22.66	74.1	7.57	15.84	50.70	0.00	50.70
2012(12)	36.2	13.3	9.48	0.00	0.92	4.86	4.86	35.51	22.66	64.3	6.57	15.84	41.93	0.00	41.93
2013(12)	32.3	11.8	8.43	0.00	0.82	4.86	4.86	35.51	22.66	57.2	5.85	15.84	35.55	0.00	35.55
2014(12)	29.0	10.6	7.57	0.00	0.74	4.86	4.86	35.51	22.66	51.4	5.25	15.84	30.27	0.00	30.27
2015(12)	26.0	9.5	6.79	0.00	0.66	4.86	4.86	35.51	22.66	46.1	4.71	15.84	25.54	0.00	25.54
2016(12)	23.3	8.5	6.09	0.00	0.59	4.86	4.86	35.51	22.66	41.4	4.23	15.84	21.30	0.00	21.30
2017(12)	21.0	7.7	5.47	0.00	0.53	4.86	4.86	35.51	22.66	37.1	3.79	15.84	17.49	0.00	17.49
2018(12)	18.8	6.9	4.91	0.00	0.48	4.86	4.86	35.51	22.66	33.3	3.40	15.84	14.07	0.00	14.07
2019(12)	16.9	6.2	4.41	0.00	0.43	4.86	4.86	35.51	22.66	29.9	3.05	15.84	11.01	0.00	11.01
2020(12)	15.1	5.5	3.95	0.00	0.38	4.86	4.86	35.51	22.66	26.8	2.74	15.84	8.25	0.00	8.25
2021(12)	13.6	5.0	3.55	0.00	0.34	4.86	4.86	35.51	22.66	24.1	2.46	15.84	5.78	0.00	5.78
2022(12)	12.2	4.5	3.18	0.00	0.31	4.86	4.86	35.51	22.66	21.6	2.21	15.84	3.57	0.00	3.57
2023(12)	11.0	4.0	2.86	0.00	0.28	4.86	4.86	35.51	22.66	19.4	1.98	15.84	1.58	0.00	1.58
2024(12)	10.2	1.2	0.89	0.00	0.09	4.86	4.86	35.51	22.66	6.0	0.61	5.28	0.12	0.00	0.12
Total	---	174.6	124.81	0.00	12.13	---	---	---	---	847.2	86.54	254.76	505.86	1,032.00	-526.14