



January 12, 2009

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

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 Determination
Mesaverde 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 the well listed below is capable of producing unitized substances in paying quantities from the Mesaverde Formation. ConocoPhillips is seeking confirmation of the well determination enclosed. Please disregard the Commerciality Determination for the SJ 31-6 Unit #41M well previously sent via letter dated December 3, 2008.

Well Name	Dedication	Lease No.	Completion Date	Determination
SJ 31-6 Unit #41	W/2 Sec. 29-31N-6W	NM-078995	7/4/03	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 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, 4.2

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 31-6 UNIT 41

WELL INFORMATION

LEASE	SAN JUAN 31-6 UNIT 41
LOCATION	29031N006W
COUNTY, STATE	RIO ARriba, NEW MEXICO
FORMATION	MESAVERDE
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	6/26/2003
COMP DATE	7/3/2003
1ST DELIVERY	7/9/2003
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

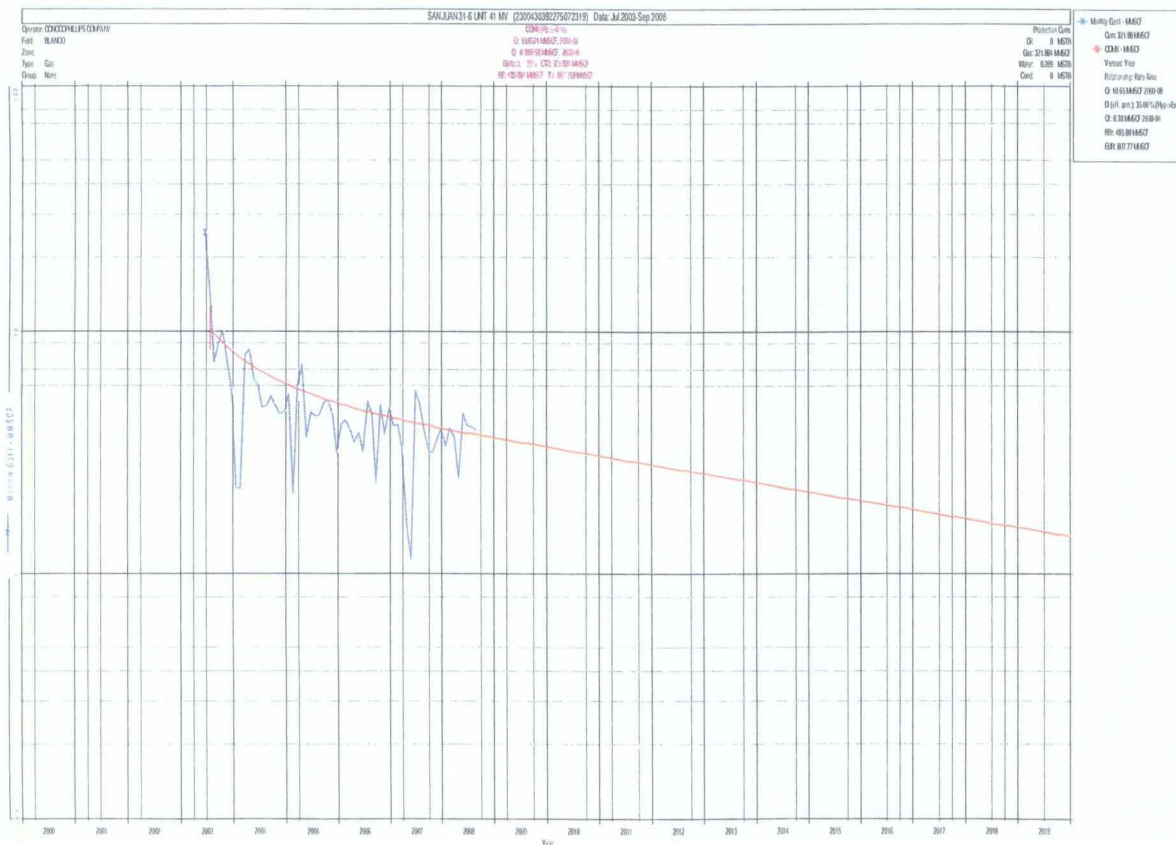
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,145.00	M\$	AVERAGE WELL COST
782.26	MMCF	ULT. GROSS GAS RESERVES
317.73	MCFD	INITIAL GAS RATE
20.55	%	RATE OF RETURN
0.44	\$/	P/I, DISC. @ 10.00 %
502.46	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
4.51	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 UNIT 41

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\$
2003(12)	317.7	48.6	34.01	0.00	3.97	4.86	4.86	35.51	22.66	243.9	24.81	6.69	212.42	1,145.00	-932.58
2004(12)	175.7	64.3	45.00	0.00	5.25	4.86	4.86	35.51	22.66	322.7	32.83	16.07	273.83	0.00	273.83
2005(12)	159.2	58.1	40.66	0.00	4.74	4.86	4.86	35.51	22.66	291.6	29.66	16.07	245.86	0.00	245.86
2006(12)	129.4	47.2	33.05	0.00	3.85	4.86	4.86	35.51	22.66	237.0	24.11	16.07	196.82	0.00	196.82
2007(12)	120.2	43.9	30.69	0.00	3.58	4.86	4.86	35.51	22.66	220.1	22.39	16.07	181.62	0.00	181.62
2008(12)	124.0	45.4	31.75	0.00	3.70	4.86	4.86	35.51	22.66	227.7	23.16	16.07	188.49	0.00	188.49
2009(12)	115.8	42.3	29.56	0.00	3.45	4.86	4.86	35.51	22.66	212.0	21.57	16.07	174.37	0.00	174.37
2010(12)	106.3	38.8	27.15	0.00	3.17	4.86	4.86	35.51	22.66	194.7	19.81	16.07	158.83	0.00	158.83
2011(12)	97.6	35.6	24.93	0.00	2.91	4.86	4.86	35.51	22.66	178.8	18.19	16.07	144.55	0.00	144.55
2012(12)	89.4	32.7	22.90	0.00	2.67	4.86	4.86	35.51	22.66	164.2	16.70	16.07	131.44	0.00	131.44
2013(12)	82.3	30.1	21.03	0.00	2.45	4.86	4.86	35.51	22.66	150.8	15.34	16.07	119.40	0.00	119.40
2014(12)	75.6	27.6	19.31	0.00	2.25	4.86	4.86	35.51	22.66	138.5	14.09	16.07	108.35	0.00	108.35
2015(12)	69.4	25.3	17.74	0.00	2.07	4.86	4.86	35.51	22.66	127.2	12.94	16.07	98.19	0.00	98.19
2016(12)	63.6	23.3	16.29	0.00	1.90	4.86	4.86	35.51	22.66	116.8	11.88	16.07	88.86	0.00	88.86
2017(12)	58.6	21.4	14.96	0.00	1.74	4.86	4.86	35.51	22.66	107.3	10.91	16.07	80.30	0.00	80.30
2018(12)	53.8	19.6	13.74	0.00	1.60	4.86	4.86	35.51	22.66	98.5	10.02	16.07	72.43	0.00	72.43
2019(12)	49.4	18.0	12.62	0.00	1.47	4.86	4.86	35.51	22.66	90.5	9.20	16.07	65.21	0.00	65.21
2020(12)	45.2	16.6	11.59	0.00	1.35	4.86	4.86	35.51	22.66	83.1	8.45	16.07	58.58	0.00	58.58
2021(12)	41.7	15.2	10.64	0.00	1.24	4.86	4.86	35.51	22.66	76.3	7.76	16.07	52.48	0.00	52.48
2022(12)	38.3	14.0	9.77	0.00	1.14	4.86	4.86	35.51	22.66	70.1	7.13	16.07	46.89	0.00	46.89
Sub.	---	668.0	467.36	0.00	54.50	---	---	---	---	3,351.9	340.97	311.99	2,698.93	1,145.00	1,553.93
Rem.	---	114.3	79.94	0.00	9.32	---	---	---	---	573.4	58.32	245.04	269.99	0.00	269.99
Total	---	782.3	547.31	0.00	63.82	---	---	---	---	3,925.2	399.29	557.02	2,968.92	1,145.00	1,823.92

SAN JUAN 31-6 UNIT
MESAVERDE FORMATION
WORKING INTEREST OWNERS

BP AMERICA PRODUCTION

BURLINGTON RESOURCES

CONOCOPHILLIPS

FOUR STAR OIL & GAS COMPANY

WILLIAMS PRODUCTION COMPANY