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

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.

Well Name	Dedication	Lease No.	Comp. Date	Determination
SJ 31-6 Unit #28	W/2 Sec. 34-31N-6W	SF-078999	8-1-01	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 for the commercial well.

Copies of this letter and enclosures are being sent to the working interest owners as listed on the attached page. Please contact Karen Stevens at 326-9754 for any technical questions, and all other questions to the undersigned at 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 28

WELL INFORMATION

LEASE	SAN JUAN 31-6 UNIT 28
LOCATION	34031N006W
COUNTY, STATE	RIO ARriba, NEW MEXICO
FORMATION	MESAVERDE
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	1/3/2001
COMP DATE	8/1/2001
1ST DELIVERY	10/1/2001
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR:	RIO ARriba, NEW MEXICO
	2001- 2002 Commerciality

GAS % OF REVENUE

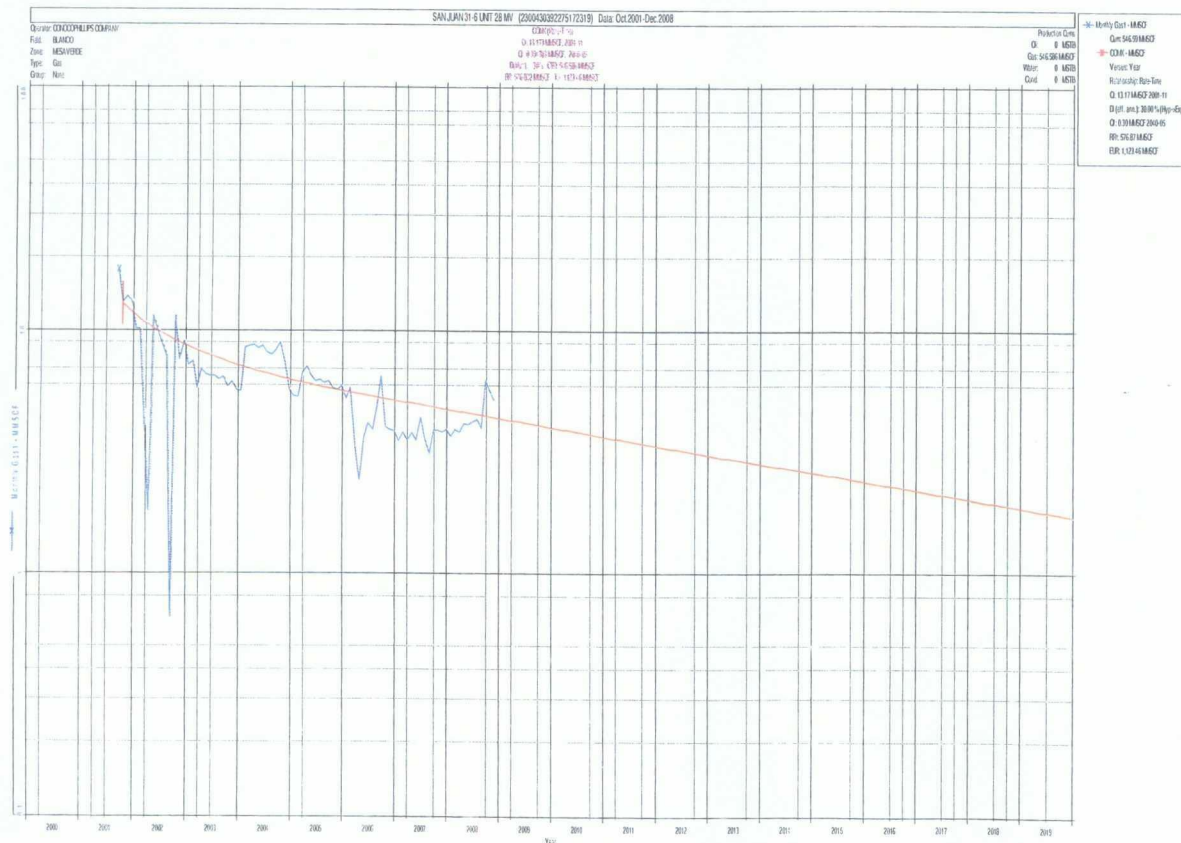
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

824.00	M\$	AVERAGE WELL COST
1,105.60	MMCF	ULT. GROSS GAS RESERVES
439.80	MCFD	INITIAL GAS RATE
65.05	%	RATE OF RETURN
1.87	\$/	P/I, DISC. @ 10.00 %
1,541.46	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
1.91	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 UNIT 28

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 Opccosts	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2001(12)	439.8	26.8	18.77	0.00	2.19	4.86	4.86	35.51	22.66	134.6	13.69	2.68	118.25	824.00	-705.75
2002(12)	269.4	98.3	68.81	0.00	8.02	4.86	4.86	35.51	22.66	493.5	50.20	16.07	427.23	0.00	427.23
2003(12)	222.2	81.1	56.75	0.00	6.62	4.86	4.86	35.51	22.66	407.0	41.40	16.07	349.50	0.00	349.50
2004(12)	261.6	95.7	66.98	0.00	7.81	4.86	4.86	35.51	22.66	480.4	48.87	16.07	415.44	0.00	415.44
2005(12)	201.5	73.6	51.47	0.00	6.00	4.86	4.86	35.51	22.66	369.1	37.55	16.07	315.50	0.00	315.50
2006(12)	148.7	54.3	37.97	0.00	4.43	4.86	4.86	35.51	22.66	272.3	27.70	16.07	228.52	0.00	228.52
2007(12)	124.1	45.3	31.68	0.00	3.69	4.86	4.86	35.51	22.66	227.2	23.12	16.07	188.05	0.00	188.05
2008(12)	146.5	53.6	37.50	0.00	4.37	4.86	4.86	35.51	22.66	269.0	27.36	16.07	225.54	0.00	225.54
2009(12)	138.6	50.6	35.39	0.00	4.13	4.86	4.86	35.51	22.66	253.8	25.82	16.07	211.94	0.00	211.94
2010(12)	127.3	46.5	32.50	0.00	3.79	4.86	4.86	35.51	22.66	233.1	23.71	16.07	193.33	0.00	193.33
2011(12)	116.9	42.7	29.85	0.00	3.48	4.86	4.86	35.51	22.66	214.1	21.78	16.07	176.24	0.00	176.24
2012(12)	107.1	39.2	27.41	0.00	3.20	4.86	4.86	35.51	22.66	196.6	20.00	16.07	160.54	0.00	160.54
2013(12)	98.6	36.0	25.18	0.00	2.94	4.86	4.86	35.51	22.66	180.6	18.37	16.07	146.13	0.00	146.13
2014(12)	90.5	33.0	23.12	0.00	2.70	4.86	4.86	35.51	22.66	165.8	16.87	16.07	132.89	0.00	132.89
2015(12)	83.2	30.4	21.23	0.00	2.48	4.86	4.86	35.51	22.66	152.3	15.49	16.07	120.73	0.00	120.73
2016(12)	76.2	27.9	19.50	0.00	2.27	4.86	4.86	35.51	22.66	139.9	14.23	16.07	109.57	0.00	109.57
2017(12)	70.1	25.6	17.91	0.00	2.09	4.86	4.86	35.51	22.66	128.4	13.07	16.07	99.31	0.00	99.31
2018(12)	64.4	23.5	16.45	0.00	1.92	4.86	4.86	35.51	22.66	118.0	12.00	16.07	89.89	0.00	89.89
2019(12)	59.2	21.6	15.11	0.00	1.76	4.86	4.86	35.51	22.66	108.3	11.02	16.07	81.25	0.00	81.25
2020(12)	54.2	19.8	13.87	0.00	1.62	4.86	4.86	35.51	22.66	99.5	10.12	16.07	73.30	0.00	73.30
Sub.	---	925.4	647.46	0.00	75.49	---	---	---	---	4,643.5	472.36	307.97	3,863.17	824.00	3,039.17
Rem.	---	180.1	126.00	0.00	14.69	---	---	---	---	903.6	91.92	310.65	501.07	0.00	501.07
Total	---	1,105.5	773.45	0.00	90.19	---	---	---	---	5,547.1	564.28	618.62	4,364.24	824.00	3,540.24

SAN JUAN 31-6 UNIT
MESAVERDE FORMATION
WORKING INTEREST OWNERS

BP AMERICA PRODUCTION

BURLINGTON RESOURCES

CONOCOPHILLIPS

FOUR STAR OIL & GAS COMPANY

WILLIAMS PRODUCTION COMPANY



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COMMERCIALITY DETERMINATION

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WELL INFORMATION

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 LOCATION 34031N006W
 COUNTY, STATE RIO ARriba, NEW MEXICO
 FORMATION MESAVERDE
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS CO
 SPUD DATE 1/3/2001
 COMP DATE 8/1/2001
 1ST DELIVERY 10/1/2001
 COMM GWI % 100.00
 COMM NRI % 87.50
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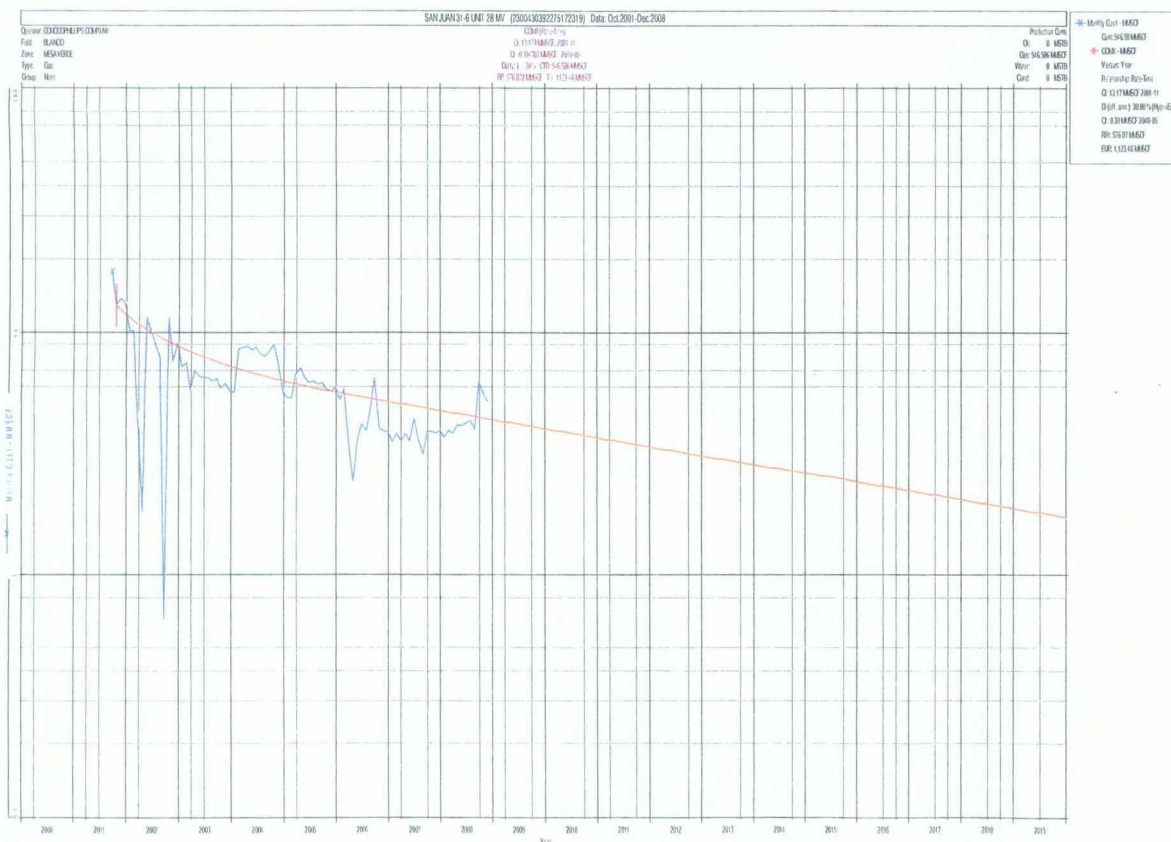
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