



September 16, 2009

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

420

State of New Mexico
Commissioner of Public Lands
Attn: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, NM 87504-1148

RECEIVED OCD
2009 SEP 18 P 1:37

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 Determination
Dakota Participating Area
San Juan County, New Mexico

Gentlemen:

Pursuant to Section 11(a) of the above referenced Unit Agreement, **CONOCOPHILLIPS, as Unit 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.	Compl Date	Determination
SJ 32-7 Unit #71A	N/2 Sec. 9-32N-7W	SF-078998	11/13/2008	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 Susan Rainbolt at 326-9574, all other questions to the undersigned at 599-4030.

Sincerely,

Dawn Howell, CPLTA
Staff Land Technician

SJ 32-7 Unit 4.3

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 32-7 UNIT 71A

WELL INFORMATION

LEASE	SAN JUAN 32-7 UNIT 71A
LOCATION	09032N007W
COUNTY, STATE	SAN JUAN, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS COMPANY
SPUD DATE	4/17/2008
COMP DATE	11/13/2008
1ST DELIVERY	11/24/2008
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
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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
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WELL COST AND ECONOMICS

1,032.00	M\$	AVERAGE WELL COST
497.08	MMCF	ULT. GROSS GAS RESERVES
358.97	MCFD	INITIAL GAS RATE
41.54	%	RATE OF RETURN
0.54	\$/	P/L DISC. @ 10.00 %
553.75	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
2.03	YRS	PAYOUT

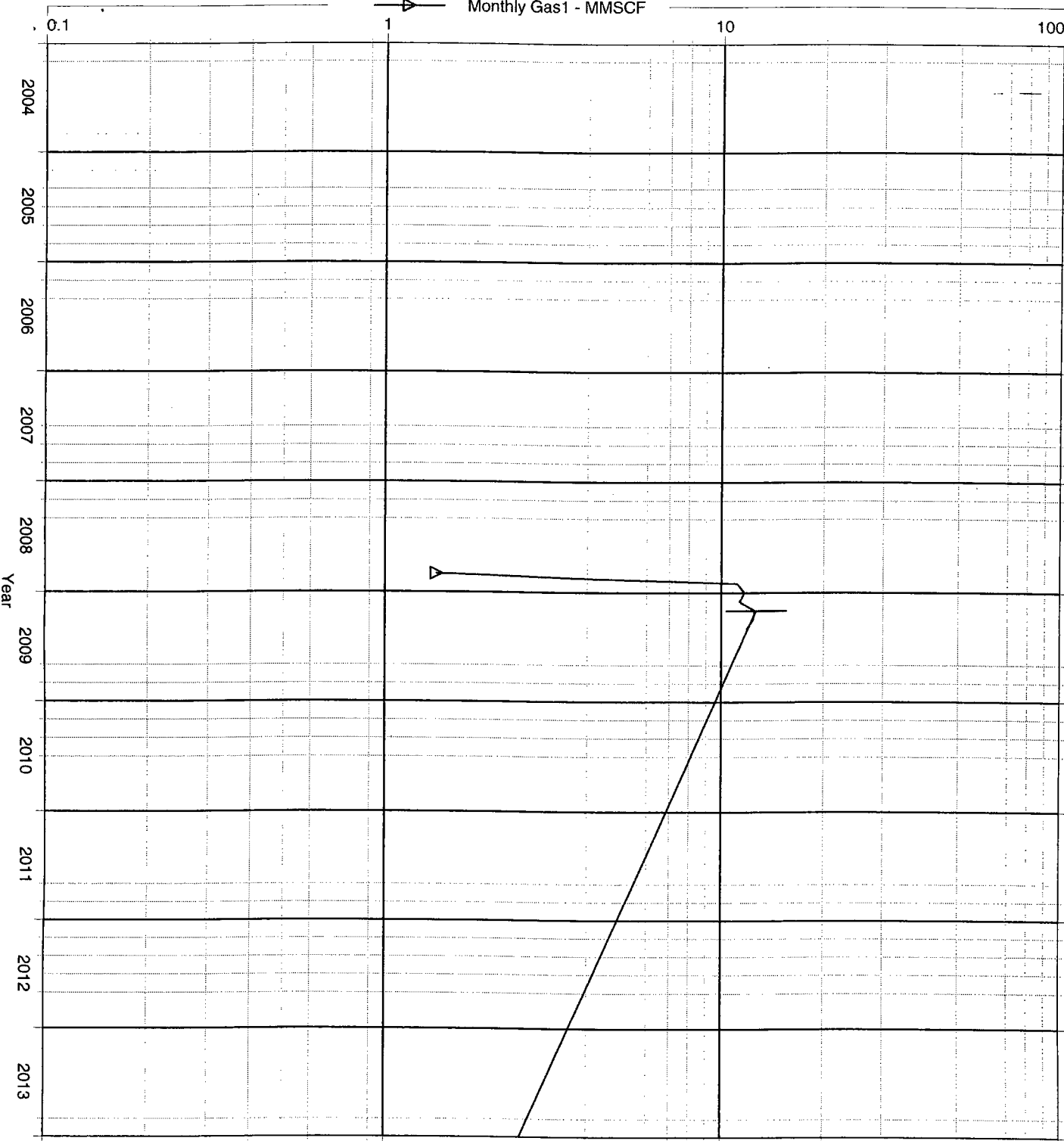
SAN JUAN 32 7 UNIT (71A) (2300430453443271599) Data: Nov.2008-May.2009

Operator: CONOCOPHILLIPS COMPANY
 Field: BASIN
 Zone: DAKOTA
 Type: Gas
 Group: None

COMX (Rate-Time)
 Qi: 13.2 MMSCF, 2009-02
 Qi: 4.82565e-005 MMSCF, 2046-10
 Di(Exp): 28.3041% CTD: 72.429 MMSCF
 RR: 426.073 MMSCF Tot: 498.502 MMSCF

Production Cums
 Oil: 0 MSTB
 Gas: 72.429 MMSCF
 Water: 0.38 MSTB
 Cond: 0 MSTB

Monthly Gas1 - MMSCF



—△— Monthly Gas1 - MMSCF

—○— Cum: 72.43 MMSCF
 COMX - MMSCF

Versus: Year
 Relationship: Rate-Time
 Qi: 13.20 MMSCF 2009-02
 Di (eff. ann.): 28.30 % (Exponential)
 Qi: 0.00 MMSCF 2046-10
 RR: 426.07 MMSCF
 EUR: 498.50 MMSCF

SAN JUAN 32-7 UNIT 71A

SAN JUAN 327 UNIT (71A) (230-5945344/3271599) Date: Nov 2008-May 2009

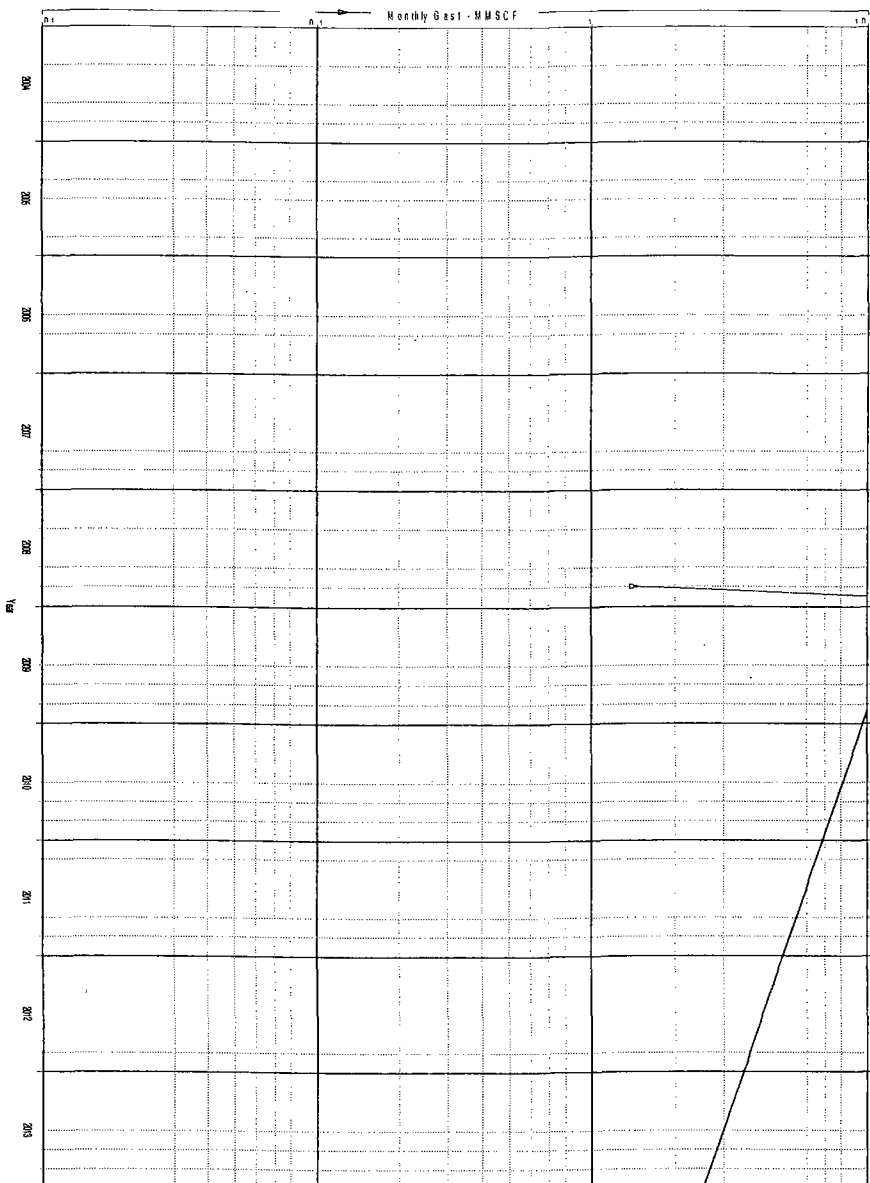
Operator:	WFO
Field:	BASIN
Zone:	DAKOT
Type:	Gas
Group:	None

088 (2nd line)
 0 122 MAST, 209-22
 0 02555-006 MAST, 23-5-10
 0 05-28-2041% 002 7-03 MAST
 FR 0203 MAST Tel 08-202 MAST

Production Units

Cr	0 M5TB
Gas	72.423 M5BCT
Water	0.38 M5TB
Cond	0 M5TB

4-Unity Dist. MSCT
 Our 25 MSCT
 4-004 MSCT
 Versa-Tec
 Photocopy the form
 CA 132 MSCT 209-42
 D[ist]rib[ute] 2837 (approved)
 Of 020 MSCT 204-10
 PR 4247 MSCT
 BR 0245 MSCT



CASH FLOW SUMMARY

Date	Gast Rate	Gast Volume	Net Gas Volume	Net Cond Volume	Net Oth Volume	Gast Price	Gas Price	Cond Price	Oth Price	Net Revenue	Prod Taxes	Total Opocists	Total Oper Inc	Total Capital	Total BT Cash
mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M/\$	M/\$	M/\$	M/\$	M/\$	M/\$	M/\$

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 32-7 UNIT 71A

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Off Volume	Gas1 Price	Gas Price	Cond Price	Off Price	Net Revenue	Prod Taxes	Total Opcostrs	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)	359.0	11.1	7.95	0.00	0.77	4.86	4.86	35.51	22.66	54.0	5.46	1.32	47.20	1,032.00	-984.80
2009(12)	370.0	135.0	96.51	0.00	9.38	4.86	4.86	35.51	22.66	655.1	66.23	15.84	572.99	0.00	572.99
2010(12)	272.1	99.3	70.98	0.00	6.90	4.86	4.86	35.51	22.66	481.8	48.71	15.84	417.22	0.00	417.22
2011(12)	195.1	71.2	50.89	0.00	4.95	4.86	4.86	35.51	22.66	345.4	34.92	15.84	294.65	0.00	294.65
2012(12)	139.5	51.1	36.48	0.00	3.55	4.86	4.86	35.51	22.66	247.6	25.04	15.84	206.77	0.00	206.77
2013(12)	100.3	36.6	26.16	0.00	2.54	4.86	4.86	35.51	22.66	177.6	17.95	15.84	143.76	0.00	143.76
2014(12)	71.9	26.2	18.75	0.00	1.82	4.86	4.86	35.51	22.66	127.3	12.87	15.84	98.59	0.00	98.59
2015(12)	51.5	18.8	13.45	0.00	1.31	4.86	4.86	35.51	22.66	91.3	9.23	15.84	66.20	0.00	66.20
2016(12)	36.9	13.5	9.64	0.00	0.94	4.86	4.86	35.51	22.66	65.4	6.62	15.84	42.98	0.00	42.98
2017(12)	26.5	9.7	6.91	0.00	0.67	4.86	4.86	35.51	22.66	46.9	4.74	15.84	26.33	0.00	26.33
2018(12)	19.0	6.9	4.96	0.00	0.48	4.86	4.86	35.51	22.66	33.6	3.40	15.84	14.39	0.00	14.39
2019(12)	13.6	5.0	3.55	0.00	0.35	4.86	4.86	35.51	22.66	24.1	2.44	15.84	5.84	0.00	5.84
2020(12)	10.6	1.9	1.38	0.00	0.13	4.86	4.86	35.51	22.66	9.4	0.95	7.92	0.50	0.00	0.50
Total	---	486.4	347.60	0.00	33.80	---	---	---	---	2,359.4	238.54	183.48	1,937.41	1,032.00	905.41

**WORKING INTEREST OWNERS
SAN JUAN 32-7 UNIT
DAKOTA FORMATION**

BURLINGTON RESOURCES OIL & GAS COMPANY LP

CONOCOPHILLIPS COMPANY

ENERGEN RESOURCES CORPORATION

ConocoPhillips

RECEIVED OGD

September 16, 2009

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

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Farmington Resource Area
Attn: Mr. Wayne Townsend
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Commerciality Determination
Dakota Participating Area
San Juan County, New Mexico

Gentlemen:

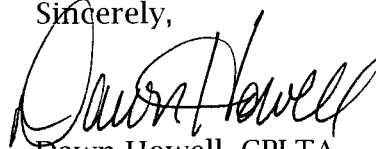
Pursuant to Section 11(a) of the above referenced Unit Agreement, **CONOCOPHILLIPS, as Unit Operator**, has determined that the well listed below is not capable of producing unitized substances in paying quantities from the Dakota formation. ConocoPhillips is seeking confirmation of the well determination enclosed.

Well Name	Dedication	Lease No.	Compl Date	Determination
SJ 32-7 Unit #18M	S/2 Sec. 5-31N-7W	SF-078996	7-15-08	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, this well will continue to be reported under the lease.

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 Susan Rainbolt at 326-9574, all other questions to the undersigned at 599-4030.

Sincerely,



Dawn Howell, CPLTA
Staff Land Technician

SJ 32-7 Unit 4.3

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 32-7 UNIT 18M

WELL INFORMATION

LEASE SAN JUAN 32-7 UNIT 18M
 LOCATION 09032N007W
 COUNTY, STATE SAN JUAN, NEW MEXICO
 FORMATION DAKOTA
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS COMPANY
 SPUD DATE 6/9/2008
 COMP DATE 9/18/2008
 1ST DELIVERY 10/21/2008
 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
294.70	MMCF	ULT. GROSS GAS RESERVES
259.02	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.40	\$/S	P/L DISC. @ 10.00 %
-417.77	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-7 UNIT 18M**

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 Opocosts	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)	259.0	15.8	11.29	0.00	1.10	4.86	4.86	35.51	22.66	76.6	7.83	2.64	66.17	1,032.00	-965.83
2009(12)	140.4	51.2	36.61	0.00	3.56	4.86	4.86	35.51	22.66	248.5	25.39	15.84	207.28	0.00	207.28
2010(12)	84.7	30.9	22.09	0.00	2.15	4.86	4.86	35.51	22.66	150.0	15.32	15.84	118.81	0.00	118.81
2011(12)	60.6	22.1	15.80	0.00	1.54	4.86	4.86	35.51	22.66	107.2	10.96	15.84	80.44	0.00	80.44
2012(12)	47.8	17.5	12.50	0.00	1.22	4.86	4.86	35.51	22.66	84.8	8.67	15.84	60.33	0.00	60.33
2013(12)	40.0	14.6	10.43	0.00	1.01	4.86	4.86	35.51	22.66	70.8	7.24	15.84	47.75	0.00	47.75
2014(12)	34.5	12.6	9.01	0.00	0.88	4.86	4.86	35.51	22.66	61.1	6.25	15.84	39.06	0.00	39.06
2015(12)	30.5	11.1	7.96	0.00	0.77	4.86	4.86	35.51	22.66	54.0	5.52	15.84	32.65	0.00	32.65
2016(12)	27.3	10.0	7.15	0.00	0.69	4.86	4.86	35.51	22.66	48.5	4.96	15.84	27.71	0.00	27.71
2017(12)	24.9	9.1	6.50	0.00	0.63	4.86	4.86	35.51	22.66	44.1	4.51	15.84	23.78	0.00	23.78
2018(12)	22.9	8.4	5.97	0.00	0.58	4.86	4.86	35.51	22.66	40.6	4.14	15.84	20.57	0.00	20.57
2019(12)	21.2	7.7	5.53	0.00	0.54	4.86	4.86	35.51	22.66	37.6	3.84	15.84	17.89	0.00	17.89
2020(12)	19.7	7.2	5.16	0.00	0.50	4.86	4.86	35.51	22.66	35.0	3.58	15.84	15.62	0.00	15.62
2021(12)	18.6	6.8	4.84	0.00	0.47	4.86	4.86	35.51	22.66	32.9	3.36	15.84	13.66	0.00	13.66
2022(12)	17.5	6.4	4.56	0.00	0.44	4.86	4.86	35.51	22.66	31.0	3.16	15.84	11.96	0.00	11.96
2023(12)	16.5	6.0	4.32	0.00	0.42	4.86	4.86	35.51	22.66	29.3	2.99	15.84	10.46	0.00	10.46
2024(12)	15.7	5.7	4.10	0.00	0.40	4.86	4.86	35.51	22.66	27.8	2.84	15.84	9.14	0.00	9.14
2025(12)	15.0	5.5	3.90	0.00	0.38	4.86	4.86	35.51	22.66	26.5	2.71	15.84	7.95	0.00	7.95
2026(12)	14.3	5.2	3.73	0.00	0.36	4.86	4.86	35.51	22.66	25.3	2.59	15.84	6.89	0.00	6.89
2027(12)	13.7	5.0	3.57	0.00	0.35	4.86	4.86	35.51	22.66	24.2	2.48	15.84	5.92	0.00	5.92
Sub.	---	258.9	185.03	0.00	17.99	---	---	---	---	1,256.0	128.30	303.60	824.05	1,032.00	-207.95
Rem.	---	35.5	25.36	0.00	2.47	---	---	---	---	172.1	17.59	133.32	21.23	0.00	21.23
Total	---	294.4	210.39	0.00	20.46	---	---	---	---	1,428.1	145.89	436.92	845.28	1,032.00	-186.72

**WORKING INTEREST OWNERS
SAN JUAN 32-7 UNIT
DAKOTA FORMATION**

BURLINGTON RESOURCES OIL & GAS COMPANY LP

CONOCOPHILLIPS COMPANY

ENERGEN RESOURCES CORPORATION

**WORKING INTEREST OWNERS
SAN JUAN 32-7 UNIT
DAKOTA FORMATION**

BURLINGTON RESOURCES OIL & GAS COMPANY LP

CONOCOPHILLIPS COMPANY

ENERGEN RESOURCES CORPORATION