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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 32-8 UNIT, #14-08-001-446**
Commerciality Determination
Dakota Participating Area
San Juan County, New Mexico

Gentlemen:

Pursuant to Section 11(a) of the above referenced Unit Agreement, approved October 21, 1952, **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.	Completion	Determination
SJ 32-8 Unit #30M	E/2 Sec. 14-31N-8W	SF-080854	8/14/08	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 32-8 Unit 4.3

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-8 UNIT 30M

WELL INFORMATION

LEASE SAN JUAN 32-8 UNIT 30M
LOCATION 14031N008W
COUNTY, STATE SAN JUAN, NEW MEXICO
FORMATION DAKOTA
PROJECT TYPE NEWDRILL
WELL TYPE GAS WELL
OPERATOR CONOCOPHILLIPS CO
SPUD DATE 4/22/2008
COMP DATE 7/14/2008
1ST DELIVERY 8/26/2008
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 1.26
TOTAL %: 9.19

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,032.00 M\$ AVERAGE WELL COST
451.86 MMCF ULT. GROSS GAS RESERVES
583.57 MCFFD INITIAL GAS RATE
97.16 % RATE OF RETURN
0.71 \$/\$ P/I, DISC. @ 10.00 %
729.76 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
1.13 YRS PAYOUT

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

SAN JUAN 32-8 UNIT 30M

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\$
2009(12)	583.6	213.0	152.21	0.00	14.80	4.86	4.86	35.51	22.66	1,033.2	104.46	15.01	913.73	1,032.00	-118.27
2010(12)	444.2	162.1	115.87	0.00	11.27	4.86	4.86	35.51	22.66	786.5	79.52	15.01	691.98	0.00	691.98
2011(12)	210.2	76.7	54.82	0.00	5.33	4.86	4.86	35.51	22.66	372.1	37.62	15.01	319.47	0.00	319.47
Total	---	451.9	322.90	0.00	31.40	---	---	---	---	2,191.8	221.60	45.04	1,925.17	1,032.00	893.17

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 32-8 UNIT 30M

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COMX1 (Time)

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	mct/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

SAN JUAN 32-8 UNIT 30M

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SAN JUAN 32-8 UNIT 30M DK (COMX) (1854DD5E5-4F74-43C0-856F-685215993349) Data: Aug.2008-Aug.2009

COMX (Rate-Time)

Q1: 20 MMSCF, 2009-08

Q1: 10.0141 MMSCF, 2011-08

D1(Hyp): 35% CTD: 188,988 MMSCF

RR: 308,854 MMSCF Tot: 497,842 MMSCF

Production Cums

Oil: 0 MSTB

Gas: 188,988 MMSCF

Water: 0 MSTB

Cond: 0 MSTB

Monthly Gas1 - MMSCF

Cum: 188.99 MMSCF

COMX - MMSCF

Versus: Year

Relationship: Rate-Time

Q1: 20.00 MMSCF 2009-08

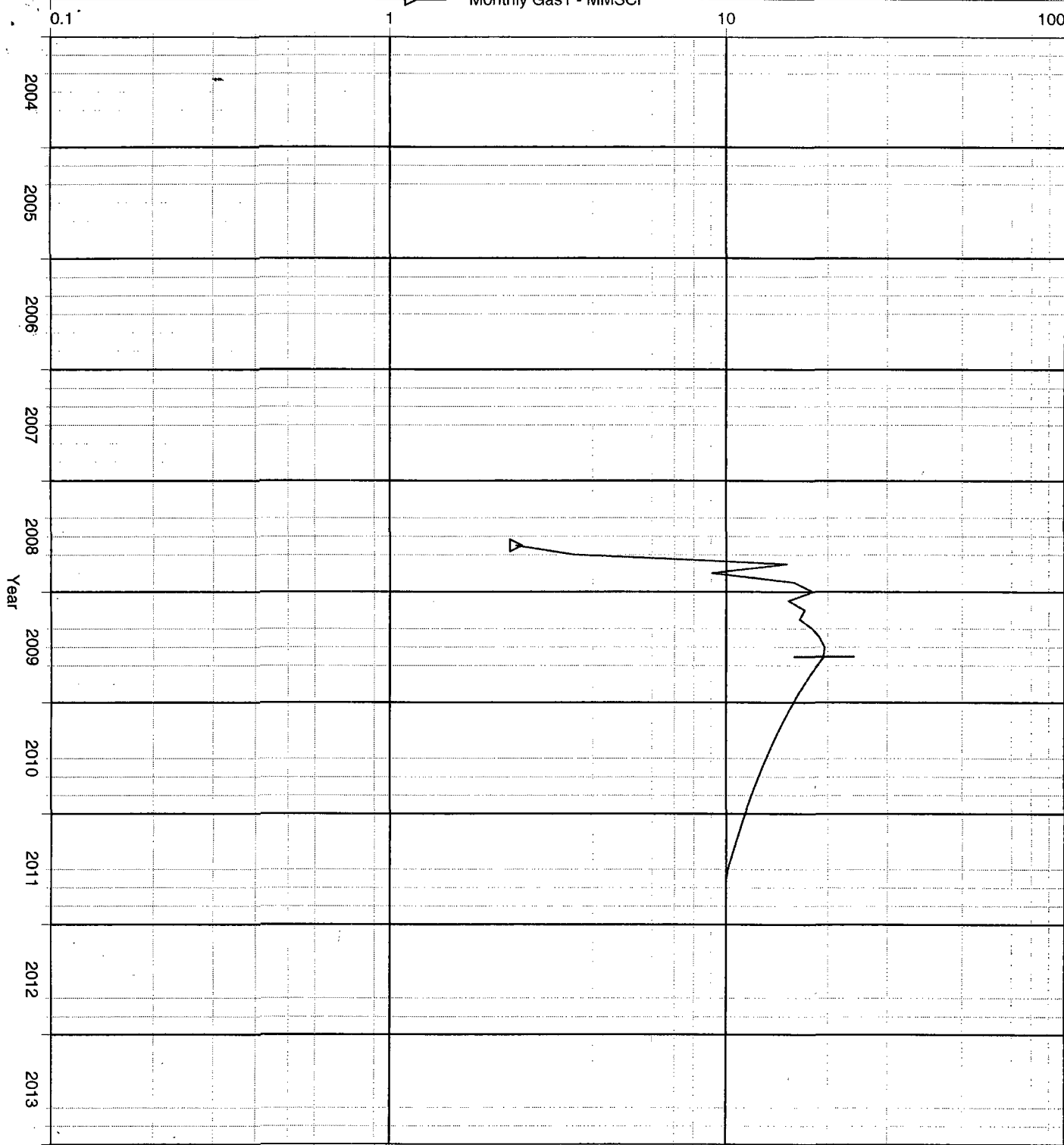
D1 (eff. ann.): 35.00 % (Hyp->Exp)

Q1: 10.00 MMSCF 2011-08

RR: 308.85 MMSCF

EUR: 497.84 MMSCF

Monthly Gas1 - MMSCF



**SAN JUAN 32-8 UNIT
WORKING INTEREST OWNERS
DAKOTA FORMATION**

BURLINGTON RESOURCES OIL & GAS

BP AMERICA PRODUCTION COMPANY

CONOCOPHILLIPS COMPANY

FOUR STAR OIL & GAS COMPANY

WILLIAMS PRODUCTION COMPANY