



551

ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289
Burlington Resources Inc.
A wholly owned subsidiary

November 20, 2009

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

RECEIVED OGD
2009 NOV 23 A 11:44

RE: San Juan 28-4 Unit (#14-08-001-933)
Commerciality Determination
Dakota Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-4 Unit Agreement, #14-08-001-933, approved, July 24, 1953, Burlington Resources Oil & Gas Company, as Operator, has determined that the well listed below is not capable of producing unitized substances in paying quantities from the Dakota formation. Burlington is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Comp. Date	Determination
SJ 28-4 Unit #27M	W/2 19-28N-04W	NM-03862	10/30/08	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, the non-commercial well will continue to be reported on a lease basis.

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 28-4 Unit, 4.3

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-4 UNIT 27M

WELL INFORMATION

LEASE SAN JUAN 28-4 UNIT 27M
LOCATION 019028N004W
COUNTY, STATE RIO ARriba, NEW MEXICO
FORMATION DAKOTA
PROJECT TYPE
WELL TYPE GAS WELL
OPERATOR CONOCOPHILLIPS CO
SPUD DATE 7/10/2008
COMP DATE 10/30/2008
1ST DELIVERY 11/11/2008
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

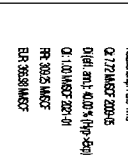
1.000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,304.00 M\$ AVERAGE WELL COST
361.20 MDCF ULT. GROSS GAS RESERVES
204.96 MCFD INITIAL GAS RATE
2.15 % RATE OF RETURN
-0.22 \$/\$ P/I, DISC. @ 10.00 %
-286.04 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
9.68 YRS PAYOUT

BLM DATA SHEET
SAN JUAN 28-4 UNIT 27M

- ϕ Moisture Content - MAST
 Out 57.73 MAST
 - ϕ CDM - MAST
 Versus Year
 Regression Analysis Time

[illegible]

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 28-4 UNIT 27M

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)	205.0	74.8	53.46	0.00	5.20	4.86	4.86	35.51	22.66	362.9	37.07	15.01	310.80	1,304.00	-993.20
2010(12)	145.5	53.1	37.95	0.00	3.69	4.86	4.86	35.51	22.66	257.6	26.32	15.01	216.29	0.00	216.29
2011(12)	110.8	40.4	28.89	0.00	2.81	4.86	4.86	35.51	22.66	196.1	20.03	15.01	161.06	0.00	161.06
2012(12)	91.2	33.4	23.84	0.00	2.32	4.86	4.86	35.51	22.66	161.8	16.53	15.01	130.29	0.00	130.29
2013(12)	78.8	28.8	20.55	0.00	2.00	4.86	4.86	35.51	22.66	139.5	14.25	15.01	110.22	0.00	110.22
2014(12)	69.7	25.4	18.18	0.00	1.77	4.86	4.86	35.51	22.66	123.4	12.61	15.01	95.80	0.00	95.80
2015(12)	62.2	22.7	16.22	0.00	1.58	4.86	4.86	35.51	22.66	110.1	11.25	15.01	83.84	0.00	83.84
2016(12)	55.3	20.2	14.47	0.00	1.41	4.86	4.86	35.51	22.66	98.2	10.03	15.01	73.17	0.00	73.17
2017(12)	49.5	18.1	12.91	0.00	1.26	4.86	4.86	35.51	22.66	87.6	8.95	15.01	63.66	0.00	63.66
2018(12)	44.2	16.1	11.52	0.00	1.12	4.86	4.86	35.51	22.66	78.2	7.99	15.01	55.18	0.00	55.18
2019(12)	39.4	14.4	10.27	0.00	1.00	4.86	4.86	35.51	22.66	69.7	7.12	15.01	47.60	0.00	47.60
2020(12)	35.0	12.8	9.17	0.00	0.89	4.86	4.86	35.51	22.66	62.2	6.36	15.01	40.85	0.00	40.85
2021(12)	30.7	1.0	0.68	0.00	0.07	4.86	4.86	35.51	22.66	4.6	0.47	1.25	2.89	0.00	2.89
Total	---	361.2	258.11	0.00	25.10	---	---	---	---	1,752.0	178.98	181.40	1,391.65	1,304.00	87.65

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 28-4 UNIT 27M

WELL INFORMATION

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COMX1 (Time

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**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-4 UNIT 27M**

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