



446
ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289

April 22, 2010

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
Pictured Cliffs Participating Area
San Juan County, New Mexico

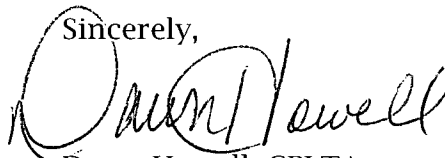
Gentlemen:

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 not capable of producing unitized substances in paying quantities from the Pictured Cliffs Formation. ConocoPhillips is seeking confirmation of the well determination enclosed.

Well Name	Dedication	Lease No.	Completion	Determination
SJ 32-8 Unit #4	SW/4 Sec. 15-32N-8W	SF-079353	11/16/01	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 to 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
Land Analyst

SJ 32-8 Unit 4.1

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-8 UNIT 4

WELL INFORMATION		PRODUCTION TAXES	
LEASE	SAN JUAN 32-8 UNIT 4	TAXES FOR:	SAN JUAN, NEW MEXICO
LOCATION	15032N008W		2003 - 2004 Commerciality
COUNTY, STATE	SAN JUAN, NEW MEXICO		
FORMATION	PICTURED CLIFFS		GAS % OF REVENUE
PROJECT TYPE	NEWDRILL		
WELL TYPE	GAS WELL	SEVERANCE:	
OPERATOR	CONOCOPHILLIPS CO	Severance, School, Conservation	7.93
SPUD DATE	11/1/2001	AD VALOREM:	
COMP DATE	11/16/2001	Production, Equipment	1.26
1ST DELIVERY	11/30/2001		
COM/GM/GWI %	100.00	TOTAL %:	9.19
CON/M/NRI %	87.50		
BOARD RATE %	10.00		

AVERAGE HEAT CONTENT		WELL COST AND ECONOMICS			
385	MMBTU / Mcf	660.00	M\$	AVERAGE WELL COST	
		105.03	MMCF	ULT. GROSS GAS RESERVES	
		85.95	MCFD	INITIAL GAS RATE	
		0.00	%	RATE OF RETURN	
		-0.91	\$/S	P/L DISC. @ 10.00 %	
		-600.03	M\$	NET PRESENT VALUE, DISC. @ 10.00 %	
		0.00	YRS	PAYOUT	

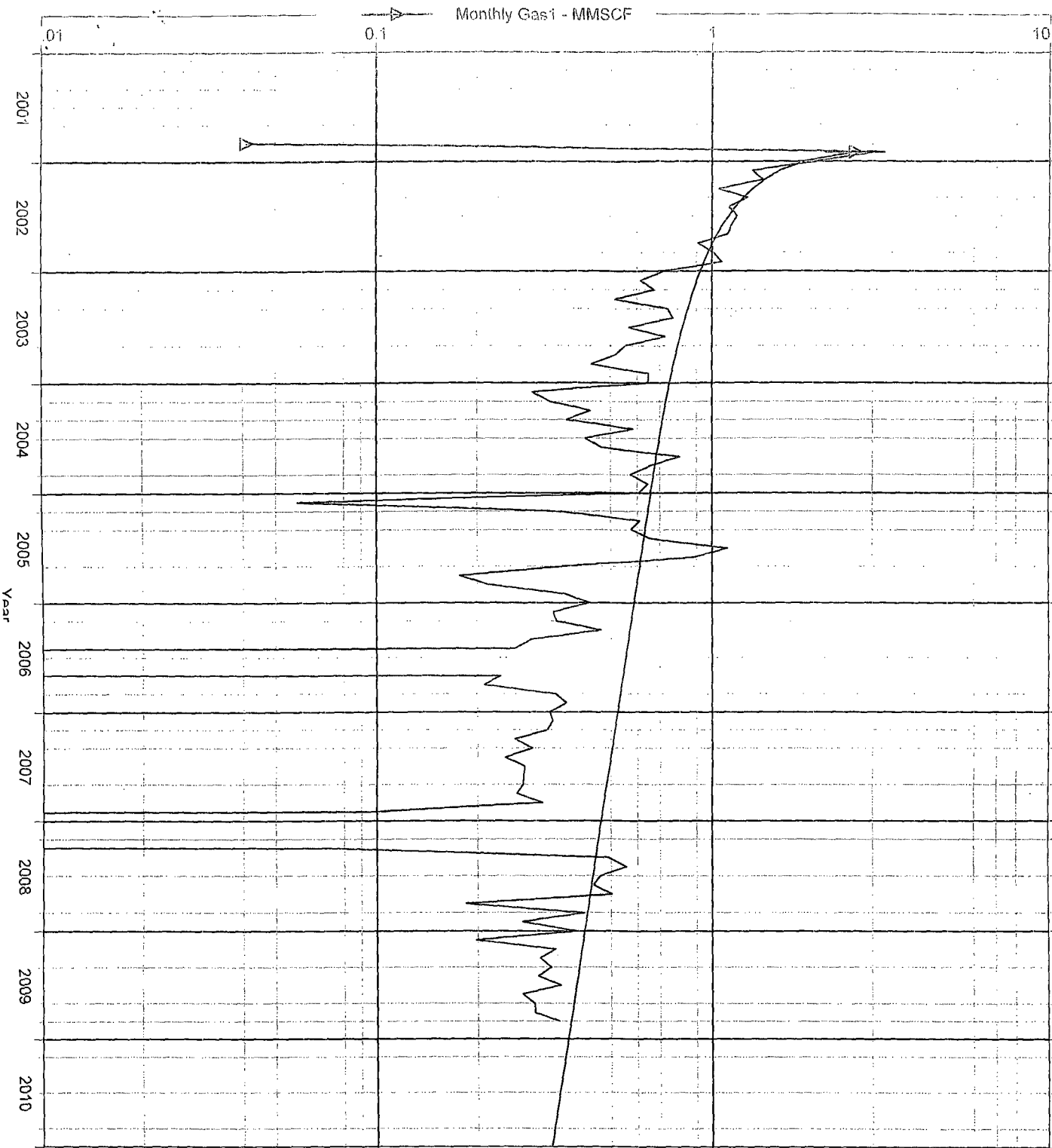
SAN JUAN 32-8 UNIT 4 PC (COMX) (2300430451141470120) Data: Nov. 2001-Nov. 2009

Operator: CONOCOPHILLIPS COMPANY
Field: ALBINO
Zone: PICTURED CLIFFS
Type: Gas
Grou: None

COMX (Rate-Time)
Q: 4 MMSCF, 2001-12
Qf: 0.00352029 MMSCF, 2050-11
D(hyp): 76% CTD: 50.884 MMSCF
RR: 54.1854 MMSCF Tot: 105.069 MMSCF

Production Cums
Oil: 0 MSTB
Gas: 50.884 MMSCF
Water: 39.775 MSTB
Cond: 0 MSTB

Monthly Gas1 - MMSCF
Cum: 50.88 MMSCF
COMX - MMSCF
Versus: Year
Relationship: Rate-Time
Q: 4.00 MMSCF 2001-12
D (eff. ann.): 76.00 % (hyp->Exp)
Qf: 0.00 MMSCF 2050-11
RRt: 54.19 MMSCF
EUR: 105.07 MMSCF



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION

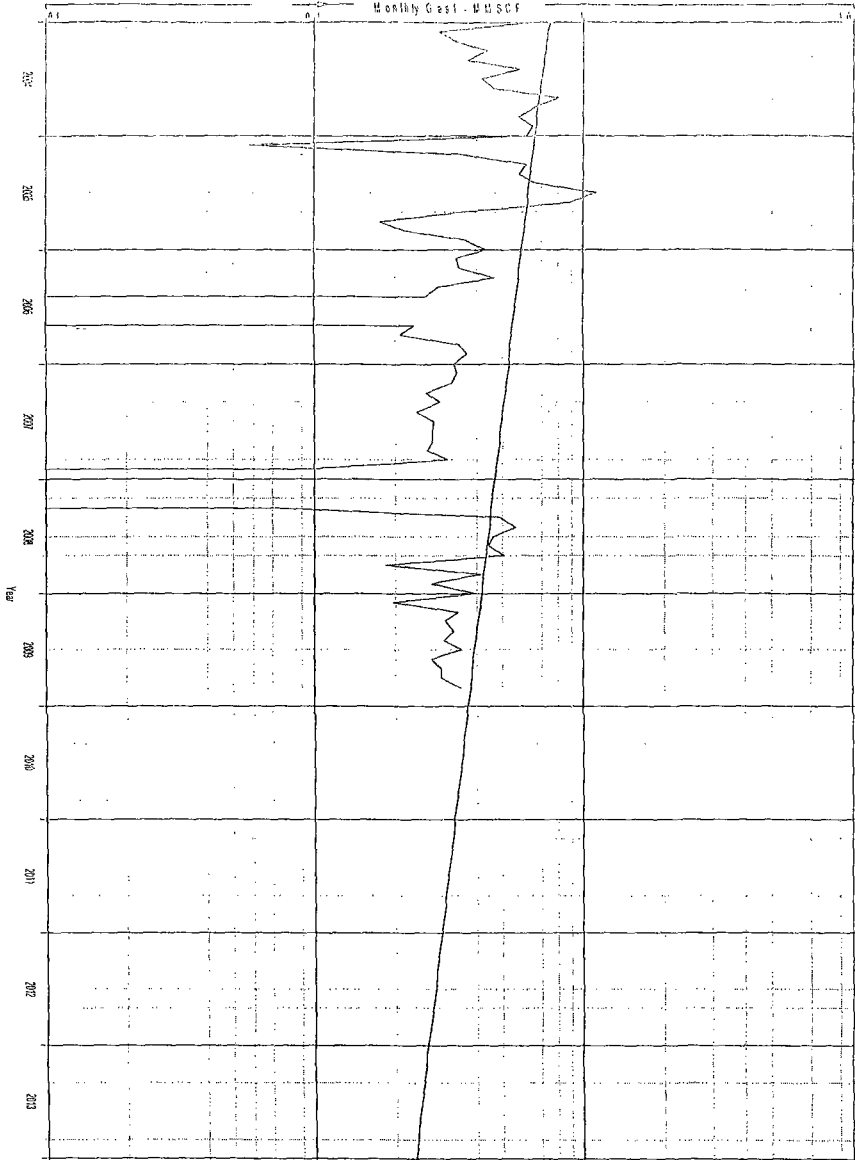
BLM DATA SHEET

SAN JUAN 32-8 UNIT 4

UNIT 4 PC (DOM) (2004-03-15) (14-07-20) Date Nov 2001-Nov 2008

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Production Data
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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	Revenue	Net M\$	Prod Taxes	Total Opcosts	Total Oper Inc	Total Capital	Total BT Cash
mcf/d	MMSCF	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$	M\$

**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-8 UNIT 4**

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oh Volume	Gas1 Price	Gas Price	Cond Price	Oh 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\$
2001(12)	86.0	2.7	0.00	0.00	0.16	4.86	0.00	35.51	22.66	3.2	0.30	0.00	2.89	660.00	-657.11
2002(12)	40.5	14.8	0.00	0.00	0.89	4.86	0.00	35.51	22.66	17.7	1.66	0.00	16.02	0.00	16.02
2003(12)	27.3	10.0	0.00	0.00	0.60	4.86	0.00	35.51	22.66	11.9	1.12	0.00	10.80	0.00	10.80
2004(12)	23.1	8.4	0.00	0.00	0.51	4.86	0.00	35.51	22.66	10.1	0.95	0.00	9.14	0.00	9.14
2005(12)	20.5	7.5	0.00	0.00	0.45	4.86	0.00	35.51	22.66	9.0	0.84	0.00	8.12	0.00	8.12
2006(12)	18.3	6.7	0.00	0.00	0.40	4.86	0.00	35.51	22.66	8.0	0.75	0.00	7.24	0.00	7.24
2007(12)	16.4	6.0	0.00	0.00	0.36	4.86	0.00	35.51	22.66	7.1	0.67	0.00	6.46	0.00	6.46
2008(12)	14.5	5.3	0.00	0.00	0.32	4.86	0.00	35.51	22.66	6.4	0.60	0.00	5.77	0.00	5.77
2009(12)	13.0	4.8	3.22	0.00	0.29	4.86	4.86	35.51	22.66	21.3	2.16	12.56	6.62	0.00	6.62
2010(12)	11.6	4.2	2.88	0.00	0.26	4.86	4.86	35.51	22.66	19.0	1.93	12.56	4.55	0.00	4.55
2011(12)	10.4	3.8	2.57	0.00	0.23	4.86	4.86	35.51	22.66	17.0	1.72	12.56	2.70	0.00	2.70
2012(12)	9.2	3.4	2.29	0.00	0.20	4.86	4.86	35.51	22.66	15.2	1.53	12.56	1.05	0.00	1.05
2013(12)	8.7	1.0	0.71	0.00	0.06	4.86	4.86	35.51	22.66	4.7	0.47	4.19	0.02	0.00	0.02
Total	---	78.5	11.66	0.00	4.73	---	---	---	---	150.5	14.72	54.44	81.37	660.00	-578.63