



195

RECEIVED OCD

ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289July 20, 2010
JUL 21 P 1:19

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: Huerfano Unit (I Sec. No. 731)
Commercial Determination
Dakota Formation
San Juan County, New Mexico

Gentlemen:

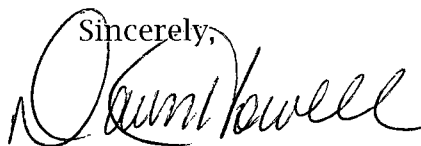
Pursuant to the provisions of Section 11(a) of the Huerfano Unit Agreement, #I Sec. No. 731, approved June 6, 1950, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the well listed below is capable of producing unitized substances in paying quantities from the Dakota formation. Burlington is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Dedicated Lse.	Compl. Date	Determination
Huerfano Unit Com #309	W/2 2-25N-6W	E-2941-2	11/12/08	Commercial

* Lots 3 & 4 (aka N/2NW/4) Non-Committed Acreage

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 Schedule 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
Land Analyst

Huerfano Unit 4.3

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANO UNIT 309

WELL INFORMATION		PRODUCTION TAXES	
LEASE	HUERFANO UNIT 309	TAXES FOR:	SAN JUAN, NEW MEXICO
LOCATION	002025N009W		2003 - 2004 Commerciality
COUNTY, STATE	SAN JUAN, NEW MEXICO		
FORMATION	DAKOTA		
PROJECT TYPE	NEWDRILL		
WELL TYPE	GAS WELL		
OPERATOR	CONOCOPHILLIPS CO	SEVERANCE:	
SPUD DATE	9/14/2008	Severance, School, Conservation	7.93
COMP DATE	*11/12/2008	AD VALOREM:	
1ST DELIVERY	4/27/2009	Production, Equipment	1.26
COMM GWI %	100.00		
COMM NRI %	87.50	TOTAL %:	9.19
BOARD RATE %	10.00		

AVERAGE HEAT CONTENT		WELL COST AND ECONOMICS	
1,000	MMBtu / Mcf	1,304.00	M\$ AVERAGE WELL COST
		778.55	MMCF ULT. GROSS GAS RESERVES
		433.97	MCFD INITIAL GAS RATE
		19.74	% RATE OF RETURN
		0.34	\$/S P/L DISC. @ 10.00 %
		447.74	M\$ NET PRESENT VALUE, DISC. @ 10.00 %
		4.25	YRS PAYOUT

HUERFANO UNIT 309 DK (COMX) (11F14F560-9F8B-4A8D-86A3-6C9F9B38EFB2) Data: Apr. 2009-Jan. 2010

Operator: BURKINGTON RESOURCES OG CO LP

Field: BASIN

Zone: DAKOTA

Type: Gas

Group: None

COMX (Rate-Time)

Q1: 27 MMSCF, 2009-06

Qf: 0.0001 MMSCF, 2109-12

DI(Hyp): 74% CTD: 111.495 MMSCF

RR: 708.687 MMSCF Tot: 820.182 MMSCF

Production Cums

Q1: 0 MSTB

Gas: 111.495 MMSCF

Water: 0.744 MSTB

Cond: 0.862 MSTB

Monthly Gas1 - MMSCF

Cum: 111.50 MMSCF

COMX - MMSCF

Versus: Year

Relationship: Rate-Time

Q1: 27.00 MMSCF 2009-06

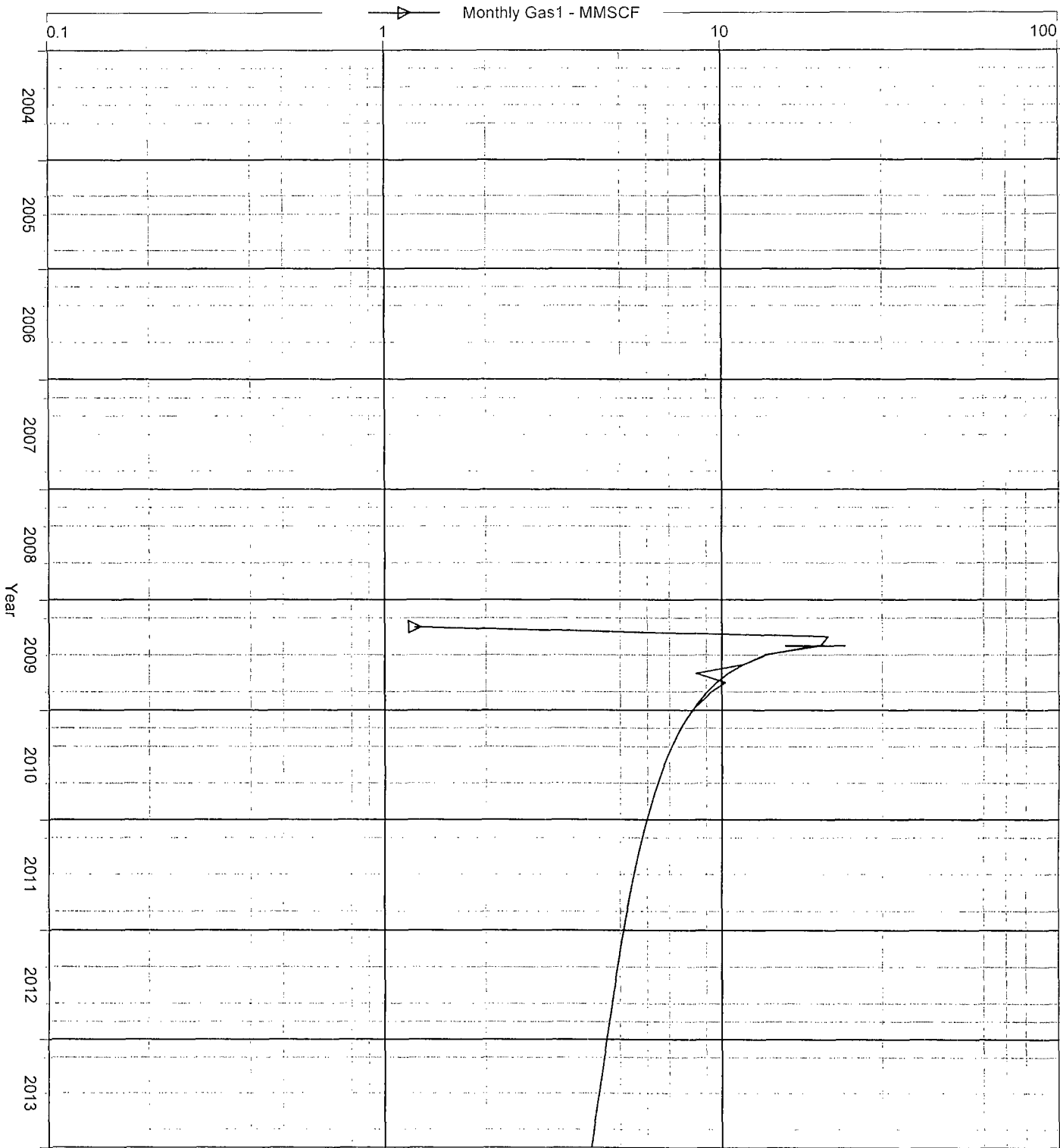
DI (eff. ann.): 74.00 % (Hyp->Exp)

Qf: 0.00 MMSCF 2110-01

RR: 708.69 MMSCF

EUR: 820.18 MMSCF

Monthly Gas1 - MMSCF



BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

HUERFANO UNIT 309

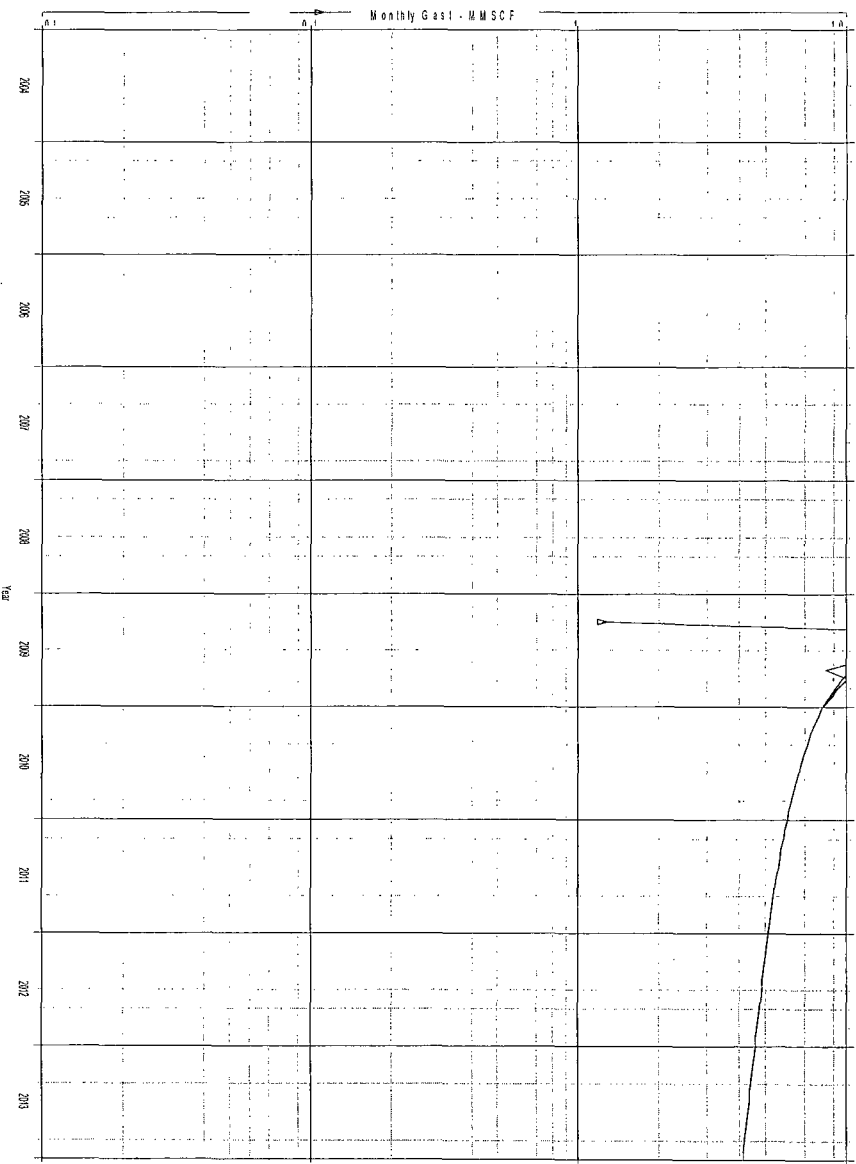
HUERFANO UNIT 309 (COM) (11F14F560-9F9B-4A0D-B8A3-5C09-3B3B7E7D) Date: Apr 2009-Jan 2010

Owner: BURLINGTON RESOURCES GROUP
File: BLSH
Zone: DASHA
Type: Gas
Geog: None

COALBasis: None
Q: 21 MGS 205.26
Q: 1000 MGS 7186.17
Dmgs: 145 QD 111.85 MGS
RR: 10000 MGS 1000000 MGS

Production Gas
Q: 0 MGS
Q: 111.85 MGS
Water: 0.14 MGS
Cond: 0.002 MGS

11 Month Gas: MGS
Q: 111.85 MGS
Q: COM: MGS
Water: 0.14 MGS
Cond: 0.002 MGS
RR: 10000 MGS 1000000 MGS
BR: 10000 MGS



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

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

HUERFANO UNIT 309

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
	mc/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2009 07	434.0	13.5	9.61	0.00	0.93	4.86	4.86	35.51	22.66	65.3	6.60	1.25	57.41	1,304.00	-1,246.59
2009 08	376.3	11.7	8.34	0.00	0.81	4.86	4.86	35.51	22.66	56.6	5.72	1.25	49.62	0.00	49.62
2009 09	280.0	8.4	6.00	0.00	0.58	4.86	4.86	35.51	22.66	40.7	4.12	1.25	35.37	0.00	35.37
2009 10	331.0	10.3	7.33	0.00	0.71	4.86	4.86	35.51	22.66	49.8	5.03	1.25	43.48	0.00	43.48
2009 11	310.0	9.3	6.65	0.00	0.65	4.86	4.86	35.51	22.66	45.1	4.56	1.25	39.29	0.00	39.29
2009 12	282.0	8.7	6.25	0.00	0.61	4.86	4.86	35.51	22.66	42.4	4.29	1.25	36.87	0.00	36.87
2010 01	263.3	8.2	5.83	0.00	0.57	4.86	4.86	35.51	22.66	39.6	4.00	1.25	34.34	0.00	34.34
2010 02	280.6	7.9	5.62	0.00	0.55	4.86	4.86	35.51	22.66	38.1	3.85	1.25	33.01	0.00	33.01
2010 03	244.5	7.6	5.42	0.00	0.53	4.86	4.86	35.51	22.66	36.8	3.72	1.25	31.79	0.00	31.79
2010 04	244.5	7.3	5.24	0.00	0.51	4.86	4.86	35.51	22.66	35.6	3.60	1.25	30.73	0.00	30.73
2010 05	229.7	7.1	5.09	0.00	0.49	4.86	4.86	35.51	22.66	34.5	3.49	1.25	29.79	0.00	29.79
2010 06	230.9	6.9	4.95	0.00	0.48	4.86	4.86	35.51	22.66	33.6	3.40	1.25	28.95	0.00	28.95
2010 07	217.9	6.8	4.83	0.00	0.47	4.86	4.86	35.51	22.66	32.8	3.31	1.25	28.20	0.00	28.20
2010 08	212.8	6.6	4.72	0.00	0.46	4.86	4.86	35.51	22.66	32.0	3.24	1.25	27.52	0.00	27.52
2010 09	215.2	6.5	4.61	0.00	0.45	4.86	4.86	35.51	22.66	31.3	3.17	1.25	26.89	0.00	26.89
2010 10	204.0	6.3	4.52	0.00	0.44	4.86	4.86	35.51	22.66	30.7	3.10	1.25	26.32	0.00	26.32
2010 11	206.7	6.2	4.43	0.00	0.43	4.86	4.86	35.51	22.66	30.1	3.04	1.25	25.79	0.00	25.79
2010 12	196.4	6.1	4.35	0.00	0.42	4.86	4.86	35.51	22.66	29.5	2.99	1.25	25.30	0.00	25.30
2011 01	193.1	6.0	4.28	0.00	0.42	4.86	4.86	35.51	22.66	29.0	2.94	1.25	24.84	0.00	24.84
2011 02	210.2	5.9	4.21	0.00	0.41	4.86	4.86	35.51	22.66	28.6	2.89	1.25	24.42	0.00	24.42
Sub.	---	157.1	112.26	0.00	10.91	---	---	---	---	762.0	77.04	25.02	659.95	1,304.00	-644.05
Rem.	---	590.2	421.77	0.00	41.01	---	---	---	---	2,862.9	289.44	414.08	2,159.33	0.00	2,159.33
Total	---	747.3	534.03	0.00	51.92	---	---	---	---	3,624.9	366.48	439.10	2,819.28	1,304.00	1,515.28

**HUERFANO UNIT
DAKOTA FORMATION
WORKING INTEREST OWNERS**

AJM LLC
BENSON MONTIN GREER
BETTY T JOHNSTON MARITAL TRUST
BURLINGTON RESOURCES O&G CO LP
CAROLYN BEAMON TILLEY
CATHERYN BEAMON
CLAUDIA MARCIA LUNDELL
CONOCOPHILLIPS COMPANY
EULA MAY JOHNSTON TRUST
FRANKLIN P LILLY
GRAYFORE PARTNERS
GROSS RESOURCES LTD PTSHP
JAMES R BEAMON
KELLY MINERAL INTERESTS JV
LA PLATA GATHERING SYSTEM INC
LANGDON D HARRISON REVOC TRUST B
LINDA JEANNE LUNDELL
MACDONALD HALBERSTADT
REVOCABLE FAMILY TRUST
MARYAN KLINGER TRUST
MCCONNELL LTD CO
MICHAEL R DIMOND
PRODUCTION GATHERING CO LP
ROBERT BEAMON TRUSTEE
ROBERT WALTER LUNDELL
ROGERS-GIBBARD TRUST
SHARON BEAMON BURNS
SUNLAND REFINING CORP
SUSAN BEAMON PORTER
THOMAS YATES JR
V A JOHNSTON LTD
WILLIAM j GREEN ESTATE
XTO ENERGY INC
ZZZ KELLY & TRUST LLC



195

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

July 2008 21 P 1:22

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

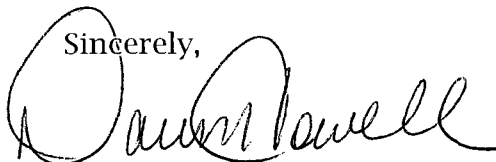
RE: Huerfano Unit (I Sec. No. 731)
Commercial Determination
Dakota Formation
San Juan County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the Huerfano Unit Agreement, #I Sec. No. 731, approved June 6, 1950, Burlington Resources Oil & Gas Company LP, 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	Dedicated Lse.	Compl. Date	Determination
Huerfano Unit #307	W/2 35-26N-9W	SF-078103-B	9-4-08	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 report to the lease.

Sincerely,

Dawn Howell, CPLTA
Land Analyst

Huerfano Unit 4.3

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANO UNIT 307

WELL INFORMATION		PRODUCTION TAXES	
LEASE	HUERFANO UNIT 307	TAXES FOR:	SAN JUAN, NEW MEXICO
LOCATION	35026N009W		2003 - 2004 Commercially
COUNTY, STATE	SAN JUAN, NEW MEXICO		
FORMATION	DAKOTA		GAS % OF REVENUE
PROJECT TYPE	NEWDRILL		
WELL TYPE	GAS WELL	SEVERANCE:	
OPERATOR	CONOCOPhillips CO	Severance, School, Conservation	7.93
SPUD DATE	5/29/2008		
COMP DATE	9/4/2008	AD VALOREM:	
1ST DELIVERY	9/11/2008	Production, Equipment	1.26
COMM GWI %	100.00		
COMM NRI %	87.50	TOTAL %:	9.19
BOARD RATE %	10.00		

AVERAGE HEAT CONTENT		WELL COST AND ECONOMICS			
1,000	MMBtu / Mcf	1,304.00	M\$	AVERAGE WELL COST	
		287.20	MMCF	ULT. GROSS GAS RESERVES	
		404.52	MCFD	INITIAL GAS RATE	
		0.00	%	RATE OF RETURN	
		-0.43	\$/S	P/I, DISC. @ 10.00 %	
		-556.06	M\$	NET PRESENT VALUE, DISC. @ 10.00 %	
		0.00	YRS	PAYOUT	

HUERFANO UNIT 307

Outgoing Time:

D: 15 MAG; 2028-11
Q: 9 1556Z MISC; 2024-5
OHHH 77% CTR 36.55Z MISC
RR 20133Z MISC To: 29132Z MISC

Production Date	CR	0	MS1B
Gas	55.571	MS1C	
Water	0.266	MS1B	
Coat	2015	MS1B	

-7- Methyl Gas : MS1C	Can 56.50 MS1C
-7- OMA : MS1C	Versus Year
Relationship Rea Time	

Relationship: Real Time
Qr: 15.00 MAST 2008-11
D(aff. asy): 77.00 % (Fp>5p)
Qr: 0.45 MAST 2024-05
RR: 201.33 MAST
EUR: 791.98 MAST



Gas1	Gas1	Net Gas	Net Cond	Net Oh	Gas1	Gas	Cond	Oh	Net	Prod	Total	Total	Total	Total
Rate	Volume	Volume	Volume	Volume	Price	Price	Price	Price	Revenue	Taxes	Opcosts	Oper Inc	Capital	BT Cash
mc/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/bbl	\$/bbl	M\$	M\$	M\$	M\$	M\$	M\$

07/16/2010 16:26

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET

HUERFANO UNIT 307

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\$
2008 10	404.5	12.5	8.96	0.00	0.87	4.86	4.86	35.51	22.66	60.8	6.15	1.25	53.43	1,304.00	-1,250.57
2008 11	387.5	11.6	8.31	0.00	0.81	4.86	4.86	35.51	22.66	56.4	5.70	1.25	49.44	0.00	49.44
2008 12	253.6	7.9	5.62	0.00	0.55	4.86	4.86	35.51	22.66	38.1	3.86	1.25	33.03	0.00	33.03
2009 01	216.8	6.7	4.80	0.00	0.47	4.86	4.86	35.51	22.66	32.6	3.30	1.25	28.05	0.00	28.05
2009 02	190.5	5.3	3.81	0.00	0.37	4.86	4.86	35.51	22.66	25.9	2.62	1.25	22.01	0.00	22.01
2009 03	178.5	5.5	3.95	0.00	0.38	4.86	4.86	35.51	22.66	26.8	2.71	1.25	22.87	0.00	22.87
2009 04	165.2	5.0	3.54	0.00	0.34	4.86	4.86	35.51	22.66	24.0	2.43	1.25	20.36	0.00	20.36
2009 05	144.8	4.5	3.21	0.00	0.31	4.86	4.86	35.51	22.66	21.8	2.20	1.25	18.32	0.00	18.32
2009 06	139.9	4.2	3.00	0.00	0.29	4.86	4.86	35.51	22.66	20.4	2.06	1.25	17.05	0.00	17.05
2009 07	16.9	0.5	0.37	0.00	0.04	4.86	4.86	35.51	22.66	2.5	0.26	1.25	1.03	0.00	1.03
2009 08	119.9	3.7	2.66	0.00	0.26	4.86	4.86	35.51	22.66	18.0	1.82	1.25	14.95	0.00	14.95
2009 09	76.8	2.3	1.65	0.00	0.16	4.86	4.86	35.51	22.66	11.2	1.13	1.25	8.79	0.00	8.79
2009 10	73.3	2.3	1.62	0.00	0.16	4.86	4.86	35.51	22.66	11.0	1.11	1.25	8.65	0.00	8.65
2009 11	113.4	3.4	2.43	0.00	0.24	4.86	4.86	35.51	22.66	16.5	1.67	1.25	13.59	0.00	13.59
2009 12	61.2	1.9	1.35	0.00	0.13	4.86	4.86	35.51	22.66	9.2	0.93	1.25	7.02	0.00	7.02
2010 01	91.5	2.8	2.03	0.00	0.20	4.86	4.86	35.51	22.66	13.8	1.39	1.25	11.12	0.00	11.12
2010 02	76.5	2.1	1.53	0.00	0.15	4.86	4.86	35.51	22.66	10.4	1.05	1.25	8.09	0.00	8.09
2010 03	111.6	3.5	2.47	0.00	0.24	4.86	4.86	35.51	22.66	16.8	1.70	1.25	13.84	0.00	13.84
2010 04	96.0	2.9	2.06	0.00	0.20	4.86	4.86	35.51	22.66	14.0	1.41	1.25	11.31	0.00	11.31
2010 05	90.5	2.8	2.00	0.00	0.19	4.86	4.86	35.51	22.66	13.6	1.38	1.25	10.98	0.00	10.98
Sub.	---	91.5	65.39	0.00	6.36	---	---	---	---	443.8	44.87	25.02	373.94	1,304.00	-930.06
Rem.	---	195.7	139.84	0.00	13.60	---	---	---	---	949.2	95.97	208.92	644.34	0.00	644.34
Total	---	287.2	205.23	0.00	19.95	---	---	---	---	1,393.1	140.84	233.94	1,018.28	1,304.00	-285.72

**HUERFANO UNIT
DAKOTA FORMATION
WORKING INTEREST OWNERS**

AJM LLC
BENSON MONTIN GREER
BETTY T JOHNSTON MARITAL TRUST
BURLINGTON RESOURCES O&G CO LP
CAROLYN BEAMON TILLEY
CATHERYN BEAMON
CLAUDIA MARCIA LUNDELL
CONOCOPHILLIPS COMPANY
EULA MAY JOHNSTON TRUST
FRANKLIN P LILLY
GRAYFORE PARTNERS
GROSS RESOURCES LTD PTSHP
JAMES R BEAMON
KELLY MINERAL INTERESTS JV
LA PLATA GATHERING SYSTEM INC
LANGDON D HARRISON REVOC TRUST B
LINDA JEANNE LUNDELL
MACDONALD HALBERSTADT
REVOCABLE FAMILY TRUST
MARYAN KLINGER TRUST
MCCONNELL LTD CO
MICHAEL R DIMOND
PRODUCTION GATHERING CO LP
ROBERT BEAMON TRUSTEE
ROBERT WALTER LUNDELL
ROGERS-GIBBARD TRUST
SHARON BEAMON BURNS
SUNLAND REFINING CORP
SUSAN BEAMON PORTER
THOMAS YATES JR
V A JOHNSTON LTD
WILLIAM j GREEN ESTATE
XTO ENERGY INC
ZZZ KELLY & TRUST LLC