



541

RECEIVED OGD

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

2010 DEC -1 P 12: 49

Burlington Resources Inc.
A wholly owned subsidiary

November 23, 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: Canyon Largo Unit (14-08-001-1059)
Commerciality Determination
Gallup Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the Canyon Largo Unit Agreement, #14-08-001-1059, approved, September 18, 1953, 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 Gallup Formation. Burlington is seeking confirmation of the well determination enclosed.

Well Name	Dedication	Dedicated Lease	Compl. Date	Determination
CLU #457	SW/4 36-25N-7W	ST of NM 505-12	5-27-09	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
Land Analyst

CLU 4.4

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO UNIT 457

WELL INFORMATION

LEASE CANYON LARGO UNIT 457
LOCATION 36025N007W
COUNTY, STATE RIO ARriba, NEW MEXICO
FORMATION GALLUP
PROJECT TYPE NEWDRILL
WELL TYPE GAS WELL
OPERATOR HUNTINGTON ENERGY LLC
SPUD DATE 3/26/2005
COMP DATE 5/27/2009
1ST DELIVERY 6/1/2009
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
112.13 MMCF ULT. GROSS GAS RESERVES
33.43 MCFD INITIAL GAS RATE
0.00 % RATE OF RETURN
-0.90 \$/\$ P/I, DISC. @ 10.00 %
-1,168.48 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
0.00 YRS PAYOUT

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

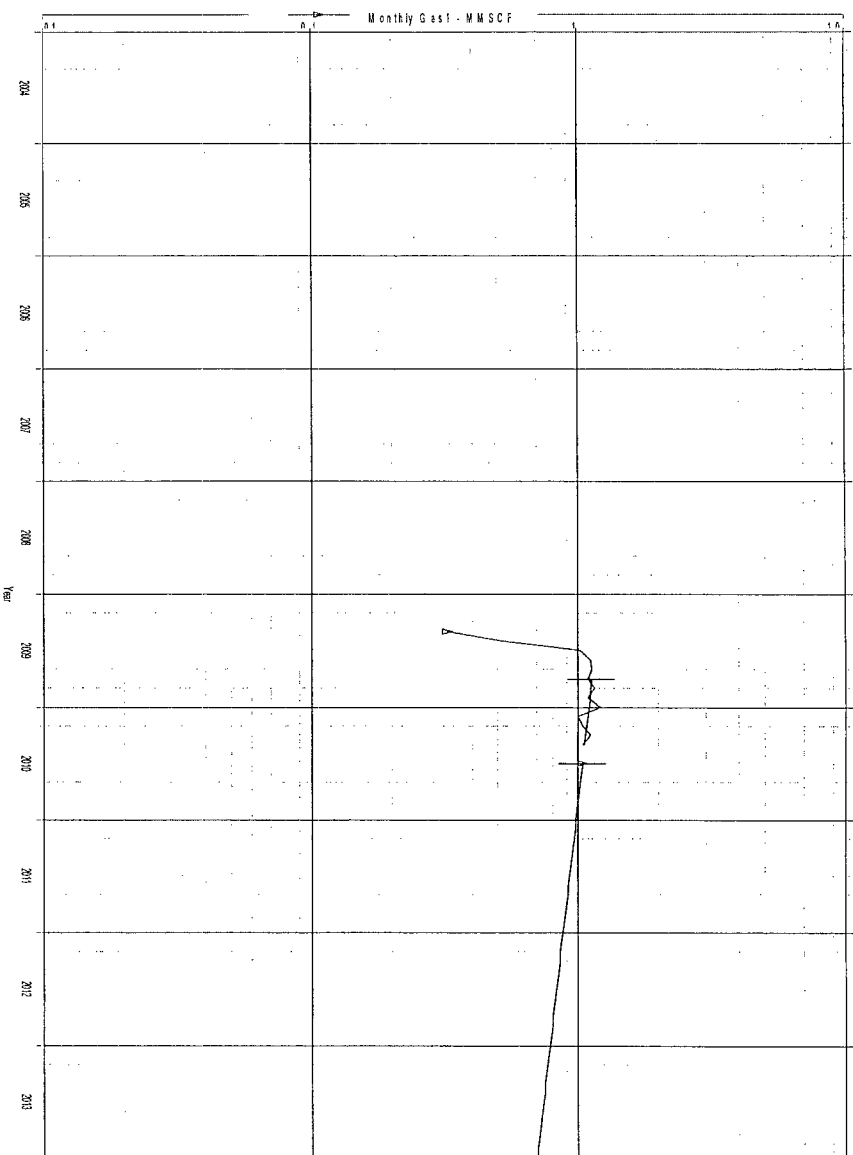
CANYON LARGO UNIT 457

CANYON LARGO UNIT 457 GALLUP (COAL) (230043028282710) Date May 2009-Apr 2010

Owner: BURLINGTON RESOURCES LLC
Fed: DEUS STOK
Zone: GALLUP
Type: Gas
Comp: None
CDR: 188-174
Q: 13187 MMSCF 2004/4
Q: 10901 MMSCF 2004/4
Dip: 2842% CD 1238 MMSCF
R: 11231 MMSCF 12-12-01 MMSCF

Production Gas
Q: 0 MMSCF
CD: 1238 MMSCF
Water: 0.019 MMB
Cond: 3.184 MMB

± Monthly Gas: 1 MMSCF
Date: 12/31/05
± CDK: 1 MMSCF
Version: 100
Reboring: 100-100
Q: 13187 MMSCF 2004/4
Q: 10901 MMSCF 2004/4
Q: 10901 MMSCF 2004/4
R: 11231 MMSCF
EP: 12/31/05



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

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

CANYON LARGO UNIT 457

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\$
2010 06	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.25	-1.25	1,304.00	-1,305.25
2010 07	33.4	1.0	0.74	0.00	0.07	4.86	4.86	35.51	22.66	5.0	0.51	1.25	3.26	0.00	3.26
2010 08	33.1	1.0	0.73	0.00	0.07	4.86	4.86	35.51	22.66	5.0	0.51	1.25	3.22	0.00	3.22
2010 09	33.9	1.0	0.73	0.00	0.07	4.86	4.86	35.51	22.66	4.9	0.50	1.25	3.18	0.00	3.18
2010 10	32.5	1.0	0.72	0.00	0.07	4.86	4.86	35.51	22.66	4.9	0.50	1.25	3.14	0.00	3.14
2010 11	33.3	1.0	0.71	0.00	0.07	4.86	4.86	35.51	22.66	4.8	0.49	1.25	3.10	0.00	3.10
2010 12	31.9	1.0	0.71	0.00	0.07	4.86	4.86	35.51	22.66	4.8	0.49	1.25	3.06	0.00	3.06
2011 01	31.6	1.0	0.70	0.00	0.07	4.86	4.86	35.51	22.66	4.8	0.49	1.25	3.02	0.00	3.02
2011 02	34.7	1.0	0.69	0.00	0.07	4.86	4.86	35.51	22.66	4.7	0.48	1.25	2.98	0.00	2.98
2011 03	31.0	1.0	0.69	0.00	0.07	4.86	4.86	35.51	22.66	4.7	0.48	1.25	2.94	0.00	2.94
2011 04	31.8	1.0	0.68	0.00	0.07	4.86	4.86	35.51	22.66	4.6	0.47	1.25	2.90	0.00	2.90
2011 05	30.5	0.9	0.67	0.00	0.07	4.86	4.86	35.51	22.66	4.6	0.47	1.25	2.86	0.00	2.86
2011 06	31.2	0.9	0.67	0.00	0.07	4.86	4.86	35.51	22.66	4.5	0.46	1.25	2.82	0.00	2.82
2011 07	29.9	0.9	0.66	0.00	0.06	4.86	4.86	35.51	22.66	4.5	0.46	1.25	2.79	0.00	2.79
2011 08	29.6	0.9	0.66	0.00	0.06	4.86	4.86	35.51	22.66	4.5	0.46	1.25	2.75	0.00	2.75
2011 09	30.3	0.9	0.65	0.00	0.06	4.86	4.86	35.51	22.66	4.4	0.45	1.25	2.71	0.00	2.71
2011 10	29.1	0.9	0.64	0.00	0.06	4.86	4.86	35.51	22.66	4.4	0.45	1.25	2.68	0.00	2.68
2011 11	29.8	0.9	0.64	0.00	0.06	4.86	4.86	35.51	22.66	4.3	0.44	1.25	2.64	0.00	2.64
2011 12	28.5	0.9	0.63	0.00	0.06	4.86	4.86	35.51	22.66	4.3	0.44	1.25	2.60	0.00	2.60
2012 01	28.3	0.9	0.63	0.00	0.06	4.86	4.86	35.51	22.66	4.3	0.43	1.25	2.57	0.00	2.57
Sub.	---	18.1	12.96	0.00	1.26	---	---	---	---	88.0	8.99	25.02	53.96	1,304.00	-1,250.04
Rem.	---	63.4	45.33	0.00	4.41	---	---	---	---	307.7	31.43	151.37	124.90	0.00	124.90
Total	---	81.6	58.29	0.00	5.67	---	---	---	---	395.7	40.42	176.39	178.86	1,304.00	-1,125.14

Canyon Largo Unit
Gallup Formation
Working Interest Owners

Ammo Investment LTD

Burlington Resources Oil & Gas Company LP

ConocoPhillips Company

Dugan Production Company

Four Star Oil & Gas Company

Huntington Canyon Largo LLC

Kimball Oil Co of Texas

Leland Fikes Foundation

Petrohawk Energy Company