



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

July 31, 2014

Bureau of Land Management  
Farmington Resource Area  
Attn: Mr. Jim Lovato  
6251 College Blvd., Suite A  
Farmington, NM 87402

State of New Mexico  
Commissioner of Public Lands  
Attn: Mr. Pete Martinez  
P.O. Box 1148  
Santa Fe, NM 87504-1148

State of New Mexico  
Oil Conservation Division  
Attn: Ms. Lori Wrotenbery  
1220 S. Saint Francis Drive  
Santa Fe, NM 87505-4000

RE: San Juan 32-9 Unit (14-08-001-569)  
Commercial Determination  
Mancos Formation  
San Juan County, New Mexico

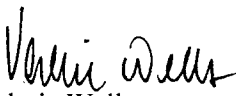
Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-9 Unit Agreement, 14-08-001-569, approved February 10, 1953, Burlington Resources Oil & Gas Co LP, as Operator, has determined that the well listed below is *not* capable of producing unitized substances in paying quantities from the Mancos formation. Burlington Resources is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Completion	Determination
San Juan 32-9 Unit 24B	E/2, Sec. 5-T31N-R9W	Fee	Mancos	Non-Commercial

Copies of this letter are being sent to the working interest owners on the attached sheet. If you have any questions or need any additional information, please contact the undersigned at (505) 326-9801.

Sincerely,

  
Valerie Wells,  
Land Analyst

File: San Juan 32-9 Unit, 4.6

enclosures



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

**San Juan 32-9 Unit**  
**Working Interest Owners**

BP AMERICA PRODUCTION COMPANY  
BURLINGTON RESOURCES O&G CO LP  
BURLINGTON RESOURCES O&G SJBT  
CONOCOPHILLIPS COMPANY  
CROSS TIMBERS ENERGY LLC  
DEVON ENERGY PRODUCTION COMPANY LP  
ENERGEN RESOURCES CORPORATION  
FOUR STAR OIL & GAS COMPANY  
J&M RAYMOND LTD  
JOHN S BROWN JR  
LAS COLINAS MINERALS LP  
MESA ROYALTY TR  
PHILLIPS SAN JUAN LTD PARTNERSHIP  
PIONEER NATURAL RESOURCES USA INC  
PRODUCTION GATHERING LLC  
ROBERT UMBACH CANCER FOUNDATION  
SAN JUAN BASIN TRUST  
SILVERADO OIL & GAS LLP  
T H MCELVAIN OIL AND GAS PROP  
WPX ENERGY INC

**BURLINGTON RESOURCES  
 COMMERCIALITY DETERMINATION  
 BLM DATA SHEET  
 SAN JUAN 32-9 UNIT 24B**

WELL INFORMATION

LEASE	SAN JUAN 32-9 UNIT 24B
LOCATION	531N09WJ
COUNTY, STATE	SAN JUAN, NM
FORMATION	MANCOS
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES O&G CO
SPUD DATE	
COMP DATE	2/3/2012
1ST DELIVERY	2/3/2012
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	13.00

PRODUCTION TAXES

TAXES FOR:	SAN JUAN, NM Default
	<u>GAS % OF REVENUE</u>
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

1,074.02	M\$	AVERAGE WELL COST
104.50	MMCF	ULT. GROSS GAS RESERVES
76.39	MCFD	INITIAL GAS RATE
>800.00	%	RATE OF RETURN
-0.88	\$/	P/I, DISC. @ 13.00 %
-944.23	M\$	NET PRESENT VALUE, DISC. @ 13.00 %
0.00	YRS	PAYOUT

# BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 32-9 UNIT 24B

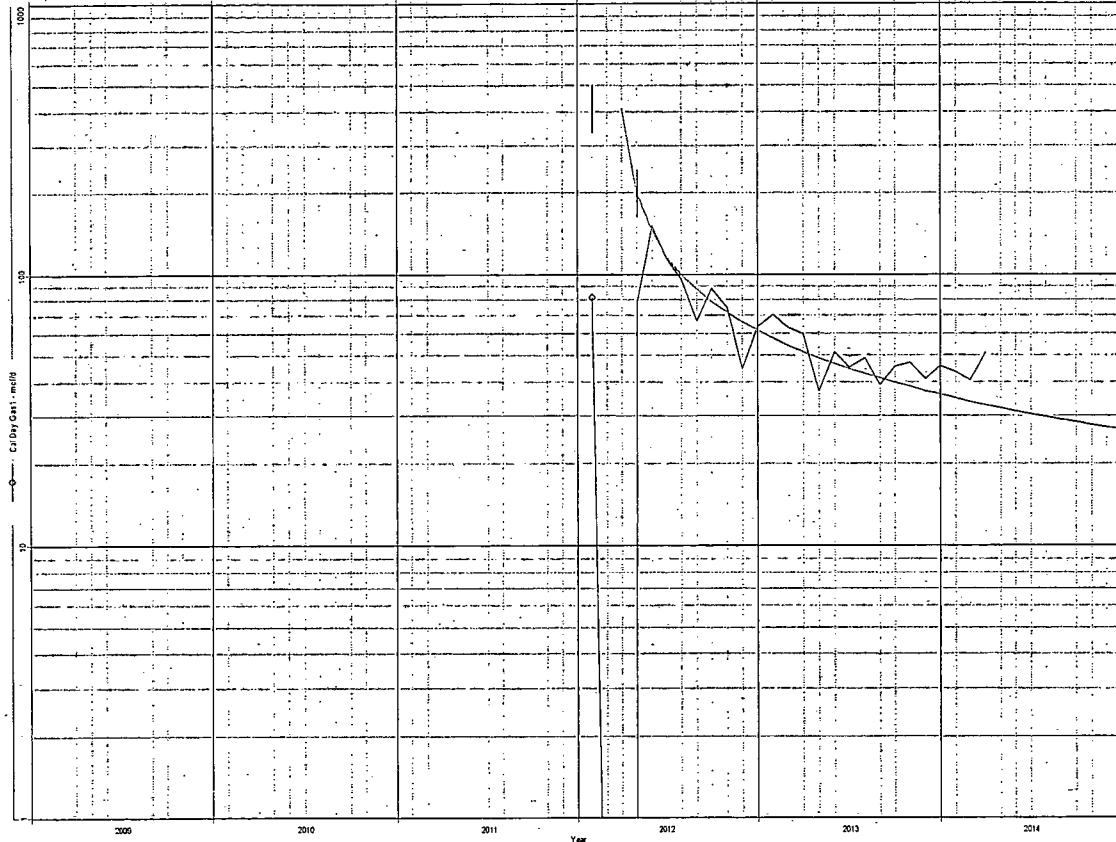
COMX SAN JUAN 32-9 UNIT 24B MC (2300430453520897232) Date: Feb 2012-Apr 2014

Operator: BURLINGTON RESOURCES O&G LP  
Field: BASH  
Zone: SHACCS  
Type: Gas  
Group: None

Cal Day Gas 1 FC 1 (Rate-Time)  
Q: 250,000 mcf/M 2012-05  
Q: 0.43 mcf/M 2007-05  
D/H: 90.000% CID: 48.0500 MSTB  
RR: 58.8273 MSCF Td: 106.9222 MSCF

Production Curve  
Q: 0.000000 MSTB  
Q: 48.050000 MSCF  
Water: 4.380000 MSTB  
Cond: 0.000000 MSTB

Cal Day Gas 1 - mcf/M  
Q: 48.05 MSCF  
Cal Day Gas 1 FC 1 - mcf/M  
Versus: Year  
Relationship: Rate-Time  
Q: 250,000 mcf/M 2012-05  
D/H: 90.00% (Hcp-Exp)  
Q: 0.43 mcf/M 2007-05  
RR: 58.82 MSCF  
BUR: 106.92 MSCF



## 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\$
2012 05	76.4	2.4	1.85	0.00	0.09	2.99	2.99	81.87	26.32	7.6	0.77	0.93	5.89	1,141.70	-1,135.81

Peep 2011.1

SHARA GRAHAM

07/31/2014 09:57

BURLINGTON RESOURCES  
 COMMERCIALITY DETERMINATION  
 BLM DATA SHEET  
 SAN JUAN 32-9 UNIT 24B

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 Opccosts	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2012 06	150.9	4.5	3.53	0.00	0.17	2.99	2.99	81.87	26.32	14.5	1.47	0.93	12.10	0.00	12.10
2012 07	115.5	3.6	2.79	0.00	0.13	2.99	2.99	81.87	26.32	11.5	1.16	0.93	9.38	0.00	9.38
2012 08	95.8	3.0	2.32	0.00	0.11	2.99	2.99	81.87	26.32	9.5	0.96	0.93	7.62	0.00	7.62
2012 09	66.6	2.0	1.56	0.00	0.08	2.99	2.99	81.87	26.32	6.4	0.65	0.93	4.82	0.00	4.82
2012 10	88.5	2.7	2.14	0.00	0.10	2.99	2.99	81.87	26.32	8.8	0.89	0.93	6.97	0.00	6.97
2012 11	74.9	2.2	1.75	0.00	0.08	2.99	2.99	81.87	26.32	7.2	0.73	0.93	5.54	0.00	5.54
2012 12	44.6	1.4	1.08	0.00	0.05	2.99	2.99	81.87	26.32	4.4	0.45	0.93	3.05	0.00	3.05
2013 01	62.9	2.0	1.52	0.00	0.07	2.99	2.99	81.87	26.32	6.2	0.63	0.95	4.66	0.00	4.66
2013 02	70.3	2.0	1.54	0.00	0.07	2.99	2.99	81.87	26.32	6.3	0.64	0.95	4.71	0.00	4.71
2013 03	62.9	1.9	1.52	0.00	0.07	2.99	2.99	81.87	26.32	6.2	0.63	0.95	4.66	0.00	4.66
2013 04	59.5	1.8	1.39	0.00	0.07	2.99	2.99	81.87	26.32	5.7	0.58	0.95	4.19	0.00	4.19
2013 05	37.0	1.1	0.89	0.00	0.04	2.99	2.99	81.87	26.32	3.7	0.37	0.95	2.35	0.00	2.35
2013 06	51.4	1.5	1.20	0.00	0.06	2.99	2.99	81.87	26.32	4.9	0.50	0.95	3.49	0.00	3.49
2013 07	45.1	1.4	1.09	0.00	0.05	2.99	2.99	81.87	26.32	4.5	0.45	0.95	3.07	0.00	3.07
2013 08	48.7	1.5	1.18	0.00	0.06	2.99	2.99	81.87	26.32	4.8	0.49	0.95	3.40	0.00	3.40
2013 09	39.0	1.2	0.91	0.00	0.04	2.99	2.99	81.87	26.32	3.7	0.38	0.95	2.41	0.00	2.41
2013 10	45.5	1.4	1.10	0.00	0.05	2.99	2.99	81.87	26.32	4.5	0.46	0.95	3.11	0.00	3.11
2013 11	46.9	1.4	1.10	0.00	0.05	2.99	2.99	81.87	26.32	4.5	0.46	0.95	3.10	0.00	3.10
2013 12	41.0	1.3	0.99	0.00	0.05	2.99	2.99	81.87	26.32	4.1	0.41	0.95	2.71	0.00	2.71
Sub.	---	40.3	31.48	0.00	1.52	---	---	---	---	129.1	13.07	18.84	97.23	1,141.70	-1,044.47
Rem.	---	46.0	35.94	0.00	1.73	---	---	---	---	161.5	16.39	81.52	63.61	0.00	63.61
Total	---	86.4	67.42	0.00	3.25	---	---	---	---	290.7	29.46	100.36	160.84	1,141.70	-980.86



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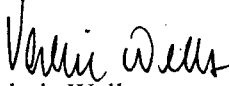
Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-9 Unit Agreement, 14-08-001-569, approved February 10, 1953, Burlington Resources Oil & Gas Co LP, as Operator, has determined that the well listed below is *not* capable of producing unitized substances in paying quantities from the Mancos formation. Burlington Resources is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Completion	Determination
San Juan 32-9 Unit 24B	E/2, Sec. 5-T31N-R9W	Fee	Mancos	Non-Commercial

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DEVON ENERGY PRODUCTION COMPANY LP

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FOUR STAR OIL & GAS COMPANY

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**BURLINGTON RESOURCES**  
**COMMERCIALITY DETERMINATION**  
**BLM DATA SHEET**  
 SAN JUAN 32-9 UNIT 24B

WELL INFORMATION

LEASE	SAN JUAN 32-9 UNIT 24B
LOCATION	531N09WJ
COUNTY, STATE	SAN JUAN, NM
FORMATION	MANCOS
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES O&G CO
SPUD DATE	
COMP DATE	2/3/2012
1ST DELIVERY	2/3/2012
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	13.00

PRODUCTION TAXES

TAXES FOR:	SAN JUAN, NM
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SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.26
TOTAL %:	9.19

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1,074.02	M\$	AVERAGE WELL COST
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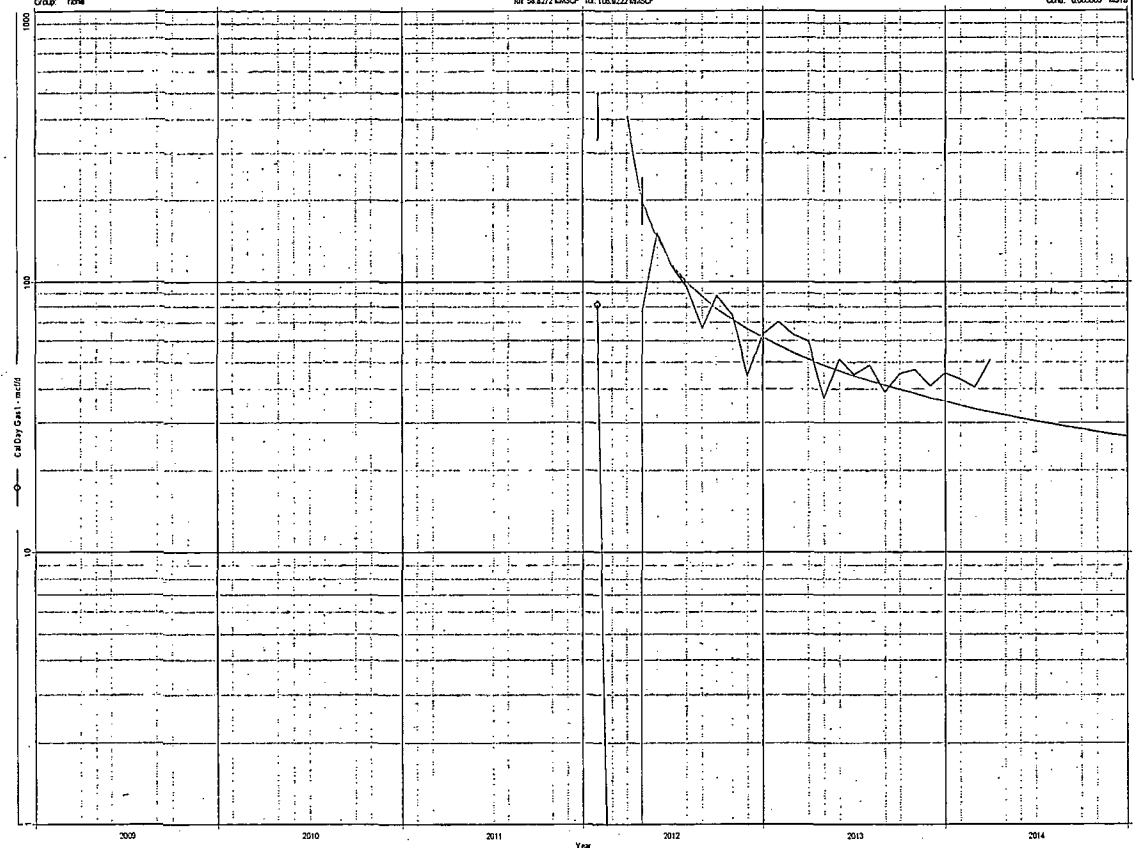
Operator: BURLINGTON RESOURCES CO, CO LP  
 Well: BASH  
 Zone: SAN JUAN  
 Type: Gas  
 Group: None

COMX SAN JUAN 32-9 UNIT 24B MC (2300430453520897232) Data: Feb. 2012-Apr. 2014

Cell Day Gas 1 FC 1 (Rate-Time)  
 CR: 250.0000 mcf/d, 2012-05  
 CR: 0.4324 mcf/d, 2007-05  
 D(Hyp): 80.0000% CRD: 48.05600 MMSCF  
 RR: 58.8272 MMSCF Tel: 106.8222 MMSCF

Production Curve  
 CR: 0.000000 MMSFB  
 CR: 48.000000 MMSCF  
 Water: 4.350000 MMSFB  
 Cond: 0.000000 MMSFB

Cell Day Gas 1 - mcf/d  
 CR: 48.00 MMSCF  
 Cell Day Gas 1 FC 1 - mcf/d  
 Version: Year  
 Relationship: Rate-Time  
 CR: 250.00 mcf/d 2012-05  
 Di (cell area): 80.00 % (Hyp=Exp)  
 CR: 0.43 mcf/d 2007-05  
 RR: 58.83 MMSCF  
 EUR: 106.92 MMSCF



### 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\$
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07/31/2014 09:57

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