



Burlington Resources Inc.
A wholly owned subsidiary

January 16, 2013

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
6251 N College, 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

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
Dakota Formation
Rio Arriba County, New Mexico

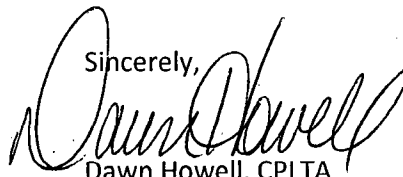
Gentlemen:

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 Dakota Formation. Burlington is seeking confirmation of the well determination enclosed.

Well Name	Dedication	Dedicated Lease	Compl. Date	Determination
CLU #499	W/2 24-25N-7W	SF-078879	4/1/2011	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 Shara Graham at 326-9819, all other questions to the undersigned at 599-4030.

Sincerely,

Dawn Howell, CPLTA
Senior Land Analyst

CLU 4.3 File

**CANYON LARGO UNIT
WORKING INTEREST OWNERS
DAKOTA FORMATION**

Burlington Resources
ConocoPhillips Company
Carolyn Beamon Tilley
CB Lifeline Partnership
Claudia Marcia Gilmer
Four Star Oil & Gas
Huntington Canyon Largo LLC
James Robert Beamon
Jeanne Lundell Lindsey
Kimbell Oil Company
Omimex Petroleum Inc.
Richard Tully
Robert Beamon
Robert Walter Lundell
Susan Beamon Porter
Sharon Beamon Burns
Speerex Limited Partnership

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
 CANYON LARGO 499

WELL INFORMATION

LEASE	CANYON LARGO 499
LOCATION	24025N07WD
COUNTY, STATE	RIO ARRIBA, NM
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	3/7/2011
COMP DATE	4/1/2011
1ST DELIVERY	5/12/2011
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR:	RIO ARRIBA, NM
	2012 - 2013 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

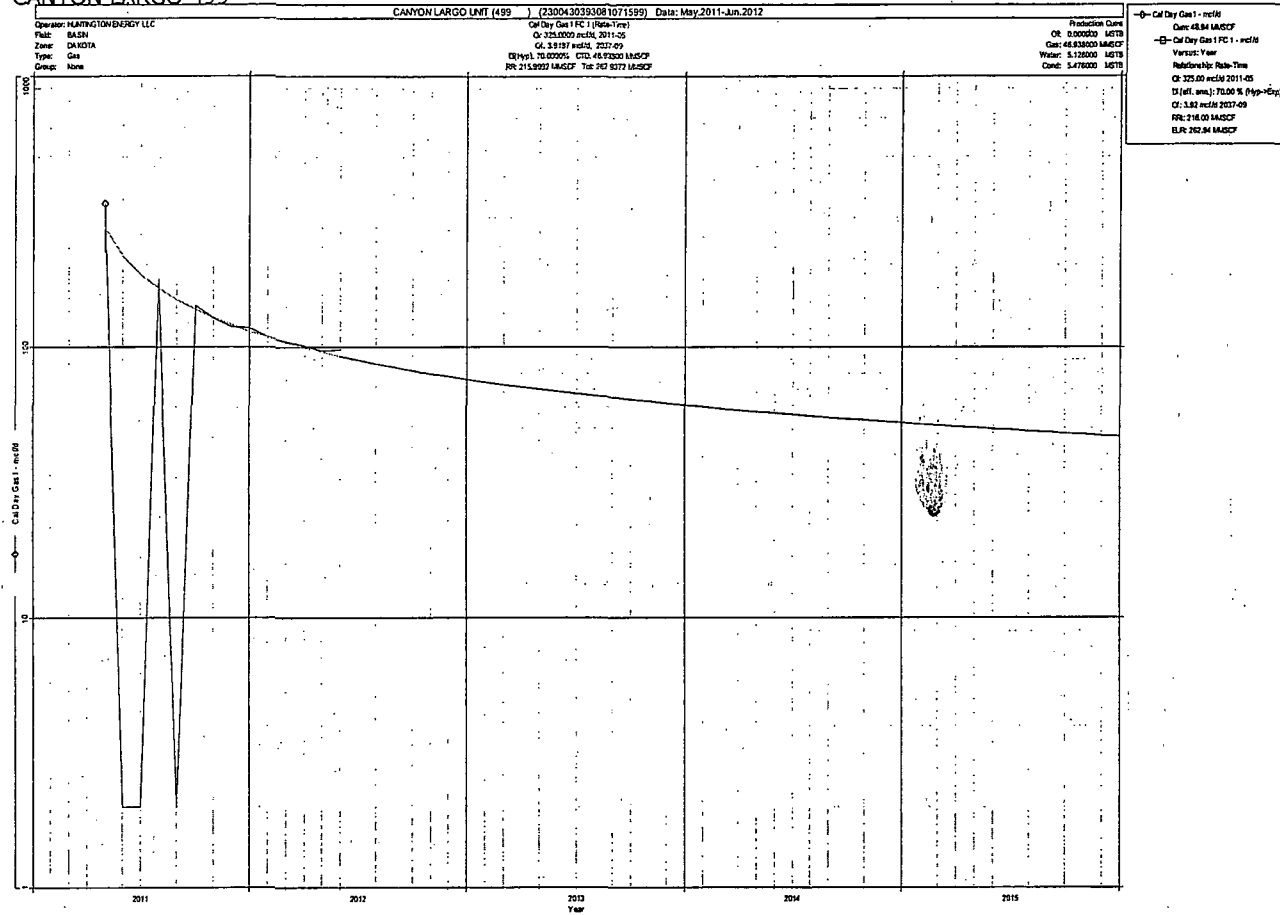
918.80	M\$	AVERAGE WELL COST
260.22	MMCF	ULT. GROSS GAS RESERVES
114.14	MCFD	INITIAL GAS RATE
1.32	%	RATE OF RETURN
-0.36	\$/ \$	P/I, DISC. @ 10.00 %
-334.49	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
14.08	YRS	PAYOUT

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

CANYON LARGO 499



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\$
2011(12)	114.1	28.0	0.00	0.00	1.90	4.86	4.86	35.51	22.66	0.0	0.00	8.54	-8.54	918.80	-927.34

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BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO 499

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(12)	93.4	34.2	14.00	0.00	2.32	4.86	4.86	35.51	22.66	89.6	9.20	12.80	67.61	0.00	67.61
2013(12)	68.4	25.0	31.68	0.00	1.69	4.86	4.86	35.51	22.66	202.8	20.81	12.80	169.14	0.00	169.14
2014(12)	56.8	20.7	23.66	0.00	1.41	4.86	4.86	35.51	22.66	151.4	15.54	12.80	123.08	0.00	123.08
2015(12)	49.6	18.1	19.12	0.00	1.23	4.86	4.86	35.51	22.66	122.3	12.56	12.80	96.96	0.00	96.96
2016(12)	44.1	16.1	16.48	0.00	1.09	4.86	4.86	35.51	22.66	105.5	10.83	12.80	81.83	0.00	81.83
2017(12)	39.4	14.4	14.64	0.00	0.98	4.86	4.86	35.51	22.66	93.7	9.62	12.80	71.26	0.00	71.26
2018(12)	35.2	12.8	13.06	0.00	0.87	4.86	4.86	35.51	22.66	83.6	8.58	12.80	62.19	0.00	62.19
2019(12)	31.4	11.5	11.65	0.00	0.78	4.86	4.86	35.51	22.66	74.6	7.65	12.80	54.10	0.00	54.10
2020(12)	27.9	10.2	10.39	0.00	0.69	4.86	4.86	35.51	22.66	66.5	6.83	12.80	46.88	0.00	46.88
2021(12)	25.0	9.1	9.27	0.00	0.62	4.86	4.86	35.51	22.66	59.3	6.09	12.80	40.45	0.00	40.45
2022(12)	22.3	8.1	8.27	0.00	0.55	4.86	4.86	35.51	22.66	52.9	5.43	12.80	34.70	0.00	34.70
2023(12)	19.9	7.3	7.38	0.00	0.49	4.86	4.86	35.51	22.66	47.2	4.85	12.80	29.58	0.00	29.58
2024(12)	17.7	6.5	6.58	0.00	0.44	4.86	4.86	35.51	22.66	42.1	4.33	12.80	25.01	0.00	25.01
2025(12)	15.8	5.8	5.87	0.00	0.39	4.86	4.86	35.51	22.66	37.6	3.86	12.80	20.93	0.00	20.93
2026(12)	14.1	5.2	5.24	0.00	0.35	4.86	4.86	35.51	22.66	33.5	3.44	12.80	17.29	0.00	17.29
2027(12)	12.6	4.6	4.68	0.00	0.31	4.86	4.86	35.51	22.66	29.9	3.07	12.80	14.04	0.00	14.04
2028(12)	11.2	4.1	4.17	0.00	0.28	4.86	4.86	35.51	22.66	26.7	2.74	12.80	11.15	0.00	11.15
2029(12)	10.0	3.7	3.72	0.00	0.25	4.86	4.86	35.51	22.66	23.8	2.44	12.80	8.56	0.00	8.56
2030(12)	8.9	3.3	3.32	0.00	0.22	4.86	4.86	35.51	22.66	21.2	2.18	12.80	6.26	0.00	6.26
Sub.	---	248.5	213.20	0.00	16.85	---	---	---	---	1,364.3	140.05	251.81	972.49	918.80	53.69
Rem.	---	8.0	8.14	0.00	0.54	---	---	---	---	52.1	5.35	39.48	7.29	0.00	7.29
Total	---	256.5	221.34	0.00	17.40	---	---	---	---	1,416.5	145.40	291.29	979.78	918.80	60.98