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2013 NOV 26 P 2: 46

Burlington Resources Inc.
A wholly owned subsidiary

November 22, 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 Com #311	E/2 24-25N-9W	State Leases	7-20-12	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
 HUERFANO UNIT COM 311

WELL INFORMATION

LEASE	HUERFANO UNIT COM 311
LOCATION	2025N09WI
COUNTY, STATE	SAN JUAN, NM
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	
COMP DATE	7/20/2013
1ST DELIVERY	7/20/2013
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR:	SAN JUAN, NM
	2012 - 2013 Commerciality
	<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
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WELL COST AND ECONOMICS

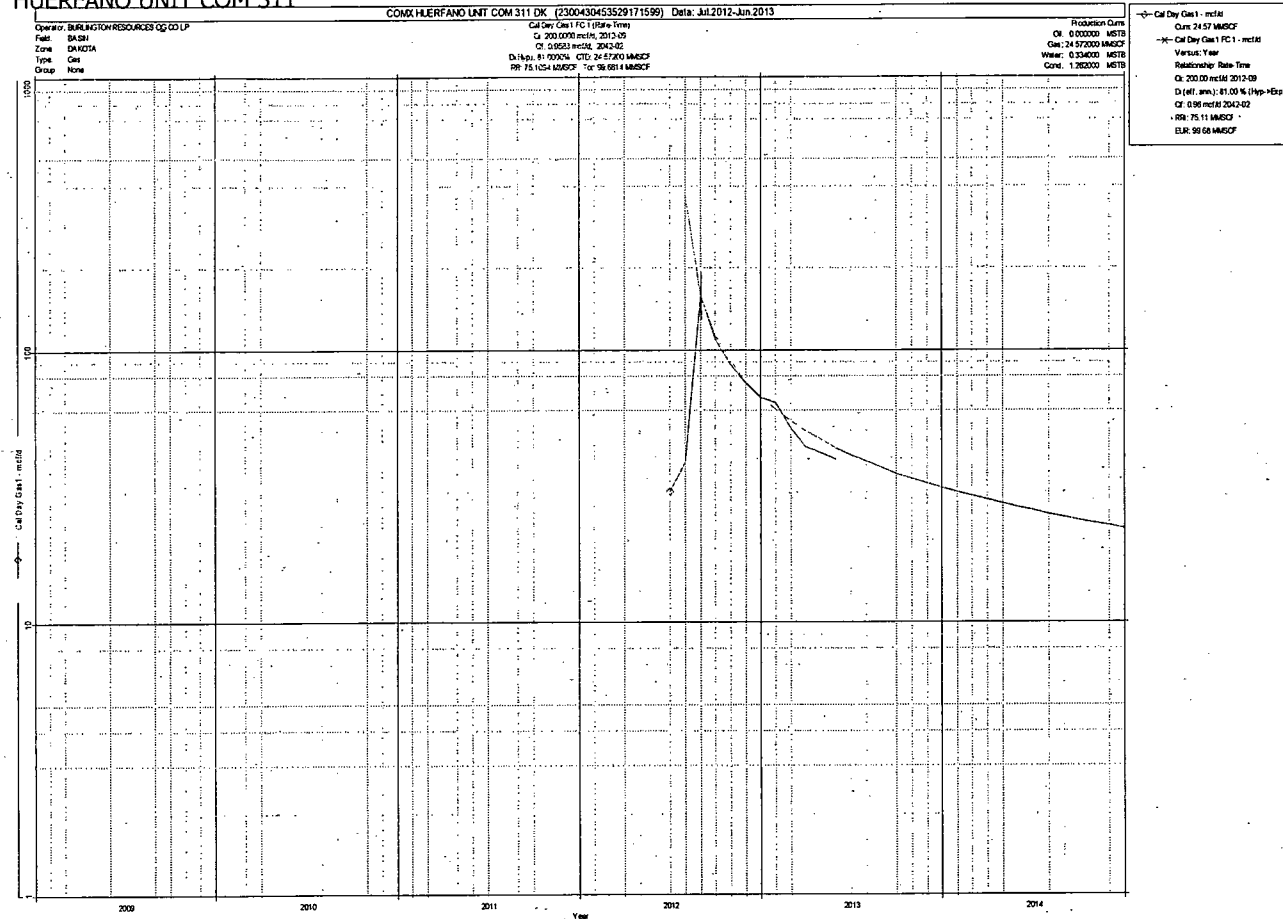
1,004.00	M\$	AVERAGE WELL COST
95.17	MMCF	ULT. GROSS GAS RESERVES
159.63	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.62	\$/	P/I, DISC. @ 10.00 %
-620.83	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

HUERFANO UNIT COM 311



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 09	159.6	4.8	2.84	0.19	0.79	3.87	3.87	81.16	33.37	47.4	4.57	1.51	41.34	1,004.00	-962.66

Peep 2011.1

09/25/2013 15:44

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANO UNIT COM 311

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	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2012 10	109.5	3.4	2.01	0.24	0.56	3.87	3.87	81.16	33.37	40.9	3.92	1.51	35.44	0.00	35.44
2012 11	87.5	2.6	1.56	0.12	0.43	3.87	3.87	81.16	33.37	27.4	2.64	1.51	23.25	0.00	23.25
2012 12	75.7	2.3	1.39	0.11	0.38	3.87	3.87	81.16	33.37	24.7	2.38	1.51	20.83	0.00	20.83
2013 01	66.9	2.1	1.23	0.03	0.34	3.87	3.87	81.16	33.37	17.2	1.66	1.51	14.01	0.00	14.01
2013 02	63.9	1.8	1.06	0.10	0.29	3.87	3.87	81.16	33.37	19.6	1.88	1.51	16.17	0.00	16.17
2013 03	51.2	1.6	0.94	0.09	0.26	3.87	3.87	81.16	33.37	17.9	1.72	1.51	14.69	0.00	14.69
2013 04	44.4	1.3	0.79	0.05	0.22	3.87	3.87	81.16	33.37	12.9	1.24	1.51	10.16	0.00	10.16
2013 05	42.1	1.3	0.77	0.08	0.21	3.87	3.87	81.16	33.37	14.9	1.43	1.51	11.92	0.00	11.92
2013 06	39.7	1.2	0.71	0.06	0.20	3.87	3.87	81.16	33.37	12.8	1.23	1.51	10.03	0.00	10.03
2013 07	40.5	1.3	0.74	0.05	0.21	3.87	3.87	81.16	33.37	12.2	1.18	1.51	9.51	0.00	9.51
2013 08	38.3	1.2	0.70	0.04	0.19	3.87	3.87	81.16	33.37	11.4	1.10	1.51	8.84	0.00	8.84
2013 09	37.6	1.1	0.67	0.04	0.19	3.87	3.87	81.16	33.37	10.8	1.04	1.51	8.25	0.00	8.25
2013 10	34.7	1.1	0.64	0.04	0.18	3.87	3.87	81.16	33.37	10.2	0.99	1.51	7.74	0.00	7.74
2013 11	34.3	1.0	0.61	0.03	0.17	3.87	3.87	81.16	33.37	9.7	0.94	1.51	7.29	0.00	7.29
2013 12	31.9	1.0	0.59	0.03	0.16	3.87	3.87	81.16	33.37	9.3	0.90	1.51	6.89	0.00	6.89
2014 01	30.6	0.9	0.56	0.03	0.16	3.87	3.87	81.16	33.37	8.9	0.86	1.51	6.53	0.00	6.53
2014 02	32.7	0.9	0.54	0.03	0.15	3.87	3.87	81.16	33.37	8.5	0.82	1.51	6.20	0.00	6.20
2014 03	28.5	0.9	0.52	0.03	0.15	3.87	3.87	81.16	33.37	8.2	0.79	1.51	5.90	0.00	5.90
2014 04	28.5	0.9	0.51	0.03	0.14	3.87	3.87	81.16	33.37	7.9	0.76	1.51	5.63	0.00	5.63
Sub.	---	32.7	19.38	1.42	5.36	---	---	---	---	332.8	32.05	30.18	270.60	1,004.00	-733.40
Rem.	---	44.8	26.54	0.90	7.35	---	---	---	---	381.0	36.85	172.03	172.13	0.00	172.13
Total	---	77.5	45.93	2.32	12.71	---	---	---	---	713.8	68.90	202.21	442.74	1,004.00	-561.26



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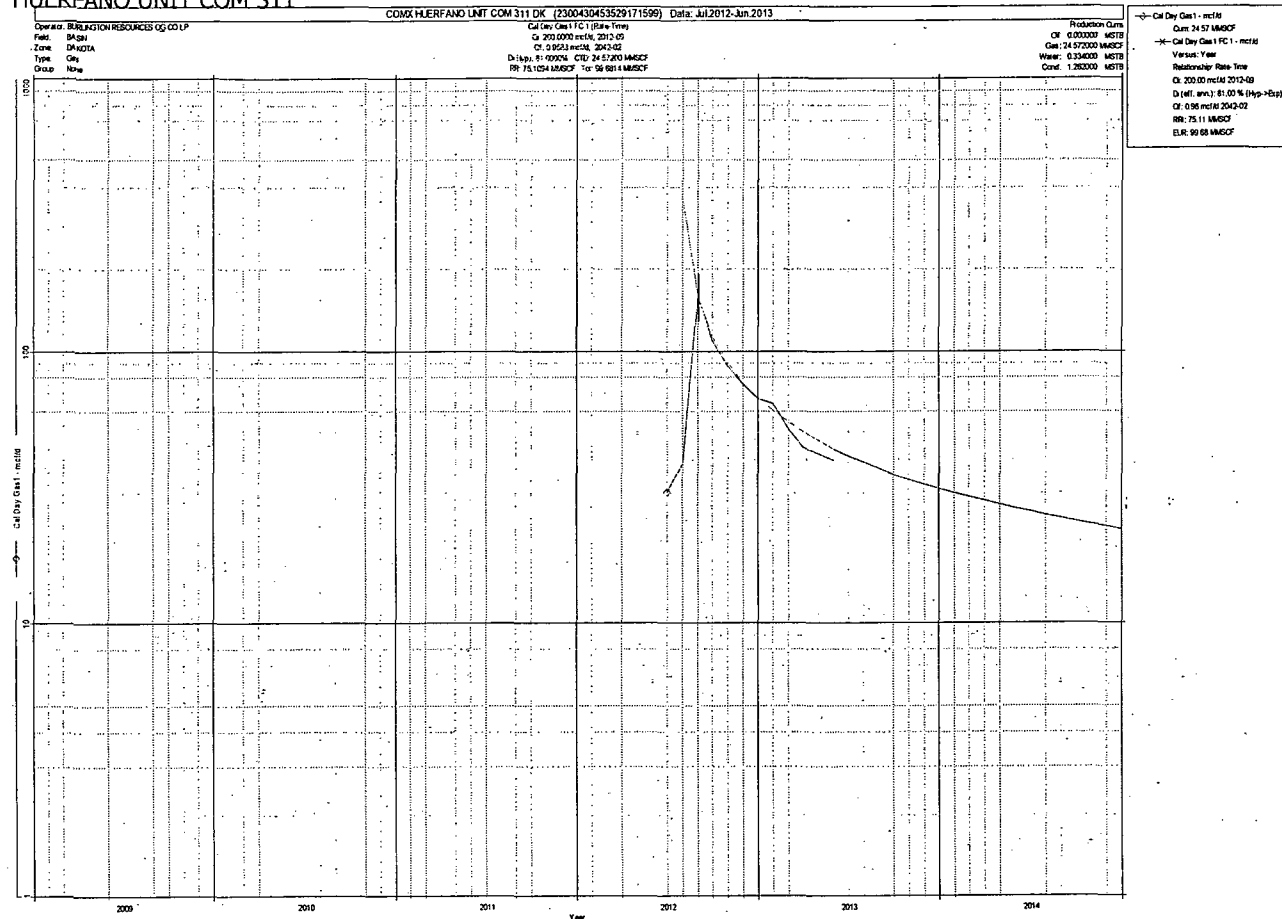
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