



Burlington Resources Inc.
A wholly owned subsidiary

January 18, 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: San Juan 28-6 Unit (#14-08-001-1051)
Commerciality Determination
Fruitland Coal Formation
Rio Arriba County, New Mexico

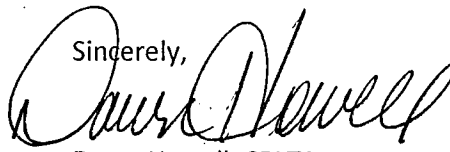
Gentlemen:

Pursuant to the provisions of Section 11 (a) of the San Juan 28-6 Unit Agreement, #14-08-001-1051, approved, August 31, 1953, Burlington Resources Oil & Gas Company, as Operator, has determined that the well listed below is capable of producing unitized substances in paying quantities from the Fruitland Coal formation. Burlington is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Comp. Date	Determination
SJ 28-6 Unit #466S	E/2 34-28N-06W	SF-079051	5/16/11	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, the formal Participating Area Schedules 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 Shara Graham at 326-9819, all other questions to the undersigned at 599-4030.

Sincerely,

Dawn Howell, CPLTA
Senior Land Analyst

SJ 28-6 Unit 4.5

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
 SAN JUAN 28-6 466S

WELL INFORMATION

LEASE	SAN JUAN 28-6 466S
LOCATION	34028N006WJ
COUNTY, STATE	RIO ARRIBA, NM
FORMATION	FRUITLAND COAL
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	1/26/2011
COMP DATE	5/16/2011
1ST DELIVERY	5/10/2011
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
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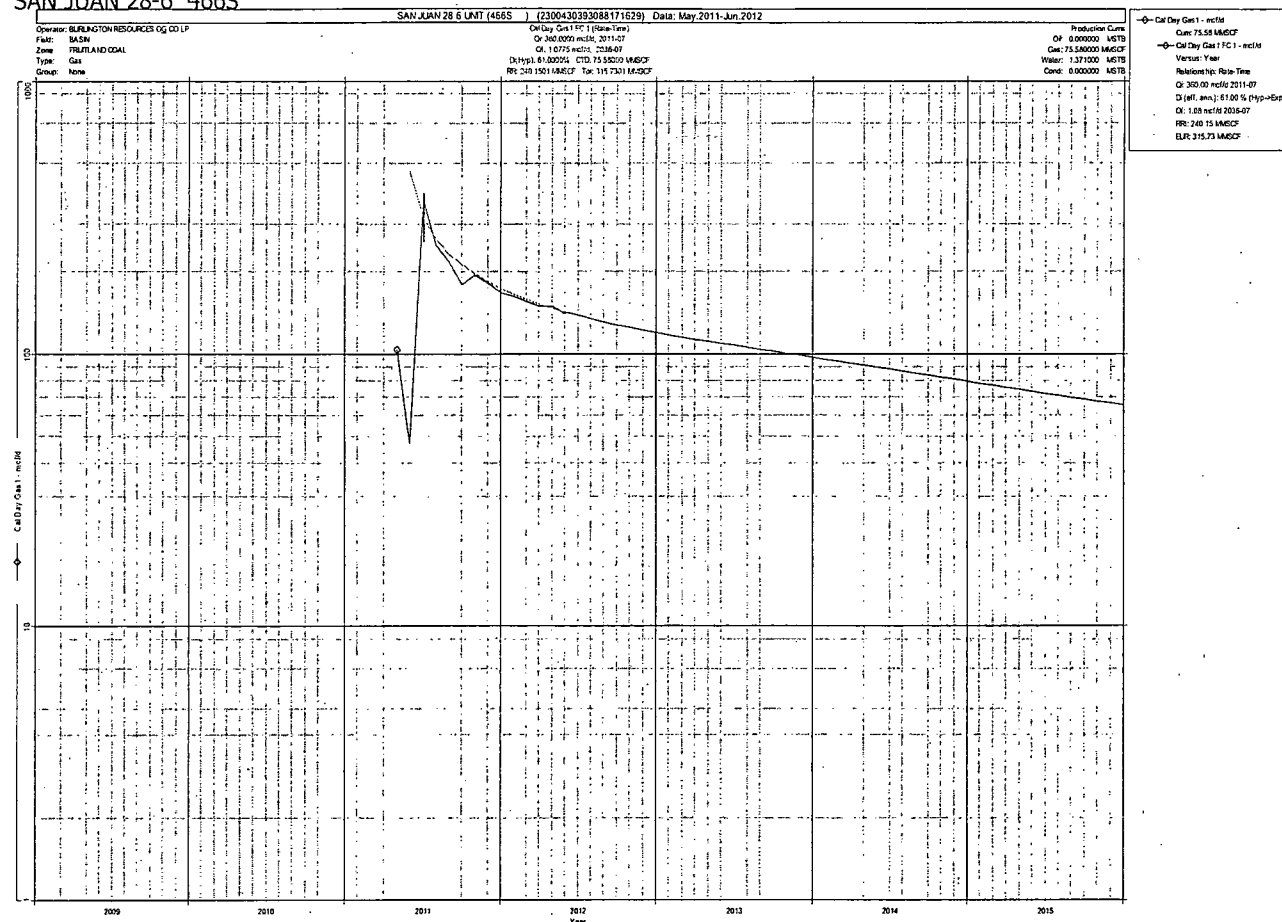
PRODUCTION TAXES

TAXES FOR:	RIO ARRIBA, NM
	2012 - 2013 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

WELL COST AND ECONOMICS

604.18	M\$	AVERAGE WELL COST
310.91	MMCF	ULT. GROSS GAS RESERVES
232.71	MCFD	INITIAL GAS RATE
14.10	%	RATE OF RETURN
0.08	\$/ \$	P/I, DISC. @ 10.00 %
48.65	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
4.18	YRS	PAYOUT

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 28-6 466S



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
2011(12)	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
	232.7	42.8	37.42	0.00	2.14	4.86	4.86	35.51	22.66	224.3	23.15	6.26	194.90	604.18	-409.28

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-6 466S

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)	141.7	51.9	45.32	0.00	2.59	2.31	2.31	81.16	33.37	180.4	18.15	12.52	149.71	0.00	149.71
2013(12)	108.8	39.7	34.71	0.00	1.99	2.31	2.31	81.16	33.37	138.2	13.90	12.52	111.74	0.00	111.74
2014(12)	88.9	32.5	28.37	0.00	1.62	2.31	2.31	81.16	33.37	112.9	11.36	12.52	89.04	0.00	89.04
2015(12)	72.8	26.6	23.22	0.00	1.33	2.31	2.31	81.16	33.37	92.4	9.30	12.52	70.59	0.00	70.59
2016(12)	59.4	21.7	19.00	0.00	1.09	2.31	2.31	81.16	33.37	75.6	7.61	12.52	55.49	0.00	55.49
2017(12)	48.7	17.8	15.55	0.00	0.89	2.31	2.31	81.16	33.37	61.9	6.23	12.52	43.14	0.00	43.14
2018(12)	39.9	14.6	12.72	0.00	0.73	2.31	2.31	81.16	33.37	50.6	5.10	12.52	33.03	0.00	33.03
2019(12)	32.6	11.9	10.41	0.00	0.60	2.31	2.31	81.16	33.37	41.4	4.17	12.52	24.75	0.00	24.75
2020(12)	26.6	9.7	8.52	0.00	0.49	2.31	2.31	81.16	33.37	33.9	3.41	12.52	17.98	0.00	17.98
2021(12)	21.9	8.0	6.97	0.00	0.40	2.31	2.31	81.16	33.37	27.7	2.79	12.52	12.44	0.00	12.44
2022(12)	17.9	6.5	5.71	0.00	0.33	2.31	2.31	81.16	33.37	22.7	2.28	12.52	7.91	0.00	7.91
2023(12)	14.6	5.3	4.67	0.00	0.27	2.31	2.31	81.16	33.37	18.6	1.87	12.52	4.20	0.00	4.20
2024(12)	11.9	4.4	3.82	0.00	0.22	2.31	2.31	81.16	33.37	15.2	1.53	12.52	1.16	0.00	1.16
Total	---	293.4	256.41	0.00	14.66	---	---	---	---	1,095.9	110.86	168.97	816.06	604.18	211.88

SAN JUAN 28-6 UNIT
Fruitland Coal Formation
WORKING INTEREST OWNERS

Burlington Resources Oil & Gas Co LP

ConocoPhillips Company

Four Star Oil & Gas Company

Williams Production Company

RECEIVED

2010 FEB 10 PM 1 54



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

January 9, 2010

ConocoPhillips Company
P. O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Ms. Dawn Howell

Re: San Juan 28-6 Unit
Commerciality Determinations
Fruitland Coal Formation
Rio Arriba County, New Mexico

Dear Ms. Howell:

We are in receipt of your letter of November 20, 2009 together with data that supports your commerciality determination regarding the following San Juan 28-6 Unit Well:

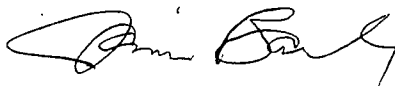
Well Name and Number	Dedication	Completion Date	Determination
San Juan 28-6 Unit #439S	W/2 29-28N-6W	9/3/2008	Non-Commercial

The Bureau of Land Management, by their letter of December 7, 2009, has advised this office that they have concurred with your determination of the commerciality for the above-mentioned Fruitland Coal well. The Commissioner of Public Lands concurs with the above-mentioned non-commercial determination.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
BLM Farmington-Attn.: Mr. Wayne Townsend
OCD-Attn.: Mr. Ed Martin
TRD-Attn.: Mr. Valdean Severson
RMD-Attn.: Mr. Kurt McFall

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University