



July 19, 2012

BROG GP LLC.

A wholly owned subsidiary

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

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 30-6 UNIT 14-08-001-538
Commerciality Determinations
Pictured Cliffs Formation
Rio Arriba County, New Mexico**

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Gentlemen:

Pursuant to Section 11(a) of the Unit Agreement for the referenced Unit, approved January 16, 1953, Burlington Resources Oil & Gas Company LP, as Unit Operator, has determined that the well listed below is capable of producing unitized substances in paying quantities from the Pictured Cliffs formation. Burlington is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Completion	Determination
SJ 30-6 Unit #447S	E/2 31-30N-7W	NM-012709	3-28-11	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 Schedule 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
Land Analyst

SJ 30-6 Unit 4.1

SAN JUAN 30-6 UNIT
WORKING INTEREST OWNERS

BURLINGTON RESOURCES O&G CO LP
CONOCOPHILLIPS COMPANY
CHARLES W GAY
CONOCOPHILLIPS COMPANY
J&M RAYMOND LTD
LORRAYN GAY HACKER
TAMACAM LLC
TH MCELVAIN OIL & GAS PROPERTIES
WPX ENERGY INC.

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
 SAN JUAN 30-6 447S

WELL INFORMATION

LEASE	SAN JUAN 30-6 447S
LOCATION	31030N07WI
COUNTY, STATE	RIO ARRIBA, NM
FORMATION	PICTURED CLIFFS
PROJECT TYPE	NEWDRIILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	10/16/2010
COMP DATE	3/28/2011
1ST DELIVERY	5/27/2011
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR:	RIO ARRIBA, NM
	2011 - 2012 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
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WELL COST AND ECONOMICS

648,799.99	M\$	AVERAGE WELL COST
223,086.70	MMCF	ULT. GROSS GAS RESERVES
74,129.04	MCFD	INITIAL GAS RATE
11.87	%	RATE OF RETURN
0.04	\$/ \$	P/I, DISC. @ 10.00 %
28,849.43	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
4.62	YRS	PAYOUT

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 30-6 447S

COMX SAN JUAN 30-6 UNIT 447S PC (2300430393092372359) Data: Jun.2011-Mar.2012

Operator: BURLINGTON RESOURCES OG CO LP

Field: BLANCO

Zone: PICTURED CLIFFS

Type: Gas

Group: None

Cal Day Gas1 FC1 (Rule1m)

OR 300 0000 mcf/d 2011-01

Q1: 0.716 mcf/d 2006-01

D1: Year 05 0000% CTD 34.88300 MSFCF

RR: 187.334 MSFCF Tot: 22.0164 MSFCF

Production Curve

OR 0.000000 MSFB

Gas: 34.88300 MSFCF

Water: 0.010000 MSFB

Cond: 0.000000 MSFB

Cal Day Gas1 - mcf/d

Cum 35.88 MSFCF

Cal Day Gas1 FC1 - mcf/d

Verdict: Year

Reference Rate Time

Q1 300.00 mcf/d 2011-01

Q1 (eff. area): 65.00 % (Hyp+Exp)

Q1: 0.74 mcf/d 2006-01

RR: 187.33 MSFCF

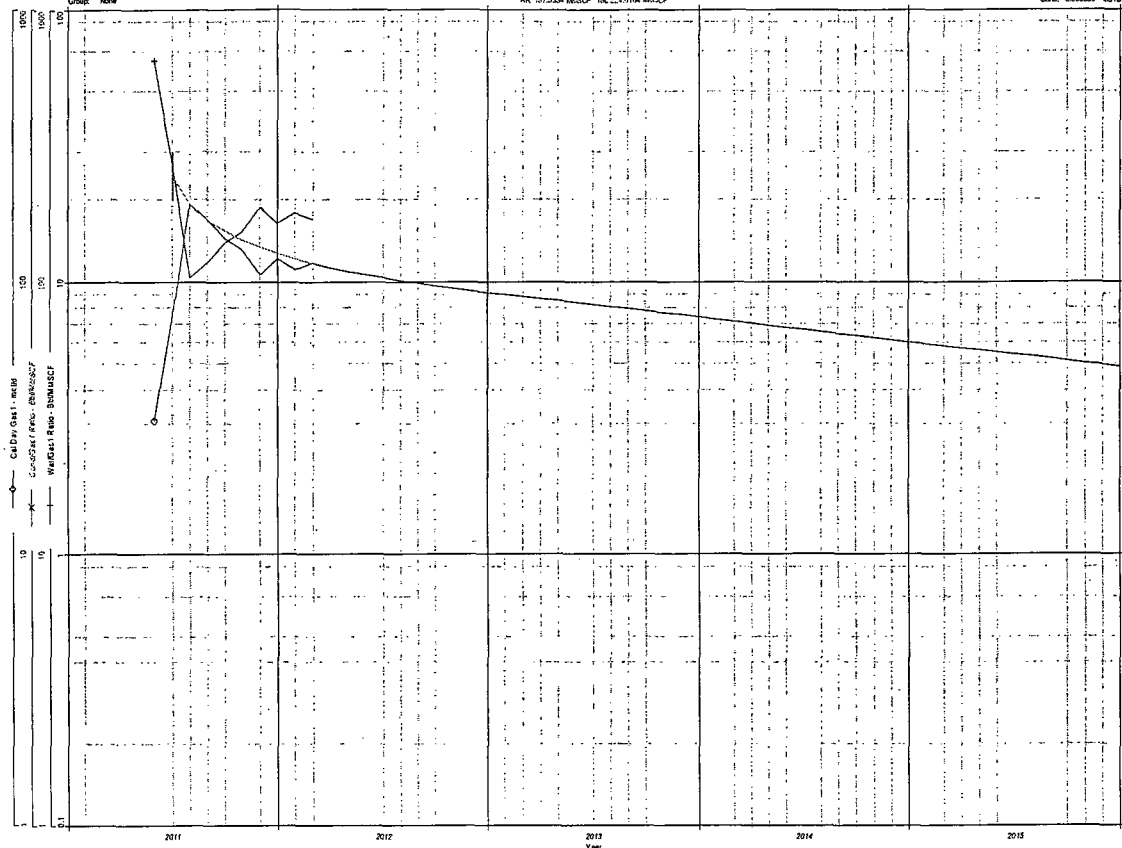
BLR: 224.02 MSFCF

Cond Gas1 Rate - Bbl/MSFCF

Cum 0.00 MSFB

Water Gas1 Ratio - Bbl/MSFCF

Cum 0.01 MSFB



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
	cf/d	MSCF	MSCF	Bbl	Bbl	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	\$	\$	\$	\$	\$	\$
2011 07	74,129.0	2,298.0	2,007.63	0.00	143.63	4.86	4.86	35.51	22.66	12,605.0	1,295.94	973.00	10,336.06	48,799.99	638,463.93

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 30-6 4475

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
	cf/d	MSCF	MSCF	Bbl	Bbl	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	\$	\$	\$	\$	\$	\$
2011 08	193,322.6	5,993.0	5,235.75	0.00	374.59	4.86	4.86	35.51	22.66	32,872.8	3,379.72	973.00	28,520.13	0.00	28,520.13
2011 09	169,166.7	5,075.0	4,433.74	0.00	317.21	4.86	4.86	35.51	22.66	27,837.4	2,862.02	973.00	24,002.41	0.00	24,002.41
2011 10	144,225.8	4,471.0	3,906.06	0.00	279.46	4.86	4.86	35.51	22.66	24,524.4	2,521.39	973.00	21,029.97	0.00	21,029.97
2011 11	131,700.0	3,951.0	3,451.77	0.00	246.95	4.86	4.86	35.51	22.66	21,672.1	2,228.14	973.00	18,470.91	0.00	18,470.91
2011 12	106,354.8	3,297.0	2,880.40	0.00	206.08	4.86	4.86	35.51	22.66	18,084.7	1,859.32	973.00	15,252.40	0.00	15,252.40
2012 01	122,258.1	3,790.0	3,311.11	0.00	236.89	4.86	4.86	35.51	22.66	20,788.9	2,137.35	973.00	17,678.59	0.00	17,678.59
2012 02	111,069.0	3,221.0	2,814.01	0.00	201.33	4.86	4.86	35.51	22.66	17,667.9	1,816.46	973.00	14,878.39	0.00	14,878.39
2012 03	118,193.6	3,664.0	3,201.03	0.00	229.01	4.86	4.86	35.51	22.66	20,097.8	2,066.29	973.00	17,058.51	0.00	17,058.51
2012 04	114,749.8	3,442.5	3,007.51	0.00	215.17	4.86	4.86	35.51	22.66	18,882.8	1,941.37	973.00	15,968.42	0.00	15,968.42
2012 05	107,584.4	3,335.1	2,913.70	0.00	208.46	4.86	4.86	35.51	22.66	18,293.8	1,880.82	973.00	15,439.99	0.00	15,439.99
2012 06	108,000.1	3,240.0	2,830.61	0.00	202.51	4.86	4.86	35.51	22.66	17,772.1	1,827.18	973.00	14,971.90	0.00	14,971.90
2012 07	101,770.7	3,154.9	2,756.25	0.00	197.19	4.86	4.86	35.51	22.66	17,305.2	1,779.18	973.00	14,553.05	0.00	14,553.05
2012 08	99,292.8	3,078.1	2,689.14	0.00	192.39	4.86	4.86	35.51	22.66	16,883.9	1,735.86	973.00	14,175.03	0.00	14,175.03
2012 09	100,274.6	3,008.2	2,628.13	0.00	188.03	4.86	4.86	35.51	22.66	16,500.8	1,696.48	973.00	13,831.34	0.00	13,831.34
2012 10	94,978.7	2,944.3	2,572.30	0.00	184.03	4.86	4.86	35.51	22.66	16,150.3	1,660.44	973.00	13,516.86	0.00	13,516.86
2012 11	96,184.8	2,885.5	2,520.94	0.00	180.36	4.86	4.86	35.51	22.66	15,827.8	1,627.29	973.00	13,227.52	0.00	13,227.52
2012 12	91,328.5	2,831.2	2,473.45	0.00	176.96	4.86	4.86	35.51	22.66	15,529.6	1,596.63	973.00	12,960.00	0.00	12,960.00
2013 01	89,698.9	2,780.7	2,429.31	0.00	173.80	4.86	4.86	35.51	22.66	15,252.5	1,568.14	973.00	12,711.39	0.00	12,711.39
2013 02	97,588.5	2,732.5	2,387.21	0.00	170.79	4.86	4.86	35.51	22.66	14,988.2	1,540.97	973.00	12,474.25	0.00	12,474.25
Sub.	---	69,193.0	60,450.06	0.00	4,324.84	---	---	---	---	379,538.1	39,021.00	19,460.00	321,057.11	648,799.99	327,742.88
Rem.	---	144,069.0	125,864.97	0.00	9,004.89	---	---	---	---	790,248.2	81,246.85	146,923.00	562,078.33	0.00	562,078.33
Total	---	213,262.0	186,315.03	0.00	13,329.73	---	---	---	---	-1,169,786.31	20,267.85	166,383.00	883,135.45	648,799.99	234,335.46



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PATRICK H. LYONS
COMMISSIONER

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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

April 8, 2010

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

Attn: Mr. Ben Malone

Re: 2010 Plans of Development
San Juan 30-6 Unit
Rio Arriba County, New Mexico

Dear Mr. Malone:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you at a later date regarding these possibilities.

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

PL/JB/jm

xc: Reader File

OCD: Ed Martin

BLMF: Wayne Townsend

-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