



RECEIVED OOD

2013 MAY -9 P 2: 23

Burlington Resources Inc.
A wholly owned subsidiary

May 8, 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 Determinations
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 wells listed below are not capable of producing unitized substances in paying quantities from the Dakota Formation. Burlington is seeking confirmation of the well determinations enclosed.

Well Name	Dedication	Dedicated Lease	Compl. Date	Determination
CLU #482	E/2 3-25N-7W	NMSF-078881	3-13-12	Non-Commercial
CLU #505	E/2 23-25N-6W	NMSF-078879	2-16-12	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., these wells will continue to be reported under their respected 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

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO 482

WELL INFORMATION

LEASE	CANYON LARGO 482
LOCATION	03025N007WP
COUNTY, STATE	RIO ARRIBA, NM
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	10/31/2011
COMP DATE	3/13/2012
1ST DELIVERY	3/15/2012
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
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WELL COST AND ECONOMICS

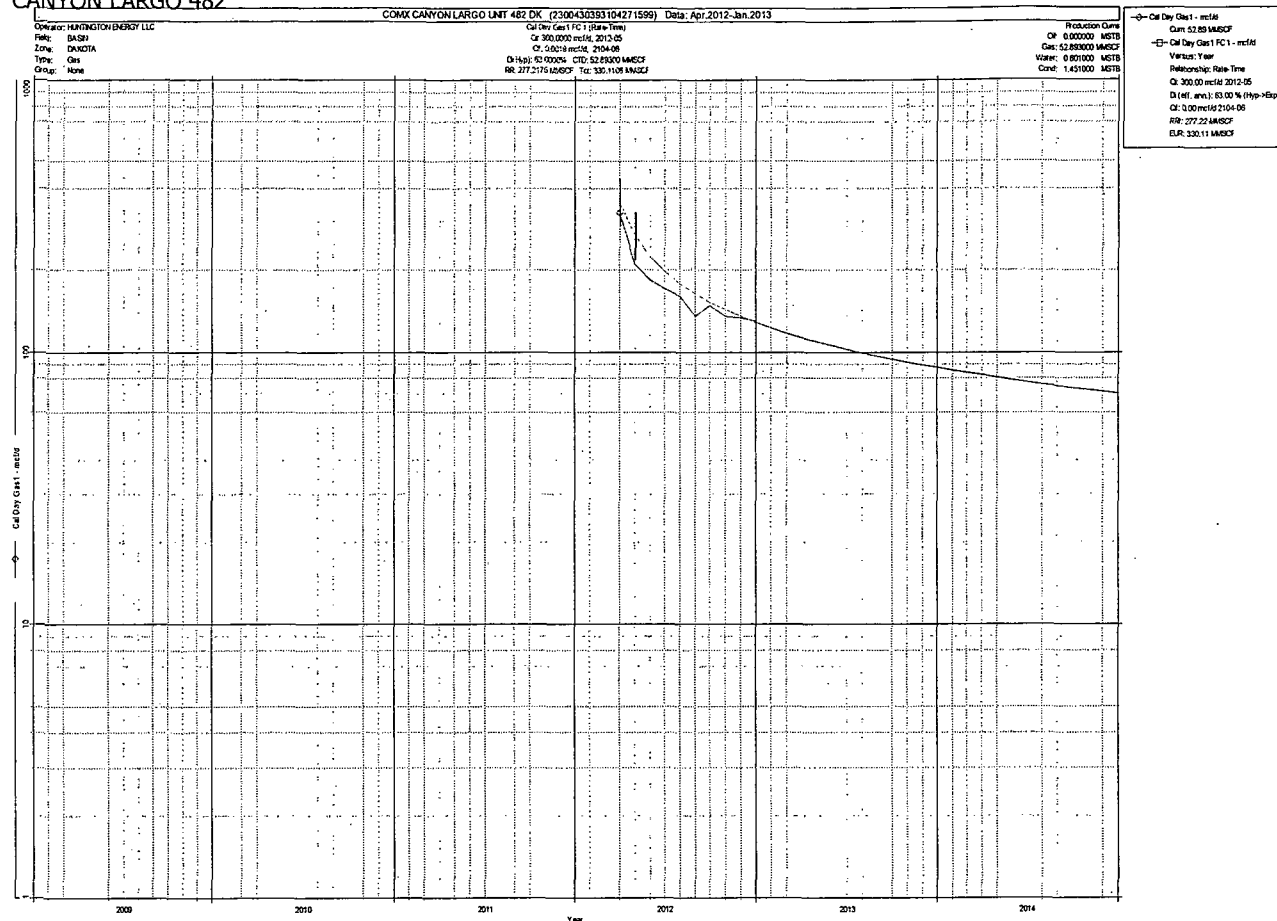
1,590.00	M\$	AVERAGE WELL COST
309.68	MMCF	ULT. GROSS GAS RESERVES
133.52	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.64	\$/ \$	P/I, DISC. @ 10.00 %
-1,021.51	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

CANYON LARGO 482



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\$
2010(12)	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	13.28	-13.28	1,590.00	-1,603.28

Peep 2011.1

05/01/2013 13:22

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO 482

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)	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	13.28	-13.28	0.00	-13.28
2012(12)	133.5	48.9	42.67	0.00	4.70	2.31	2.31	81.16	33.37	235.7	23.28	13.28	199.10	0.00	199.10
2013(12)	106.2	38.7	33.83	0.00	3.72	2.31	2.31	81.16	33.37	186.9	18.46	13.28	155.12	0.00	155.12
2014(12)	78.9	28.8	25.14	0.00	2.77	2.31	2.31	81.16	33.37	138.8	13.72	13.28	111.83	0.00	111.83
2015(12)	65.8	24.0	20.96	0.00	2.31	2.31	2.31	81.16	33.37	115.7	11.44	13.28	91.02	0.00	91.02
2016(12)	57.4	21.0	18.34	0.00	2.02	2.31	2.31	81.16	33.37	101.3	10.01	13.28	78.00	0.00	78.00
2017(12)	51.2	18.7	16.30	0.00	1.79	2.31	2.31	81.16	33.37	90.0	8.90	13.28	67.86	0.00	67.86
2018(12)	45.5	16.6	14.50	0.00	1.60	2.31	2.31	81.16	33.37	80.1	7.91	13.28	58.88	0.00	58.88
2019(12)	40.5	14.8	12.89	0.00	1.42	2.31	2.31	81.16	33.37	71.2	7.04	13.28	50.90	0.00	50.90
2020(12)	35.9	13.1	11.47	0.00	1.26	2.31	2.31	81.16	33.37	63.3	6.26	13.28	43.79	0.00	43.79
2021(12)	32.0	11.7	10.20	0.00	1.12	2.31	2.31	81.16	33.37	56.3	5.56	13.28	37.48	0.00	37.48
2022(12)	28.5	10.4	9.07	0.00	1.00	2.31	2.31	81.16	33.37	50.1	4.95	13.28	31.86	0.00	31.86
2023(12)	25.3	9.2	8.07	0.00	0.89	2.31	2.31	81.16	33.37	44.5	4.40	13.28	26.86	0.00	26.86
2024(12)	22.4	8.2	7.17	0.00	0.79	2.31	2.31	81.16	33.37	39.6	3.91	13.28	22.42	0.00	22.42
2025(12)	20.0	7.3	6.38	0.00	0.70	2.31	2.31	81.16	33.37	35.2	3.48	13.28	18.47	0.00	18.47
2026(12)	17.8	6.5	5.67	0.00	0.62	2.31	2.31	81.16	33.37	31.3	3.10	13.28	14.95	0.00	14.95
2027(12)	15.8	5.8	5.05	0.00	0.56	2.31	2.31	81.16	33.37	27.9	2.75	13.28	11.83	0.00	11.83
2028(12)	14.0	5.1	4.49	0.00	0.49	2.31	2.31	81.16	33.37	24.8	2.45	13.28	9.05	0.00	9.05
2029(12)	12.5	4.6	3.99	0.00	0.44	2.31	2.31	81.16	33.37	22.0	2.18	13.28	6.58	0.00	6.58
Sub.	---	293.4	256.19	0.00	28.19	---	---	---	---	1,414.9	139.79	265.68	1,009.43	1,590.00	-580.57
Rem.	---	10.9	9.51	0.00	1.05	---	---	---	---	52.5	5.19	39.85	7.49	0.00	7.49
Total	---	304.3	265.71	0.00	29.24	---	---	---	---	1,467.4	144.98	305.53	1,016.93	1,590.00	-573.07

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
 CANYON LARGO 505

WELL INFORMATION

LEASE	CANYON LARGO 505
LOCATION	23025N07WA
COUNTY, STATE	RIO ARriba, NM
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	1/24/2012
COMP DATE	2/1/2012
1ST DELIVERY	5/29/2012
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

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

AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
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WELL COST AND ECONOMICS

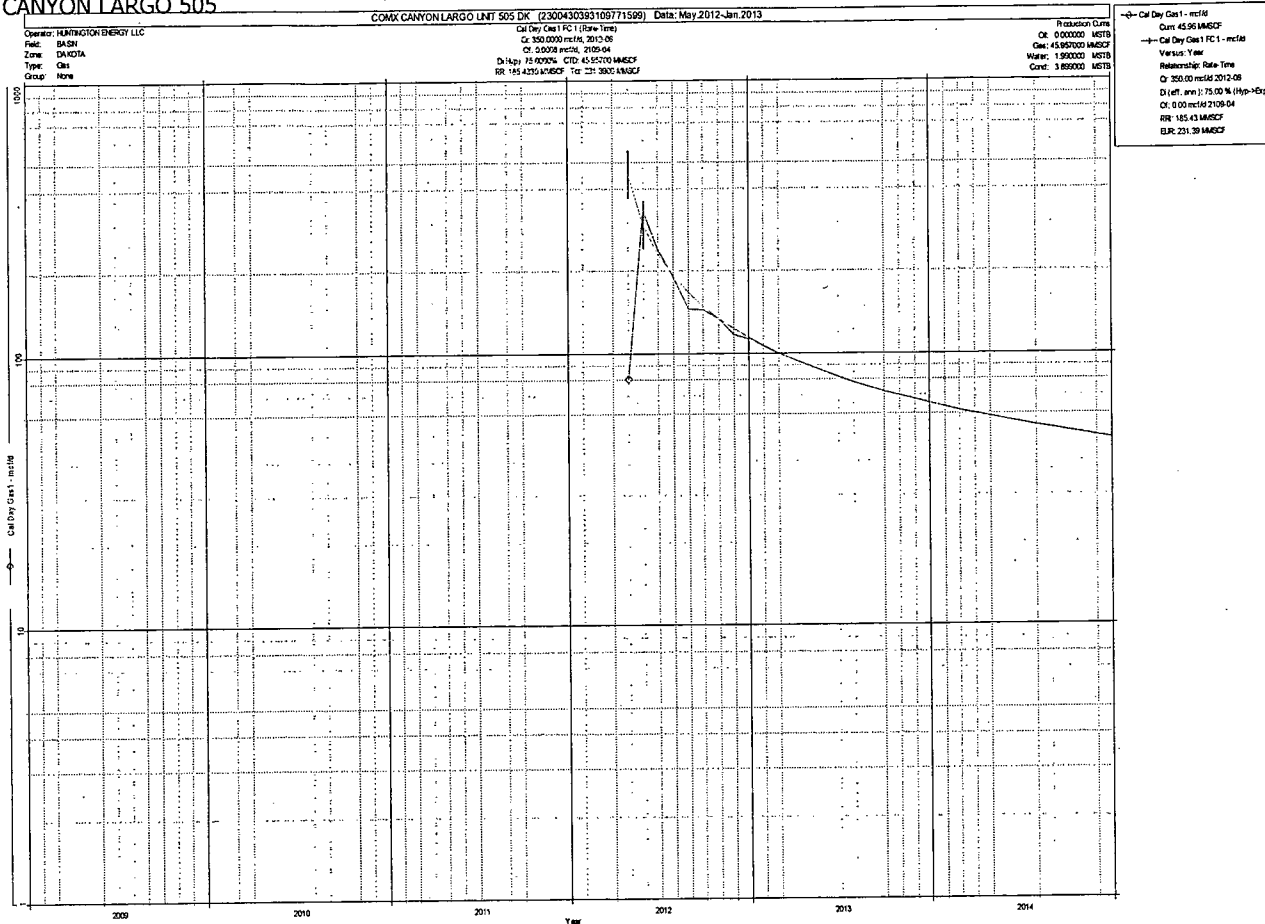
1,590.00	M\$	AVERAGE WELL COST
217.66	MMCF	ULT. GROSS GAS RESERVES
80.55	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.80	\$/ \$	P/I, DISC. @ 10.00 %
-1,276.24	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

CANYON LARGO 505



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\$
2010 01	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	1,590.00	-1,591.11

Peep 2011.1

05/01/2013 13:36

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO 505

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\$
2010 02	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2010 03	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2010 04	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2010 05	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2010 06	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2010 07	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2010 08	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2010 09	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2010 10	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2010 11	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2010 12	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2011 01	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2011 02	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2011 03	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2011 04	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2011 05	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2011 06	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2011 07	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
2011 08	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.11	-1.11	0.00	-1.11
Sub.	---	0.0	0.00	0.00	0.00	---	---	---	---	0.0	0.00	22.14	-22.14	1,590.00	-1,612.14
Rem.	---	200.6	175.20	0.00	14.56	---	---	---	---	829.8	82.63	215.86	531.28	0.00	531.28
Total	---	200.6	175.20	0.00	14.56	---	---	---	---	829.8	82.63	238.00	509.14	1,590.00	-1,080.86

**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



Ray Powell, M.S., D.V.M.
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

April 5, 2011

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

Attn: Mr. Ben Malone

Re: 2011 Plans of Development
Canyon Largo Unit
Rio Arriba County, New Mexico

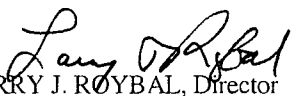
Dear Mr. Malone:

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,

RAY POWELL M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY J. ROYBAL, Director
Oil, Gas and Minerals Division

RP/LR/jm
xc: Reader File
OCD-Ed Martin
BLMF- Wayne Townsend



PATRICK H. LYONS
COMMISSIONER

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State of New Mexico
2010 SEP 02
Commissioner of Public Lands

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P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

September 8, 2010

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

Attention: Ms. Dawn Howell

Re: Canyon Largo Unit
Dakota Formation Commerciality Determination
Well No. 491; W/2 Sec. 20-25N-6W (Non-Commercial)
Rio Arriba County, New Mexico

Dear Ms. Howell:

We are in receipt of your letter of July 21, 2010 and data regarding the commercial determination for the following well:

Well Name & Number	Dedication	Lease	Completion Date	Determination
Canyon Largo Unit # 491	W/2 Sec. 20-25N-6W	Federal	7/11/2009	Non-Commercial

The Bureau of Land Management by their letter of July 29, 2010 concurred with your determination that the Canyon Largo Unit Well No. 491 is a non-commercial well in the Dakota formation. The Commissioner of Public Lands concurs with yours and the BLM's commerciality determination for the above captioned well. The Well No. 491 should be produced on a lease basis. Our concurrence is subject to like approval by the Bureau of Land Management.

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-Santa Fe 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 Salina Lands • Water Resources • Western New Mexico University



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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SANTA FE, NEW MEXICO 87504-1148

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2011 JAN 26 12:13
COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

December 29, 2010

ConocoPhillips
P. O. Box 4289
Farmington, NM 87499-4289

Attention: Ms. Dawn Howell

Re: Canyon Largo Unit
Commerciality Determinations
Gallup Formation
Rio Arriba County, New Mexico

Dear Ms. Howell:

We are in receipt of your letter of November 23, 2010 together with data that supports your commerciality determinations regarding the following Canyon Largo Unit Well:

Well Name and Number	Dedication	Completion Date	Determination
Canyon Largo Unit #457	SW/4 36-25N-7W	5/27/2009	Non-Commercial

The Bureau of Land Management, by their letter of December 8, 2010, advised this office that they have concurred with your determination of the commerciality for the above-mentioned Gallup well.

Please be advised that the Commissioner of Public Lands concurs with ConocoPhillips and the Bureau of Land Management's determinations for the above mentioned Canyon Largo Unit Well.

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*
per JAMI BAILEY, Director
Oil, Gas and Minerals Division
PL/JB/pm

pc: Reader File,
BLM Farmington-Attn.: Mr. Wayne Townsend,
NMOCD-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 Salina Lands • Water Reservoirs • Western New Mexico University



Ray Powell, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

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Fax (505) 827-5766
www.nmstatelands.org

February 23, 2011

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

Attention: Ms. Dawn Howell

Re: Canyon Largo Unit
Dakota Participating Area
Thirty-Fourth Expansion -Effective 8/1/2008
Canyon Largo Unit Com Well No. 465E (Tract No. 27B)
SW/4, N/2NW/4, SE/4NW/4 Sec. 10-25N-6W, 280.00 Acres
Rio Arriba County, New Mexico

Dear Ms. Howell:

We have received your letter of November 9, 2009 together with your application for approval of the thirty-fourth expansion to the Dakota participating area for the Canyon Largo Unit in Rio Arriba County, NM.

The Bureau of Land Management approved the above referenced expansion by their letter of December 20, 2010.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced Dakota participating area expansion.

Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

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

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY J. ROYBAL, Deputy Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LR/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