



ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289

June 28, 2011

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
1235 La Plata Highway
Farmington, NM 87401

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: Huerfanito Unit (#I Sec. No. 943)
Commerciality Determination
Fruitland Coal Formation
San Juan County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the Huerfanito Unit Agreement, #I Sec. No. 943, approved June 2, 1952, 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 Fruitland Coal Formation. Burlington is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Dedicated Lse.	Compl. Date	Determination
Huerfanito Unit #72	W/2 28-27N-9W	SF-078081	12-2-08	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 Susan Rainbolt at 326-9574, all other questions to the undersigned at 599-4030.

Sincerely,

Dawn Howell, CPLTA
Land Analyst

DH
Huerfanito Unit 4.5

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 72

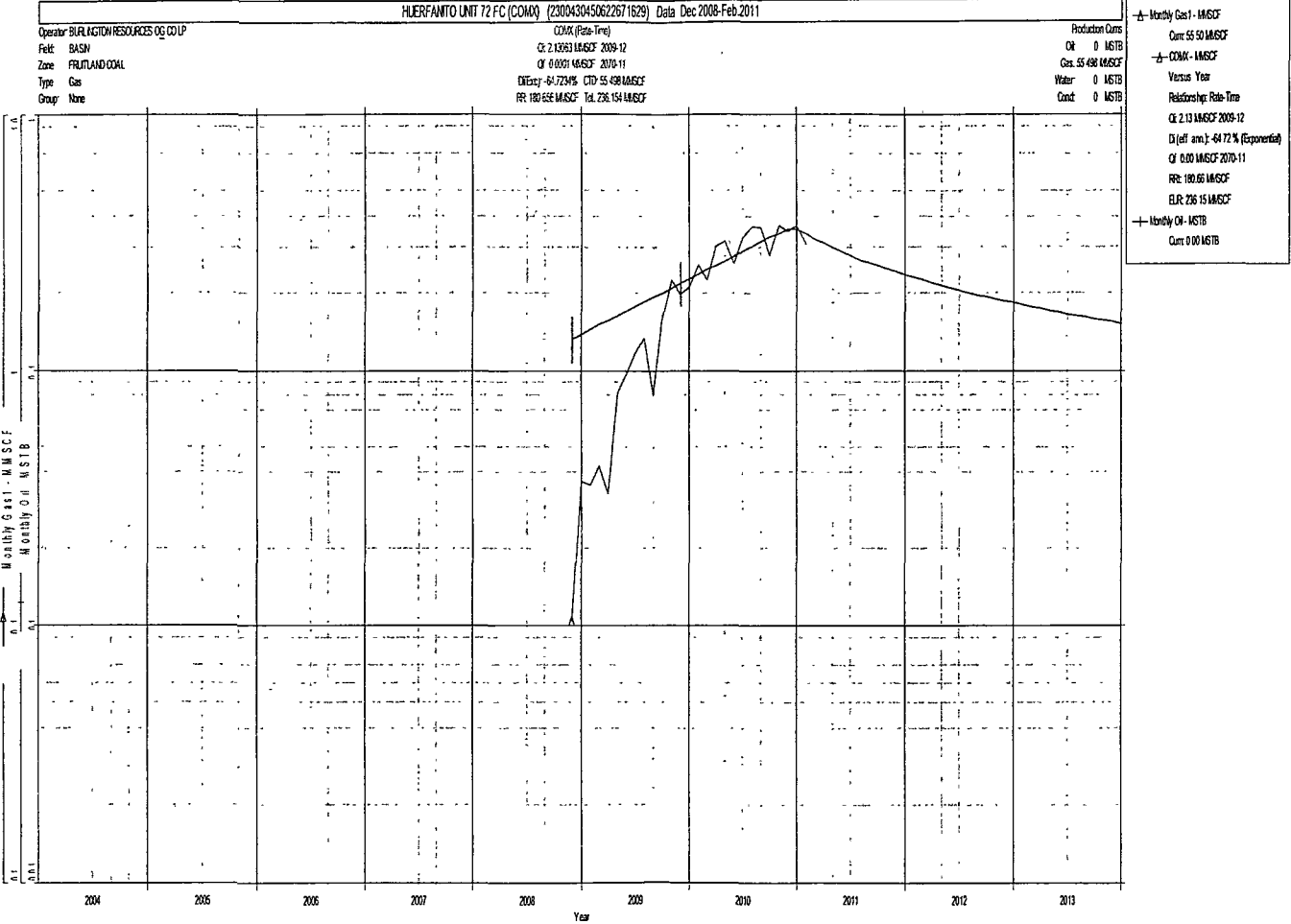
WELL INFORMATION	
LEASE	HUERFANITO UNIT 72
LOCATION	09027N009W
COUNTY, STATE	SAN JUAN, NEW MEXICO
FORMATION	FRUITLAND COAL
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	8/14/1962
COMP DATE	12/2/2008
1ST DELIVERY	1/13/2009
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT	
1,000	MMBtu / Mcf

PRODUCTION TAXES	
TAXES FOR:	SAN JUAN, NEW MEXICO 2003 - 2004 Commerciality
	GAS % OF REVENUE
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.26
TOTAL %:	9.19

WELL COST AND ECONOMICS		
768.00	M\$	AVERAGE WELL COST
235.68	MMCF	ULT. GROSS GAS RESERVES
35.84	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
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0.00	YRS	PAYOUT

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 72



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\$

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	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2009 02	12.8	0.4	0.25	0.00	0.01	4.63	4.63	35.51	22.66	1.4	0.15	5.35	-4.06	768.00	-772.06
2009 03	13.7	0.4	0.30	0.00	0.02	4.63	4.63	35.51	22.66	1.7	0.17	5.35	-3.82	0.00	-3.82
2009 04	11.0	0.3	0.23	0.00	0.01	4.63	4.63	35.51	22.66	1.3	0.13	5.35	-4.16	0.00	-4.16
2009 05	26.5	0.8	0.58	0.00	0.03	4.63	4.63	35.51	22.66	3.3	0.34	5.35	-2.40	0.00	-2.40
2009 06	32.0	1.0	0.68	0.00	0.04	4.63	4.63	35.51	22.66	3.8	0.39	5.35	-1.89	0.00	-1.89
2009 07	37.6	1.2	0.82	0.00	0.04	4.63	4.63	35.51	22.66	4.7	0.48	5.35	-1.15	0.00	-1.15
2009 08	43.0	1.3	0.94	0.00	0.05	4.63	4.63	35.51	22.66	5.3	0.54	5.35	-0.55	0.00	-0.55
2009 09	26.7	0.8	0.57	0.00	0.03	4.63	4.63	35.51	22.66	3.2	0.33	5.35	-2.47	0.00	-2.47
2009 10	50.2	1.6	1.10	0.00	0.06	4.63	4.63	35.51	22.66	6.2	0.64	5.35	0.24	0.00	0.24
2009 11	75.1	2.3	1.59	0.00	0.08	4.63	4.63	35.51	22.66	9.0	0.92	5.35	2.75	0.00	2.75
2009 12	63.4	2.0	1.39	0.00	0.07	4.63	4.63	35.51	22.66	7.9	0.80	5.35	1.71	0.00	1.71
2010 01	67.9	2.1	1.48	0.00	0.08	4.63	4.63	35.51	22.66	8.4	0.86	5.35	2.21	0.00	2.21
2010 02	92.1	2.6	1.82	0.00	0.10	4.63	4.63	35.51	22.66	10.3	1.05	5.35	3.92	0.00	3.92
2010 03	72.0	2.2	1.57	0.00	0.08	4.63	4.63	35.51	22.66	8.9	0.91	5.35	2.68	0.00	2.68
2010 04	101.6	3.0	2.15	0.00	0.11	4.63	4.63	35.51	22.66	12.2	1.25	5.35	5.61	0.00	5.61
2010 05	102.0	3.2	2.23	0.00	0.12	4.63	4.63	35.51	22.66	12.6	1.29	5.35	6.01	0.00	6.01
2010 06	87.2	2.6	1.84	0.00	0.10	4.63	4.63	35.51	22.66	10.5	1.07	5.35	4.05	0.00	4.05
2010 07	106.0	3.3	2.32	0.00	0.12	4.63	4.63	35.51	22.66	13.1	1.34	5.35	6.46	0.00	6.46
2010 08	117.4	3.6	2.57	0.00	0.14	4.63	4.63	35.51	22.66	14.6	1.49	5.35	7.73	0.00	7.73
2010 09	119.8	3.6	2.54	0.00	0.13	4.63	4.63	35.51	22.66	14.4	1.47	5.35	7.57	0.00	7.57
Sub.	---	38.2	26.96	0.00	1.42	---	---	---	---	153.0	15.62	106.94	30.42	768.00	-737.58
Rem.	---	94.1	66.33	0.00	3.50	---	---	---	---	376.4	38.43	224.57	113.43	0.00	113.43
Total	---	132.3	93.29	0.00	4.92	---	---	---	---	529.4	54.04	331.51	143.86	768.00	-624.14

HUERFANITO UNIT
FRUITLAND COAL FORMATION
WORKING INTEREST OWNERS

AJM LLC
Burlington Resources O&G Co LP
Franklin P Lilly
McConnell LTD Co



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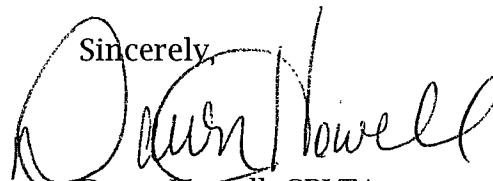
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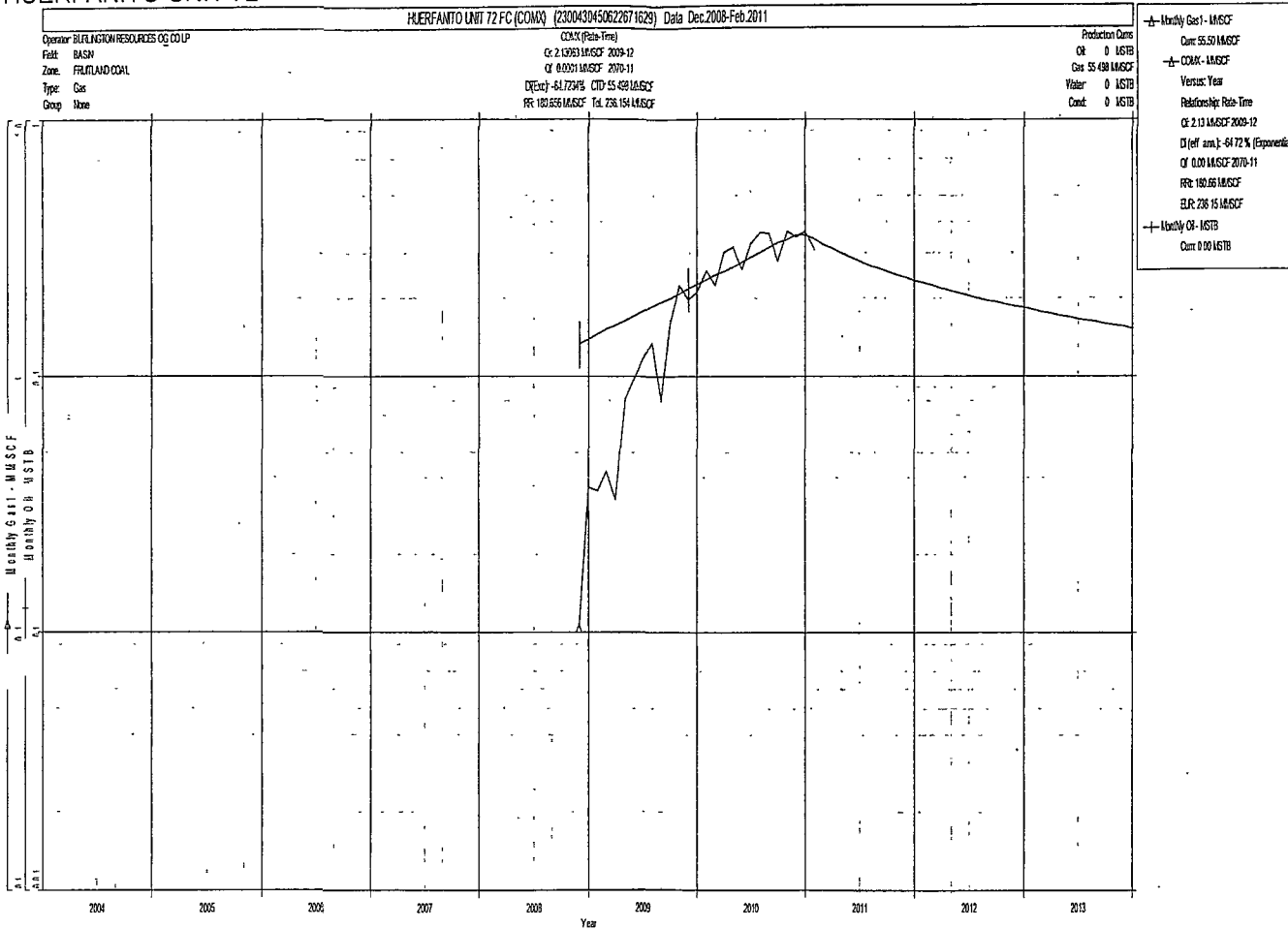
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