

467
ConocoPhillips RECEIVED OGD

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

2011 AUG 29 P 11:14 August 26, 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

State of New Mexico
Oil Conservation Division
Attn: Ms. Lori Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

RE: **San Juan 31-6 Unit (14-06-001-464)**
Commerciality Determination
Dakota Formation
Rio Arriba County, New Mexico

Ladies and Gentlemen:

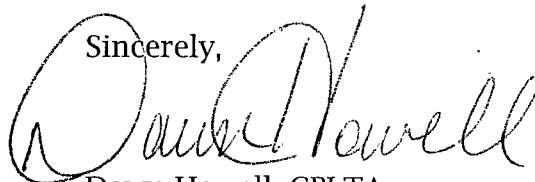
Pursuant to the provisions of Section 11(a) of the San Juan 31-6 Unit Agreement, #14-06-001-464, approved November 28, 1952, ConocoPhillips Company, as Operator, has determined that the well listed below is not capable of producing unitized substances in paying quantities from the Dakota Formation. ConocoPhillips is seeking confirmation of the well determination enclosed.

Well Name	Dedication	Lease No.	Compl. Date	Determination
SJ 31-6 Unit #7M	E/2 Sec. 01-30N-7W	SF-079000-A	11/26/2008	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 report to 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
Land Analyst

SJ 31-6 Unit 4.3

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 7M

WELL INFORMATION

LEASE	SAN JUAN 31-6 7M
LOCATION	1030N007WA
COUNTY, STATE	RIO ARRIBA, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	6/18/2008
COMP DATE	11/26/2008
1ST DELIVERY	12/1/2008
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR:	RIO ARRIBA, NEW MEXICO
	2003 - 2004 Commerciality
	<u>GAS % OF REVENUE</u>
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

298 MMBtu / Mcf

WELL COST AND ECONOMICS

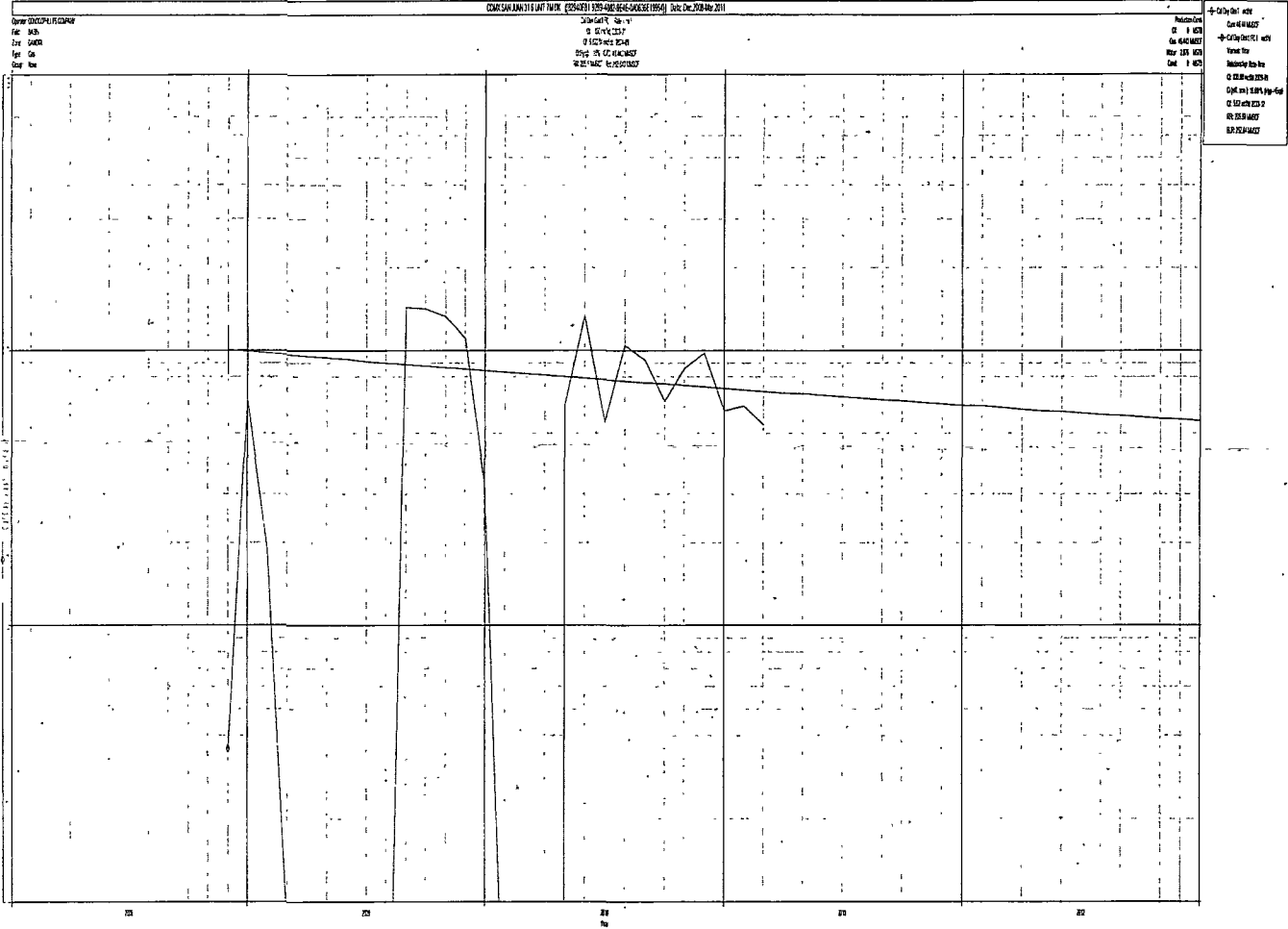
1,478.00	M\$	AVERAGE WELL COST
258.56	MMCF	ULT. GROSS GAS RESERVES
51.29	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.66	\$/	P/I, DISC. @ 10.00 %
-979.26	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

COMX1 (Time

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\$

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 7M



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BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
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	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2009 01	66.8	2.1	1.48	0.00	0.14	4.86	4.86	35.51	22.66	10.0	1.03	1.07	7.95	1,478.00	-1,470.05
2009 02	19.2	0.5	0.38	0.00	0.04	4.86	4.86	35.51	22.66	2.6	0.27	1.07	1.28	0.00	1.28
2009 03	0.8	0.0	0.02	0.00	0.00	4.86	4.86	35.51	22.66	0.1	0.01	1.07	-0.96	0.00	-0.96
2009 04	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.07	-1.07	0.00	-1.07
2009 05	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.07	-1.06	0.00	-1.06
2009 06	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.07	-1.07	0.00	-1.07
2009 07	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.07	-1.07	0.00	-1.07
2009 08	0.1	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.07	-1.06	0.00	-1.06
2009 09	143.0	4.3	3.07	0.00	0.30	4.86	4.86	35.51	22.66	20.8	2.13	1.07	17.62	0.00	17.62
2009 10	141.5	4.4	3.14	0.00	0.30	4.86	4.86	35.51	22.66	21.3	2.17	1.07	18.04	0.00	18.04
2009 11	132.9	4.0	2.85	0.00	0.28	4.86	4.86	35.51	22.66	19.3	1.98	1.07	16.30	0.00	16.30
2009 12	110.4	3.4	2.44	0.00	0.24	4.86	4.86	35.51	22.66	16.6	1.70	1.07	13.83	0.00	13.83
2010 01	32.3	1.0	0.72	0.00	0.07	4.86	4.86	35.51	22.66	4.9	0.50	1.07	3.29	0.00	3.29
2010 02	0.3	0.0	0.01	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.07	-1.04	0.00	-1.04
2010 03	0.3	0.0	0.01	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.07	-1.03	0.00	-1.03
2010 04	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.07	-1.07	0.00	-1.07
2010 05	62.6	1.9	1.39	0.00	0.13	4.86	4.86	35.51	22.66	9.4	0.96	1.07	7.38	0.00	7.38
2010 06	133.3	4.0	2.86	0.00	0.28	4.86	4.86	35.51	22.66	19.4	1.98	1.07	16.35	0.00	16.35
2010 07	54.6	1.7	1.21	0.00	0.12	4.86	4.86	35.51	22.66	8.2	0.84	1.07	6.31	0.00	6.31
2010 08	104.7	3.2	2.32	0.00	0.23	4.86	4.86	35.51	22.66	15.7	1.61	1.07	13.07	0.00	13.07
Sub.	---	30.6	21.88	0.00	2.13	---	---	---	---	148.5	15.17	21.34	112.00	1,478.00	-1,366.00
Rem	---	227.9	162.89	0.00	15.84	---	---	---	---	1,105.7	112.95	298.76	693.98	0.00	693.98
Total	---	258.6	184.77	0.00	17.97	---	---	---	---	1,254.2	128.13	320.10	805.98	1,478.00	-672.02

SAN JUAN 31-6 UNIT
DAKOTA FORMATION
WORKING INTEREST OWNERS

BP AMERICA PRODUCTION

BURLINGTON RESOURCES

CONOCOPHILLIPS COMPANY

FOUR STAR OIL & GAS COMPANY

PHILLIPS-NEW MEXICO PARTNERS