



RECEIVED OGD

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

2011 SEP -1 A 12: 25

Burlington Resources Inc.
A wholly owned subsidiary

August 30, 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: Canyon Largo Unit (14-08-001-1059)
Commerciality Determination
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 Unit Operator, has determined that the well listed below is not capable of producing unitized substances in paying quantities from the Dakota Formation. Burlington is seeking confirmation of the well determination enclosed.

Well Name	Dedication	Dedicated Lease	Compl. Date	Determination
CLU #461E	E/2 6-25N-6W	SF-078883	11-16-10	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 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

CLU 4.3
cc: CLU DK WI Owners

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO 461E

WELL INFORMATION

LEASE	CANYON LARGO 461E
LOCATION	00625N06W
COUNTY; STATE	RIO ARRIBA, NM
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	10/23/2010
COMP DATE	11/16/2010
1ST DELIVERY	11/23/2010
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

PRODUCTION TAXES

TAXES FOR:	RIO ARRIBA, NM
	2003 - 2004 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

1,478.00	M\$	AVERAGE WELL COST
331.78	MMCF	ULT. GROSS GAS RESERVES
476.58	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.45	\$/	P/I, DISC. @ 10.00 %
-664.87	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

CANYON LARGO 461E



Production Cars	Cal Day Cost - mtl
Qt 0 WTD	Cost 4618 WWD
Gen 46120 WWD	Cal Day Cost FC1 - mtl
Water 0.220 WTD	Variant Year
Cond 0.200 WTD	Relationship Rate-Time
	Qt 600-00 mtl 2010-12
	Cal Day Cost 2010-12
	Qt 0.00 mtl 2010-12
	Prd 300-00 WWD
	Est 340-00 WWD

CASH FLOW SUMMARY

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO 461E

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	476.6	14.8	10.56	0.00	1.03	4.86	4.86	35.51	22.66	71.7	7.32	1.07	63.28	1,478.00	-1,414.72
2011 01	268.9	8.3	5.96	0.00	0.58	4.86	4.86	35.51	22.66	40.4	4.13	1.07	35.24	0.00	35.24
2011 02	217.7	6.1	4.36	0.00	0.42	4.86	4.86	35.51	22.66	29.6	3.02	1.07	25.48	0.00	25.48
2011 03	196.9	6.1	4.36	0.00	0.42	4.86	4.86	35.51	22.66	29.6	3.03	1.07	25.52	0.00	25.52
2011 04	184.4	5.5	3.95	0.00	0.38	4.86	4.86	35.51	22.66	26.8	2.74	1.07	23.03	0.00	23.03
2011 05	171.5	5.3	3.80	0.00	0.37	4.86	4.86	35.51	22.66	25.8	2.63	1.07	22.08	0.00	22.08
2011 06	162.8	4.9	3.49	0.00	0.34	4.86	4.86	35.51	22.66	23.7	2.42	1.07	20.20	0.00	20.20
2011 07	147.4	4.6	3.26	0.00	0.32	4.86	4.86	35.51	22.66	22.2	2.26	1.07	18.83	0.00	18.83
2011 08	138.9	4.3	3.08	0.00	0.30	4.86	4.86	35.51	22.66	20.9	2.13	1.07	17.69	0.00	17.69
2011 09	136.2	4.1	2.92	0.00	0.28	4.86	4.86	35.51	22.66	19.8	2.02	1.07	16.72	0.00	16.72
2011 10	125.6	3.9	2.78	0.00	0.27	4.86	4.86	35.51	22.66	18.9	1.93	1.07	15.89	0.00	15.89
2011 11	124.3	3.7	2.66	0.00	0.26	4.86	4.86	35.51	22.66	18.1	1.85	1.07	15.17	0.00	15.17
2011 12	115.6	3.6	2.56	0.00	0.25	4.86	4.86	35.51	22.66	17.4	1.78	1.07	14.53	0.00	14.53
2012(12)	97.1	35.5	25.39	0.00	2.47	4.86	4.86	35.51	22.66	172.3	17.60	12.80	141.91	0.00	141.91
2013(12)	76.0	27.7	19.82	0.00	1.93	4.86	4.86	35.51	22.66	134.5	13.74	12.80	108.00	0.00	108.00
2014(12)	64.5	23.6	16.83	0.00	1.64	4.86	4.86	35.51	22.66	114.2	11.67	12.80	89.77	0.00	89.77
2015(12)	56.9	20.8	14.85	0.00	1.44	4.86	4.86	35.51	22.66	100.8	10.30	12.80	77.68	0.00	77.68
2016(12)	50.5	18.5	13.20	0.00	1.28	4.86	4.86	35.51	22.66	89.6	9.16	12.80	67.67	0.00	67.67
2017(12)	45.0	16.4	11.74	0.00	1.14	4.86	4.86	35.51	22.66	79.7	8.14	12.80	58.76	0.00	58.76
2018(12)	40.0	14.6	10.44	0.00	1.02	4.86	4.86	35.51	22.66	70.9	7.24	12.80	50.84	0.00	50.84
Sub.	---	232.3	166.02	0.00	16.14	---	---	---	---	1,126.9	115.12	103.50	908.30	1,478.00	-569.70
Rem.	---	92.6	66.18	0.00	6.43	---	---	---	---	449.2	45.89	169.65	233.70	0.00	233.70
Total	---	324.9	232.21	0.00	22.58	---	---	---	---	1,576.2	161.02	273.15	1,141.99	1,478.00	-336.01

**CANYON LARGO UNIT
WORKING INTEREST OWNERS
DAKOTA FORMATION**

Burlington Resources
ConocoPhillips Company
Robert Beamon
Cathryn Beamon
Claudia Marcia Gilmer
Jeanne Lundell Lindsey
Carolyn Beamon Tilley
Robert Walter Lundell
James Robert Beamon
Susan Beamon Porter
Sharon Beamon Burns
Omimex Petroleum Inc.
Four Star Oil & Gas
Huntington Canyon Largo LLC
Kimbell Oil Company
Richard Tully
Speerex Limited Partnership