



419

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

September 2, 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 29-6 Unit (#14-08-001-439)
Commercial Determinations
Dakota Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-6 Unit, #14-08-001-439, approved September 8, 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 Company is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Completion	Determination
San Juan 29-6 Unit 5N	Sec. 30-T29N-R06W, NWNW	USA-SF-078426	Dakota	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, the formal Participating Area Schedules will be prepared and submitted.

Copies of this letter are being sent to the working interest owners on the attached sheet. If you have any questions or need any additional information, please contact the undersigned at (505) 326-9801.

Sincerely,

Valerie Wells,
Sr. Land Technician

San Juan 29-6 Unit
Working Interest Owners

BETTY T JOHNSTON MARITAL TRUST
BURLINGTON RESOURCES O&G CO LP
CHARLES W GAY
CONOCOPHILLIPS COMPANY
EULA MAY JOHNSTON TRUST
GRAYFORE PARTNERS LP
J&M RAYMOND LTD
LORRAYN GAY HACKER
MCELVAIN OIL COMPANY
PINTAIL PRODUCTION CO INC
SABLE ENERGY LTD
T H MCELVAIN OIL & GAS LP
TAMACAM LLC
V A JOHNSTON LTD
VAUGHAN-MCELVAIN ENERGY INC
VEVA JEAN GIBBARD

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-6 5N

WELL INFORMATION

LEASE	SAN JUAN 29-6 5N
LOCATION	30029N006WD
COUNTY, STATE	RIO ARRIBA, NM
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	5/10/2010
COMP DATE	8/30/2010
1ST DELIVERY	8/24/2010
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
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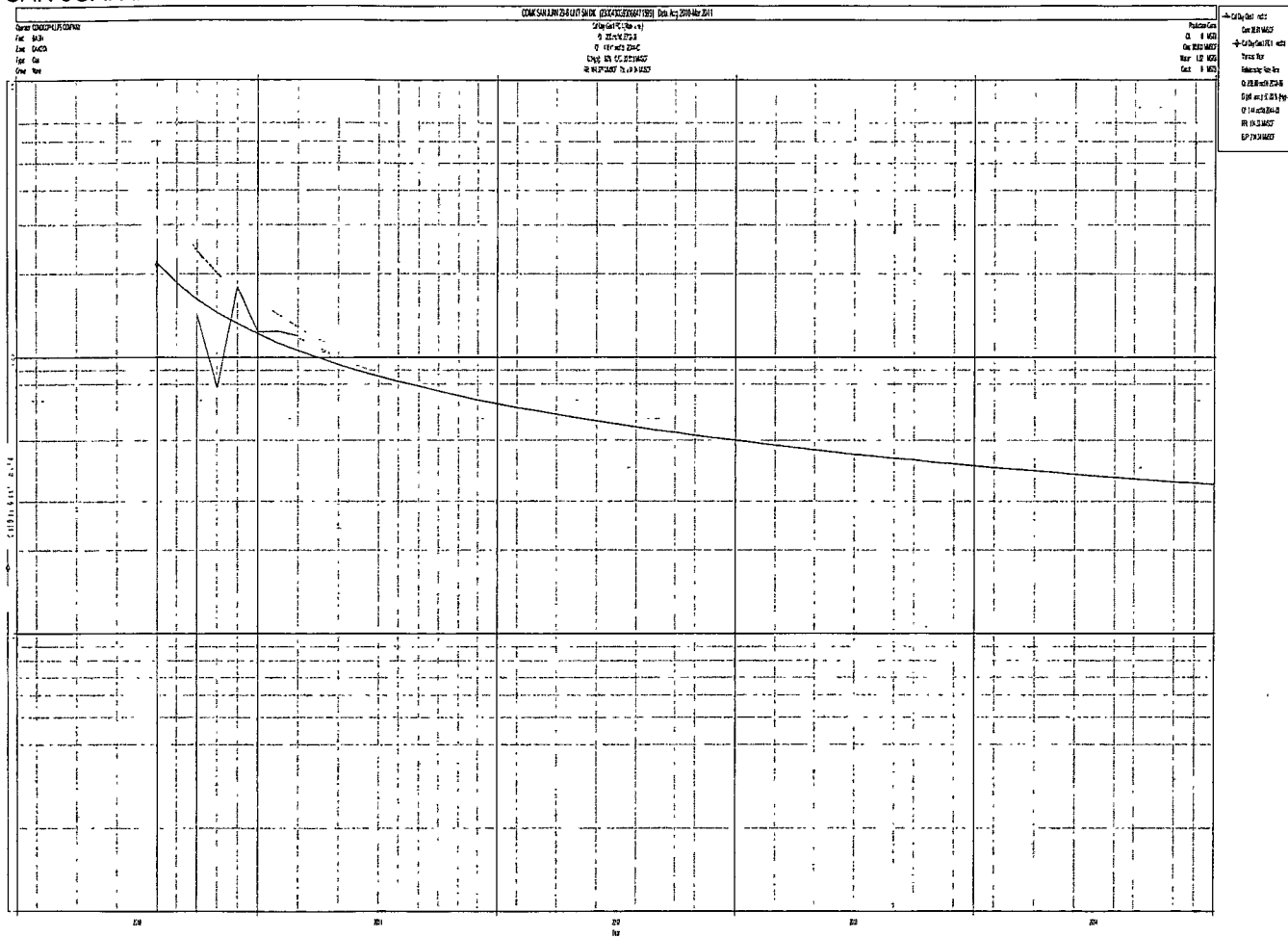
PRODUCTION TAXES

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
206.01	MMCF	ULT. GROSS GAS RESERVES
124.23	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.69	\$/	P/I, DISC. @ 10.00 %
-1,024.65	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-6 5N



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 29-6 5N

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 Opcoats	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 08	216.2	6.7	4.79	0.00	0.47	4.86	4.86	35.51	22.66	32.5	3.32	1.07	28.12	1,478.00	-1,449.88
2010 09	0.0	0.0	0.00	0.00	0.00	4.86	4.86	35.51	22.66	0.0	0.00	1.07	-1.07	0.00	-1.07
2010 10	142.5	4.4	3.16	0.00	0.31	4.86	4.86	35.51	22.66	21.4	2.19	1.07	18.17	0.00	18.17
2010 11	77.4	2.3	1.66	0.00	0.16	4.86	4.86	35.51	22.66	11.3	1.15	1.07	9.05	0.00	9.05
2010 12	179.6	5.6	3.98	0.00	0.39	4.86	4.86	35.51	22.66	27.0	2.76	1.07	23.18	0.00	23.18
2011 01	123.3	3.8	2.73	0.00	0.27	4.86	4.86	35.51	22.66	18.5	1.89	1.07	15.58	0.00	15.58
2011 02	124.5	3.5	2.49	0.00	0.24	4.86	4.86	35.51	22.66	16.9	1.73	1.07	14.11	0.00	14.11
2011 03	119.3	3.7	2.64	0.00	0.26	4.86	4.86	35.51	22.66	17.9	1.83	1.07	15.03	0.00	15.03
2011 04	101.1	3.0	2.17	0.00	0.21	4.86	4.86	35.51	22.66	14.7	1.50	1.07	12.14	0.00	12.14
2011 05	92.6	2.9	2.05	0.00	0.20	4.86	4.86	35.51	22.66	13.9	1.42	1.07	11.43	0.00	11.43
2011 06	90.9	2.7	1.95	0.00	0.19	4.86	4.86	35.51	22.66	13.2	1.35	1.07	10.81	0.00	10.81
2011 07	83.9	2.6	1.86	0.00	0.18	4.86	4.86	35.51	22.66	12.6	1.29	1.07	10.26	0.00	10.26
2011 08	80.2	2.5	1.78	0.00	0.17	4.86	4.86	35.51	22.66	12.1	1.23	1.07	9.77	0.00	9.77
2011 09	79.5	2.4	1.71	0.00	0.17	4.86	4.86	35.51	22.66	11.6	1.18	1.07	9.32	0.00	9.32
2011 10	74.0	2.3	1.64	0.00	0.16	4.86	4.86	35.51	22.66	11.1	1.14	1.07	8.93	0.00	8.93
2011 11	73.7	2.2	1.58	0.00	0.15	4.86	4.86	35.51	22.66	10.7	1.10	1.07	8.56	0.00	8.56
2011 12	68.9	2.1	1.53	0.00	0.15	4.86	4.86	35.51	22.66	10.4	1.06	1.07	8.23	0.00	8.23
2012(12)	58.4	21.4	15.27	0.00	1.49	4.86	4.86	35.51	22.66	103.7	10.59	12.80	80.29	0.00	80.29
2013(12)	45.3	16.5	11.80	0.00	1.15	4.86	4.86	35.51	22.66	80.1	8.18	12.80	59.13	0.00	59.13
2014(12)	37.6	13.7	9.81	0.00	0.95	4.86	4.86	35.51	22.66	66.6	6.80	12.80	47.00	0.00	47.00
Sub.	---	104.4	74.59	0.00	7.25	---	---	---	---	506.3	51.72	56.55	398.03	1,478.00	-1,079.97
Rem	---	88.0	62.85	0.00	6.11	---	---	---	---	426.6	43.58	171.79	211.25	0.00	211.25
Total	---	192.3	137.44	0.00	13.36	---	---	---	---	932.9	95.30	228.34	609.28	1,478.00	-868.72