



418

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

December 16, 2011

2011 DEC 20 P 1:12

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 Wrotenberg
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

RE: San Juan 29-5 Unit (#14-08-001-437)
Commercial Determinations
Pictured Cliffs Formation
Fruitland Coal Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-6 Unit, #14-08-001-437, 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 29-5 Unit 235	Sec. 15-T29N-R5W, NWSW	NMNM-124535	Pictured Cliffs	Non-Commercial
San Juan 29-5 Unit 235	Sec. 15-T29N-R5W	NMNM-125427	Fruitland Coal	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

enclosure

San Juan 29-5 Unit
Working Interest Owners

BP AMERICA PRODUCTION COMPANY

BURLINGTON RESOURCES O&G CO LP

CHARLES W GAY

CONOCOPHILLIPS COMPANY

J&M RAYMOND LTD

LORRAYN GAY HACKER

MCELVAIN OIL COMPANY

PHILLIPS NEW MEXICO PARTNERS LP

PHILLIPS SAN JUAN LTD PARTNERSHIP

SAN JUAN BASIN PARTNERSHIP

SYNERGY OPERATING LLC

T H MCELVAIN OIL & GAS LLLP

TAMACAM LLC

VAUGHAN-MCELVAIN ENERGY INC

WILLIAMS PRODUCTION COMPANY

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 29-5 UNIT 235

WELL INFORMATION

LEASE SAN JUAN 29-5 UNIT 235
 LOCATION 4029N005WL
 COUNTY, STATE RIO ARriba, NM
 FORMATION PICTURED CLIFFS
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS CO
 SPUD DATE 9/8/2010
 COMP DATE 11/19/2010
 1ST DELIVERY 11/17/2010
 COMM GWI % 100.00
 COMM NRI % 100.00
 BOARD RATE % 10.00

PRODUCTION TAXES

TAXES FOR: RIO ARriba, NM
 2003 - 2004 Commerciality
 GAS % OF REVENUE
 SEVERANCE:
 Severance, School, Conservation 7.93
 AD VALOREM:
 Production, Equipment 1.40
 TOTAL %: 9.33

AVERAGE HEAT CONTENT

298 MMBtu / Mcf

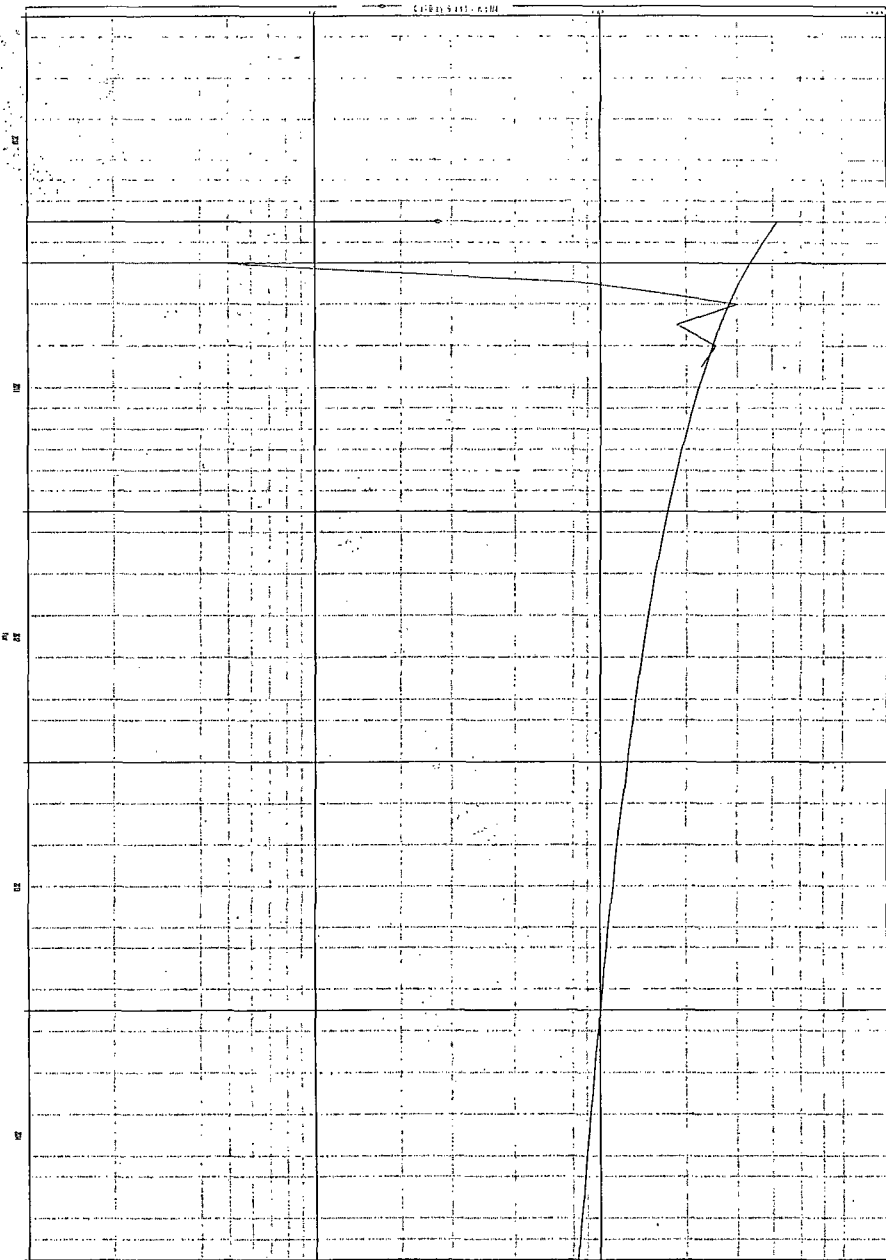
WELL COST AND ECONOMICS

1,122.00 M\$ AVERAGE WELL COST
 359.09 MMCF ULT. GROSS GAS RESERVES
 187.23 MCFD INITIAL GAS RATE
 6.51 % RATE OF RETURN
 -0.09 \$/\$ P/I, DISC. @ 10.00 %
 -101.51 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
 6.47 YRS PAYOUT

SAN JUAN 29-5 UNIT 235

2000-01-01
 0 00000000
 0 00000000
 0 00000000
 0 00000000

Can I be used?
 + 100% (100% of the time)
 Yes, but
 because the
 100% of the time
 100% of the time
 100% of the time
 100% of the time
 100% of the time
 100% of the time



Gas1	Gas1	Net Gas	Net Cond	Net Oh	Gas1	Gas	Cond.	Oth	Net	Prod	Total	T-Total	Total	Total
Date	Rate	Volume	Volume	Volume	Price	Price	Price	Revenue	Taxes	Opcosts	Oper Inc	Capital	BT Cash	
mcf/d	MMSCE	MMSCE	MSTR	MSTR	\$/MMBtu	\$/mcf	\$/Bbl	\$/Bbl	-\$	-\$	N/A	-\$	-\$	-\$

KLINGSTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 29-5 UNIT 235

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oth Volume	Gas1 Price	Gas1 \$/MMBTU	Gas Price	Cond Price	Oth Price	Net Revenue	Prod Taxes	Opcosts	Oper Inc	Total Capital	Total BT Cash
	mcft/d	MMSCF	MMSCF	MSTB	MSTB			\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2011 01	4.5	0.1	0.11	0.00	0.01	4.86	4.86	4.86	35.51	22.66	0.7	0.06	1.02	-0.37	1,122.00	-1,122.37
2011 02	91.3	2.6	1.98	0.00	0.15	4.86	4.86	4.86	35.51	22.66	13.1	1.17	1.02	10.92	0.00	10.92
2011 03	300.2	9.3	7.22	0.00	0.56	4.86	4.86	4.86	35.51	22.66	47.8	4.28	1.02	42.48	0.00	42.48
2011 04	184.2	5.5	4.29	0.00	0.33	4.86	4.86	4.86	35.51	22.66	28.4	2.54	1.02	24.81	0.00	24.81
2011 05	253.9	7.9	6.10	0.00	0.47	4.86	4.86	4.86	35.51	22.66	40.4	3.62	1.02	35.77	0.00	35.77
2011 06	224.8	6.7	5.23	0.00	0.41	4.86	4.86	4.86	35.51	22.66	34.6	3.10	1.02	30.50	0.00	30.50
2011 07	217.2	6.7	5.22	0.00	0.41	4.86	4.86	4.86	35.51	22.66	34.6	3.10	1.02	30.46	0.00	30.46
2011 08	206.8	6.4	4.97	0.00	0.39	4.86	4.86	4.86	35.51	22.66	32.9	2.95	1.02	28.94	0.00	28.94
2011 09	204.1	6.1	4.75	0.00	0.37	4.86	4.86	4.86	35.51	22.66	31.4	2.82	1.02	27.60	0.00	27.60
2011 10	189.3	5.9	4.55	0.00	0.35	4.86	4.86	4.86	35.51	22.66	30.1	2.70	1.02	26.40	0.00	26.40
2011 11	187.8	5.6	4.37	0.00	0.34	4.86	4.86	4.86	35.51	22.66	28.9	2.59	1.02	25.32	0.00	25.32
2011 12	175.0	5.4	4.21	0.00	0.33	4.86	4.86	4.86	35.51	22.66	27.9	2.49	1.02	24.34	0.00	24.34
2012 01	168.8	5.2	4.06	0.00	0.32	4.86	4.86	4.86	35.51	22.66	26.9	2.41	1.02	23.44	0.00	23.44
2012 02	174.4	5.1	3.92	0.00	0.30	4.86	4.86	4.86	35.51	22.66	26.0	2.33	1.02	22.62	0.00	22.62
2012 03	158.0	4.9	3.80	0.00	0.30	4.86	4.86	4.86	35.51	22.66	25.1	2.25	1.02	21.87	0.00	21.87
2012 04	158.3	4.7	3.68	0.00	0.29	4.86	4.86	4.86	35.51	22.66	24.4	2.18	1.02	21.17	0.00	21.17
2012 05	148.7	4.6	3.57	0.00	0.28	4.86	4.86	4.86	35.51	22.66	23.7	2.12	1.02	20.52	0.00	20.52
2012 06	149.4	4.5	3.47	0.00	0.27	4.86	4.86	4.86	35.51	22.66	23.0	2.06	1.02	19.92	0.00	19.92
2012 07	140.7	4.4	3.38	0.00	0.26	4.86	4.86	4.86	35.51	22.66	22.4	2.01	1.02	19.36	0.00	19.36
2012 08	137.0	4.2	3.29	0.00	0.26	4.86	4.86	4.86	35.51	22.66	21.8	1.95	1.02	18.83	0.00	18.83
Sub.	---	106.0	82.17	0.00	6.39	---	---	---	---	---	544.1	48.73	20.50	474.89	1,122.00	-647.11
Rem.	---	253.1	196.26	0.00	15.26	---	---	---	---	---	1,299.6	116.39	287.00	896.17	0.00	896.17
Total	---	359.1	278.43	0.00	21.65	---	---	---	---	---	1,843.7	165.13	307.50	1,371.05	1,122.00	249.05

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 29-5 UNIT 235

WELL INFORMATION

LEASE SAN JUAN 29-5 UNIT 235
 LOCATION 15029N005WL
 COUNTY, STATE RIO ARriba, NM
 FORMATION FRUITLAND COAL
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS CO
 SPUD DATE 9/8/2010
 COMP DATE 11/19/2010
 1ST DELIVERY 11/17/2010
 COMM GWI % 100.00
 COMM NRI % 100.00
 BOARD RATE % 10.00

PRODUCTION TAXES

TAXES FOR: RIO ARriba, NM
 2003 - 2004 Commerciality
 GAS % OF REVENUE
 SEVERANCE:
 Severance, School, Conservation 7.93
 AD VALOREM:
 Production, Equipment 1.40
 TOTAL %: 9.33

AVERAGE HEAT CONTENT

298 MMBtu / Mcf

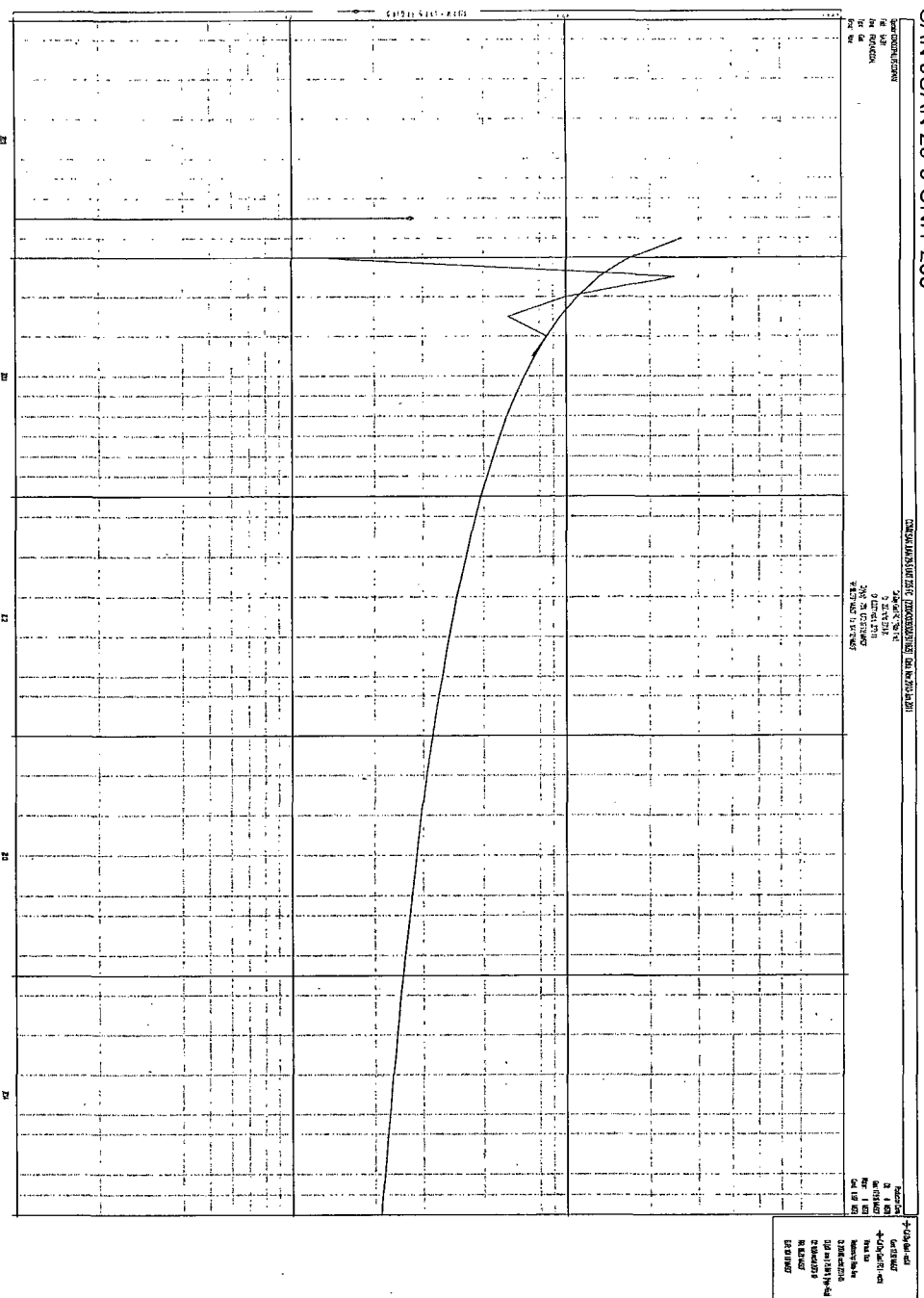
WELL COST AND ECONOMICS

1,049.00 M\$ AVERAGE WELL COST
 102.51 MDCF ULT. GROSS GAS RESERVES
 76.81 MCFD INITIAL GAS RATE
 0.00 % RATE OF RETURN
 -0.82 \$/S P/I, DISC. @ 10.00 %
 -864.90 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
 0.00 YRS PAYOUT

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 29-5 UNIT 235



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	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

SAN JUAN 29-5 UNIT 235

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	\$	\$	\$	\$	\$	\$
2011 01	12.3	0.4	0.31	0.00	0.01	4.63	4.63	35.51	22.66	1.7	0.16	1.04	0.54	1,049.00	-1,048.46
2011 02	246.8	6.9	5.57	0.00	0.26	4.63	4.63	35.51	22.66	31.6	2.86	1.04	27.70	0.00	27.70
2011 03	100.1	3.1	2.50	0.00	0.12	4.63	4.63	35.51	22.66	14.2	1.28	1.04	11.86	0.00	11.86
2011 04	61.4	1.8	1.48	0.00	0.07	4.63	4.63	35.51	22.66	8.4	0.76	1.04	6.62	0.00	6.62
2011 05	84.6	2.6	2.11	0.00	0.10	4.63	4.63	35.51	22.66	12.0	1.08	1.04	9.87	0.00	9.87
2011 06	74.9	2.2	1.81	0.00	0.08	4.63	4.63	35.51	22.66	10.3	0.93	1.04	8.31	0.00	8.31
2011 07	69.1	2.1	1.73	0.00	0.08	4.63	4.63	35.51	22.66	9.8	0.89	1.04	7.87	0.00	7.87
2011 08	64.0	2.0	1.60	0.00	0.07	4.63	4.63	35.51	22.66	9.1	0.82	1.04	7.21	0.00	7.21
2011 09	61.8	1.9	1.49	0.00	0.07	4.63	4.63	35.51	22.66	8.5	0.77	1.04	6.67	0.00	6.67
2011 10	56.2	1.7	1.40	0.00	0.06	4.63	4.63	35.51	22.66	8.0	0.72	1.04	6.20	0.00	6.20
2011 11	54.8	1.6	1.33	0.00	0.06	4.63	4.63	35.51	22.66	7.5	0.68	1.04	5.80	0.00	5.80
2011 12	50.3	1.6	1.26	0.00	0.06	4.63	4.63	35.51	22.66	7.1	0.64	1.04	5.45	0.00	5.45
2012 01	47.9	1.5	1.20	0.00	0.06	4.63	4.63	35.51	22.66	6.8	0.61	1.04	5.14	0.00	5.14
2012 02	49.0	1.4	1.14	0.00	0.05	4.63	4.63	35.51	22.66	6.5	0.59	1.04	4.87	0.00	4.87
2012 03	43.9	1.4	1.10	0.00	0.05	4.63	4.63	35.51	22.66	6.2	0.56	1.04	4.62	0.00	4.62
2012 04	43.6	1.3	1.05	0.00	0.05	4.63	4.63	35.51	22.66	6.0	0.54	1.04	4.40	0.00	4.40
2012 05	40.6	1.3	1.02	0.00	0.05	4.63	4.63	35.51	22.66	5.8	0.52	1.04	4.20	0.00	4.20
2012 06	40.5	1.2	0.98	0.00	0.05	4.63	4.63	35.51	22.66	5.6	0.50	1.04	4.01	0.00	4.01
2012 07	37.9	1.2	0.95	0.00	0.04	4.63	4.63	35.51	22.66	5.4	0.49	1.04	3.85	0.00	3.85
2012 08	36.7	1.1	0.92	0.00	0.04	4.63	4.63	35.51	22.66	5.2	0.47	1.04	3.69	0.00	3.69
Sub.	---	38.4	30.95	0.00	1.43	---	---	---	---	175.6	15.87	20.86	138.88	1,049.00	-910.12
Rem.	---	64.1	51.67	0.00	2.38	---	---	---	---	293.2	26.50	292.04	-25.34	0.00	-25.34
Total	---	102.5	82.61	0.00	3.81	---	---	---	---	468.8	42.37	312.90	113.54	1,049.00	-935.46