



498

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

April 3, 2012

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 32-9 Unit (14-08-001-569)
Commercial Determinations
Dakota Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-9 Unit Agreement, 14-08-001-569, approved February 10, 1953, 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 Dakota formation. Burlington Resources is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Compl Date	Determination
SJ 32-9 Unit #15B	W/2 Sec.9-31N-9W	SF-080376	11-15-2010	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 are being sent to the working interest owners on the attached sheet. If you have any technical questions or need any additional information, please contact Shara Graham at (505) 326-9819.

Sincerely,

Land Analyst

San Juan 32-9 Unit, 4.3

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 32-9 UNIT 15B

WELL INFORMATION

LEASE SAN JUAN 32-9 UNIT 15B
 LOCATION 9031N009W1L
 COUNTY, STATE RIO ARriba, NM
 FORMATION DAKOTA
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS CO
 SPUD DATE 7/26/2010
 COMP DATE 11/15/2010
 1ST DELIVERY 11/11/2010
 COMM GWI % 100.00
 COMM NRI % 87.50
 BOARD RATE % 10.00

AVERAGE HEAT CONTENT

294 MMBtu / Mcf

PRODUCTION TAXES

TAXES FOR: RIO ARriba, NM
 2011 - 2012 Commerciality
 GAS % OF REVENUE
 SEVERANCE: 7.93
 Severance, School, Conservation
 AD VALOREM: 1.40
 Production, Equipment
 TOTAL %: 9.33

WELL COST AND ECONOMICS

918.80 M\$ AVERAGE WELL COST
 103.75 MMCF ULT. GROSS GAS RESERVES
 10.61 MCFD INITIAL GAS RATE
 0.00 % RATE OF RETURN
 -0.83 \$/\$ P/I, DISC. @ 10.00 %
 -758.72 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
 0.00 YRS PAYOUT

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

SAN JUAN 32-9 UNIT 15B

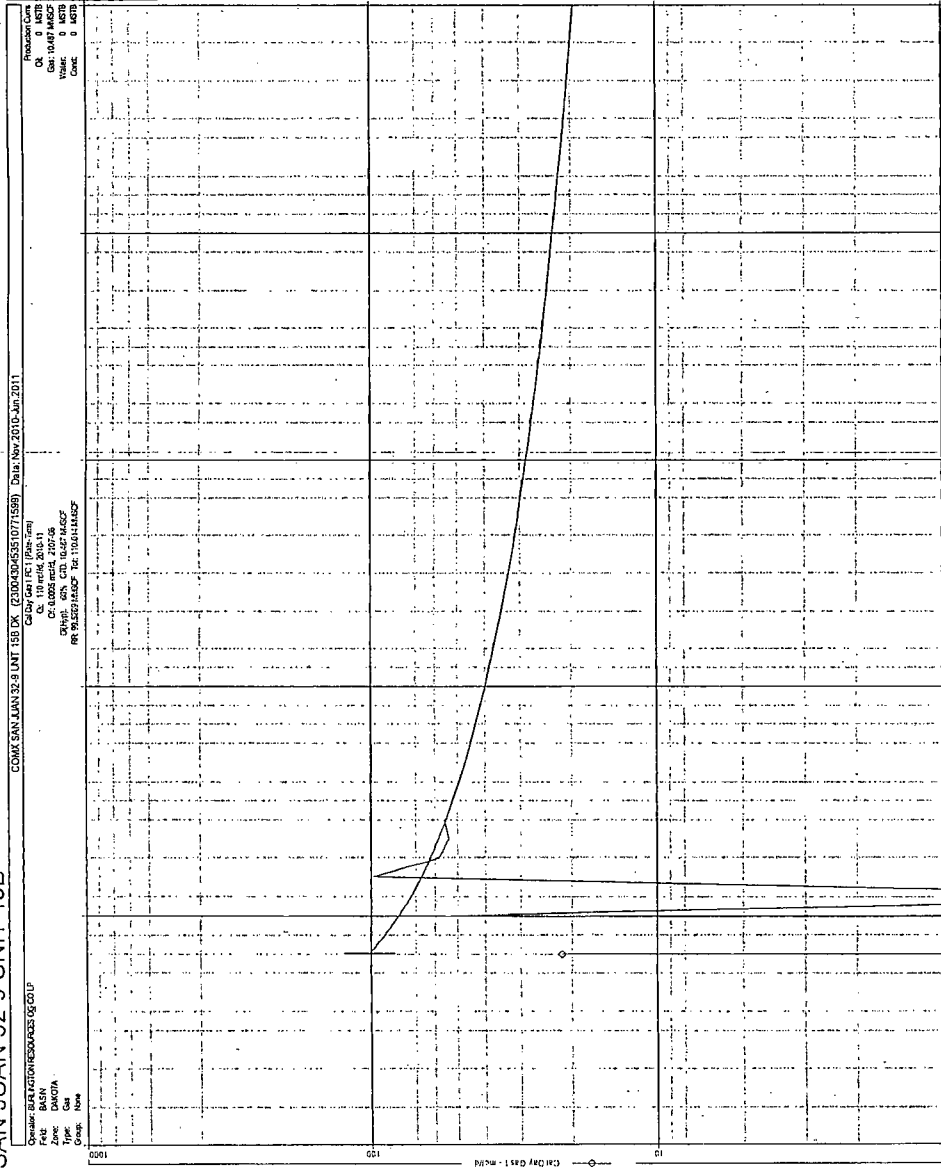
Operator: BURLINGTON RESOURCES (6201P)
 Field: BASH
 Zone: GAD07A
 Group: None

Oil Day Gas 1 - mcf/d
 Cum to 01/01/2011
 Oil 10,000 mcf/d
 Gas 10,000 mcf/d
 Water 0 MCFB
 Conc 0 MCFB

Oil Day Gas 1 - mcf/d
 Cum to 01/01/2011
 Oil 10,000 mcf/d
 Gas 10,000 mcf/d
 Water 0 MCFB
 Conc 0 MCFB

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Oil Day Gas 1 - mcf/d
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 Gas 10,000 mcf/d
 Water 0 MCFB
 Conc 0 MCFB



CASH FLOW SUMMARY

Date	Gas1 Rate mcf/d	Gas1 Volume MMSCF	Net Gas Volume MMSCF	Net Cond Volume MSTB	Net Oth Volume MSTB	Gas1 Price \$/MMBTU	Gas Price \$/mcf	Cond Price \$/Bbl	Oth Price \$/Bbl	Net Revenue M\$	Prod Taxes M\$	Total Opcosts M\$	Total Oper Inc M\$	Total Capital M\$	Total BT Cash M\$
2010 11	21.6	0.6	0.46	0.00	0.04	4.86	4.86	35.51	22.66	3.1	0.32	1.07	1.75	918.80	-917.05
2010 12	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
2011 01	56.2	1.7	1.24	0.00	0.12	4.86	4.86	35.51	22.66	8.4	0.86	1.07	6.52	0.00	6.52

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-9 UNIT 15B

CASH FLOW SUMMARY

Date	Gas1 Rate mcf/d	Gas1 Volume MMSCF	Net Gas Volume MMSCF	Net Cond Volume MSTB	Net Oth Volume MSTB	Gas1 Price \$/MMBTU	Gas Price \$/mcf	Cond Price \$/Bbl	Oth Price \$/Bbl	Net Revenue M\$	Prod Taxes M\$	Total Opcosts M\$	Total Oper Inc M\$	Total Capital M\$	Total BT Cash M\$
2011 02	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
2011 03	97.7	3.0	2.17	0.00	0.21	4.86	4.86	35.51	22.66	14.7	1.50	1.07	12.13	0.00	12.13
2011 04	57.9	1.7	1.24	0.00	0.12	4.86	4.86	35.51	22.66	8.4	0.86	1.07	6.50	0.00	6.50
2011 05	53.8	1.7	1.19	0.00	0.12	4.86	4.86	35.51	22.66	8.1	0.83	1.07	6.20	0.00	6.20
2011 06	55.3	1.7	1.19	0.00	0.12	4.86	4.86	35.51	22.66	8.1	0.82	1.07	6.16	0.00	6.16
2011 07	50.9	1.6	1.13	0.00	0.11	4.86	4.86	35.51	22.66	7.7	0.78	1.07	5.81	0.00	5.81
2011 08	48.4	1.5	1.07	0.00	0.10	4.86	4.86	35.51	22.66	7.3	0.74	1.07	5.46	0.00	5.46
2011 09	47.7	1.4	1.02	0.00	0.10	4.86	4.86	35.51	22.66	6.9	0.71	1.07	5.16	0.00	5.16
2011 10	44.1	1.4	0.98	0.00	0.10	4.86	4.86	35.51	22.66	6.6	0.68	1.07	4.89	0.00	4.89
2011 11	43.7	1.3	0.94	0.00	0.09	4.86	4.86	35.51	22.66	6.4	0.65	1.07	4.65	0.00	4.65
2011 12	40.7	1.3	0.90	0.00	0.09	4.86	4.86	35.51	22.66	6.1	0.63	1.07	4.43	0.00	4.43
2012(12)	33.9	12.4	8.88	0.00	0.86	4.86	4.86	35.51	22.66	60.3	6.15	12.80	41.29	0.00	41.29
2013(12)	25.8	9.4	6.73	0.00	0.65	4.86	4.86	35.51	22.66	45.7	4.67	12.80	28.23	0.00	28.23
2014(12)	21.3	7.8	5.55	0.00	0.54	4.86	4.86	35.51	22.66	37.7	3.85	12.80	21.00	0.00	21.00
2015(12)	18.3	6.7	4.78	0.00	0.46	4.86	4.86	35.51	22.66	32.4	3.31	12.80	16.30	0.00	16.30
2016(12)	16.1	5.9	4.22	0.00	0.41	4.86	4.86	35.51	22.66	28.7	2.93	12.80	12.94	0.00	12.94
2017(12)	14.4	5.3	3.77	0.00	0.37	4.86	4.86	35.51	22.66	25.6	2.61	12.80	10.16	0.00	10.16
Sub.	---	66.4	47.46	0.00	4.61	---	---	---	---	322.1	32.91	91.76	197.46	918.80	-721.34
Rem.	---	37.3	26.69	0.00	2.59	---	---	---	---	181.1	18.50	217.67	-55.04	0.00	-55.04
Total	---	103.8	74.14	0.00	7.21	---	---	---	---	503.3	51.41	309.43	142.42	918.80	-776.38

SAN JUAN 32-9 UNIT
WORKING INTEREST OWNERS / LESSEES OF RECORD
SAN JUAN COUNTY, NEW MEXICO

BP AMERICA
BURLINGTON RESOURCES OIL & GAS COMPANY LP
DEVON ENERGY
ENERGEN RESOURCES
FOUR STAR OIL & GAS COMPANY
J&M RAYMOND
PRODUCTION GATHERING
ROBERT UMBACH CANCER FUND
T H MCELVAIN OIL & GAS
XTO ENERGY