

BURLINGTON RESOURCES

San Juan Division

February 1, 2006

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
1235 La Plata Highway
Farmington, NM 87401

2006 FEB 3 PM 1 04

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: Allison Unit (I Sec. No. 752)
Commercial Determinations
Fruitland/Pictured Cliffs Formation
San Juan County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the Allison Unit Agreement, #I Sec. No. 752, approved August 22, 1950, 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 Fruitland/Pictured Cliffs formation. Burlington Resources is seeking confirmation of the paying well determination enclosed.

BROG's AIN No.	Well Name & Number	Well Dedication	Dedicated Leases	Completion Date	Commerciality Determination
81366401	Allison Unit #71	SW/4 Sec. 24-32N-7W	Ethel Chatfield	5/22/00	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 non-commercial well will be carried on a lease basis.

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) 599-4030.

Very truly yours,



Dawn Howell
Sr. Staff Land Specialist

DH:ll
Allison Unit, 4.1
cc: Steve Smith

WORKING INTEREST OWNERS ALLISON UNIT

SUSANNA P KELLY

JANE PHILLIPS

J GLENN TURNER JR

CONOCOPHILLIPS COMPANY

CHARLES KELLY

CASTLE INC

BURLINGTON RESOURCES O&G CO LP

BP AMERICA PRODUCTION COMPANY

ANDREW KELLY JR

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
ALLISON UNIT 71

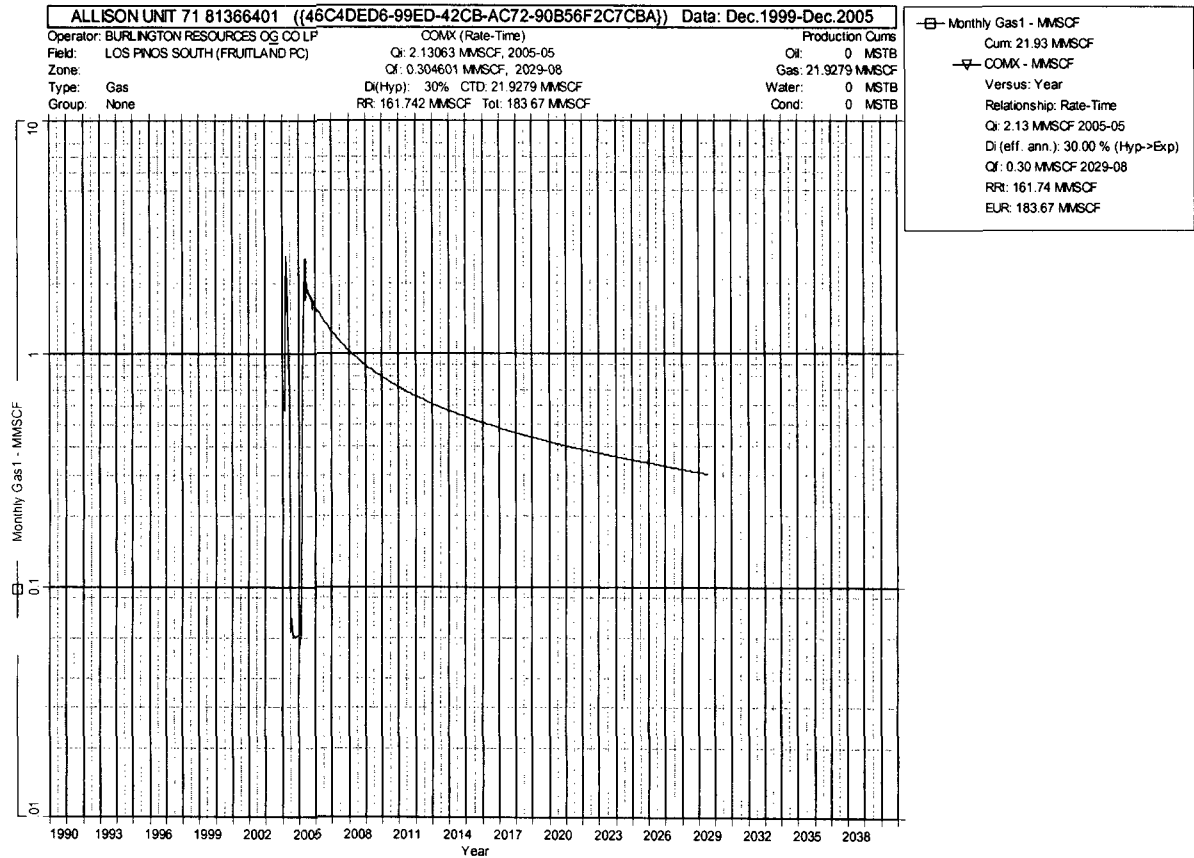
WELL INFORMATION	
LEASE	ALLISON UNIT 71
LOCATION	24032N007WK
COUNTY, STATE	SAN JUAN, NEW MEXICO
FORMATION	FRUIT/PC
PROJECT TYPE	INSTALL PUMP
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES O&G CO LP
SPUD DATE	11/29/1999
COMP DATE	5/22/2000
1ST DELIVERY	3/17/2004
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES	
TAXES FOR:	SAN JUAN, NEW MEXICO 2003 - 2004 Commerciality
GAS % OF REVENUE	
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.26
TOTAL %:	9.19

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS	
342.00	M\$ AVERAGE WELL COST
183.10	MMCF ULT. GROSS GAS RESERVES
87.34	MCFD INITIAL GAS RATE
6.44	% RATE OF RETURN
-0.17	\$/ \$ P/I, DISC. @ 10.00 %
-59.73	M\$ NET PRESENT VALUE, DISC. @ 10.00 %
9.91	YRS PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
ALLISON UNIT 71

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\$
2004 04	87.3	2.6	2.08	0.00	0.00	4.86	4.86	35.51	22.66	10.1	1.05	0.00	9.08	342.00	-332.92
2004 05	61.5	1.9	1.52	0.00	0.00	4.86	4.86	35.51	22.66	7.4	0.77	0.00	6.60	0.00	6.60
2004 06	23.2	0.7	0.55	0.00	0.00	4.86	4.86	35.51	22.66	2.7	0.28	0.00	2.41	0.00	2.41
2004 07	2.0	0.1	0.05	0.00	0.00	4.86	4.86	35.51	22.66	0.2	0.03	0.00	0.22	0.00	0.22
2004 08	2.4	0.1	0.06	0.00	0.00	4.86	4.86	35.51	22.66	0.3	0.03	0.00	0.25	0.00	0.25
2004 09	2.0	0.1	0.05	0.00	0.00	4.86	4.86	35.51	22.66	0.2	0.02	0.00	0.21	0.00	0.21
2004 10	2.0	0.1	0.05	0.00	0.00	4.86	4.86	35.51	22.66	0.2	0.02	0.33	-0.11	0.00	-0.11
2004 11	2.0	0.1	0.05	0.00	0.00	4.86	4.86	35.51	22.66	0.2	0.02	0.33	-0.12	0.00	-0.12
2004 12	2.0	0.1	0.05	0.00	0.00	4.86	4.86	35.51	22.66	0.2	0.02	0.33	-0.11	0.00	-0.11
2005 01	2.0	0.1	0.05	0.00	0.00	4.86	4.86	35.51	22.66	0.2	0.02	0.33	-0.11	0.00	-0.11
2005 02	2.0	0.1	0.04	0.00	0.00	4.86	4.86	35.51	22.66	0.2	0.02	0.33	-0.13	0.00	-0.13
2005 03	2.0	0.1	0.05	0.00	0.00	4.86	4.86	35.51	22.66	0.2	0.02	0.33	-0.11	0.00	-0.11
2005 04	23.7	0.7	0.57	0.00	0.00	4.86	4.86	35.51	22.66	2.7	0.29	0.33	2.13	0.00	2.13
2005 05	71.5	2.2	1.76	0.00	0.00	4.86	4.86	35.51	22.66	8.6	0.89	0.33	7.35	0.00	7.35
2005 06	67.9	2.0	1.62	0.00	0.00	4.86	4.86	35.51	22.66	7.9	0.82	0.33	6.73	0.00	6.73
2005 07	64.7	2.0	1.60	0.00	0.00	4.86	4.86	35.51	22.66	7.8	0.81	0.33	6.62	0.00	6.62
2005 08	59.5	1.8	1.47	0.00	0.00	4.86	4.86	35.51	22.66	7.1	0.74	0.33	6.06	0.00	6.06
2005 09	60.1	1.8	1.43	0.00	0.00	4.86	4.86	35.51	22.66	7.0	0.72	0.33	5.92	0.00	5.92
2005 10	55.4	1.7	1.37	0.00	0.00	4.86	4.86	35.51	22.66	6.6	0.69	0.33	5.63	0.00	5.63
2005 11	52.3	1.6	1.25	0.00	0.00	4.86	4.86	35.51	22.66	6.1	0.63	0.33	5.11	0.00	5.11
Sub.	---	19.7	15.65	0.00	0.00	---	---	---	---	76.1	7.90	4.56	63.61	342.00	-278.39
Rem.	---	163.4	129.98	0.00	0.00	---	---	---	---	631.7	65.63	92.91	473.18	0.00	473.18
Total	---	183.1	145.64	0.00	0.00	---	---	---	---	707.8	73.53	97.47	536.79	342.00	194.79



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

June 3, 2005

Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Ms. Marian Wimsatt

Re: Allison Unit
San Juan County, New Mexico
Dakota Participating Area
Nineteenth Expansion – Effective 10/1/2002

Dear Ms. Wimsatt:

Thank you for your letter of May 16, 2005 together with your application for approval of the above referenced expansion to the Dakota Participating Area.

The Bureau of Land Management (BLM) approved the above referenced expansion by their letter of May 16, 2005.

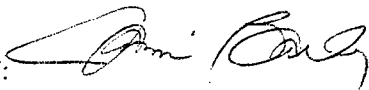
The Commissioner of Public Lands concurs with the BLM and has this date approved the above-referenced Dakota participating area expansion.

Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
OCD-Attention: Mr. Roy Johnson
BLM-Farmington Attn: Mr. Wayne Townsend
TRD-Attention: Mr. Valdean Severson
RMD-Attention: Ms. Linda Vieira

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital •