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November 30, 2005

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401
Attn: Mr. Wayne Townsend

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, New Mexico 87501-1148
Attn: Mr. Patrick H. Lyons

Oil Conservation Division
State of New Mexico
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505-4000
Attn: Ms Lori Wrotenberry

RE: San Juan 30-5 Unit – No. 14-08-001-346
Commerciality Determination
Fruitland Coal Formation
San Juan County, New Mexico
Contract: 040454 Lease: A650363

Ladies and Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 30-5 Unit Agreement, ConocoPhillips Company ("ConocoPhillips"), as Unit Operator, has determined that the following wells are capable of producing unitized substances in paying quantities from the Fruitland Coal formation:

Well Name	Dedication	Lease No.	Completion Date	Operator's Determination
San Juan 30-5 Unit #202A	E/2 Sec. 6, T30N, R5W	SF 080066 & SF 078997	09/27/2004	Commercial
San Juan 30-5 Unit #215A	E/2 Sec. 8, T30N, R5W	FEE (Espinosa)	09/10/2004	Commercial
San Juan 30-5 Unit #237A	E/2 Sec. 16, T30N, R5W	NM-E-347-47 & NM-E-347-48	12/07/2003	Commercial
Cat Draw Com #101	E/2 Sec. 4, T30N, R5W	NMNM-4456 & FEE (Espinosa)	07/07/2000	Commercial

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DIVISION

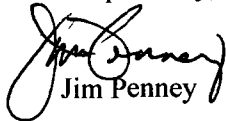
ConocoPhillips respectfully requests agency confirmation of the enclosed paying well determinations. Also enclosed is an economic summary along with production data for each well.

The lands dedicated to the Cat Draw Com #101 cover the E/2 of Sec. 4-T30N-R5W and are subject to a Communitization Agreement dated April 1, 2000. The S/2SE/4 of Sec. 4-T30N-R5W is covered by a FEE lease and is contained within the boundary of the San Juan 30-5 Unit. The remaining lands, being Tracts 5 and 6 (a/k/a N/2NE/4), S/2NE/4 and N/2SE/4 are covered by NMNM-4456 and lie outside the San Juan 30-5 Unit.

Upon confirmation from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and the New Mexico Oil Conservation Division, the formal Participating Area schedules will be prepared and submitted.

Copies of this letter and enclosures are being sent to the 30-5 Unit Fruitland Coal PA working interest owners as listed on the attached page. Please contact Ashley Price at (832) 486-3060 for any technical questions you may have, and direct all other questions to the undersigned at (832) 486-2355.

Respectfully,



Jim Penney



Commerciality Determination

**SJ 30-5 Unit #202A
Fruitland Coal
SE, Sec 6, T30N, R5W
Rio Arriba County, NM
API: 30-039-27765**

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This Fruitland Coal well was spud on 8/06/2004 by ConocoPhillips and completed on 9/27/2004.

The actual capital investment of \$940,858 for open hole cavity completion of the 30-5 # 202A Fruitland coal well was used in this determination. Actual operating costs for this well are \$132,000/year.

Income was based on historical San Juan Basin prices for historical production. Future production income was calculated using a gas price of \$4.84/MCF. This price was determined by assuming a flat non-escalated value of \$6.33/mmBTU, and correcting for a gas content of 899 BTU and transportation costs of \$0.40/MCF.

Current reservoir pressure for this well is 570 psi.

Recommend that this well be determined commercial.

Actual Production

Month	Avg. Daily Production
November-04	1896
December-04	2595
January-05	2621
February-05	1603
March-05	1227
April-05	2235
May-05	2509
June-05	2586
July-05	2522
August-05	2505
September-05	2522

US Summary Report

SJ 30-5 #202A (Commerciality Determination)

Nominal

Case Description

Notes Commerciality determination for the BLM for the 30-5 #202A.

Case Parameters

Author Ashley Price
 Linked Well
 Global Parameters Default
 Model ConocoPhillips
 Oil Price File CON-PHIL Oil Price
 Gas Price File
 Oil Offset 1
 Gas Offset 1

Net Present Values (Generic)::ConocoPhillips

Disc	Inc Before	Before Tax	Before Tax	After Tax	Cash
Rate	Res & Tax	Cap. Inv	Cash Flow	Cash Flow	PI
(%)	M\$	M\$	M\$	M\$	
0.0	10,014	941	9,074	5,535	11.48
8.0	7,856	905	6,951	4,205	9.27
10.0	7,440	897	6,543	3,950	8.84
11.0	7,247	893	6,354	3,831	8.64
13.0	6,885	885	6,000	3,610	8.25
15.0	6,554	877	5,677	3,407	7.92
18.0	6,107	866	5,241	3,135	7.45

Company WI

	Initial %	Final %
Working	100.0	100.0
Oil NRI	85.0	85.0
Gas NRI	85.0	85.0
Byprod. NRI	85.0	85.0
Capital	100.0	100.0

Scenarios

Oil	Base
Gas	Base
Interests	Base
Opcoats	Base
Capital	Base

Economic Indicators (Generic)::ConocoPhillips

	BTax	ATax
AARR	%	507.5
Cash Breakeven	Years	0.7
NPV @ 13%	M\$	6,000
13% PI (cash)	M\$/M\$	8.26
13% PI (capital)	M\$/M\$	5.08
NPV @ 10%	M\$	6,543
10% PI (cash)	M\$/M\$	8.84
10% PI (capital)	M\$/M\$	5.40
Dev Cost/BOE	\$/BOE	2.12
Economic Limit Date		2016/10
Last Scheduled Prod Date		2025/10
Date of first production		2004/11
Date of first investment		2004/08
Discount Date		2004/01
ROR		508
		330

Products Recovery (US)::ConocoPhillips

		Gross	Gross Economic	WI	Roy	Net
Oil	MSTB	0	0	0	0	0
Gas-Raw	MMSCF	3,301	3,135	3,135	470	2,664
Gas-Sales	MMSCF	3,301	3,135	3,135	470	2,664
Ethane	MSTB	0	0	0	0	0
Propane	MSTB	0	0	0	0	0
Butane	MSTB	0	0	0	0	0
Cond.	MSTB	0	0	0	0	0
Sulphur	MLt	0	0	0	0	0
Other	MSTB	0	0	0	0	0

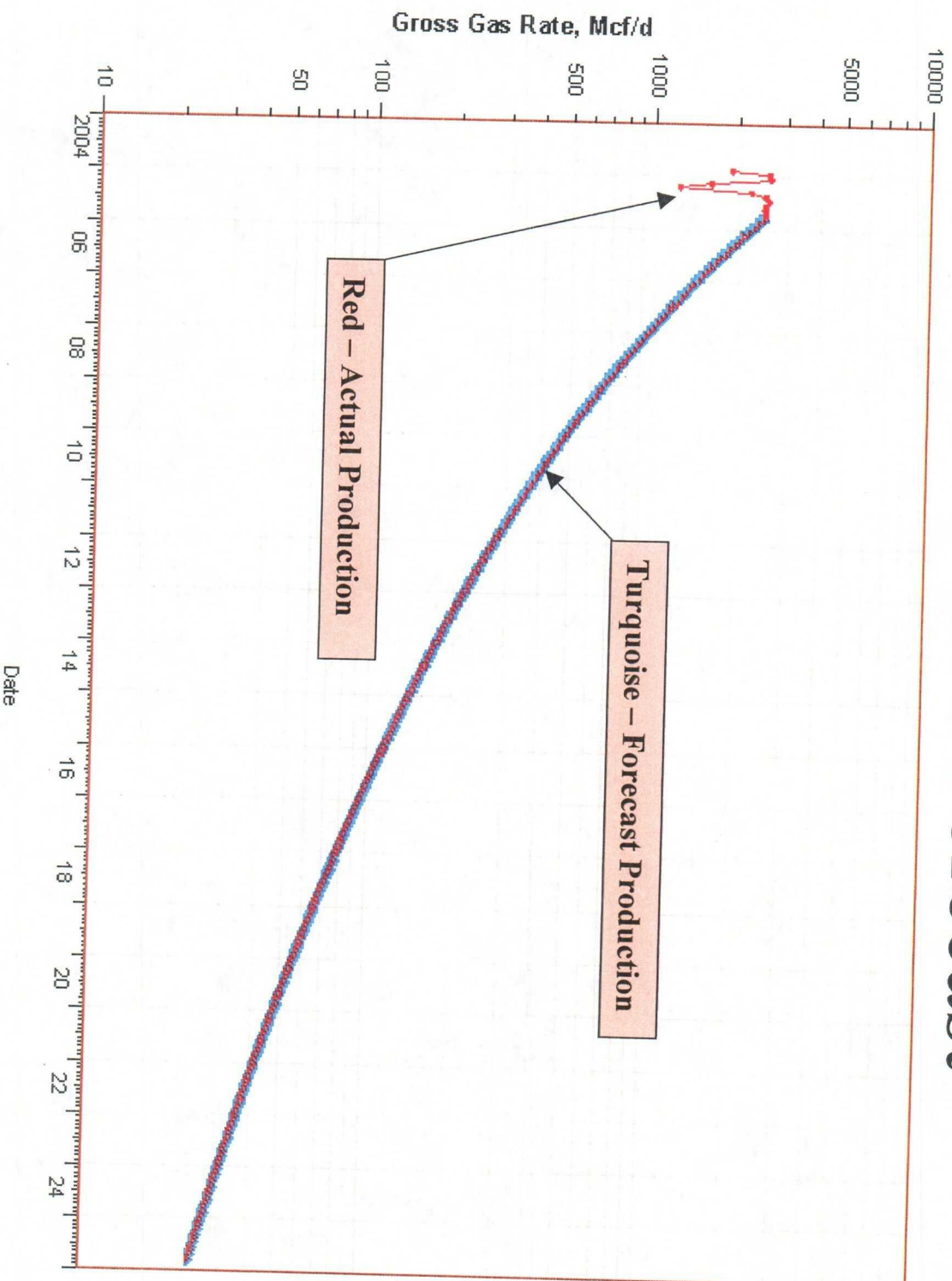
RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil/Cond Volume	Gross Gas Volume	NRI Oil	NRI Gas Sales	Oil Price	Gas Price	Gross # of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcoats	Income Before Reserves & Taxes	Total Capital	BTAX Cash Flow	ATAX Cash Flow	ATAX Cash Flow Disc. 10%	ATAX Cash Flow Disc 13%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/mcf		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2004(12)	0.00	137.32	0.00	116.73	0.00	1.51	0.4	441.23	40.55	22.00	378.68	940.86	-562.18	-528.18	-503.60	-496.87
2005(12)	0.00	835.39	0.00	710.08	0.00	4.84	1.0	3,436.79	315.84	132.00	2,988.95	0.00	2,988.95	1,872.28	1,622.86	1,558.67
2006(12)	0.00	656.71	0.00	558.20	0.00	4.84	1.0	2,701.70	248.29	132.00	2,321.41	0.00	2,321.41	1,454.82	1,146.37	1,071.79
2007(12)	0.00	429.87	0.00	365.39	0.00	4.84	1.0	1,768.47	162.52	132.00	1,473.95	0.00	1,473.95	930.53	666.58	606.67
2008(12)	0.00	295.97	0.00	251.58	0.00	4.84	1.0	1,217.64	111.90	132.00	973.74	0.00	973.74	620.16	403.86	357.81
2009(12)	0.00	210.49	0.00	178.91	0.00	4.84	1.0	865.95	79.58	132.00	654.37	0.00	654.37	419.40	248.29	214.14
2010(12)	0.00	154.99	0.00	131.74	0.00	4.84	1.0	637.65	58.60	132.00	447.05	0.00	447.05	285.80	153.82	129.14
2011(12)	0.00	117.07	0.00	99.51	0.00	4.84	1.0	481.61	44.26	132.00	305.35	0.00	305.35	192.81	94.34	77.10
2012(12)	0.00	90.65	0.00	77.05	0.00	4.84	1.0	372.94	34.27	132.00	206.67	0.00	206.67	126.07	56.07	44.61
2013(12)	0.00	71.08	0.00	60.42	0.00	4.84	1.0	292.42	26.87	132.00	133.55	0.00	133.55	81.46	32.94	25.51
2014(12)	0.00	56.88	0.00	48.35	0.00	4.84	1.0	234.01	21.51	132.00	80.51	0.00	80.51	49.11	18.05	13.61
2015(12)	0.00	46.09	0.00	39.18	0.00	4.84	1.0	189.62	17.43	132.00	40.19	0.00	40.19	24.52	8.19	6.01
2016(12)	0.00	32.11	0.00	27.29	0.00	4.84	1.0	132.10	12.14	110.00	9.96	0.00	9.96	6.08	1.85	1.32
Total	0.00	3,134.62	0.00	2,664.43	---	---	---	12,772.11	1,173.76	1,584.00	10,014.35	940.86	9,073.49	5,534.83	3,949.64	3,609.50

30-5 #202A
Capital Expenses

Item	Cost
Drilling	190,811
Completion	546,929
Facilities	203,118
Total	\$ 940,858

San Juan 30-5 #202A Production Forecast



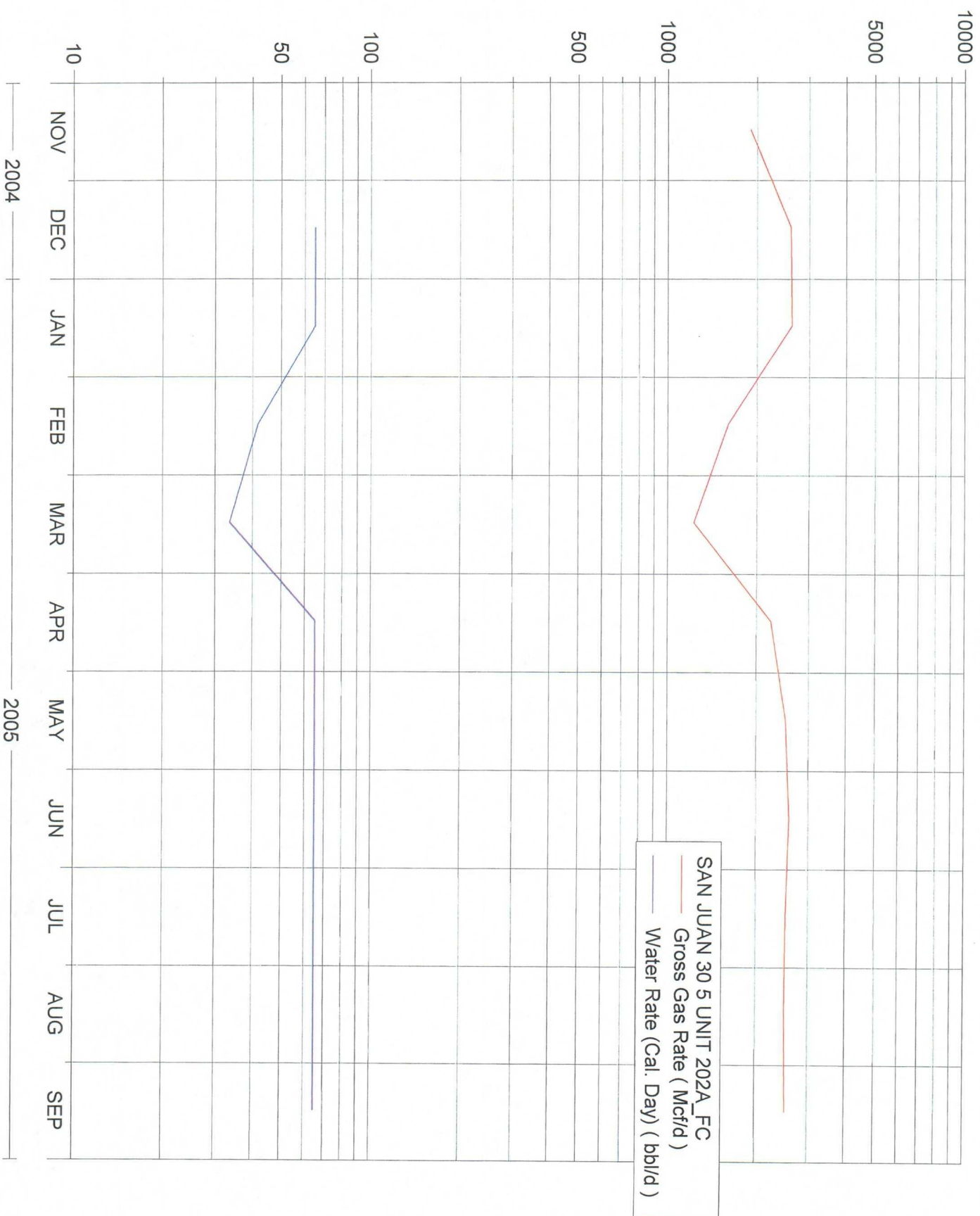
30-5 #202A Past Production and Forecast

Year	Average Daily Gas Production (MCFD)	Total Gas Production (MCF)	
2004	2,246	136,976	
2005	2,285	833,925	
2006	1,801	657,344	
2007	1,179	430,256	
2008	809	295,249	
2009	577	210,654	
2010	425	155,076	
2011	321	117,159	
2012	248	90,407	
2013	195	71,120	
2014	156	56,861	
2015	126	46,103	
2016	104	37,829	
2017	86	31,408	
2018	72	26,329	
2019	61	22,271	
2020	52	18,983	
2021	45	16,300	
2022	39	14,095	
2023	34	12,258	
2024	29	10,719	
Cumulative Production		3,291	MMCF

Actual production in BLACK

Forecast production in RED

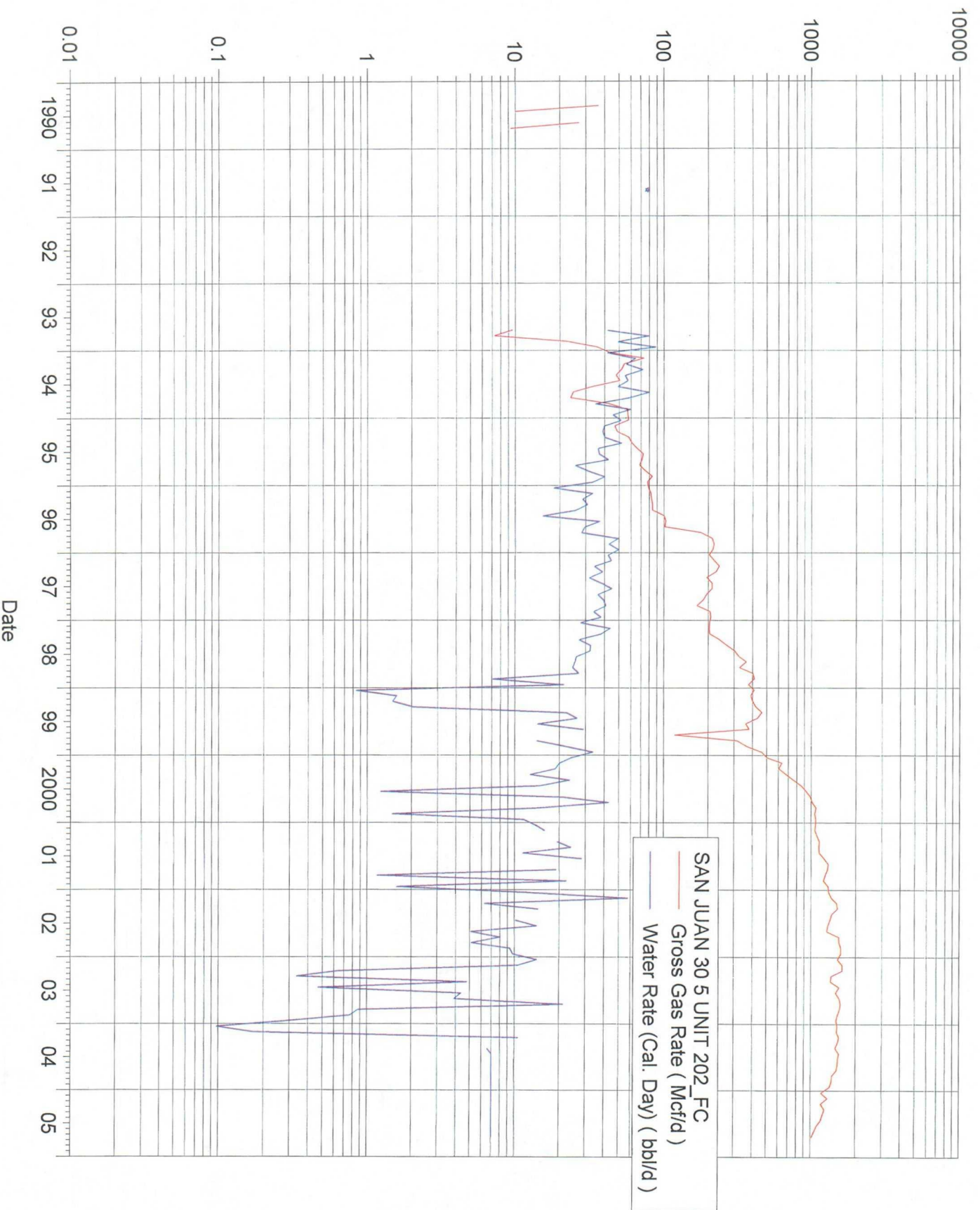
2005 -- 3/4 year actual production and 1/4 year forecasted production

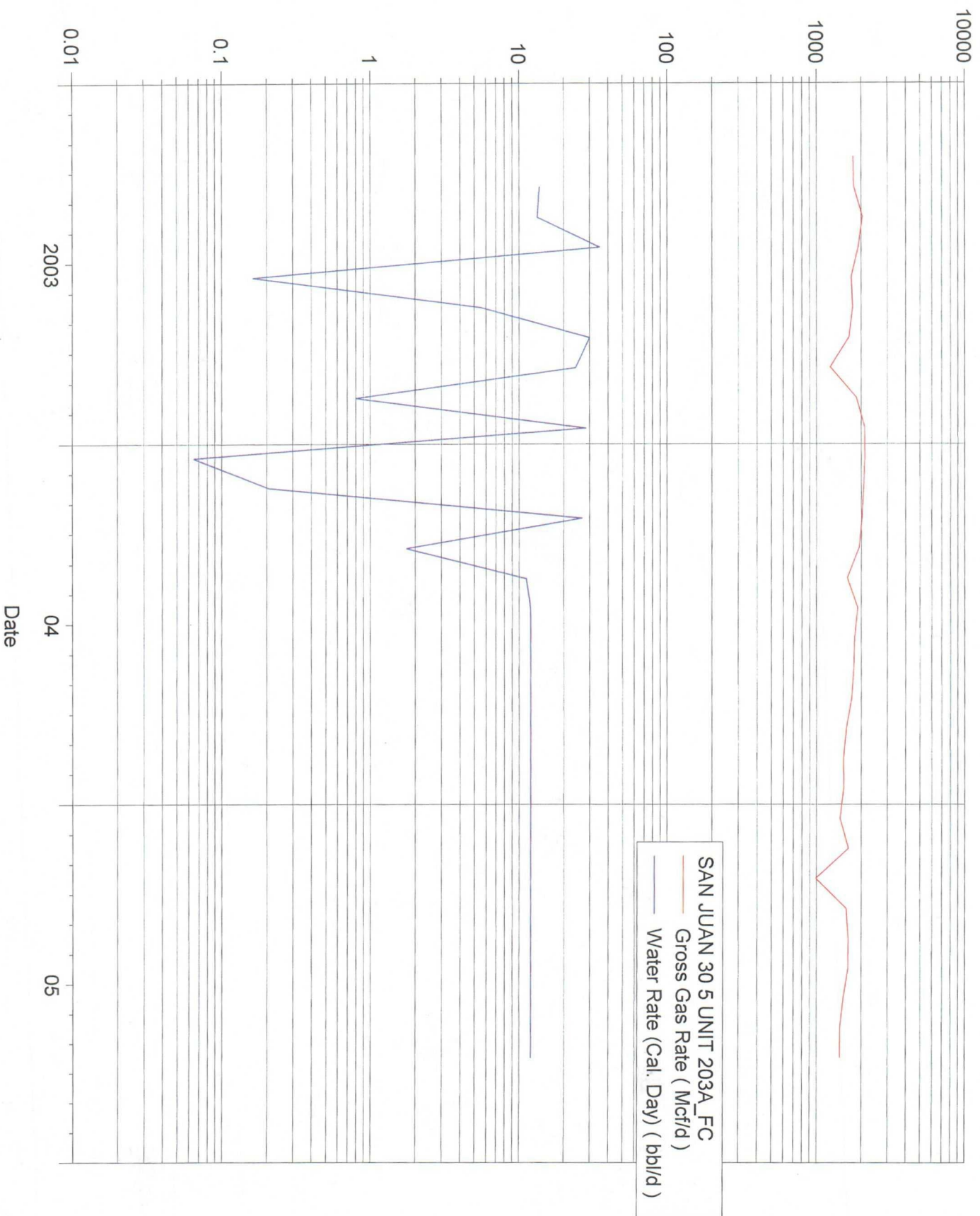


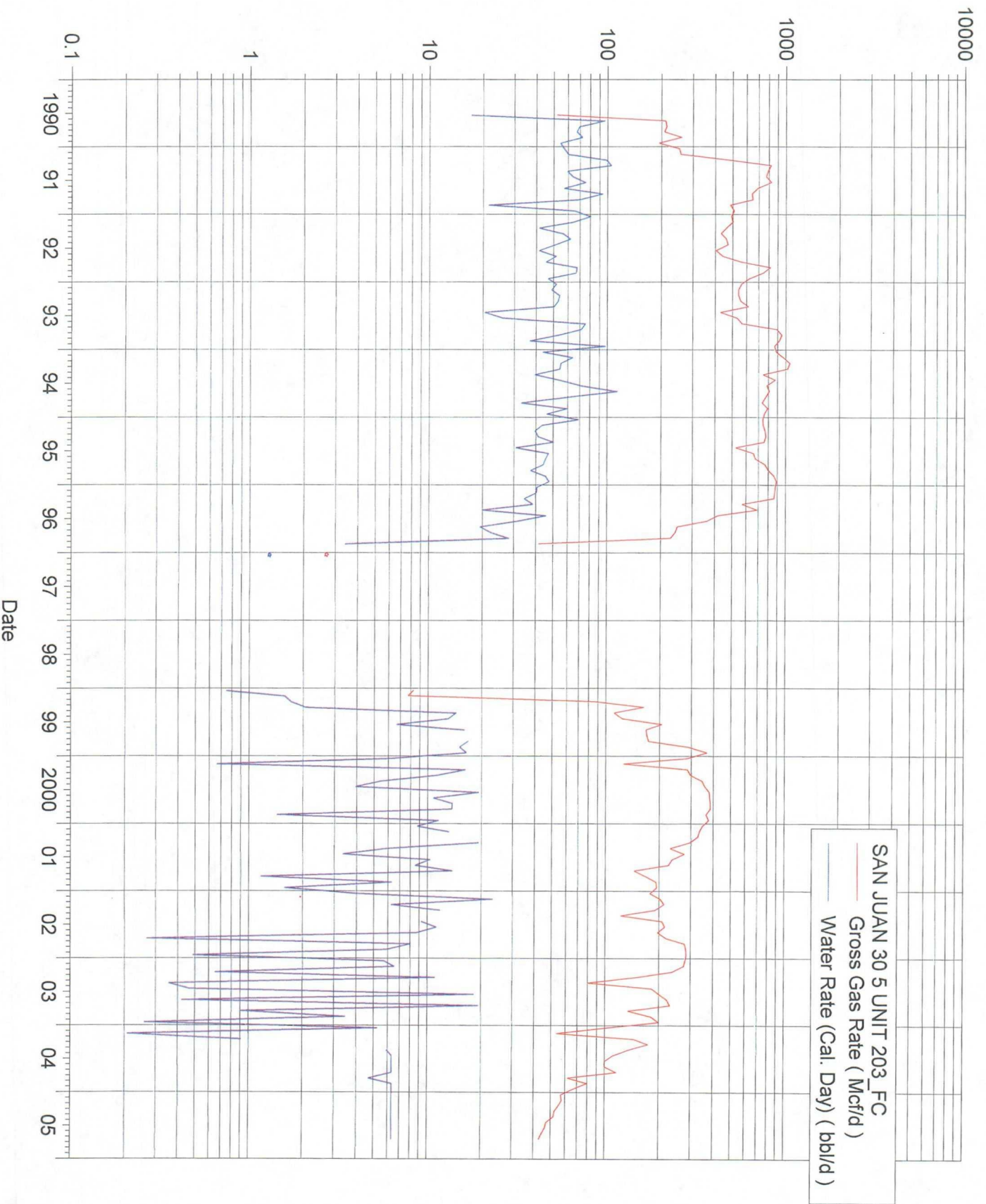
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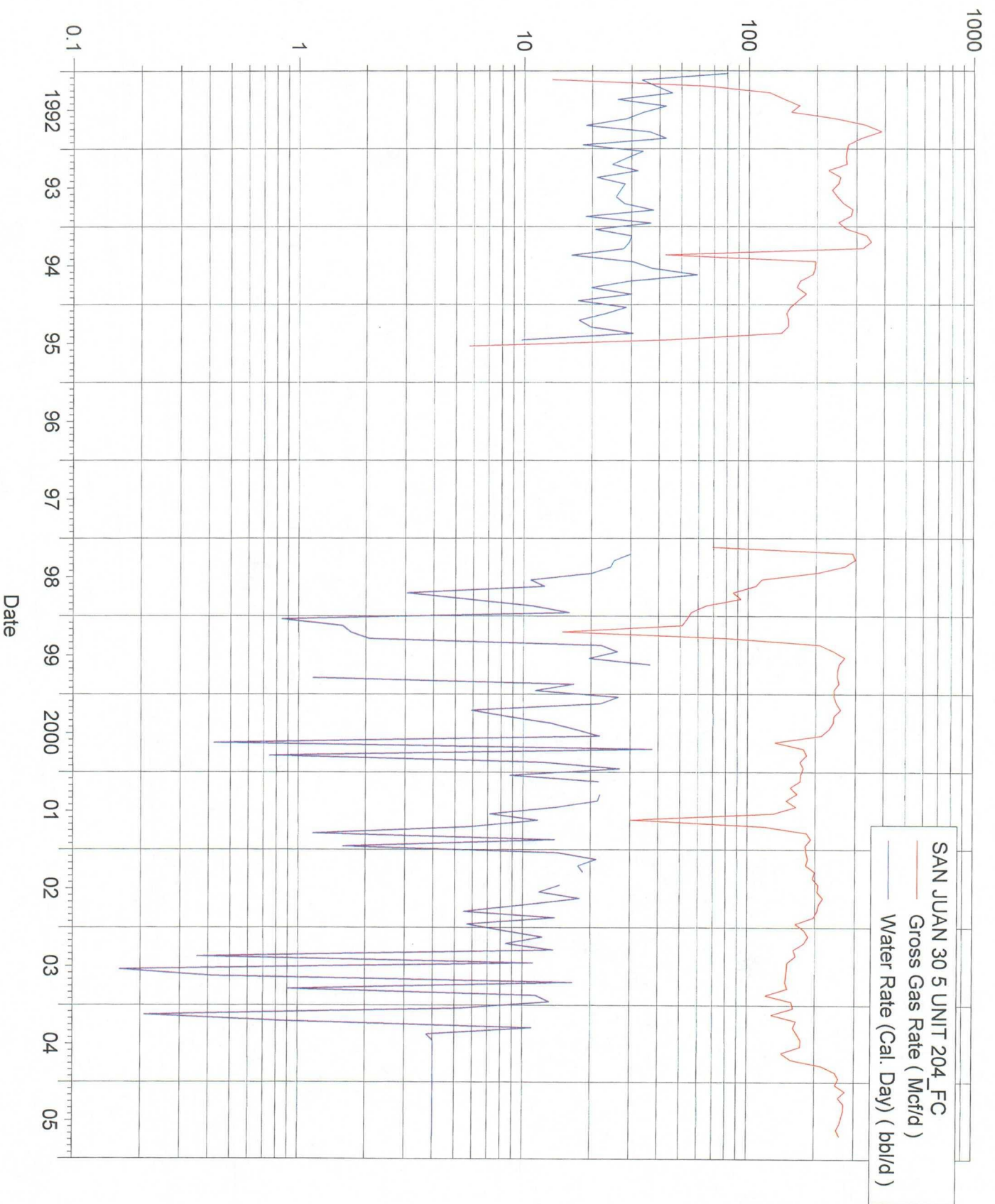
30-5 #202A Offset Wells

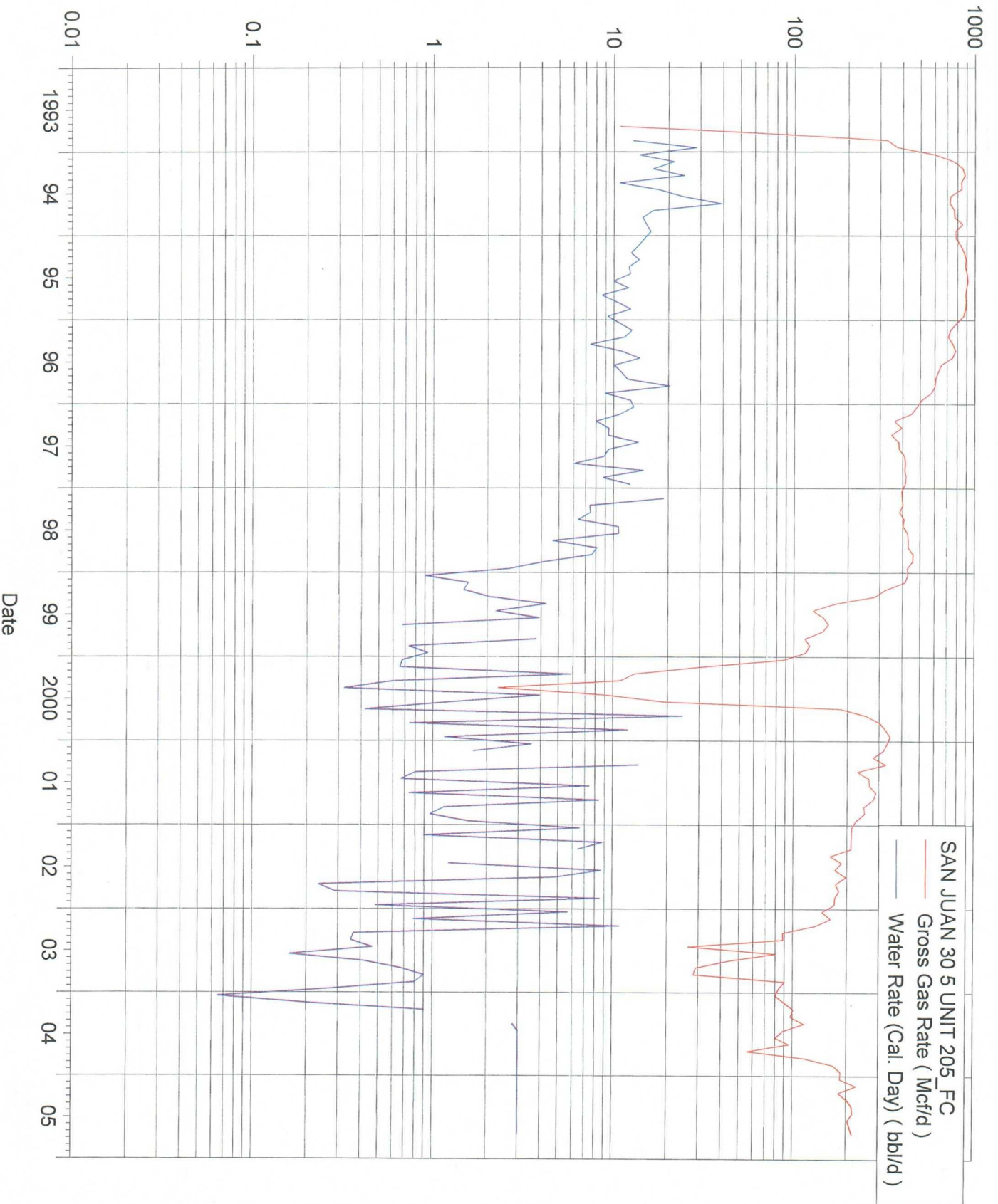
Well	Location	State	Current Gas Production	Peak Gas Production	Current Water Production	Production
San Juan 30-5 #202	NE Section 6 T30NR5W	New Mexico	1000	1650	7	Decline
San Juan 30-5 #203A	NW Section 6 T30NR5W	New Mexico	1500	2100	12	Plateau
San Juan 30-5 #203	SW Section 6 T30NR5W	New Mexico	45	1000	6	Decline
San Juan 30-5 #204	NE Section 7 T30NR5W	New Mexico	275	300	4	Plateau
San Juan 30-5 #205	SW Section 7 T30NR5W	New Mexico	200	900	3	Decline
San Juan 30-5 #214	SW Section 5 T30NR5W	New Mexico	1300	1600	17	Plateau
San Juan 30-5 #214A	NW Section 5 T30NR5W	New Mexico	750	1600	9	Decline
Average			724	1307	8	

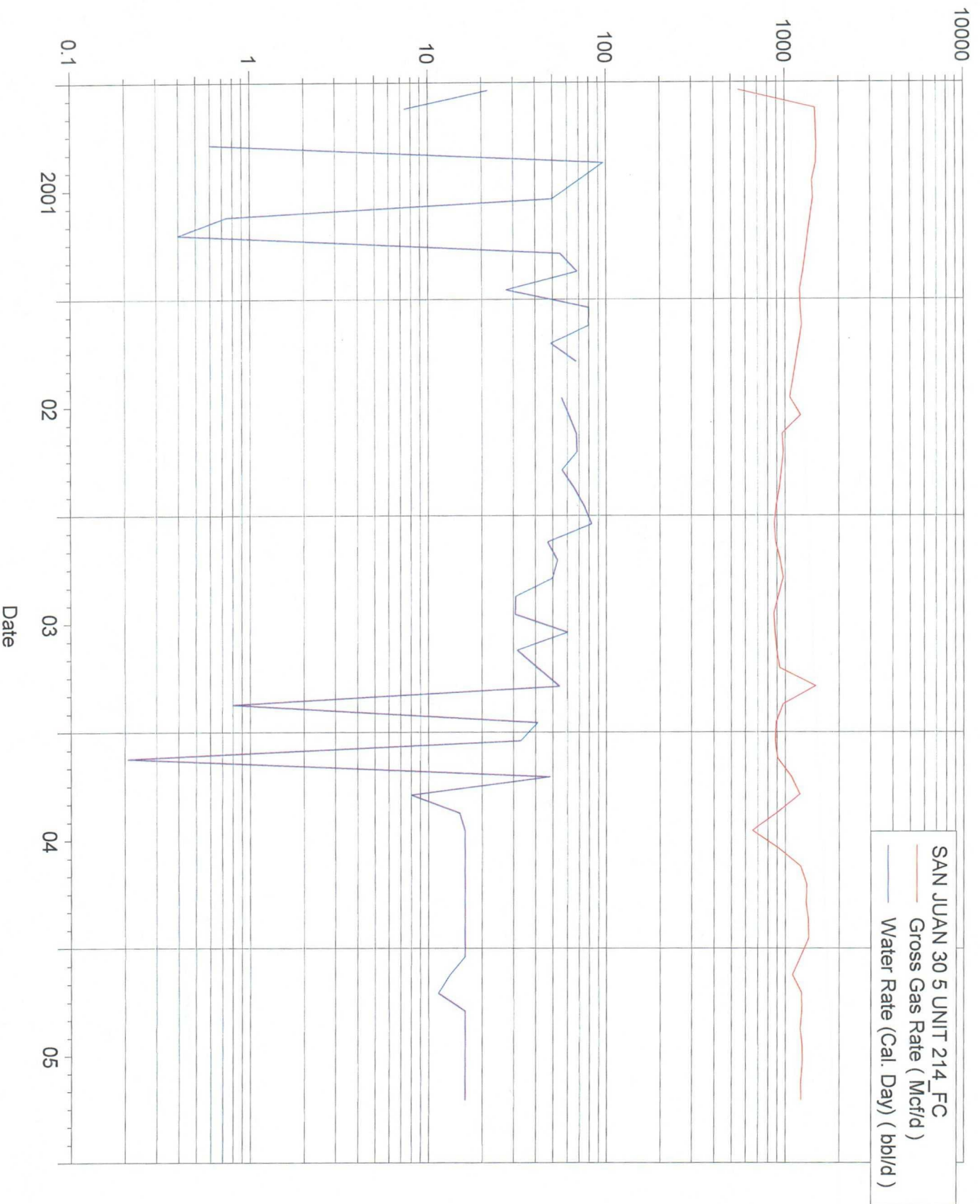




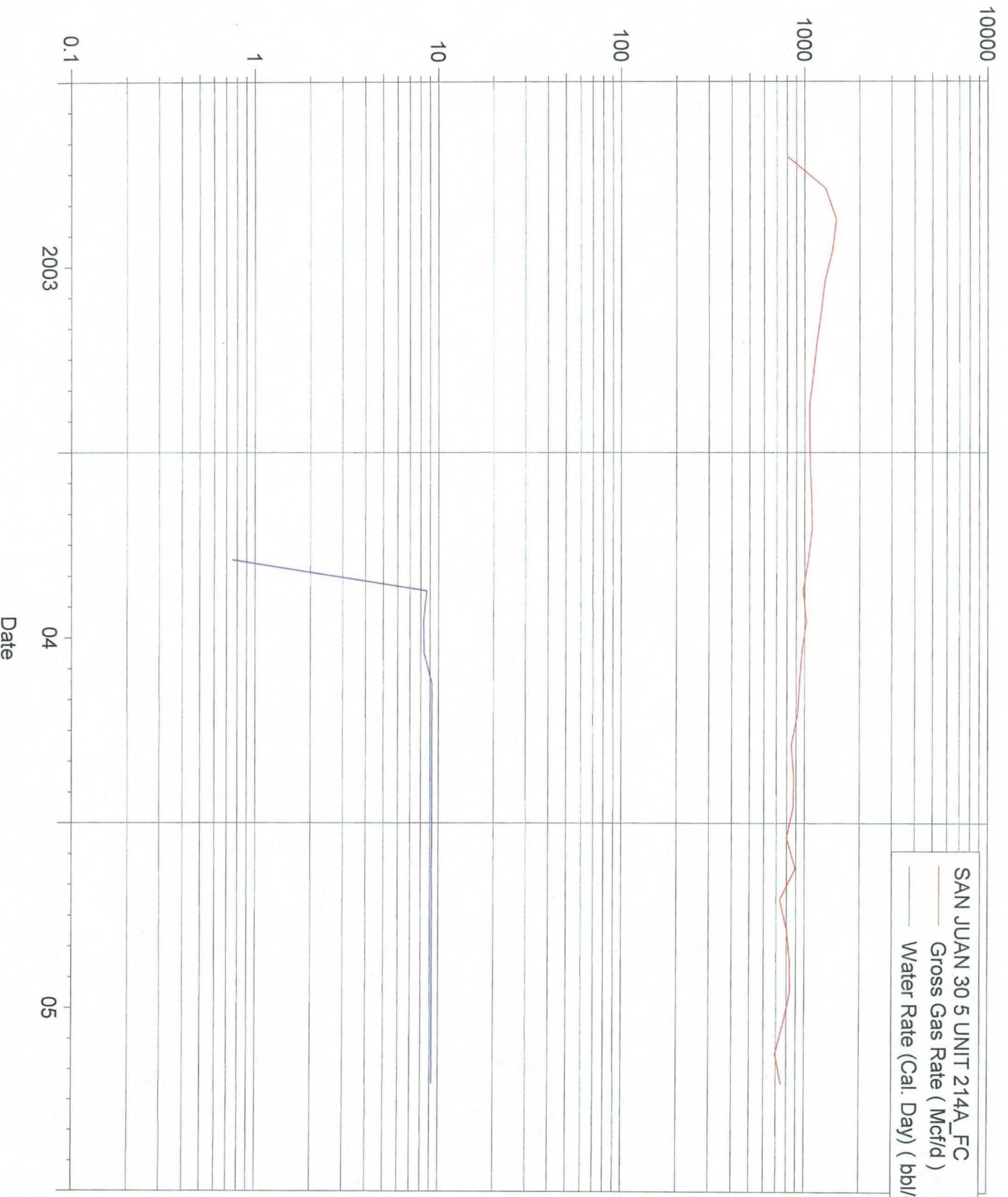








SAN JUAN 30 5 UNIT 214A_FC
Gross Gas Rate (Mcf/d)
Water Rate (Cal. Day) (bbl/d)



ConocoPhillips

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Commerciality Determination

OIL CONSERVATION
DIVISION

**SJ 30-5 Unit #215A
Fruitland Coal
SE, Sec 8, T30N, R5W
Rio Arriba County, NM
API: 30-039-27775**

This Fruitland Coal well was spud on 7/18/2004 by Williams Production Company and completed on 9/10/2004.

The actual capital investment of \$1,259,172 for open hole cavity completion of the 30-5 # 202A Fruitland coal well was used in this determination. Actual operating costs for this well are approximately \$62,000/year.

Income was based on historical San Juan Basin prices for historical production. Future production income was calculated using a gas price of \$4.84/MCF. This price was determined by assuming a flat non-escalated value of \$6.33/mmBTU, and correcting for a gas content of 899 BTU and transportation costs of \$0.40/MCF.

Recommend that this well be determined commercial.

Actual Production

Month	Avg. Daily Production
November-04	321
December-04	415
January-05	392
February-05	464
March-05	413
April-05	450
May-05	455
June-05	455
July-05	412
August-05	421
September-05	439

US Summary Report

SJ 30-5 #215A (Commerciality Determination)

Nominal

Case Description

Notes Commerciality determination for the BLM for the 30-5 #215A.

Case Parameters

Author Ashley Price
 Linked Well
 Global Parameters Default
 Model ConocoPhillips
 Oil Price File CON-PHIL Oil Price
 Gas Price File
 Oil Offset 1
 Gas Offset 1

Net Present Values (Generic)::ConocoPhillips

Disc	Inc Before	Before Tax	Before Tax	After Tax	Cash
Rate	Res & Tax	Cap. Inv	Cash Flow	Cash Flow	PI
(%)	M\$	M\$	M\$	M\$	
0.0	2,117	1,259	858	523	1.52
8.0	1,609	1,212	397	195	1.20
10.0	1,513	1,201	312	134	1.14
11.0	1,468	1,195	273	106	1.11
13.0	1,385	1,185	201	55	1.06
15.0	1,310	1,174	136	9	1.01
18.0	1,209	1,159	50	-53	0.94

Company WI

	Initial %	Final %
Working	100.0	100.0
Oil NRI	85.0	85.0
Gas NRI	85.0	85.0
Byprod. NRI	85.0	85.0
Capital	100.0	100.0

Scenarios

Oil	Base
Gas	Base
Interests	Base
Opcoats	Base
Capital	Base

Economic Indicators (Generic)::ConocoPhillips

	BTax	ATax
AARR	%	19.9
Cash Breakeven	Years	3.2
NPV @ 13%	M\$	201
13% PI (cash)	M\$/M\$	1.06
13% PI (capital)	M\$/M\$	1.05
NPV @ 10%	M\$	312
10% PI (cash)	M\$/M\$	1.14
10% PI (capital)	M\$/M\$	1.11
Dev Cost/BOE	\$/BOE	11.74
Economic Limit Date		2016/02
Last Scheduled Prod Date		2025/09
Date of first production		2004/12
Date of first investment		2004/07
Discount Date		2004/07
ROR	20	15

Products Recovery (US)::ConocoPhillips

	Gross	Gross Economic	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	883	757	114	643
Gas-Sales	MMSCF	883	757	114	643
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLI	0	0	0	0
Other	MSTB	0	0	0	0

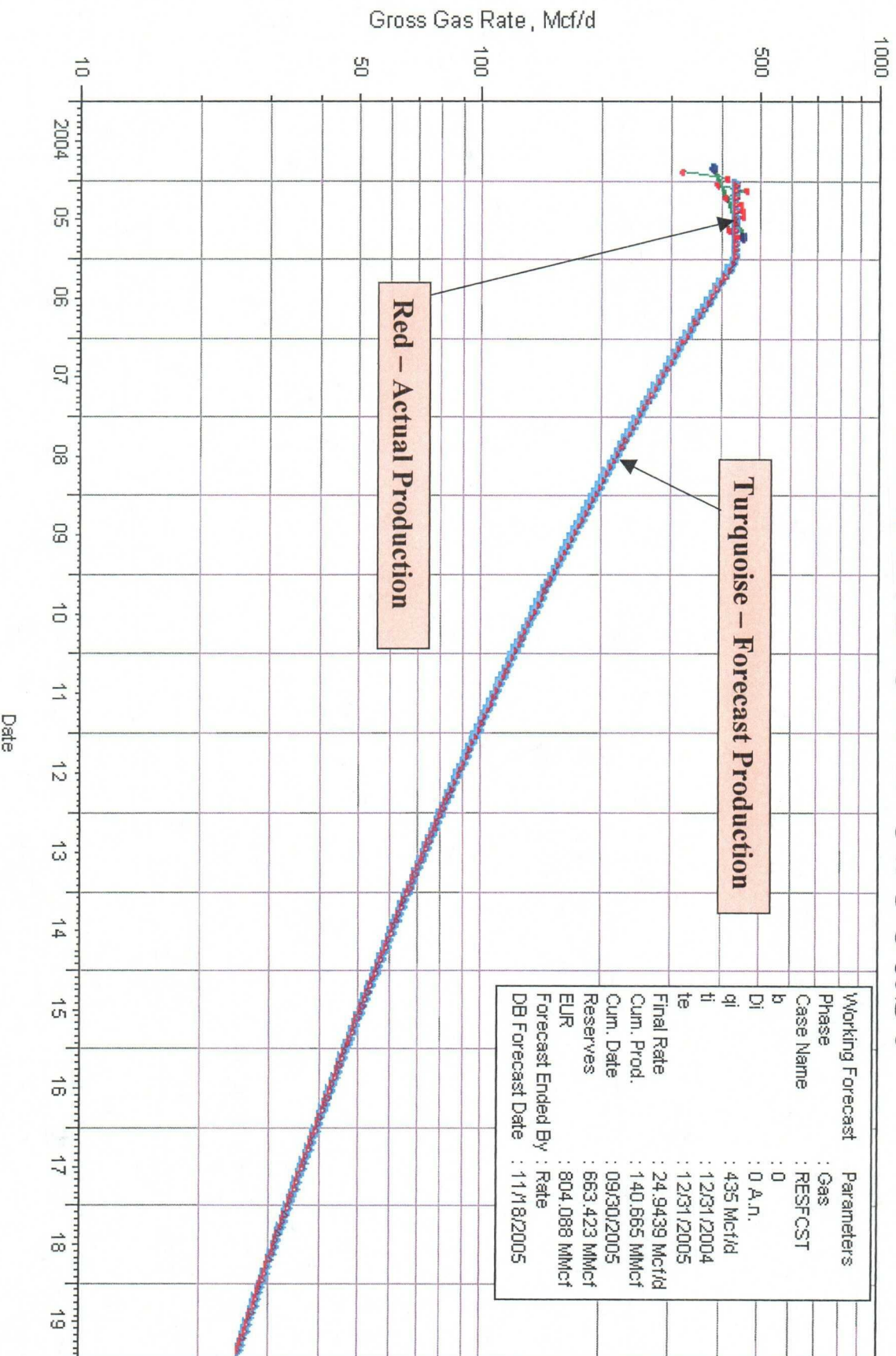
RESERVES AND ECONOMIC'S PRODUCTION & REVENUE SUMMARY

Date	Gross Oil/Cond Volume	Gross Gas Volume	NRI Oil	NRI Gas Sales	Oil Price	Gas Price	Gross # of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcoats	Income Before Reserves & Taxes	Total Capital	BTAX Cash Flow	ATAX Cash Flow	ATAX Cash Flow Disc. 10%	ATAX Cash Flow Disc 13%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/mcf		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2004(12)	0.00	9.95	0.00	8.46	0.00	0.63	1.0	31.97	2.94	10.20	18.83	1,259.17	-1,240.34	-1,004.53	-957.78	-944.98
2005(12)	0.00	157.87	0.00	134.19	0.00	4.84	1.0	649.46	59.69	62.00	527.78	0.00	527.78	387.55	335.92	322.63
2006(12)	0.00	140.83	0.00	119.70	0.00	4.84	1.0	579.36	53.24	62.00	464.12	0.00	464.12	334.97	263.95	246.78
2007(12)	0.00	106.49	0.00	90.51	0.00	4.84	1.0	438.09	40.26	62.00	335.83	0.00	335.83	246.90	176.87	160.97
2008(12)	0.00	82.08	0.00	69.77	0.00	4.84	1.0	337.69	31.03	62.00	244.66	0.00	244.66	184.27	120.00	106.32
2009(12)	0.00	63.93	0.00	54.34	0.00	4.84	1.0	263.02	24.17	62.00	176.85	0.00	176.85	134.96	79.90	68.91
2010(12)	0.00	50.68	0.00	43.08	0.00	4.84	1.0	208.50	19.16	62.00	127.34	0.00	127.34	95.21	51.24	43.02
2011(12)	0.00	40.71	0.00	34.60	0.00	4.84	1.0	167.47	15.39	62.00	90.08	0.00	90.08	63.72	31.17	25.48
2012(12)	0.00	33.15	0.00	28.17	0.00	4.84	1.0	136.36	12.53	62.00	61.83	0.00	61.83	37.71	16.78	13.35
2013(12)	0.00	27.12	0.00	23.05	0.00	4.84	1.0	111.57	10.25	62.00	39.32	0.00	39.32	23.98	9.70	7.51
2014(12)	0.00	22.47	0.00	19.10	0.00	4.84	1.0	92.44	8.50	62.00	21.94	0.00	21.94	13.38	4.92	3.71
2015(12)	0.00	18.79	0.00	15.97	0.00	4.84	1.0	77.30	7.10	62.00	8.20	0.00	8.20	5.00	1.67	1.23
2016(12)	0.00	2.79	0.00	2.37	0.00	4.84	1.0	11.48	1.06	10.16	0.26	0.00	0.26	0.16	0.05	0.03
Total	0.00	756.85	0.00	643.32	—	—	—	3,104.71	285.32	702.36	2,117.02	1,259.17	857.85	523.29	134.39	54.95

30-5 #215A
Capital Expenses

Item	Cost
Drilling	621,808
Completion	388,569
Facilities	248,795
Total	\$ 1,259,172

San Juan 30-5 #215A Production Forecast



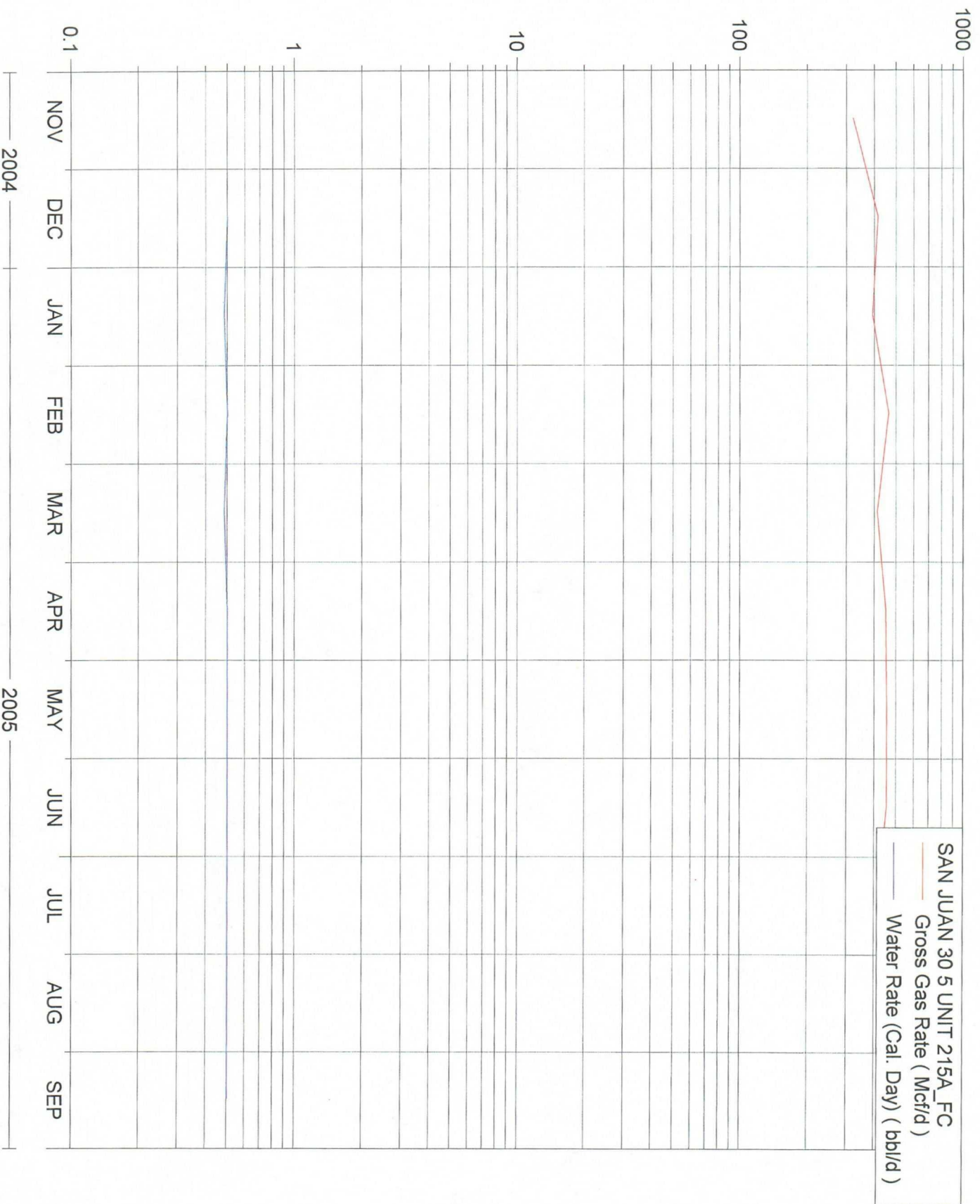
30-5 #215A Past Production and Forecast

Year	Average Daily Gas Production (MCFD)	Total Gas Production (MCF)
2004	368	22,448
2005	434	158,349
2006	377	137,736
2007	285	104,138
2008	220	80,142
2009	172	62,713
2010	136	49,768
2011	110	40,004
2012	89	32,506
2013	73	26,700
2014	61	22,137
2015	51	18,502
2016	43	15,579
2017	36	13,213
2018	31	11,285
2019	27	9,752
Cumulative Production		805 MMCF

Actual production in BLACK

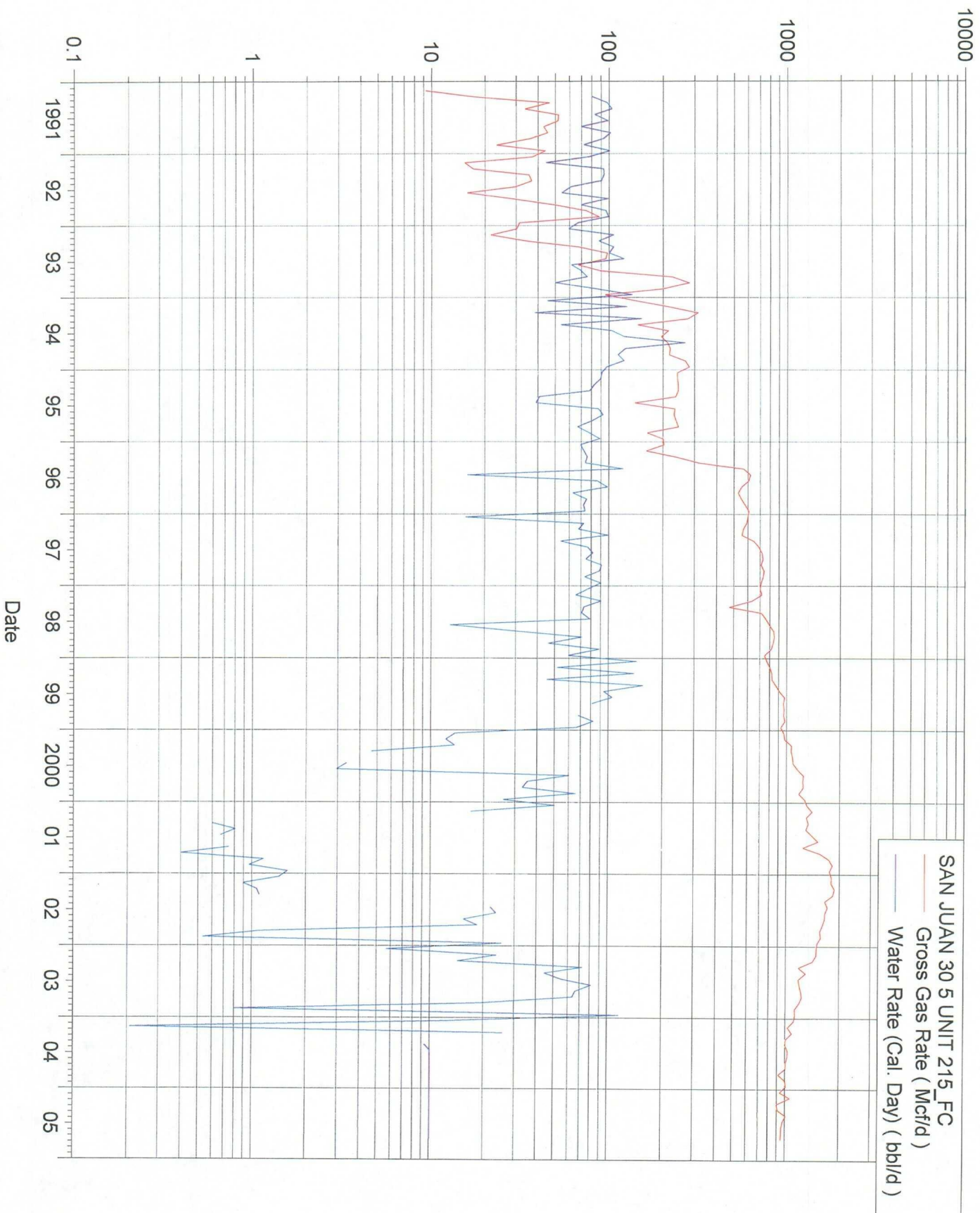
Forecast production in RED

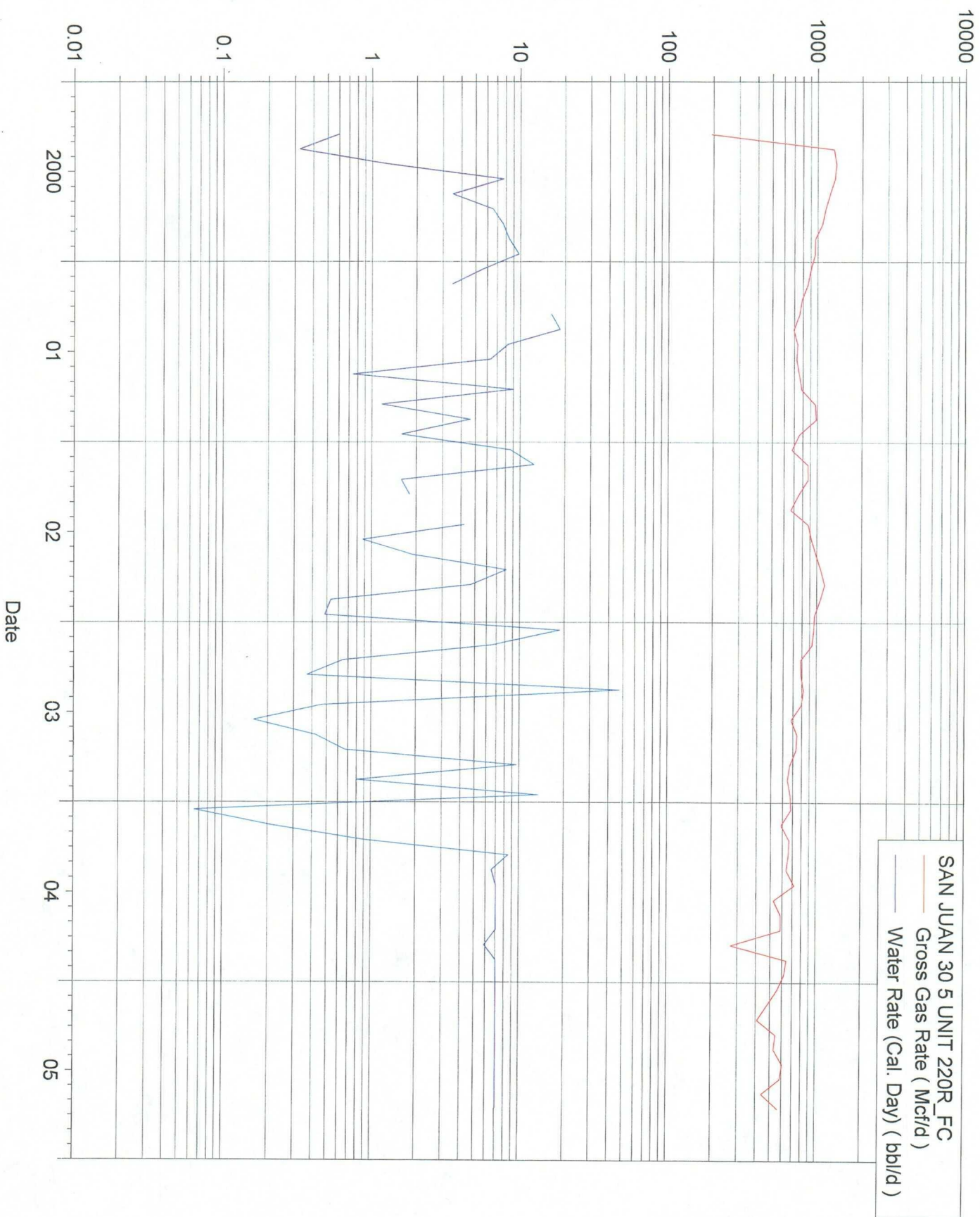
2005 -- 3/4 year actual production and 1/4 year forecasted production

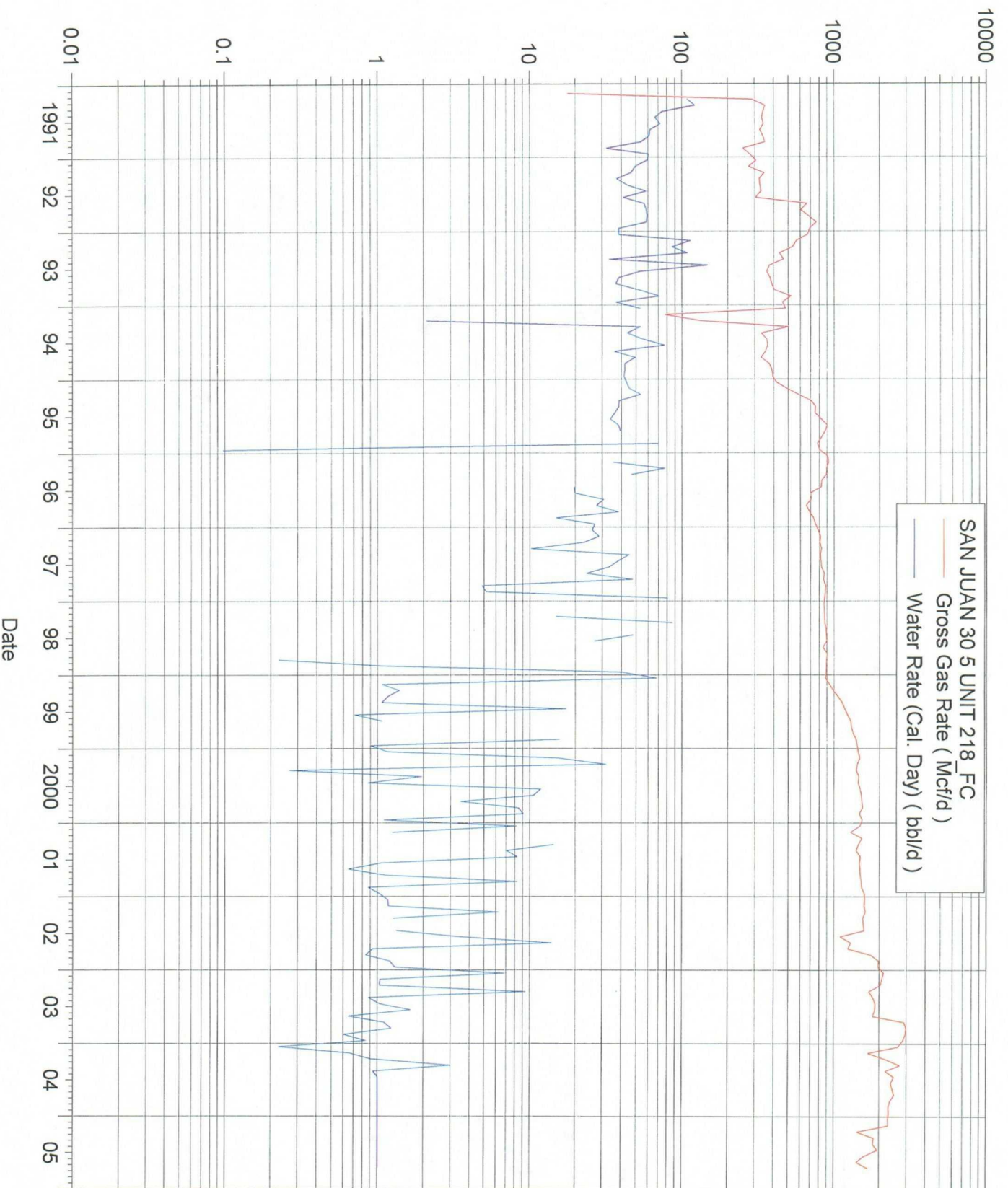


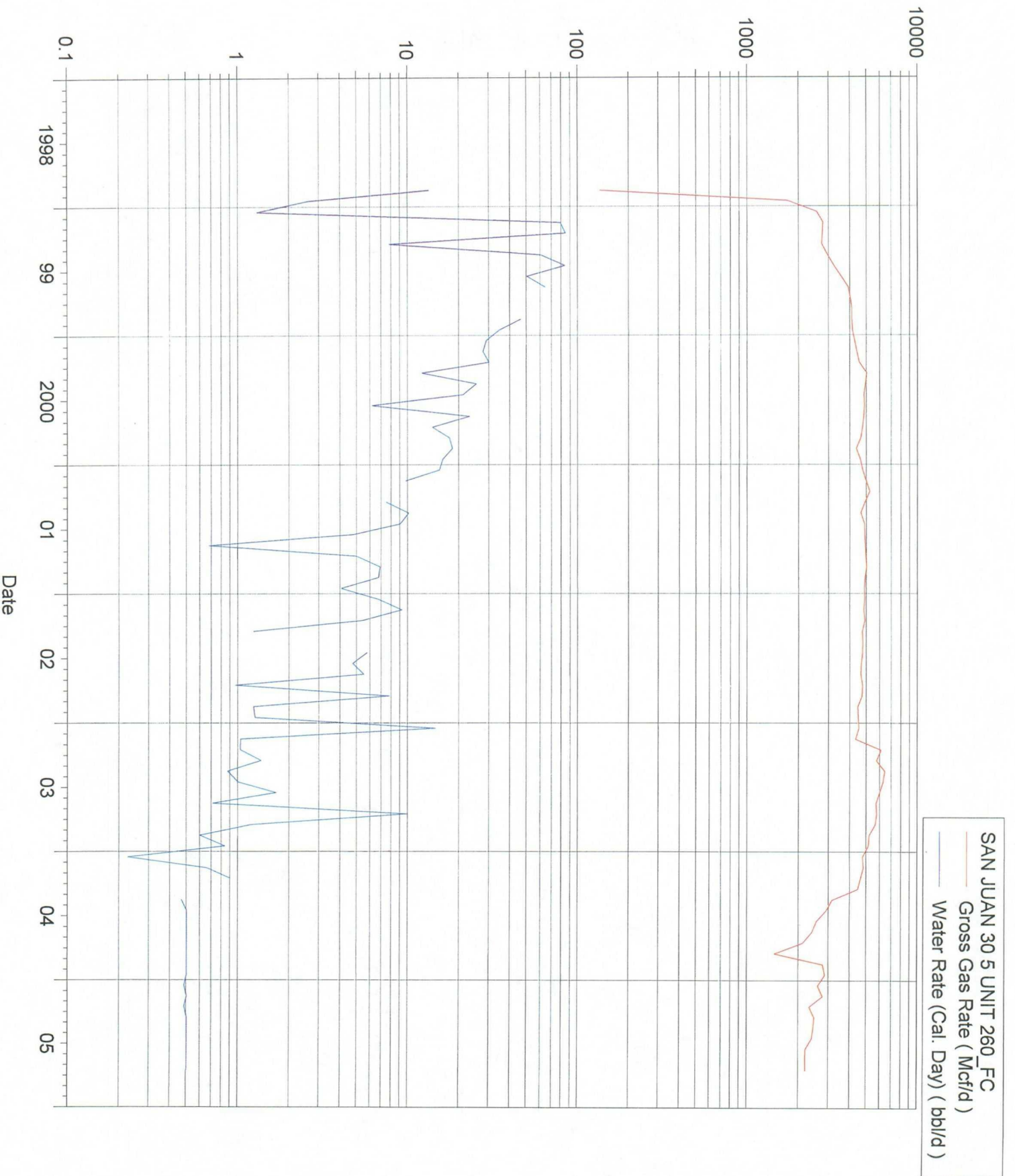
30-5 #215A Offset Wells

Well	Location	State	Current Gas Production	Peak Gas Production	Current Water Production	Production
San Juan 30-5 #215	NE Section 8 T30NR5W	New Mexico	950	1900	10	Decline
San Juan 30-5 #220R	SW Section 8 T30NR5W	New Mexico	550	1500	7	Decline
San Juan 30-5 #218	NE Section 17 T30NR5W	New Mexico	1700	3000	1	Decline
San Juan 30-5 #260	SW Section 9 T30NR5W	New Mexico	2200	6500	0.5	Decline
San Juan 30-5 #219A	NW Section 16 T30NR5W	New Mexico	850	850	16	Plateau
San Juan 30-5 #260A	NW Section 9 T30NR5W	New Mexico	2000	2500	0.5	Plateau
Average			1375	2708	6	

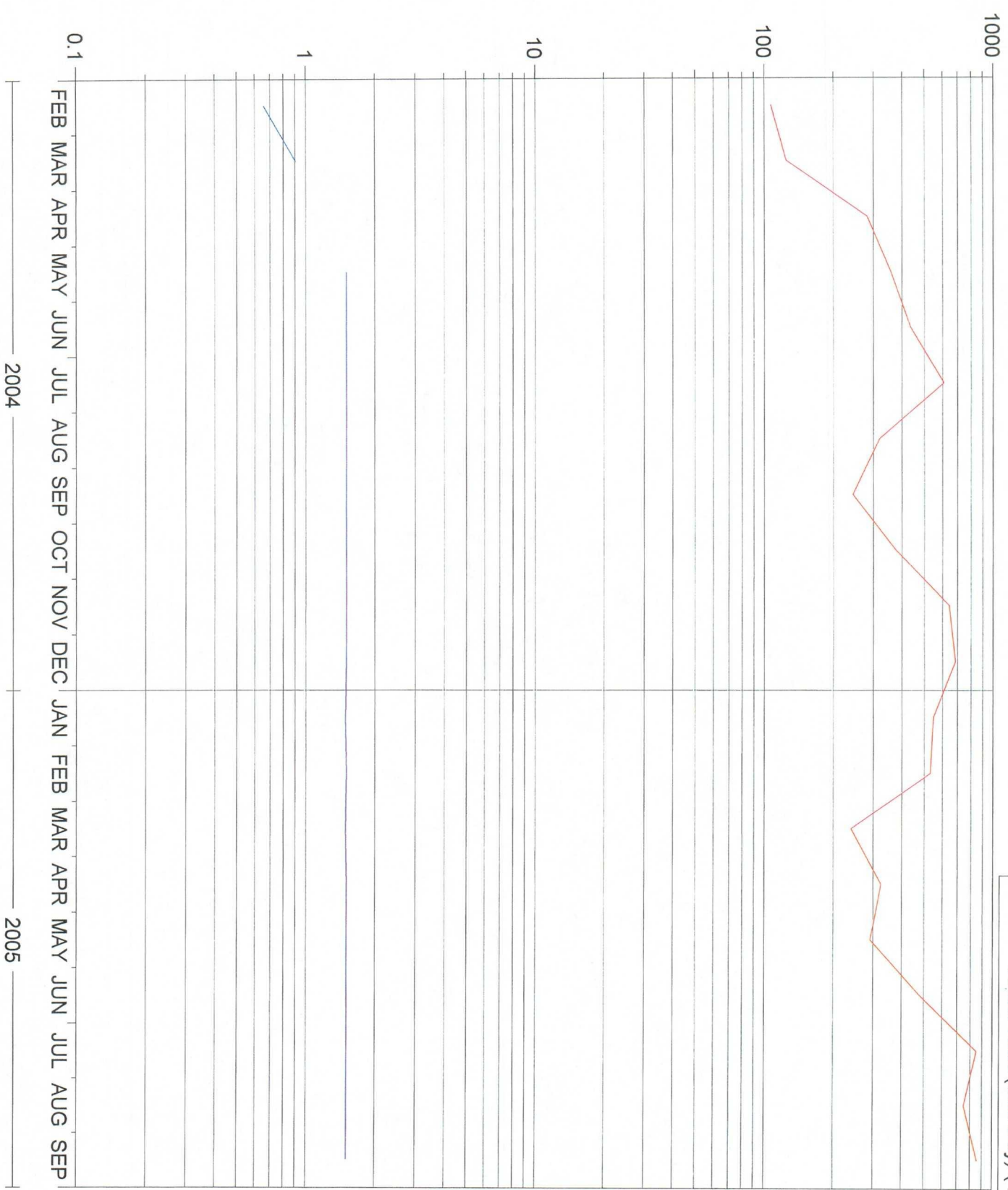


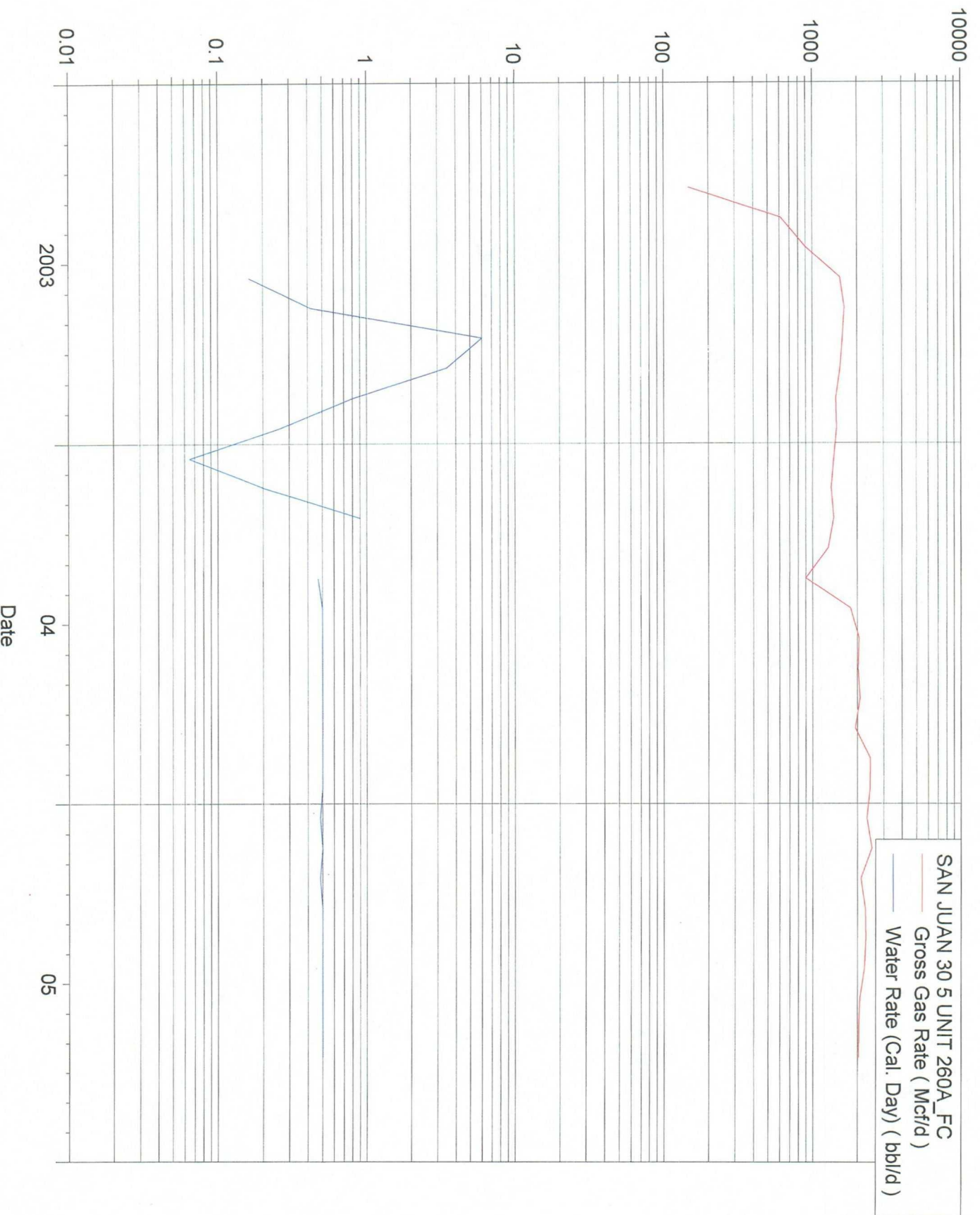






SAN JUAN 30 5 UNIT 219A_FC
Gross Gas Rate (Mcf/d)
Water Rate (Cal. Day) (bbl/d)







Commerciality Determination

**SJ 30-5 Unit #237A
Fruitland Coal
SE, Sec 16, T30N, R5W
Rio Arriba County, NM
API: 30-039-27488**

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This Fruitland Coal well was spud on 10/30/2003 by ConocoPhillips and completed on 12/7/2003.

The actual capital investment of \$643,621 for open hole cavity completion of the 30-5 # 237A Fruitland coal well was used in this determination. Actual operating costs for this well are \$35,000/year.

Income was based on historical San Juan Basin prices for historical production. Future production income was calculated using a gas price of \$4.55/MCF. This price was determined by assuming a flat non-escalated value of \$6.33/mmBTU, and correcting for a gas content of 850 BTU and transportation costs of \$0.40/MCF.

Current reservoir pressure for this well is 230 psi.

Recommend that this well be determined commercial.

Actual Production

Month	Avg. Daily Production
September-04	743
October-04	756
November-04	754
December-04	756
January-05	665
February-05	761
March-05	470
April-05	648
May-05	523
June-05	632
July-05	916
August-05	768
September-05	935

US Summary Report

SJ 30-5 #237A (Commerciality Determination)

Nominal

Case Description

Notes Commerciality determination for BLM for 30-5 #237A.

Case Parameters

Author Ashley Price
 Linked Well
 Global Parameters Default
 Model ConocoPhillips
 Oil Price File CON-PHIL Oil Price
 Gas Price File
 Oil Offset 1
 Gas Offset 1

Net Present Values (Generic)::ConocoPhillips

Disc	inc Before	Before Tax	Before Tax	After Tax	Cash
Rate	Res & Tax	Cap. Inv	Cash Flow	Cash Flow	PI
(%)	M\$	M\$	M\$	M\$	
0.0	4,571	644	3,927	2,395	5.69
8.0	3,361	619	2,742	1,849	4.36
10.0	3,139	614	2,525	1,512	4.11
11.0	3,036	611	2,425	1,449	3.99
13.0	2,847	605	2,241	1,333	3.78
15.0	2,676	600	2,076	1,228	3.58
18.0	2,449	593	1,856	1,090	3.32

Company WI

	Initial %	Final %
Working	100.0	100.0
Oil NRI	85.0	85.0
Gas NRI	85.0	85.0
Byprod. NRI	85.0	85.0
Capital	100.0	100.0

Scenarios

Oil	Base
Gas	Base
Interests	Base
Opcosts	Base
Capital	Base

Economic Indicators (Generic)::ConocoPhillips

	AARR	%	BTax	ATax
Cash Breakeven	Years	1.0	132.5	103.1
NPV @ 13%	M\$	2,241	1,333	
13% PI (cash)	M\$/M\$		3.78	
13% PI (capital)	M\$/M\$		3.20	
NPV @ 10%	M\$	2,525	1,512	
10% PI (cash)	M\$/M\$		4.11	
10% PI (capital)	M\$/M\$		3.46	
Dev Cost/BOE	\$/BOE	3.04		
Economic Limit Date		2017/12		
Last Scheduled Prod Date		2022/09		
Date of first production		2003/12		
Date of first investment		2003/10		
Discount Date		2003/01		
ROR		133	103	

Products Recovery (US)::ConocoPhillips

		Gross	Gross Economic	WI	Roy	Net
Oil	MSTB	0	0	0	0	0
Gas-Raw	MMSCF	1,526	1,496	1,496	224	1,272
Gas-Sales	MMSCF	1,526	1,496	1,496	224	1,272
Ethane	MSTB	0	0	0	0	0
Propane	MSTB	0	0	0	0	0
Butane	MSTB	0	0	0	0	0
Cond.	MSTB	0	0	0	0	0
Sulphur	MLt	0	0	0	0	0
Other	MSTB	0	0	0	0	0

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

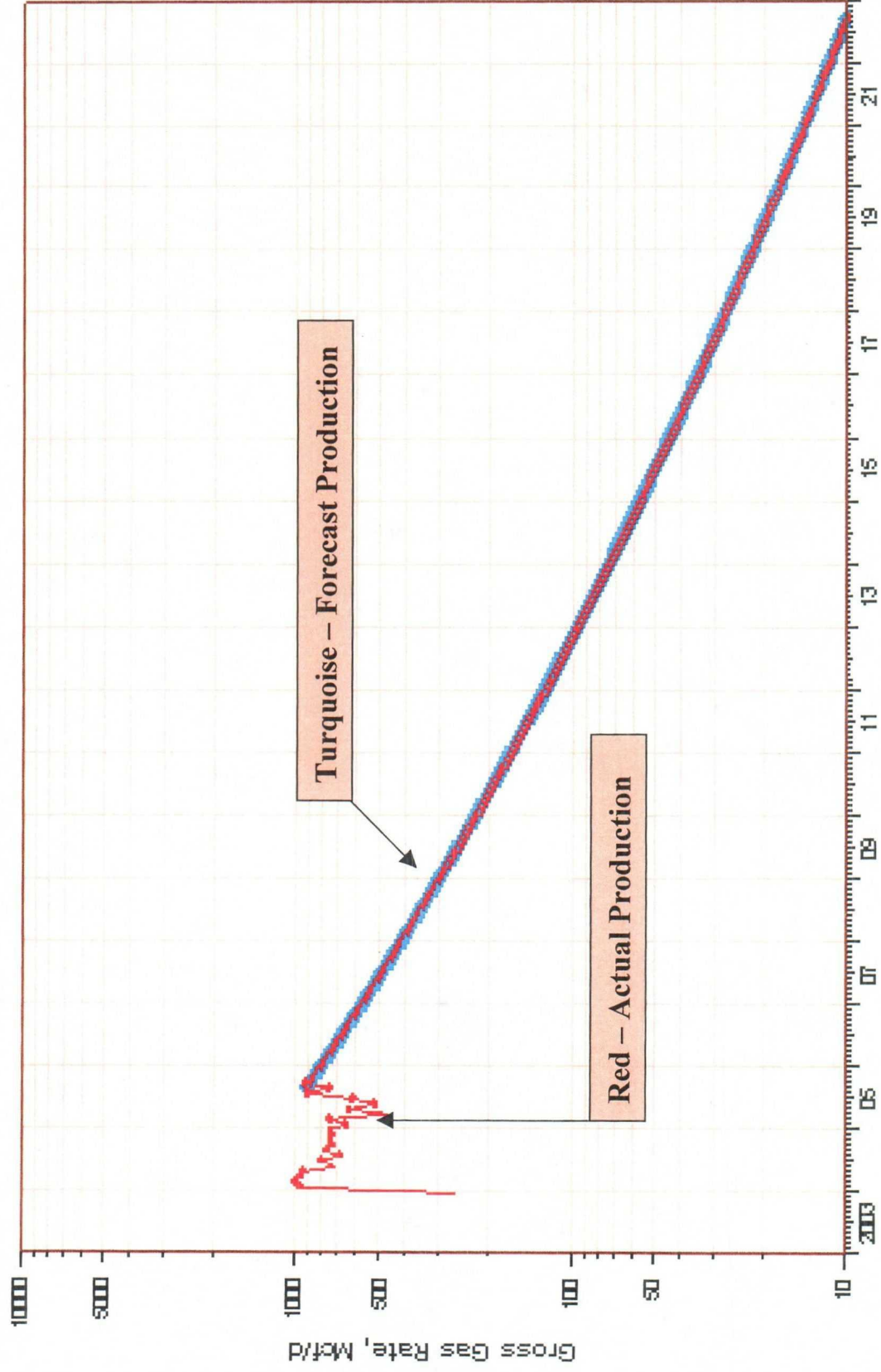
Date	Gross Oil/Cond Volume	Gross Gas Volume	NRI Oil	NRI Gas Sales	Oil Price	Gas Price	Gross # of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Income Before Reserves & Taxes	Total Capital	BTAX Cash Flow	ATAX Cash Flow	ATAX Cash Flow Disc. 10%	ATAX Cash Flow Disc 13%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/mcf		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2003(12)	0.00	8.06	0.00	6.85	0.00	1.10	1.0	22.54	2.07	5.93	14.54	643.62	-629.08	-510.47	-486.71	-480.21
2004(12)	0.00	302.52	0.00	257.14	0.00	3.78	1.0	972.00	89.33	35.00	847.68	0.00	847.68	550.62	477.27	458.39
2005(12)	0.00	269.35	0.00	228.94	0.00	4.55	1.0	1,041.70	95.73	35.00	910.96	0.00	910.96	582.20	458.76	428.92
2006(12)	0.00	250.26	0.00	212.72	0.00	4.55	1.0	967.89	88.95	35.00	843.94	0.00	843.94	536.29	384.17	349.65
2007(12)	0.00	178.84	0.00	152.02	0.00	4.55	1.0	691.57	63.56	35.00	593.11	0.00	593.11	379.70	247.27	219.07
2008(12)	0.00	129.91	0.00	110.43	0.00	4.55	1.0	502.44	46.17	35.00	421.27	0.00	421.27	270.81	160.33	138.27
2009(12)	0.00	94.99	0.00	80.74	0.00	4.55	1.0	367.37	33.76	35.00	298.61	0.00	298.61	191.11	102.86	86.35
2010(12)	0.00	70.52	0.00	59.94	0.00	4.55	1.0	272.74	25.06	35.00	212.68	0.00	212.68	134.21	65.67	53.67
2011(12)	0.00	52.86	0.00	44.93	0.00	4.55	1.0	204.44	18.79	35.00	150.65	0.00	150.65	91.90	40.88	32.52
2012(12)	0.00	40.19	0.00	34.16	0.00	4.55	1.0	155.42	14.28	35.00	106.14	0.00	106.14	64.75	26.18	20.28
2013(12)	0.00	30.61	0.00	26.02	0.00	4.55	1.0	118.40	10.88	35.00	72.52	0.00	72.52	44.23	16.26	12.26
2014(12)	0.00	23.68	0.00	20.13	0.00	4.55	1.0	91.59	8.42	35.00	48.18	0.00	48.18	29.39	9.82	7.21
2015(12)	0.00	18.42	0.00	15.66	0.00	4.55	1.0	71.25	6.55	35.00	29.70	0.00	29.70	18.12	5.50	3.93
2016(12)	0.00	14.42	0.00	12.26	0.00	4.55	1.0	55.78	5.13	35.00	15.65	0.00	15.65	9.55	2.64	1.83
2017(12)	0.00	11.40	0.00	9.69	0.00	4.55	1.0	44.09	4.05	35.00	5.04	0.00	5.04	3.07	0.77	0.52
Total	0.00	1,496.05	0.00	1,271.64	—	—	—	5,579.32	512.74	495.93	4,570.65	643.62	3,927.03	2,395.49	1,511.67	1,332.66

30-5 #237A
Capital Expenses

Item	Cost
Drilling	167,964
Completion	316,079
Facilities	159,578
Total	\$ 643,621

San Juan 30-5 #237A

Production Forecast



30-5 #237A Past Production and Forecast

Year	Average Daily Gas Production (MCFD)	Total Gas Production (MCF)	
2003	260	8,100	
2004	827	302,007	
2005	738	269,516	
2006	686	250,402	
2007	490	178,969	
2008	355	129,560	
2009	260	95,037	
2010	193	70,524	
2011	145	52,913	
2012	110	40,059	
2013	84	30,633	
2014	65	23,637	
2015	50	18,381	
2016	39	14,402	
2017	31	11,370	
2018	25	9,037	
2019	20	7,227	
2020	16	5,810	
2021	13	4,705	
Cumulative Production		1,522	MMCF

Actual production in BLACK

Forecast production in RED

2005 -- 3/4 year actual production and 1/4 year forecasted production

10000

SAN JUAN 30 5 UNIT 237A_FC

Gross Gas Rate (Mcf/d)

Water Rate (Cal. Day) (bbl/d)

1000

100

10

1

0.1

DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP

2003

2004

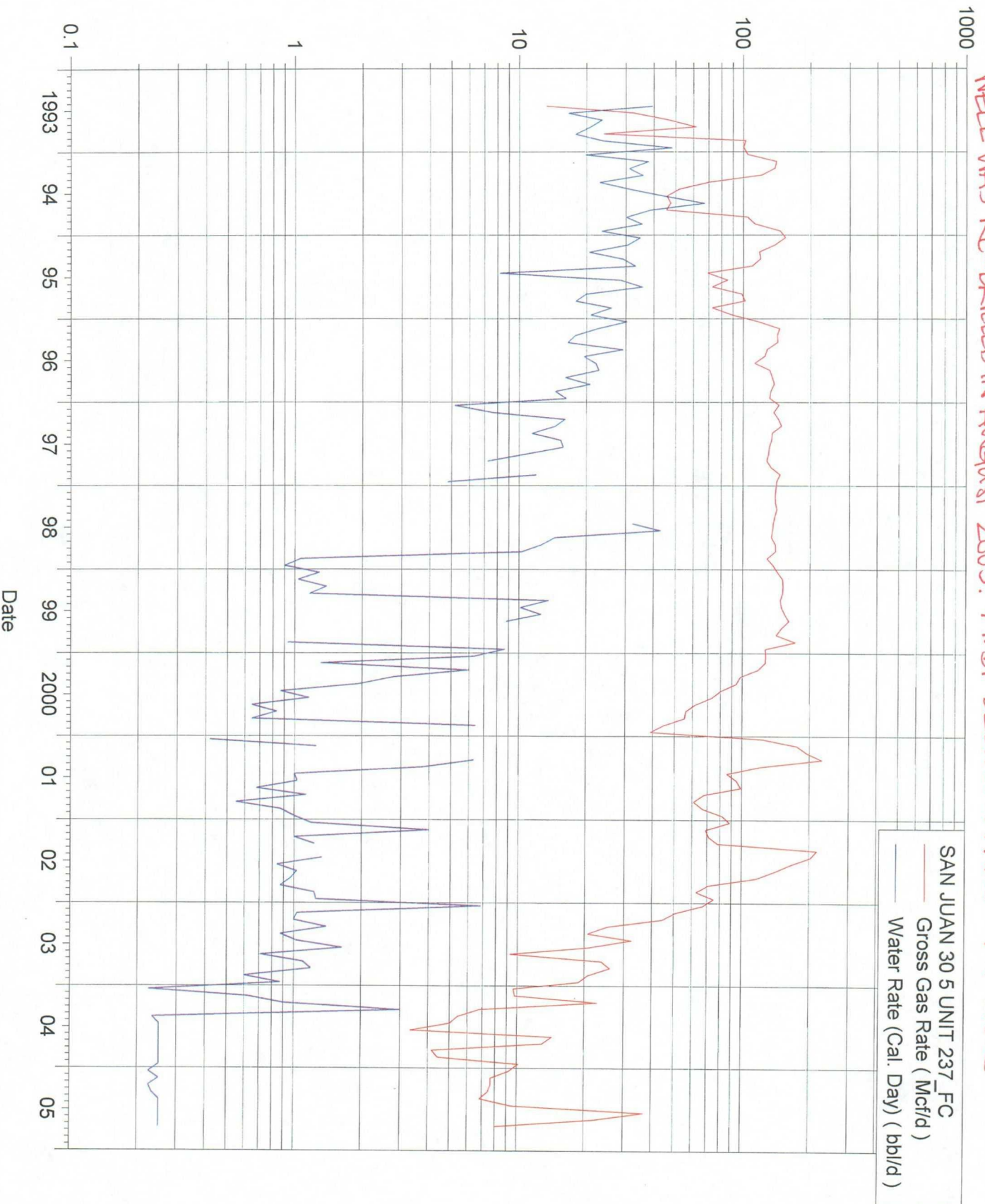
2005

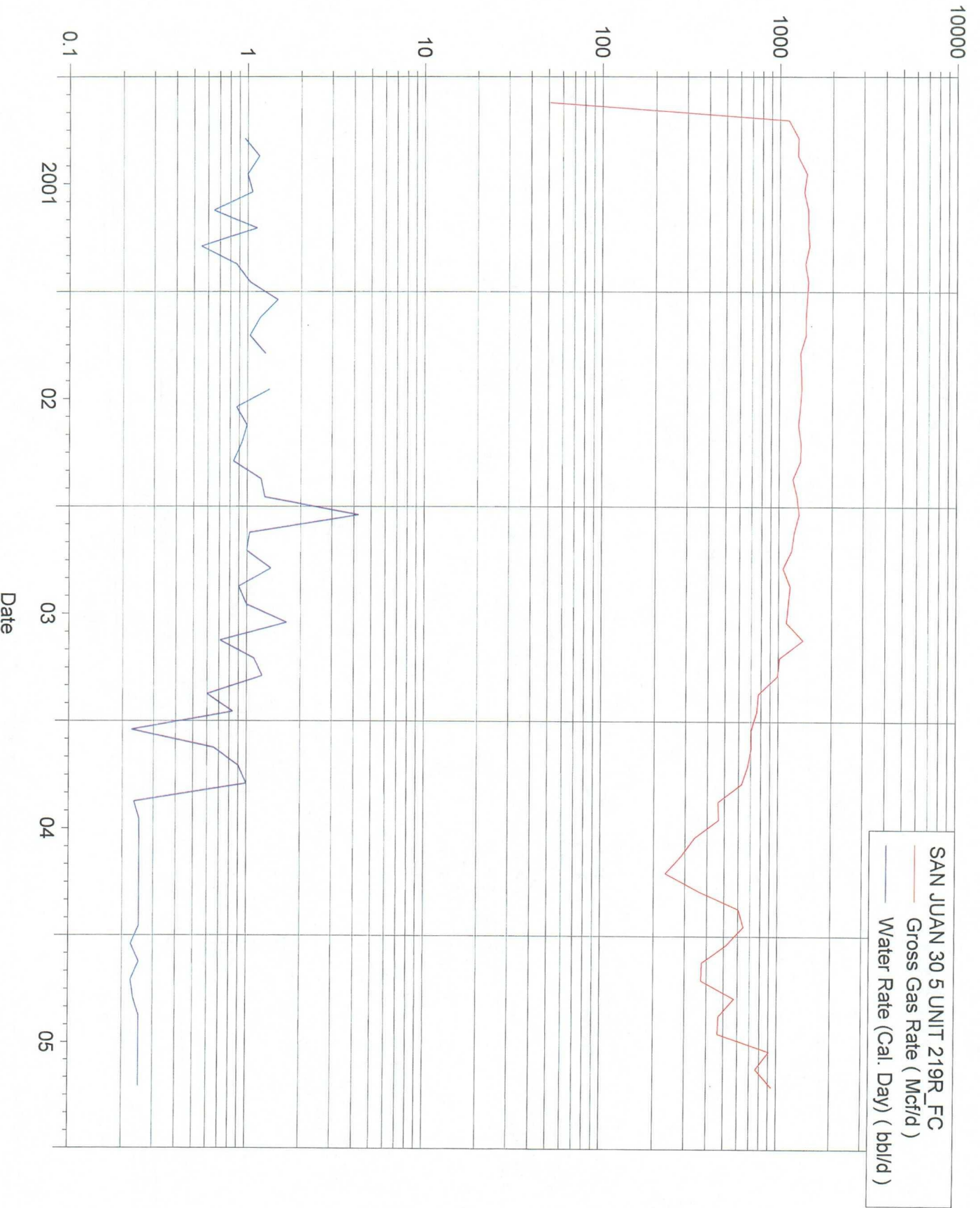
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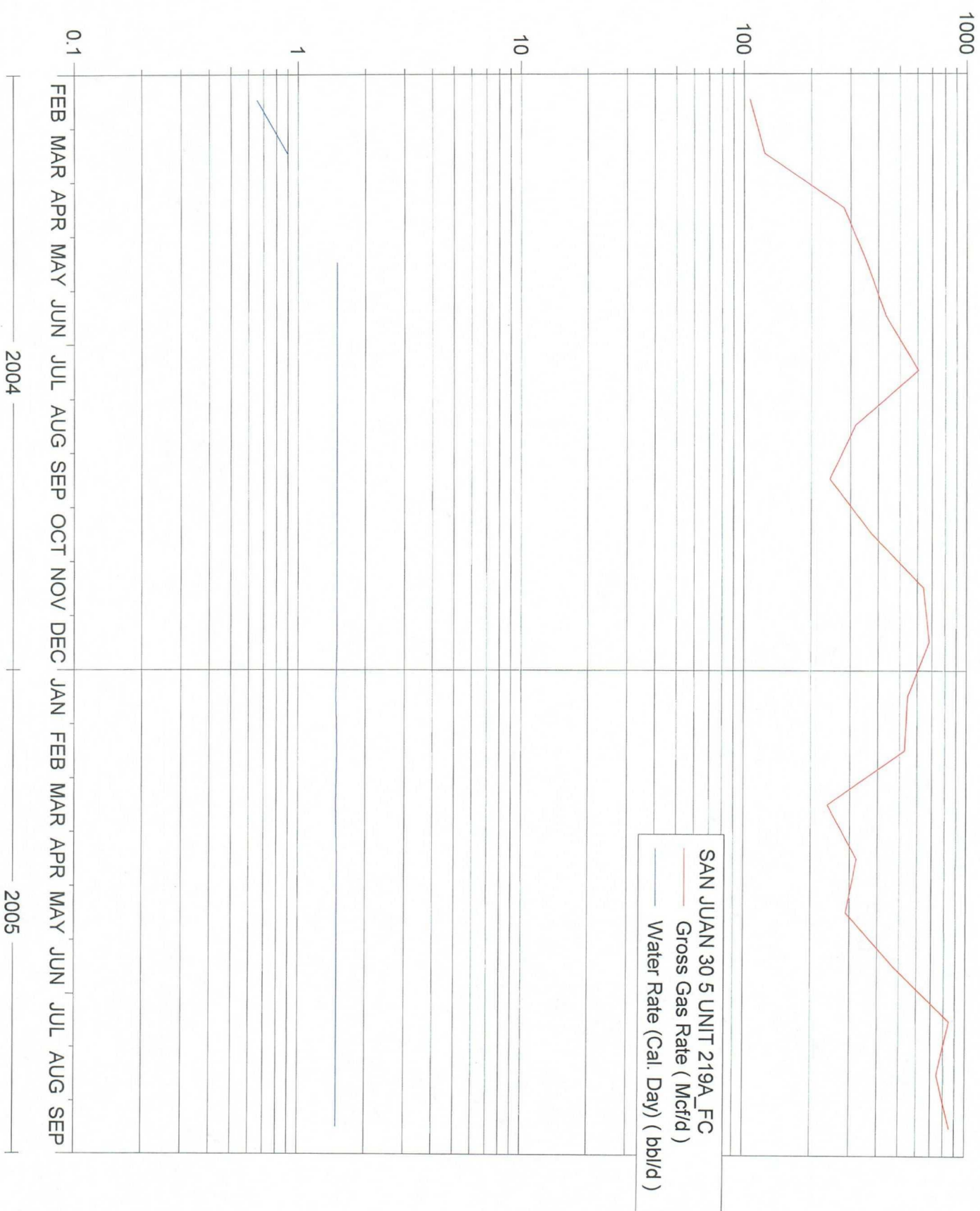
30-5 #237A Offset Wells

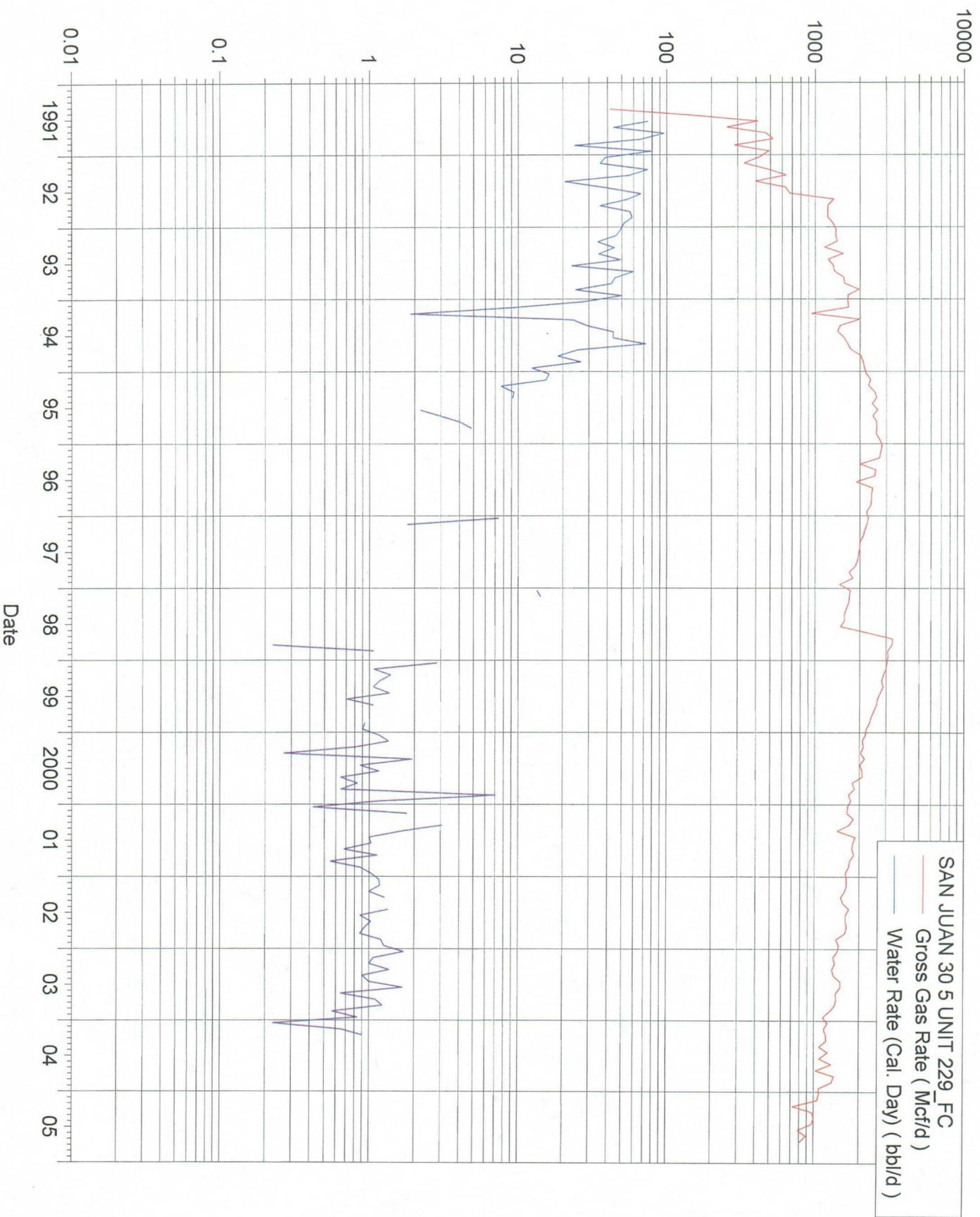
Well	Location	State	Current Gas Production	Peak Gas Production	Current Water Production	Production
San Juan 30-5 #237	NE Section 16 T30NR5W	New Mexico	10	225	0.25	Decline
San Juan 30-5 #219R	SW Section 16 T30NR5W	New Mexico	950	1500	0.25	Incline
San Juan 30-5 #219A	NW Section 16 T30NR5W	New Mexico	900	900	1.5	Decline
San Juan 30-5 #229	NE Section 21 T30NR5W	New Mexico	800	3500	0.9	Plateau
San Juan 30-5 #239	SW Section 15 T30NR5W	New Mexico	700	1200	0.5	Plateau
San Juan 30-5 #234A	NW Section 22 T30NR5W	New Mexico	400	450	0.5	Plateau
Average			627	1296	1	

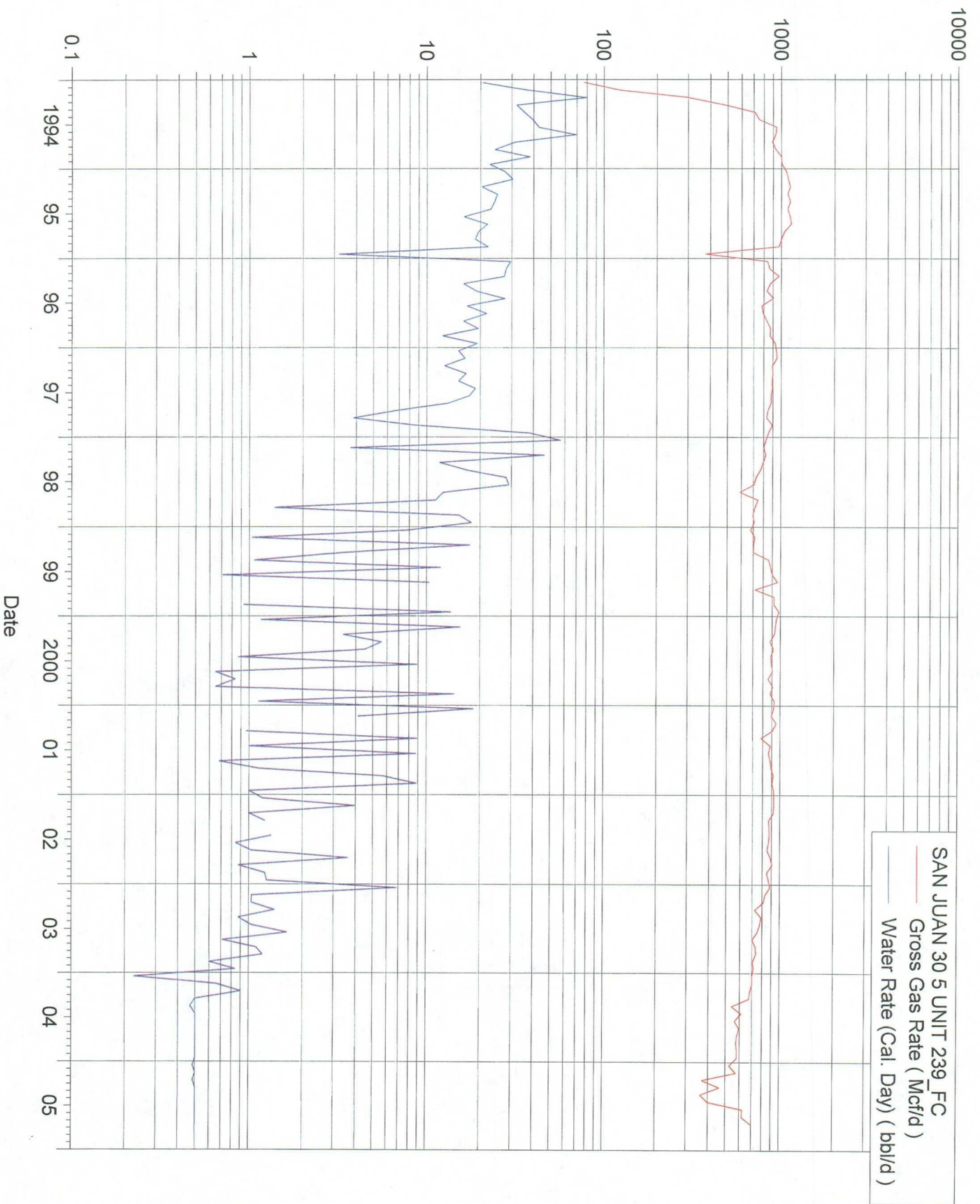
WELL WAS RE-DRILLED IN AUGUST 2005. FIRST DELIVERY RATE = 750mcf/d

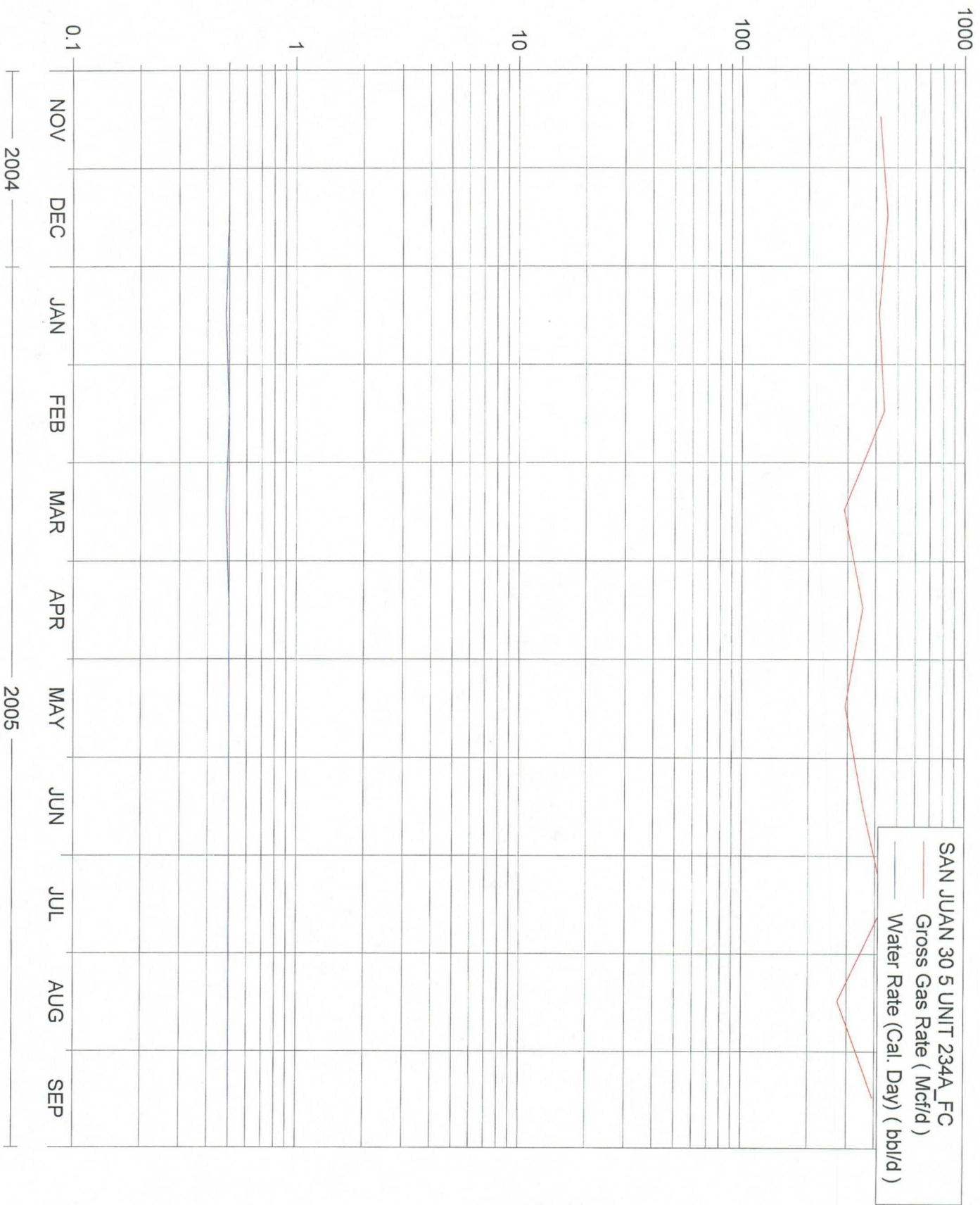














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Commerciality Determination

**Cat Draw Com #101
Fruitland Coal
NE, Sec 4, T30N, R5W
Rio Arriba County, NM
API: 30-039-26331**

This Fruitland Coal well was spud on 6/14/2000 by Burlington Resources and completed on 7/07/2000.

The actual capital investment of \$686,163 for open hole cavity completion of the Cat Draw Com #101 Fruitland coal well was used in this determination. Actual operating costs for this well are \$35,000/year.

Income was based on historical San Juan Basin prices for historical production. Future production income was calculated using a gas price of \$4.84/MCF. This price was determined by assuming a flat non-escalated value of \$6.33/mmBTU, and correcting for a gas content of 899 BTU and transportation costs of \$0.40/MCF.

Recommend that this well be determined commercial.

Actual Production

Month	Avg. Daily Production
July-04	444
August-04	1339
September-04	1639
October-04	1655
November-04	1659
December-04	1684
January-05	1655
February-05	1689
March-05	1639
April-05	1417
May-05	1564
June-05	1214
July-05	1103

US Summary Report

Cat Draw Com 101 (Commerciality Determination)

Nominal

Case Description

Notes Commerciality determination for BLM for the Cat Draw Com #101

Case Parameters

Author Ashley Price
 Linked Well
 Global Parameters Default
 Model ConocoPhillips
 Oil Price File CON-PHIL Oil Price
 Gas Price File
 Oil Offset 1
 Gas Offset 1

Net Present Values (Generic)::ConocoPhillips

Disc	Inc Before	Before Tax	Before Tax	After Tax	Cash
Rate	Res & Tax	Cap. Inv	Cash Flow	Cash Flow	PI
(%)	M\$	M\$	M\$	M\$	
0.0	2,848	686	2,162	1,319	3.97
8.0	1,860	660	1,200	706	2.65
10.0	1,703	654	1,049	609	2.44
11.0	1,633	651	982	566	2.34
13.0	1,508	645	863	489	2.17
15.0	1,399	640	759	423	2.02
18.0	1,261	632	630	339	1.83

Company WI

	Initial %	Final %
Working	100.0	100.0
Oil NRI	85.0	85.0
Gas NRI	85.0	85.0
Byprod. NRI	85.0	85.0
Capital	100.0	100.0

Scenarios

Oil	Base
Gas	Base
Interests	Base
Opcosts	Base
Capital	Base

Economic Indicators (Generic)::ConocoPhillips

AARR	%	BTax	ATax
Cash Breakeven	Years	56.9	43.1
NPV @ 13%	M\$	863	489
13% PI (cash)	M\$/M\$		2.17
13% PI (capital)	M\$/M\$		1.76
NPV @ 10%	M\$	1,049	609
10% PI (cash)	M\$/M\$		2.44
10% PI (capital)	M\$/M\$		1.93
Dev Cost/BOE	\$/BOE	3.80	
Economic Limit Date		2022/06	
Last Scheduled Prod Date		2025/05	
Date of first production		2000/08	
Date of first investment		2000/06	
Discount Date		2000/01	
ROR		57	43

Products Recovery (US)::ConocoPhillips

	Gross	Gross Economic	WI	Roy	Net
Oil	MSTB	0	0	0	0
Gas-Raw	MMSCF	1,297	1,273	191	1,082
Gas-Sales	MMSCF	1,297	1,273	191	1,082
Ethane	MSTB	0	0	0	0
Propane	MSTB	0	0	0	0
Butane	MSTB	0	0	0	0
Cond.	MSTB	0	0	0	0
Sulphur	MLt	0	0	0	0
Other	MSTB	0	0	0	0

RESERVES AND ECONOMICS PRODUCTION & REVENUE SUMMARY

Date	Gross Oil/Cond Volume	Gross Gas Volume	NRI Oil	NRI Gas Sales	Oil Price	Gas Price	Gross # of Wells	Total NRI Revenue	Total Prod Taxes	Total Opcosts	Income Before Reserves & Taxes	Total Capital	BTAX Cash Flow	ATAX Cash Flow	ATAX Cash Flow Disc. 10%	ATAX Cash Flow Disc 13%
	MSTB	MMSCF	MSTB	MMSCF	\$/Bbl	\$/mcf		M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2000(12)	0.00	97.83	0.00	83.15	0.00	1.81	0.7	210.38	19.33	12.51	178.53	686.16	-507.63	-444.76	-424.06	-418.39
2001(12)	0.00	202.40	0.00	172.04	0.00	2.85	1.0	490.31	45.06	35.00	410.25	0.00	410.25	286.00	247.90	238.10
2002(12)	0.00	160.75	0.00	136.64	0.00	1.49	1.0	203.59	18.71	35.00	149.88	0.00	149.88	119.69	94.31	88.18
2003(12)	0.00	129.59	0.00	110.16	0.00	3.29	1.0	362.41	33.31	35.00	294.11	0.00	294.11	202.32	144.93	131.90
2004(12)	0.00	105.85	0.00	89.98	0.00	3.78	1.0	340.11	31.26	35.00	273.85	0.00	273.85	186.14	121.22	107.40
2005(12)	0.00	87.47	0.00	74.35	0.00	4.84	1.0	359.86	33.07	35.00	291.79	0.00	291.79	192.74	114.11	98.41
2006(12)	0.00	73.03	0.00	62.08	0.00	4.84	1.0	300.45	27.61	35.00	237.84	0.00	237.84	154.64	83.23	69.87
2007(12)	0.00	61.54	0.00	52.31	0.00	4.84	1.0	253.19	23.27	35.00	194.92	0.00	194.92	123.68	60.51	49.46
2008(12)	0.00	52.30	0.00	44.45	0.00	4.84	1.0	215.16	19.77	35.00	160.39	0.00	160.39	97.84	43.52	34.62
2009(12)	0.00	44.78	0.00	38.06	0.00	4.84	1.0	184.23	16.93	35.00	132.30	0.00	132.30	80.70	32.63	25.27
2010(12)	0.00	38.61	0.00	32.82	0.00	4.84	1.0	158.84	14.60	35.00	109.24	0.00	109.24	66.64	24.50	18.47
2011(12)	0.00	33.50	0.00	28.48	0.00	4.84	1.0	137.82	12.67	35.00	90.15	0.00	90.15	54.99	18.38	13.49
2012(12)	0.00	29.24	0.00	24.85	0.00	4.84	1.0	120.28	11.05	35.00	74.22	0.00	74.22	45.28	13.76	9.83
2013(12)	0.00	25.65	0.00	21.80	0.00	4.84	1.0	105.53	9.70	35.00	60.83	0.00	60.83	37.11	10.25	7.13
2014(12)	0.00	22.62	0.00	19.22	0.00	4.84	1.0	93.05	8.55	35.00	49.50	0.00	49.50	30.19	7.58	5.13
2015(12)	0.00	20.03	0.00	17.03	0.00	4.84	1.0	82.42	7.57	35.00	39.85	0.00	39.85	24.31	5.55	3.66
2016(12)	0.00	17.82	0.00	15.15	0.00	4.84	1.0	73.32	6.74	35.00	31.58	0.00	31.58	19.26	4.00	2.56
2017(12)	0.00	15.92	0.00	13.53	0.00	4.84	1.0	65.48	6.02	35.00	24.46	0.00	24.46	14.92	2.81	1.76
2018(12)	0.00	14.27	0.00	12.13	0.00	4.84	1.0	58.70	5.39	35.00	18.30	0.00	18.30	11.17	1.91	1.16
2019(12)	0.00	12.83	0.00	10.91	0.00	4.84	1.0	52.80	4.85	35.00	12.95	0.00	12.95	7.90	1.23	0.73
2020(12)	0.00	11.58	0.00	9.85	0.00	4.84	1.0	47.65	4.38	35.00	8.27	0.00	8.27	5.05	0.72	0.41
2021(12)	0.00	10.49	0.00	8.91	0.00	4.84	1.0	43.14	3.96	35.00	4.17	0.00	4.17	2.55	0.33	0.18
2022(12)	0.00	4.87	0.00	4.14	0.00	4.84	1.0	20.05	1.84	17.36	0.85	0.00	0.85	0.52	0.06	0.03
Total	0.00	1,272.99	0.00	1,082.04	---	---	---	3,978.77	365.65	764.87	2,848.25	686.16	2,162.09	1,318.88	609.38	489.36

Cat Draw Com #101
Summary of New Drill Costs, Operating Costs, and Other Capital

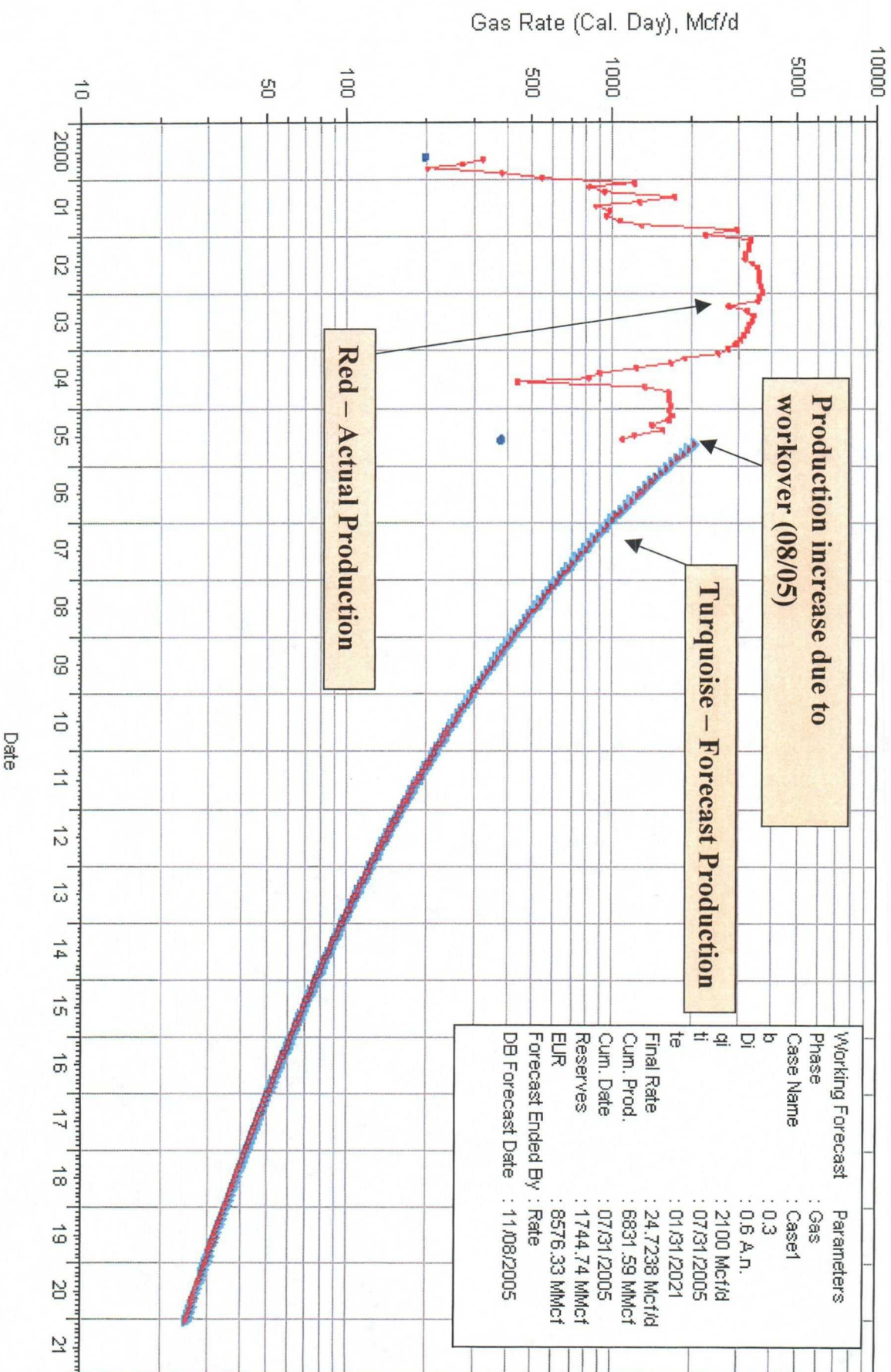
Capital Costs	Total Gross Costs
New Drill Cost	508,839
Subsequent Capital	177,324
Total Capital Expenditures	\$ 686,163

Operating Costs	Total Gross Costs
Operating Costs (LOE)	161,484 *
Est Annual Cost	\$ 35,000 *

*total is for approx 5 years of operations. This is approximately
\$35,000/year in operating expenses

Cat Draw Com #101

Production Forecast



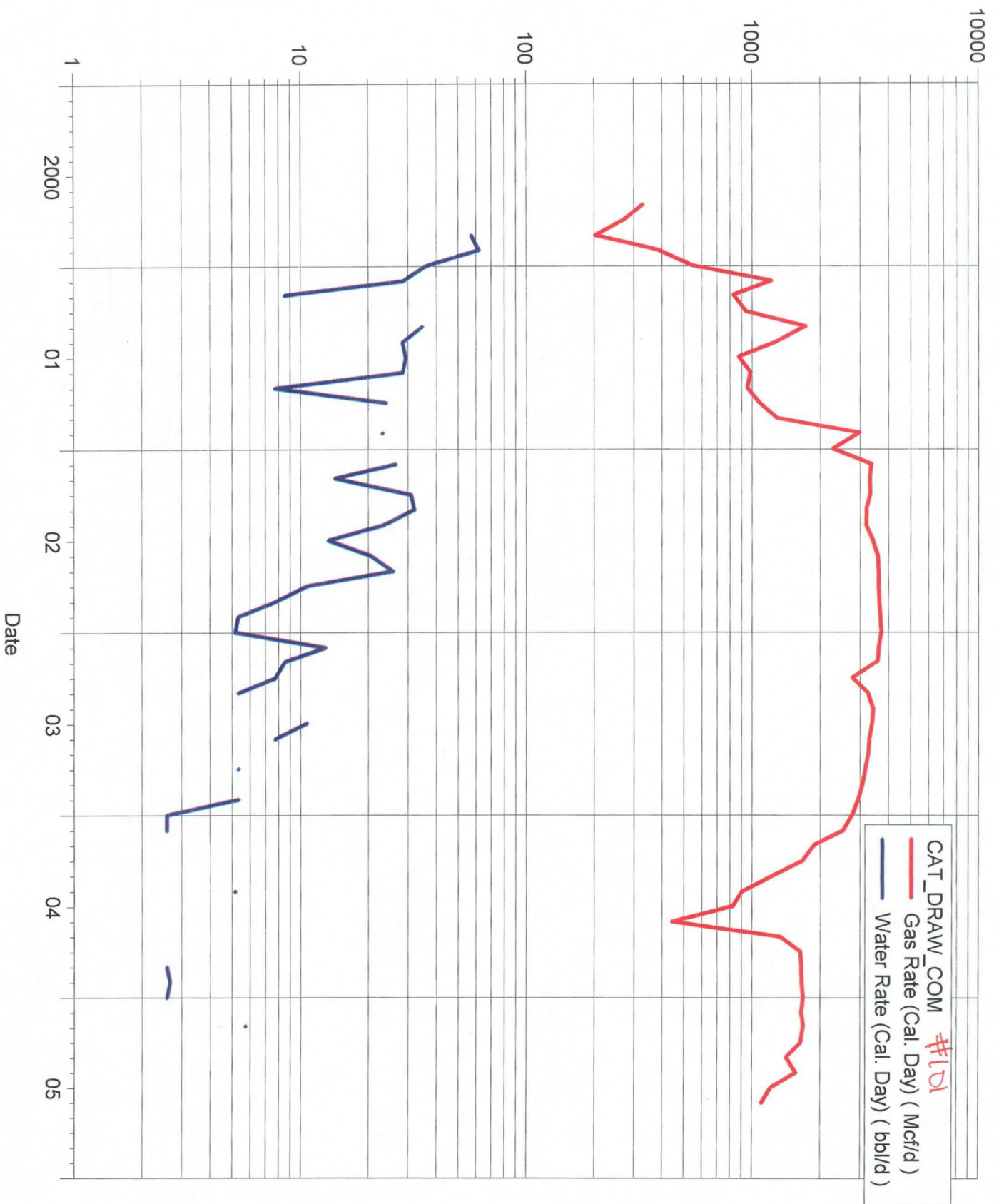
Cat Draw Com #101 Past Production and Forecast

Year	Average Daily Gas Production (MCFD)	Total Gas Production (MCF)	
2000	348	126,874	
2001	1,370	499,959	
2002	3,473	1,267,615	
2003	3,214	1,173,080	
2004	1,458	532,079	
2005	1,633	595,917	
2006	1,281	467,462	
2007	791	288,618	
2008	519	189,295	
2009	357	130,302	
2010	255	93,166	
2011	188	68,687	
2012	142	51,930	
2013	110	40,138	
2014	87	31,603	
2015	69	25,288	
2016	56	20,513	
2017	46	16,854	
2018	38	14,001	
2019	32	11,738	
2020	27	9,931	
Cumulative Production		5,655	MMCF

Actual production in BLACK

Forecast production in RED

2005 --1/2 year actual production and 1/2 year forecasted production



Cat Draw Com #101 Offset Wells

Well	Location	State	Current Gas Production	Peak Gas Production	Current Water Production	Production
Cat Draw Com #101S	SE Section 4 T30NR5W	New Mexico	900	2500	5	Decline
Cat Draw #100S	NW Section 4 T30NR5W	New Mexico	900	900	Unknown	Plateau
Cat Draw #100	SW Section 4 T30NR5W	New Mexico	300	2000	5	Decline
San Juan 30-5 #220R	SW Section 3 T30NR5W	New Mexico	600	1300	7	Plateau
Rosa Unit #259A	SE Section 33 T31NR5W	New Mexico	1000	2000	8	Decline
San Juan 30-5 #213A	SE Section 5 T30NR5W	New Mexico	800	1600	7	Decline
San Juan 30-5 #213R	NE Section 5 T30NR5W	New Mexico	150	1750	15	Decline
Rosa Unit #259	SW Section 33 T31NR5W	New Mexico	350	900	20	Decline
Average			625	1619	10	

