



San Juan Business Unit

ConocoPhillips Company

P.O. Box 4289

Farmington, NM 87499-4289

2006 OCT 24 AM 11 56

October 23, 2006

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 29-5 Unit (#14-08-001-437)
Commerciality Determination
Dakota Formation
Rio Arriba County, New Mexico

Ladies and Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-5 Unit Agreement, #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 is seeking confirmation of the well determination enclosed.

Well Name	Dedication	Lease No.	Completion Date	Determination
San Juan 29-5 Unit #72M	N/2 Sec.17-29N-5W	SF-078281	2/20/2001	Non-Commercial

Upon confirmation from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and New Mexico Oil Conservation Division, this well will be carried on a lease basis.

Copies of this letter and enclosures 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.

Sincerely,

Dawn Howell
Sr. Land Technician

DH
SJ 29-5 Unit, 4.3

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 29-5 UNIT 72M

WELL INFORMATION

LEASE	SAN JUAN 29-5 UNIT 72M
LOCATION	17029N005W
COUNTY, STATE	RIO ARriba, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	
WELL TYPE	GAS WELL
OPERATOR	
SPUD DATE	1/15/2001
COMP DATE	2/20/2001
1ST DELIVERY	3/1/2001
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

TAXES FOR:	RIO ARriba, NEW MEXICO
	2001- 2002 Commerciality

GAS % OF REVENUE

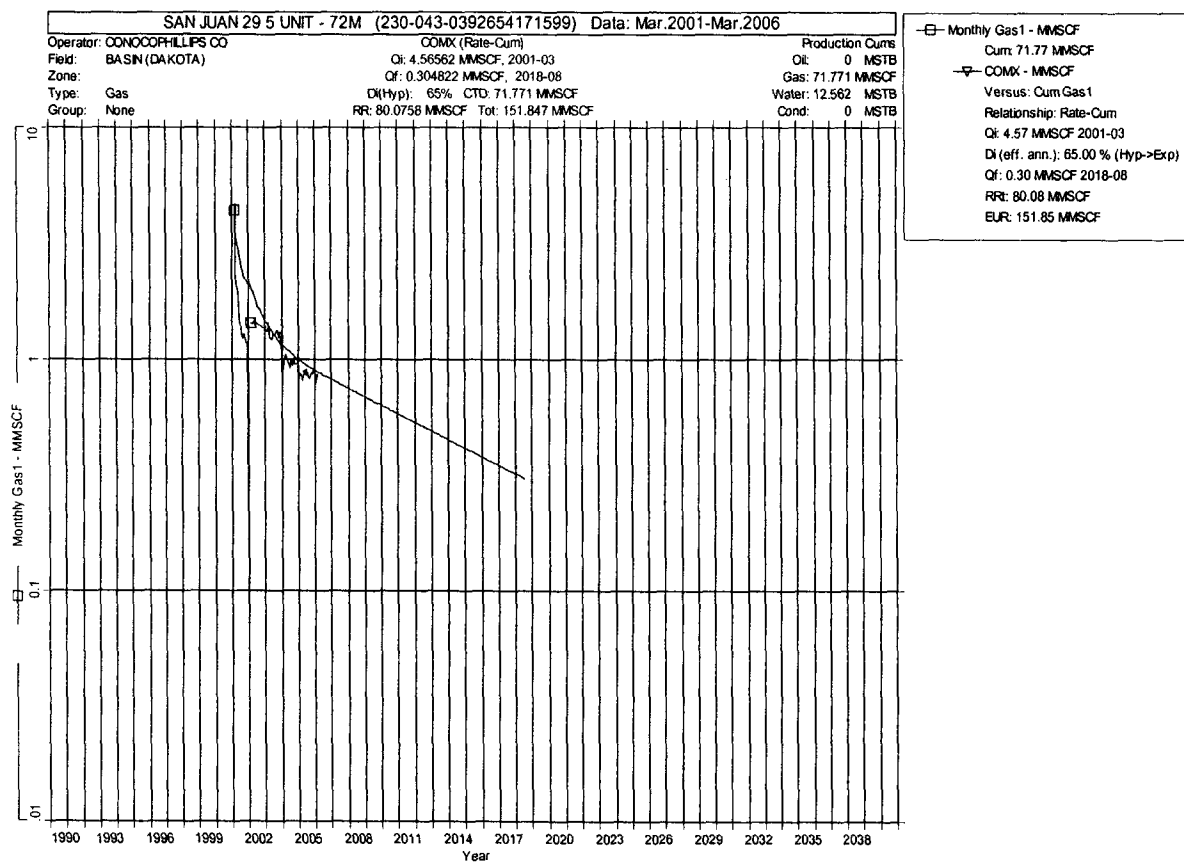
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

550.00	M\$	AVERAGE WELL COST
151.85	MMCF	ULT. GROSS GAS RESERVES
57.08	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.43	\$/	P/I, DISC. @ 10.00 %
-236.54	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-5 UNIT 72M

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\$
2001(12)	57.1	17.5	12.48	0.00	1.24	3.91	3.91	35.51	22.66	73.5	7.46	2.40	63.62	550.00	-486.38
2002(12)	38.9	14.2	10.14	0.00	1.01	2.28	2.28	35.51	22.66	43.1	4.32	2.88	35.95	0.00	35.95
2003(12)	42.5	15.5	11.07	0.00	1.10	3.97	3.97	35.51	22.66	65.9	6.69	2.88	56.28	0.00	56.28
2004(12)	31.9	11.7	8.34	0.00	0.83	3.97	3.97	35.51	22.66	49.6	5.04	2.88	41.67	0.00	41.67
2005(12)	28.6	10.4	7.46	0.00	0.74	3.97	3.97	35.51	22.66	44.4	4.51	2.88	36.98	0.00	36.98
2006(12)	27.8	10.1	7.25	0.00	0.72	3.97	3.97	35.51	22.66	43.1	4.38	2.88	35.84	0.00	35.84
2007(12)	25.8	9.4	6.73	0.00	0.67	3.97	3.97	35.51	22.66	40.0	4.07	2.88	33.07	0.00	33.07
2008(12)	23.6	8.6	6.18	0.00	0.62	3.97	3.97	35.51	22.66	36.7	3.73	2.88	30.13	0.00	30.13
2009(12)	21.8	7.9	5.67	0.00	0.57	3.97	3.97	35.51	22.66	33.7	3.43	2.88	27.44	0.00	27.44
2010(12)	20.0	7.3	5.21	0.00	0.52	3.97	3.97	35.51	22.66	31.0	3.15	2.88	24.96	0.00	24.96
2011(12)	18.3	6.7	4.79	0.00	0.48	3.97	3.97	35.51	22.66	28.5	2.89	2.88	22.69	0.00	22.69
2012(12)	16.8	6.2	4.40	0.00	0.44	3.97	3.97	35.51	22.66	26.1	2.66	2.88	20.60	0.00	20.60
2013(12)	15.5	5.6	4.04	0.00	0.40	3.97	3.97	35.51	22.66	24.0	2.44	2.88	18.69	0.00	18.69
2014(12)	14.2	5.2	3.71	0.00	0.37	3.97	3.97	35.51	22.66	22.0	2.24	2.88	16.93	0.00	16.93
2015(12)	13.1	4.8	3.40	0.00	0.34	3.97	3.97	35.51	22.66	20.2	2.06	2.88	15.31	0.00	15.31
2016(12)	12.0	4.4	3.13	0.00	0.31	3.97	3.97	35.51	22.66	18.6	1.89	2.88	13.83	0.00	13.83
2017(12)	11.0	4.0	2.87	0.00	0.29	3.97	3.97	35.51	22.66	17.1	1.74	2.88	12.46	0.00	12.46
2018(12)	9.5	2.3	1.66	0.00	0.17	3.97	3.97	35.51	22.66	9.8	1.00	1.92	6.93	0.00	6.93
Total	---	151.8	108.51	0.00	10.82	---	---	---	---	627.5	63.69	50.40	513.37	550.00	-36.63

**SAN JUAN 29-5 UNIT
DAKOTA FORMATION
WORKING INTEREST OWNERS**

BP AMERICA

BOLACK MINERALS

BURLINGTON RESOURCES

CHARLES W. GAY

LORRAYN GAY HACKER

MAYDELL MILLER MAST TRUST

VAUGHN-MCELVAIN ENERGY INC.

J & M RAYMOND, LTD.

T H MCELVAIN O & G LTD PART.