



ConocoPhillips Company
San Juan Business Unit
3401 E. 30th Street
Farmington, NM 87402

2006 OCT 24 09:11:58
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
PO. Box 1148
Santa Fe, NM 87504-1148

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

RE: San Juan 29-6 Unit (14-06-001-439)
Commerciality Determination
Fruitland Coal Formation
Rio Arriba County, New Mexico

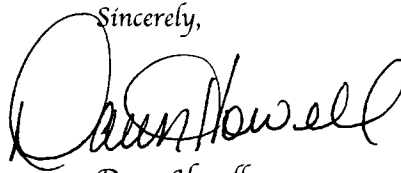
Ladies and Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-6 Unit Agreement, #14-06-001-464, 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 Fruitland Coal Formation. ConocoPhillips is seeking confirmation of the well determination enclosed.

Well Name	Dedication	Lease No.	Completion Date	Determination
SJ 29-6 Unit #70A	W/2 Sec. 29-29N-6W	NM-03040A	8/29/2004	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 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.

Sincerely,

Dawn Howell
Sr. Land Technician

DH
SJ 29-6 Unit, 4.5

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-6 UNIT 70A

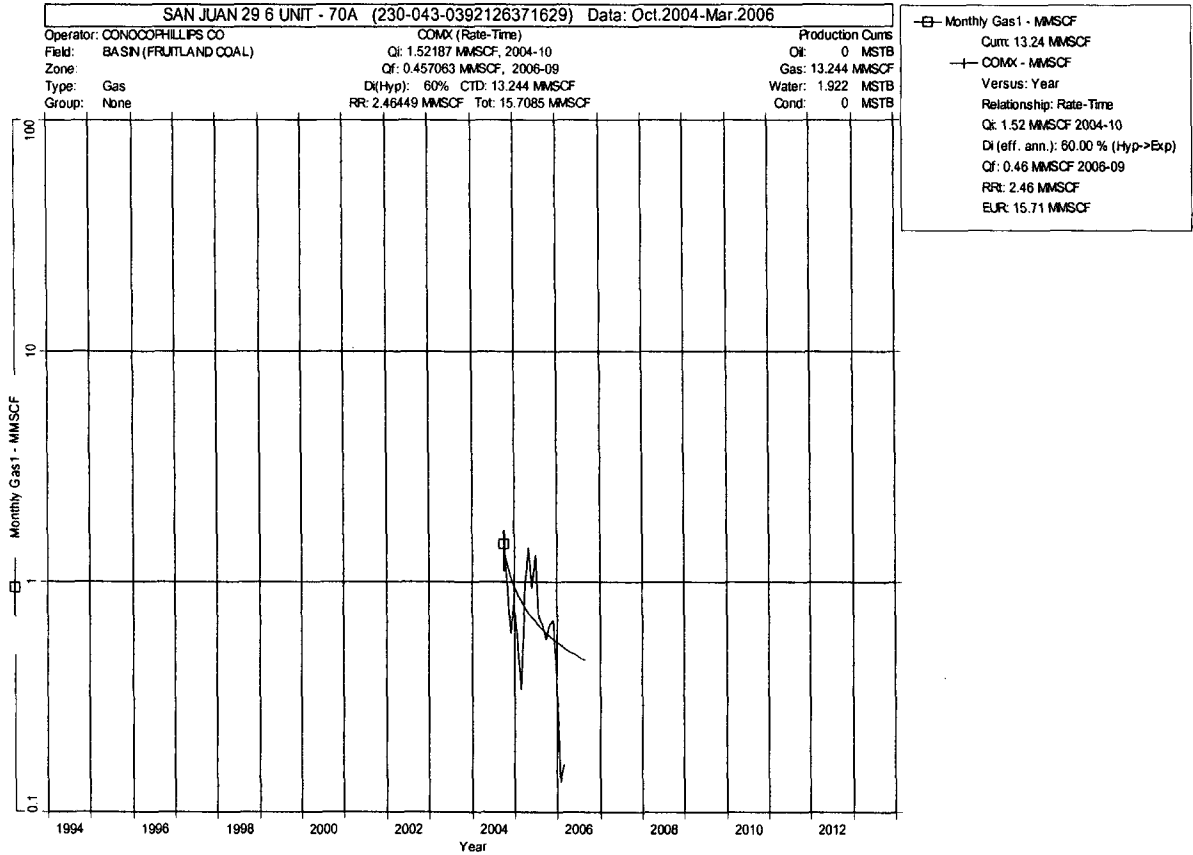
WELL INFORMATION		PRODUCTION TAXES	
LEASE	SAN JUAN 29-6 UNIT 70A	TAXES FOR:	RIO ARRIBA, NEW MEXICO
LOCATION	29029N006W		2001- 2002 Commerciality
COUNTY, STATE	RIO ARRIBA, NEW MEXICO		
FORMATION	FRUITLAND COAL		<u>GAS % OF REVENUE</u>
PROJECT TYPE			
WELL TYPE	GAS WELL	SEVERANCE:	
OPERATOR		Severance, School, Conservation	7.93
SPUD DATE	7/20/2004		
COMP DATE	8/29/2004	AD VALOREM:	
1ST DELIVERY	10/1/2004	Production, Equipment	1.40
COMM GWI %	100.00		
COMM NRI %	87.50	TOTAL %:	9.33
BOARD RATE %	10.00		

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

300.00	M\$	AVERAGE WELL COST
15.71	MMCF	ULT. GROSS GAS RESERVES
33.20	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.92	\$/	P/I, DISC. @ 10.00 %
-276.21	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT



BLM DATA SHEET
 COMMERCIALITY DETERMINATION
 SAN JUAN 29-6 UNIT 70A

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(12)	33.2	3.1	2.10	0.00	0.00	3.63	3.63	35.51	22.66	7.6	0.80	0.90	5.93	300.00	-294.07
2005(12)	26.1	9.5	6.55	0.00	0.00	3.63	3.63	35.51	22.66	23.8	2.51	3.60	17.67	0.00	17.67
2006(12)	8.6	3.1	2.16	0.00	0.00	3.63	3.63	35.51	22.66	7.9	0.83	3.60	3.43	0.00	3.43
2007(12)	0.0	0.0	0.00	0.00	0.00	3.63	3.63	35.51	22.66	0.0	0.00	2.70	-2.70	0.00	-2.70
Total	---	15.7	10.82	0.00	0.00	---	---	---	---	39.3	4.14	10.80	24.33	300.00	-275.67

**SAN JUAN 29-6 UNIT
FRUITLAND COAL
WORKING INTEREST OWNERS**

BETTY T JOHNSTON MARITAL TRUST
BOLACK MINERALS
BP AMERICA PRODUCTION COMPANY
BURLINGTON RESOURCES OIL & GAS
CHARLES W GAY
EULA MAY JOHNSTON TRUST
J&M RAYMOND LTD
LORRAYN GAY HACKER
MAYDELL MILLER MAST TRUST
PRODUCTION GATHERING LLC
BIG SNOWY EXPLORATION
RESOURCE DEVELOPMENT TECHNOLOGY LLC
RKC INC
SAN JUAN BASIN PARTNERSHIP
T H MCELVAIN OIL AND GAS PROP
V A JOHNSTON FAMILY TRUST
VAUGHAN-MCELVAIN ENERGY INC
VEVA JEAN GIBBARD
WILLIAMS PRODUCTION COMPANY