

ConocoPhillips **RECEIVED**

OCT 30 2006

San Juan Business Unit
P.O. Box 4289
Farmington, NM 87402-4289
(505) 326-9700

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Burlington Resources Inc.
*A wholly owned subsidiary of
ConocoPhillips*

October 27, 2006

Bureau of Land Management
Attn: Mr. Wayne Townsend
Farmington Resource Area
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

New Mexico Oil Conservation Division
Energy Minerals & Natural Resources
Attn: Ms. Lori Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

RE: Huerfanito Unit (#I Sec. No. 943)
Commerciality Determination
Fruitland Coal Formation
San Juan County, New Mexico

Gentlemen:

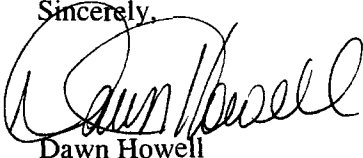
Pursuant to the provisions of Section 11(a) of the Huerfano Unit Agreement, #I Sec. No. 943, approved June 2, 1952, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the well listed below is capable of producing unitized substances in paying quantities from the Fruitland Coal Formation. Burlington is seeking confirmation of the paying well determination enclosed.

BROG's AIN No.	Well Name & Number	Well Dedication	Dedicated Leases	Completion Date	Commerciality Determination
85211002	Huerfanito Unit #175	E/2 26-27N-9W	SF-078358	3-7-06	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 formal Participating Area Schedules will be prepared and submitted.

Copies of this letter and enclosures are being sent to the working interest owners as listed on the attached page. Please contact Karen Stevens at 326-9754 for any technical questions, and all other questions to the undersigned at 599-4030.

Sincerely,



Dawn Howell
Sr. Land Technician

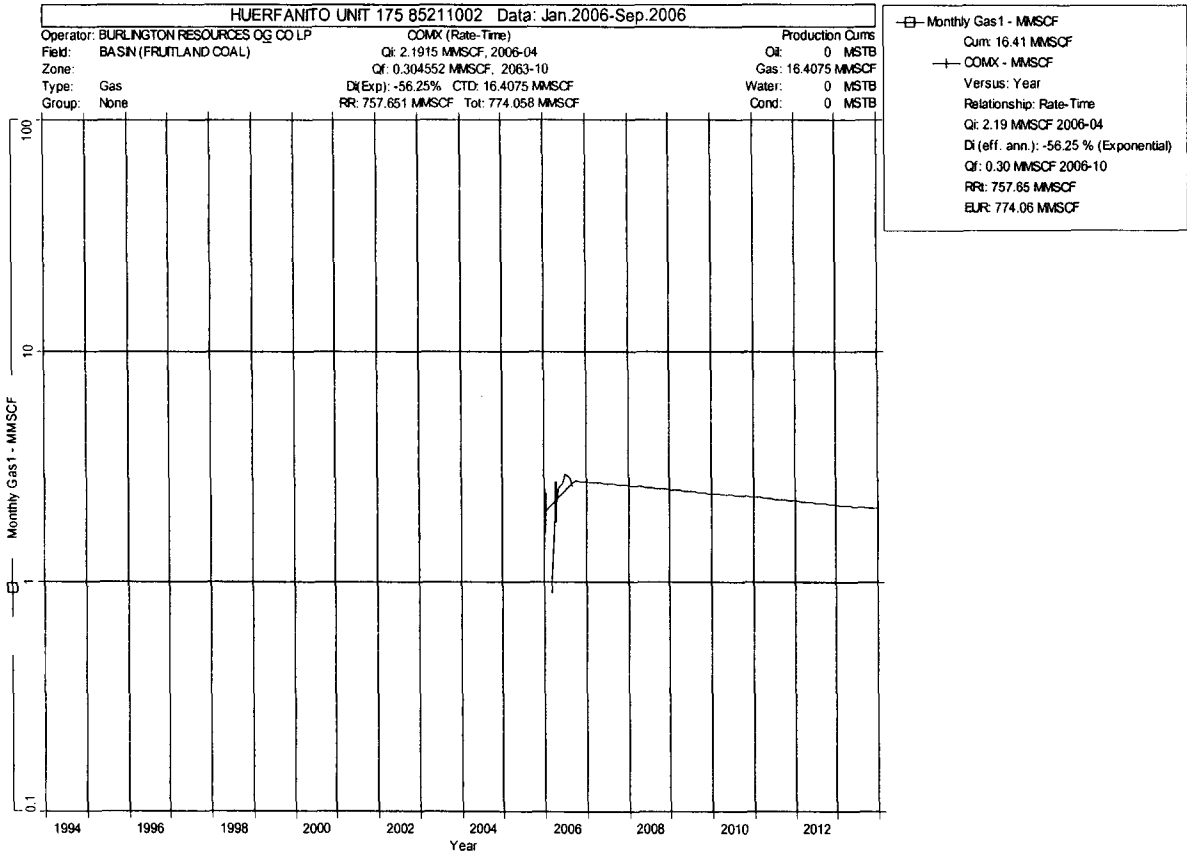
BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 175

WELL INFORMATION	
LEASE	HUERFANITO UNIT 175
LOCATION	26027N009WO
COUNTY, STATE	SAN JUAN, NEW MEXICO
FORMATION	FRUITLAND COAL
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES O&G CO LP
SPUD DATE	10/14/2005
COMP DATE	3/7/2006
1ST DELIVERY	3/17/2006
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	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT	
1,000	MMBtu / Mcf

WELL COST AND ECONOMICS	
409.77	M\$ AVERAGE WELL COST
773.15	MMCF ULT. GROSS GAS RESERVES
83.31	MCFD INITIAL GAS RATE
26.69	% RATE OF RETURN
1.03	\$/ \$ P/I, DISC. @ 10.00 %
420.16	M\$ NET PRESENT VALUE, DISC. @ 10.00 %
3.93	YRS PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 175

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\$
2006(12)	83.3	22.9	16.16	0.00	0.87	4.63	4.63	35.51	22.66	92.1	9.51	5.89	76.72	409.77	-333.05
2007(12)	87.5	31.9	22.52	0.00	1.22	4.63	4.63	35.51	22.66	128.4	13.26	7.85	107.30	0.00	107.30
2008(12)	84.0	30.7	21.67	0.00	1.17	4.63	4.63	35.51	22.66	123.6	12.76	7.85	102.95	0.00	102.95
2009(12)	81.0	29.6	20.85	0.00	1.13	4.63	4.63	35.51	22.66	118.9	12.27	7.85	98.76	0.00	98.76
2010(12)	78.0	28.5	20.06	0.00	1.08	4.63	4.63	35.51	22.66	114.4	11.81	7.85	94.73	0.00	94.73
2011(12)	75.0	27.4	19.31	0.00	1.04	4.63	4.63	35.51	22.66	110.1	11.36	7.85	90.86	0.00	90.86
2012(12)	72.0	26.3	18.58	0.00	1.00	4.63	4.63	35.51	22.66	105.9	10.93	7.85	87.13	0.00	87.13
2013(12)	69.4	25.3	17.87	0.00	0.97	4.63	4.63	35.51	22.66	101.9	10.52	7.85	83.54	0.00	83.54
2014(12)	66.8	24.4	17.20	0.00	0.93	4.63	4.63	35.51	22.66	98.1	10.12	7.85	80.08	0.00	80.08
2015(12)	64.3	23.5	16.55	0.00	0.89	4.63	4.63	35.51	22.66	94.3	9.74	7.85	76.76	0.00	76.76
2016(12)	61.7	22.6	15.92	0.00	0.86	4.63	4.63	35.51	22.66	90.8	9.37	7.85	73.56	0.00	73.56
2017(12)	59.5	21.7	15.32	0.00	0.83	4.63	4.63	35.51	22.66	87.4	9.02	7.85	70.49	0.00	70.49
2018(12)	57.3	20.9	14.74	0.00	0.80	4.63	4.63	35.51	22.66	84.1	8.68	7.85	67.52	0.00	67.52
2019(12)	55.1	20.1	14.18	0.00	0.77	4.63	4.63	35.51	22.66	80.9	8.35	7.85	64.68	0.00	64.68
2020(12)	52.9	19.4	13.65	0.00	0.74	4.63	4.63	35.51	22.66	77.8	8.03	7.85	61.94	0.00	61.94
2021(12)	51.0	18.6	13.13	0.00	0.71	4.63	4.63	35.51	22.66	74.9	7.73	7.85	59.30	0.00	59.30
2022(12)	49.1	17.9	12.64	0.00	0.68	4.63	4.63	35.51	22.66	72.0	7.44	7.85	56.76	0.00	56.76
2023(12)	47.2	17.2	12.16	0.00	0.66	4.63	4.63	35.51	22.66	69.3	7.16	7.85	54.32	0.00	54.32
2024(12)	45.3	16.6	11.70	0.00	0.63	4.63	4.63	35.51	22.66	66.7	6.89	7.85	51.97	0.00	51.97
2025(12)	43.7	16.0	11.26	0.00	0.61	4.63	4.63	35.51	22.66	64.2	6.63	7.85	49.71	0.00	49.71
Sub.	---	461.5	325.46	0.00	17.59	---	---	---	---	1,855.6	191.58	155.00	1,509.07	409.77	1,099.30
Rem.	---	311.5	219.66	0.00	11.87	---	---	---	---	1,252.4	129.30	296.26	826.84	0.00	826.84
Total	---	773.0	545.12	0.00	29.46	---	---	---	---	3,108.0	320.88	451.26	2,335.91	409.77	1,926.14

AJM LLC
PO BOX 406
LONE WOLF, OK 73655

ALBERT R GREER
4900 COLLEGE BLVD
FARMINGTON, NM 87402

BENSON MONTIN GREER
DRILLING CORP
4900 COLLEGE BLVD
FARMINGTON, NM 87402

CHARLES A & NANCIE A GREER TRUST
C/O BENSON-MONTIN GREER DRLG
4900 COLLEGE BLVD

CHARLES W GAY
C/O JAMES M RAYMOND-POA
PO BOX 291445
KERRVILLE, TX 780291445

CONOCOPHILLIPS COMPANY
CHIEF LANDMAN SAN JUAN/ROCKIES
PO BOX 2197

FARMINGTON, NM 87402

HOUSTON, TX 772522197

ELIZABETH J TURNER CALLOWAY
3609 HARVARD
DALLAS, TX 75205

FOUR STAR OIL & GAS COMPANY
ATTN BARBARA NELMS
PO BOX 36366
HOUSTON, TX 77236

FRANKLIN P LILLY
2629 OAK MEADOW DR
ROUND ROCK, TX 78681

J GLENN TURNER JR
TWO TURTLE CREEK VILLAGE
3838 OAK LAWN STE 1450
DALLAS, TX 752194517

J&M RAYMOND LTD
RAYMOND & SONS I LLC GEN PARTNER
PO BOX 291445
KERRVILLE, TX 780291445

JACK LONDON JR
6303 WATERFORD BLVD
STE 220
OKLAHOMA CITY, OK 731181115

LA PLATA GATHERING SYSTEM INC
ONE ENERGY SQUARE #852
4925 GREENVILLE AVENUE
DALLAS, TX 752064079

LORRAYN GAY HACKER
C/O JAMES M RAYMOND-POA
PO BOX 291445
KERRVILLE, TX 780291445

MARY E GLENN
3392 ESPLANADE PL SE
RIO RANCHO, NM 871247629

MARY FRANCES TURNER JR TRUST
C/O THE CHASE MANHATTAN BANK
CC NO 1061 U/A 11-23-64
ATTN IRIS BRADLEY
PO BOX 660197
DALLAS, TX 752660197

MAYDELL MILLER MAST TRUST
JAMES M RAYMOND TRUSTEE
PO BOX 291445
KERRVILLE, TX 780291445

MCCONNELL LTD CO
C/O JON BREED CPA
3430 FLORIDA NE
ALBUQUERQUE, NM 87110

MICHAEL J LILLY
470 ROADRUNNER TRL
BERTRAM, TX 78605

T H MCELVAIN OIL & GAS LTD
PARTNERSHIP
1050 17TH ST STE 1800
DENVER, CO 80265

THOMAS S SENTER
2823 SW 347TH ST
FEDERAL WAY, WA 980233038