

674

ConocoPhillips

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MAR 28 2007

Oil Conservation Division
1220 S. St. Francis Drive
March 26, 2007
Santa Fe, NM 87505

San Juan Business Unit

ConocoPhillips Company

P.O. Box 4289

Farmington, NM 87499-4289

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

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. St. Francis Drive
Santa Fe, NM 87505-4000

RE: San Juan 29-7 Unit (#14-08-001-1650)
Commerciality Determination
Pictured Cliffs Formation
Fruitland Coal Formation
Rio Arriba County, New Mexico

Gentlemen:

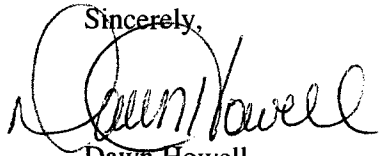
Pursuant to the provisions of Section 11(a) of the San Juan 29-7 Unit Agreement, #14-08-001-1650, approved September 3, 1954, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the well listed below is capable of producing unitized substances in paying quantities from both the Pictured Cliffs and Fruitland Coal formations. Burlington is seeking confirmation of the paying well determinations enclosed.

Well Name	Well Dedication	Dedicated Lease	Completion Date	Commerciality Determination
SJ 29-7 Unit #194	W/2 15-29N-7W	USA SF-077842	5-31-06	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. For technical questions please contact Karen Stevens at 326-9754, all other questions to the undersigned at 599-4030.

Sincerely,



Dawn Howell

Staff Land Technician

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 29-7 UNIT 194

WELL INFORMATION

LEASE SAN JUAN 29-7 UNIT 194
 LOCATION 15029N007WF
 COUNTY, STATE RIO ARRIBA, NEW MEXICO
 FORMATION FRUITLAND COAL
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR BURLINGTON RESOURCES O&G CO LP
 SPUD DATE 5/26/2005
 COMP DATE 5/31/2006
 1ST DELIVERY 6/9/2006
 COMM GWI % 100.00
 COMM NRI % 87.50
 BOARD RATE % 10.00

PRODUCTION TAXES

TAXES FOR: RIO ARRIBA, NEW MEXICO
 2003 - 2004 Commerciality

GAS % OF REVENUE

SEVERANCE:
 Severance, School, Conservation 7.93
 AD VALOREM:
 Production, Equipment 1.24
 TOTAL %: 9.17

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

398.99 M\$ AVERAGE WELL COST
 1,051.13 MMCF ULT. GROSS GAS RESERVES
 455.16 MCDF INITIAL GAS RATE
 309.31 % RATE OF RETURN
 4.31 \$/\$ P/I, DISC. @ 10.00 %
 1,717.71 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
 0.68 YRS PAYOUT

SAN JUAN 29-7 UNIT 194 85836402 Data: Jan.2006-Nov.2006

Operator: BURLINGTON RESOURCES O&G CO LP
 Field: BASIN (FRUITLAND COAL)

COMX (Rate-Time)

Q1: 17 MMSCF, 2006-07

Q2: 0.305597 MMSCF, 2036-09

D(Hyp): 35% CTD: 79.2499 MMSCF

RR: 980.863 MMSCF Tot: 1060.11 MMSCF

Production Cums

Oil: 0 MSTB

Gas: 79.2499 MMSCF

Water: 0 MSTB

Cond: 0 MSTB

Monthly Gas1 - MMSCF

Curr: 79.25 MMSCF

COMX - MMSCF

Versus: Year

Relationship: Rate-Time

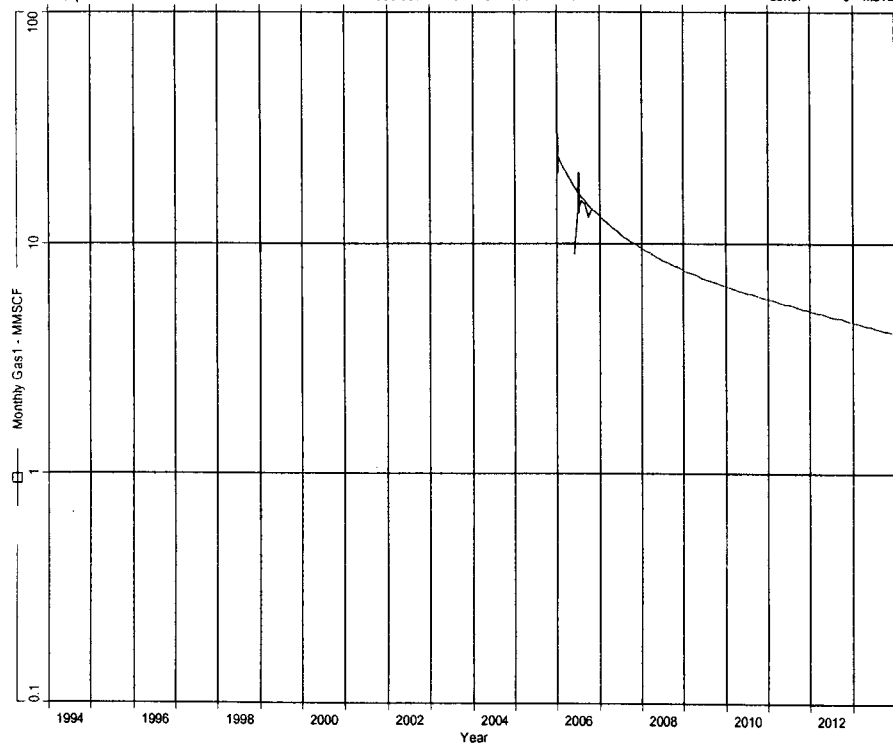
Q1: 17.00 MMSCF 2006-07

D1 (eff. ann.): 35.00 % (Hyp->Exp)

Q2: 0.30 MMSCF 2036-09

RR: 980.86 MMSCF

EUR: 1,060.11 MMSCF



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 194

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 Op costs	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)	455.2	83.7	59.06	0.00	3.19	4.63	4.63	35.51	22.66	336.7	34.30	7.61	294.80	398.99	-104.19
2007(12)	367.2	134.0	94.51	0.00	5.11	4.63	4.63	35.51	22.66	538.9	54.90	15.22	468.76	0.00	468.76
2008(12)	280.8	102.8	72.48	0.00	3.92	4.63	4.63	35.51	22.66	413.3	42.10	15.22	355.94	0.00	355.94
2009(12)	233.2	85.1	60.03	0.00	3.24	4.63	4.63	35.51	22.66	342.3	34.87	15.22	292.20	0.00	292.20
2010(12)	201.5	73.5	51.86	0.00	2.80	4.63	4.63	35.51	22.66	295.7	30.12	15.22	250.32	0.00	250.32
2011(12)	178.5	65.1	45.94	0.00	2.48	4.63	4.63	35.51	22.66	261.9	26.68	15.22	220.02	0.00	220.02
2012(12)	158.8	58.1	40.98	0.00	2.21	4.63	4.63	35.51	22.66	233.6	23.80	15.22	194.63	0.00	194.63
2013(12)	142.0	51.8	36.56	0.00	1.98	4.63	4.63	35.51	22.66	208.4	21.24	15.22	172.00	0.00	172.00
2014(12)	126.7	46.3	32.62	0.00	1.76	4.63	4.63	35.51	22.66	186.0	18.94	15.22	151.80	0.00	151.80
2015(12)	113.1	41.3	29.10	0.00	1.57	4.63	4.63	35.51	22.66	165.9	16.90	15.22	133.78	0.00	133.78
2016(12)	100.6	36.8	25.96	0.00	1.40	4.63	4.63	35.51	22.66	148.0	15.08	15.22	117.71	0.00	117.71
2017(12)	90.0	32.8	23.16	0.00	1.25	4.63	4.63	35.51	22.66	132.0	13.45	15.22	103.37	0.00	103.37
2018(12)	80.3	29.3	20.66	0.00	1.12	4.63	4.63	35.51	22.66	117.8	12.00	15.22	90.58	0.00	90.58
2019(12)	71.6	26.1	18.43	0.00	1.00	4.63	4.63	35.51	22.66	105.1	10.71	15.22	79.17	0.00	79.17
2020(12)	63.7	23.3	16.44	0.00	0.89	4.63	4.63	35.51	22.66	93.8	9.55	15.22	68.99	0.00	68.99
2021(12)	57.0	20.8	14.67	0.00	0.79	4.63	4.63	35.51	22.66	83.6	8.52	15.22	59.90	0.00	59.90
2022(12)	50.8	18.6	13.09	0.00	0.71	4.63	4.63	35.51	22.66	74.6	7.60	15.22	51.80	0.00	51.80
2023(12)	45.4	16.6	11.68	0.00	0.63	4.63	4.63	35.51	22.66	66.6	6.78	15.22	44.57	0.00	44.57
2024(12)	40.4	14.8	10.42	0.00	0.56	4.63	4.63	35.51	22.66	59.4	6.05	15.22	38.12	0.00	38.12
2025(12)	36.1	13.2	9.29	0.00	0.50	4.63	4.63	35.51	22.66	53.0	5.40	15.22	32.37	0.00	32.37
Sub.	---	974.1	686.93	0.00	37.12	---	---	---	---	3,916.6	398.99	296.71	3,220.85	398.99	2,821.86
Rem.	---	72.5	51.11	0.00	2.76	---	---	---	---	291.4	29.69	145.82	115.93	0.00	115.93
Total	---	1,046.6	738.04	0.00	39.89	---	---	---	---	4,208.0	428.68	442.53	3,336.78	398.99	2,937.79

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 29-7 UNIT 194

WELL INFORMATION

LEASE SAN JUAN 29-7 UNIT 194
 LOCATION 15029N007WF
 COUNTY, STATE RIO ARriba, NEW MEXICO
 FORMATION PICTURED CLIFFS
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR BURLINGTON RESOURCES O&G CO LP
 SPUD DATE 5/26/2005
 COMP DATE 5/31/2006
 1ST DELIVERY 6/9/2006
 COMM GWI % 100.00
 COMM NRI % 87.50
 BOARD RATE % 10.00

PRODUCTION TAXES

TAXES FOR: RIO ARriba, NEW MEXICO
 2003 - 2004 Commerciality

GAS % OF REVENUE

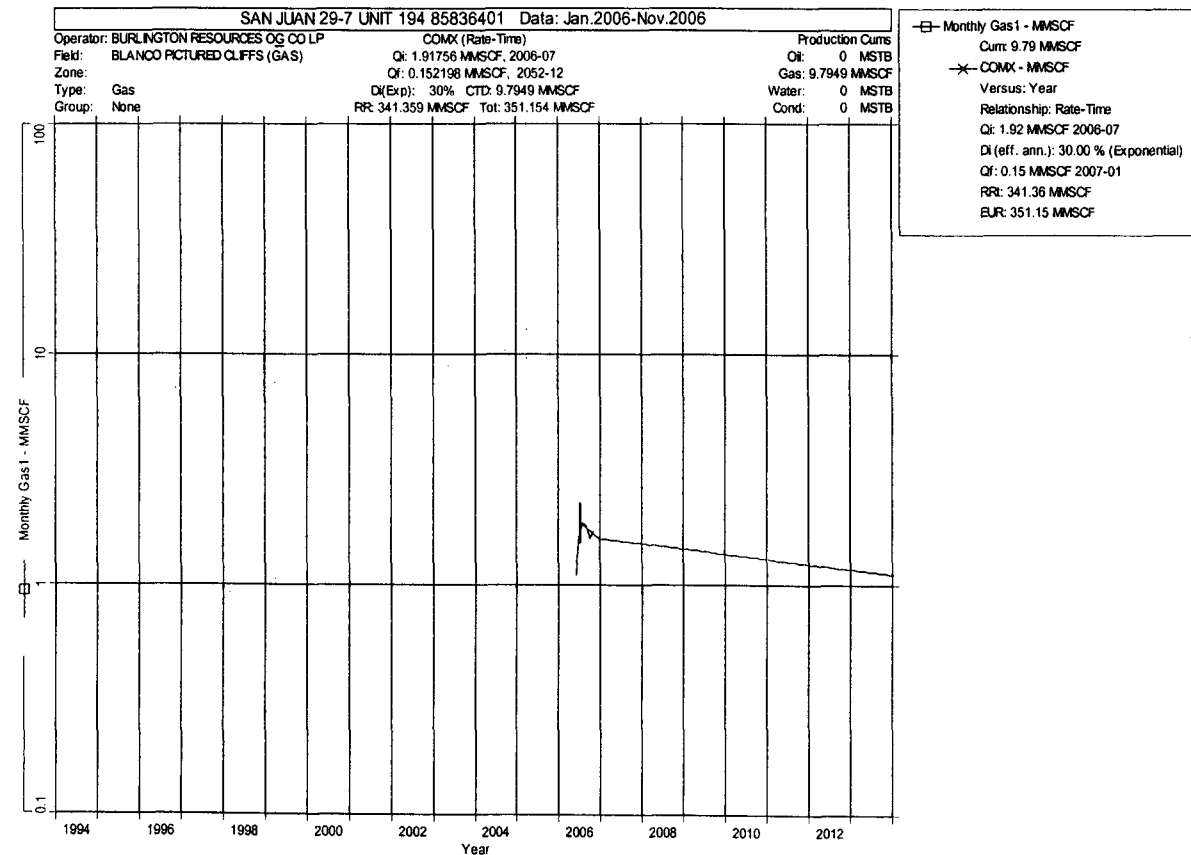
SEVERANCE:
 Severance, School, Conservation 7.93
 AD VALOREM:
 Production, Equipment 1.40
 TOTAL %: 9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

417.92 M\$ AVERAGE WELL COST
 350.04 MMCF ULT. GROSS GAS RESERVES
 54.14 MCFD INITIAL GAS RATE
 11.43 % RATE OF RETURN
 0.08 \$/\$ P/I, DISC. @ 10.00 %
 32.18 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
 7.23 YRS PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 194

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 Op costs	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 07	54.1	1.7	1.14	0.00	0.10	4.86	4.86	35.51	22.66	7.6	0.78	0.87	5.94	417.92	-411.98
2006 08	60.4	1.9	1.27	0.00	0.12	4.86	4.86	35.51	22.66	8.5	0.87	0.87	6.74	0.00	6.74
2006 09	60.8	1.8	1.24	0.00	0.11	4.86	4.86	35.51	22.66	8.2	0.84	0.87	6.53	0.00	6.53
2006 10	51.3	1.6	1.08	0.00	0.10	4.86	4.86	35.51	22.66	7.2	0.74	0.87	5.58	0.00	5.58
2006 11	57.4	1.7	1.17	0.00	0.11	4.86	4.86	35.51	22.66	7.8	0.80	0.87	6.12	0.00	6.12
2006 12	52.5	1.6	1.10	0.00	0.10	4.86	4.86	35.51	22.66	7.4	0.75	0.87	5.74	0.00	5.74
2007 01	51.6	1.6	1.09	0.00	0.10	4.86	4.86	35.51	22.66	7.2	0.74	0.87	5.63	0.00	5.63
2007 02	56.9	1.6	1.08	0.00	0.10	4.86	4.86	35.51	22.66	7.2	0.74	0.87	5.60	0.00	5.60
2007 03	51.2	1.6	1.08	0.00	0.10	4.86	4.86	35.51	22.66	7.2	0.73	0.87	5.57	0.00	5.57
2007 04	52.7	1.6	1.07	0.00	0.10	4.86	4.86	35.51	22.66	7.1	0.73	0.87	5.55	0.00	5.55
2007 05	50.8	1.6	1.07	0.00	0.10	4.86	4.86	35.51	22.66	7.1	0.73	0.87	5.52	0.00	5.52
2007 06	52.2	1.6	1.06	0.00	0.10	4.86	4.86	35.51	22.66	7.1	0.73	0.87	5.49	0.00	5.49
2007 07	50.3	1.6	1.06	0.00	0.10	4.86	4.86	35.51	22.66	7.1	0.72	0.87	5.46	0.00	5.46
2007 08	50.1	1.6	1.05	0.00	0.10	4.86	4.86	35.51	22.66	7.0	0.72	0.87	5.44	0.00	5.44
2007 09	51.6	1.5	1.05	0.00	0.10	4.86	4.86	35.51	22.66	7.0	0.72	0.87	5.41	0.00	5.41
2007 10	49.7	1.5	1.05	0.00	0.10	4.86	4.86	35.51	22.66	7.0	0.71	0.87	5.38	0.00	5.38
2007 11	51.1	1.5	1.04	0.00	0.09	4.86	4.86	35.51	22.66	6.9	0.71	0.87	5.36	0.00	5.36
2007 12	49.3	1.5	1.04	0.00	0.09	4.86	4.86	35.51	22.66	6.9	0.71	0.87	5.33	0.00	5.33
2008 01	49.1	1.5	1.03	0.00	0.09	4.86	4.86	35.51	22.66	6.9	0.70	0.87	5.30	0.00	5.30
2008 02	52.2	1.5	1.03	0.00	0.09	4.86	4.86	35.51	22.66	6.8	0.70	0.87	5.28	0.00	5.28
Sub.	---	32.1	21.79	0.00	1.99	---	---	---	---	145.3	14.86	17.42	112.98	417.92	-304.94
Rem.	---	304.0	206.29	0.00	18.80	---	---	---	---	1,375.2	140.69	400.66	833.88	0.00	833.88
Total	---	336.2	228.08	0.00	20.78	---	---	---	---	1,520.5	155.55	418.08	946.86	417.92	528.94

BOLACK MINERALS COMPANY
3901 BLOOMFIELD HWY
FARMINGTON, NM 87401

BOLIN PAT S
1 PARKER SQ
2525 KELL BLVD STE 510

WICHITA FALLS, TX 76308

BP AMERICA PRODUCTION COMPANY
ATTN KAREN CLAY - SAN JUAN BU
WEST LAKE 1 RM 19.179
501 WESTLAKE PARK BLVD

HOUSTON, TX 77079

C W BOLIN PROPERTIES LTD
813 8TH ST STE 1120
WICHITA FALLS, TX 763013354

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

HOUSTON, TX 772522197

D PHIL BOLIN
2525 KELL BLVD S - 510
WICHITA FALLS, TX 76308

DAN H BOLIN
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2525 KELL BLVD
WICHITA FALLS, TX 763081061

DAVID A PIERCE
CITIZENS BANK AGENT FOR
PO BOX 4140
FARMINGTON, NM 87499

DIRK VANHORN REEMTSMA
556 CRESTWOOD DR

OCEANSIDE, CA 92054

DOUGLAS CAMERON MCLEOD
518 17TH ST STE 1455
DENVER, CO 80202

DUGAN PRODUCTION CORPORATION
PO BOX 420
FARMINGTON, NM 874990420

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

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

JILL SOENS
728 E 4TH AVE
DURANGO, CO 81301

LANCE REEMTSMA
2601 GRANT ST
BERKELEY, CA 947031915

LESLIE HARDWICK OSHEA
120 E 79TH ST APT 11E
NEW YORK, NY 10021

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

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

MOORE LOYAL TRUST
LEE WAYNE MOORE TRUSTEE
403 N MARIENFELD
MIDLAND, TX 79701

PHILLIPS-SAN JUAN PARTNERS
C/O CONOCOPHILLIPS
PO BOX 2197

HOUSTON, TX 772522197

R L BOLIN PROPERTIES LTD
4245 KEMP BLVD STE 316
WICHITA FALLS, TX 76308

ROBERT P SOENS
808 ENDERBY DR
ALEXANDRIA, VA 223022224

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

WILLIAMS PRODUCTION COMPANY
ONE WILLIAMS CENTER
PO BOX 3102 MD25-1
TULSA, OK 74101

XTO ENERGY INC
810 HOUSTON ST STE 2000
FORT WORTH, TX 761026298