



Burlington Resources Inc.
A wholly owned subsidiary of
ConocoPhillips

June 26, 2007

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:

Per letter dated March 26, 2007, Burlington Resources indicated that the well listed below was capable of producing unitized substances in paying quantities from both the Fruitland Coal and Pictured Cliffs formations. After further review, we found this to be incorrect. This well is **unable** to produce in paying quantities from the Pictured Cliffs formation. Burlington is seeking confirmation of the REVISED paying well determinations enclosed.

Well Name	Well Dedication	Dedicated Lease	Completion Date	Commerciality Determination
SJ 29-7 Unit #194-- FTC	W/2 15-29N-7W	USA SF-077842	5-31-06	Commercial
SJ 29-7 Unit #194-- PC	W/2 15-29N-7W	USA SF-077842	5-31-06	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, the formal Participating Area Schedules will be prepared and submitted for the Fruitland Coal, the Pictured Cliffs will continue to be carried on a lease basis.

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	PICTURED CLIFFS
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES O&G CO LP
SPUD DATE	05/26/2005
COMP DATE	05/31/2006
1ST DELIVERY	06/09/2006
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

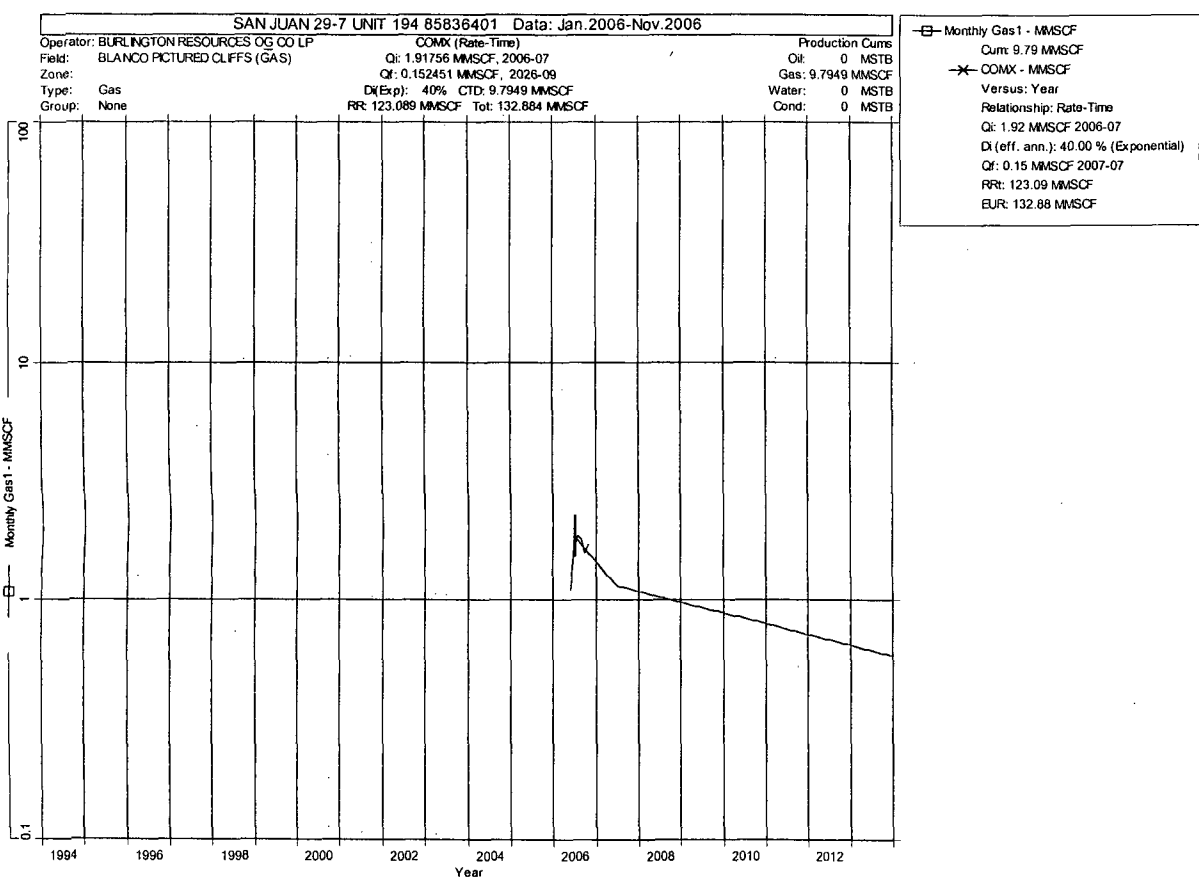
PRODUCTION TAXES	
TAXES FOR:	RIO ARRIBA, New Mexico 2003 - 2004 Commerciality
GAS % OF REVENUE	
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

417.92	M\$	AVERAGE WELL COST
131.77	MMCF	ULT. GROSS GAS RESERVES
54.14	MCFD	INITIAL GAS RATE
>800.00	%	RATE OF RETURN
-0.49	\$/	P/I, DISC. @ 10.00 %
-203.32	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	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 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 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	48.9	1.5	1.03	0.00	0.09	4.86	4.86	35.51	22.66	6.9	0.70	0.87	5.29	0.00	5.29
2007 01	46.9	1.5	0.99	0.00	0.09	4.86	4.86	35.51	22.66	6.6	0.67	0.87	5.03	0.00	5.03
2007 02	49.8	1.4	0.95	0.00	0.09	4.86	4.86	35.51	22.66	6.3	0.64	0.87	4.79	0.00	4.79
2007 03	43.1	1.3	0.91	0.00	0.08	4.86	4.86	35.51	22.66	6.0	0.62	0.87	4.55	0.00	4.55
2007 04	42.7	1.3	0.87	0.00	0.08	4.86	4.86	35.51	22.66	5.8	0.59	0.87	4.33	0.00	4.33
2007 05	39.6	1.2	0.83	0.00	0.08	4.86	4.86	35.51	22.66	5.5	0.57	0.87	4.11	0.00	4.11
2007 06	39.2	1.2	0.80	0.00	0.07	4.86	4.86	35.51	22.66	5.3	0.54	0.87	3.90	0.00	3.90
2007 07	37.0	1.1	0.78	0.00	0.07	4.86	4.86	35.51	22.66	5.2	0.53	0.87	3.78	0.00	3.78
2007 08	36.6	1.1	0.77	0.00	0.07	4.86	4.86	35.51	22.66	5.1	0.53	0.87	3.74	0.00	3.74
2007 09	37.5	1.1	0.76	0.00	0.07	4.86	4.86	35.51	22.66	5.1	0.52	0.87	3.70	0.00	3.70
2007 10	36.0	1.1	0.76	0.00	0.07	4.86	4.86	35.51	22.66	5.0	0.52	0.87	3.66	0.00	3.66
2007 11	36.9	1.1	0.75	0.00	0.07	4.86	4.86	35.51	22.66	5.0	0.51	0.87	3.62	0.00	3.62
2007 12	35.4	1.1	0.74	0.00	0.07	4.86	4.86	35.51	22.66	5.0	0.51	0.87	3.58	0.00	3.58
2008 01	35.1	1.1	0.74	0.00	0.07	4.86	4.86	35.51	22.66	4.9	0.50	0.87	3.54	0.00	3.54
2008 02	37.1	1.1	0.73	0.00	0.07	4.86	4.86	35.51	22.66	4.9	0.50	0.87	3.50	0.00	3.50
Sub.	---	27.0	18.29	0.00	1.67	---	---	---	---	121.9	12.47	17.42	92.03	417.92	-325.89
Rem.	---	104.8	71.12	0.00	6.48	---	---	---	---	474.1	48.50	813.51	-387.91	0.00	-387.91
Total	---	131.8	89.41	0.00	8.15	---	---	---	---	596.0	60.98	830.93	-295.88	417.92	-713.80

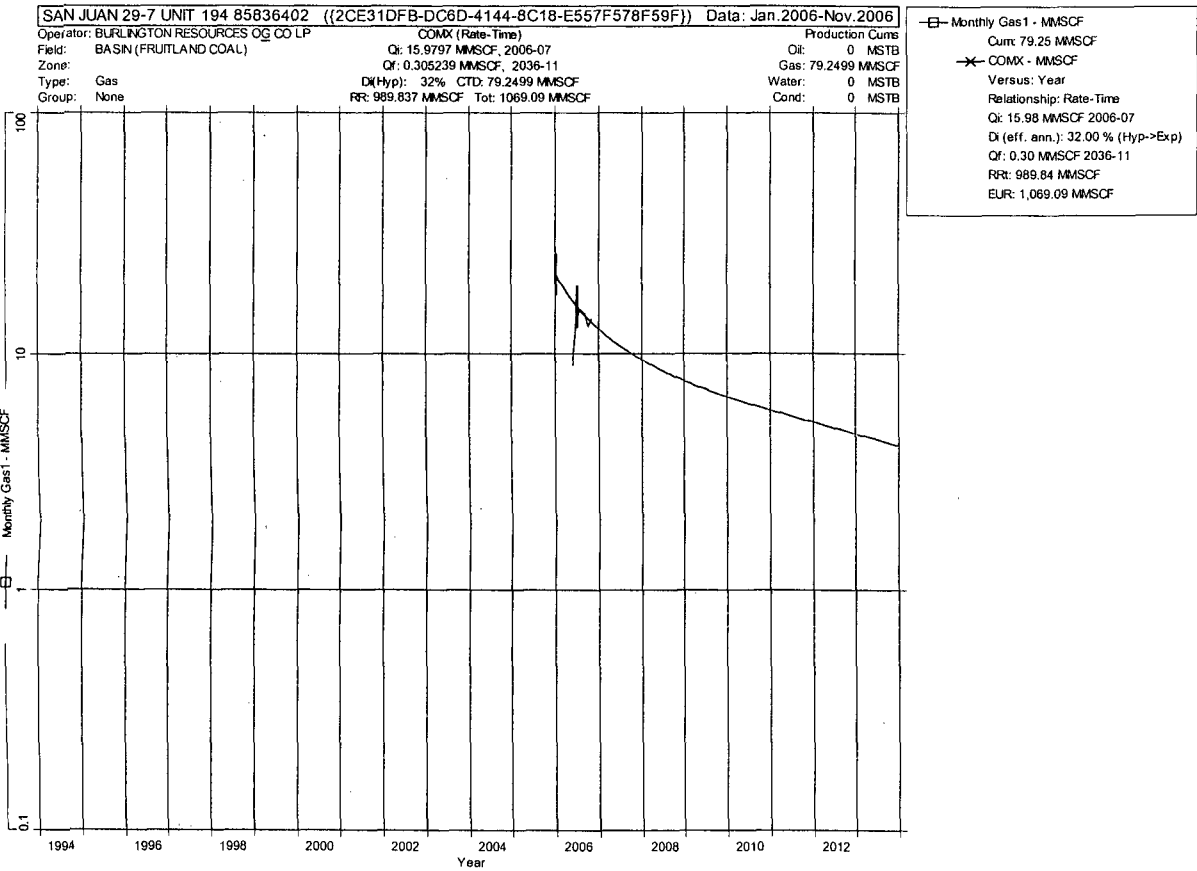
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COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 194

WELL INFORMATION	
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COUNTY, STATE	RIO ARRIBA, New Mexico
FORMATION	FRUITLAND COAL
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES O&G CO LP
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COMP DATE	05/31/2006
1ST DELIVERY	06/09/2006
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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	
398.99	M\$
1,060.10	MMCF
438.06	MCFD
304.90	%
4.37	\$/
1,742.54	M\$
0.69	YRS
AVERAGE WELL COST	
ULT. GROSS GAS RESERVES	
INITIAL GAS RATE	
RATE OF RETURN	
P/I, DISC. @ 10.00 %	
NET PRESENT VALUE, DISC. @ 10.00 %	
PAYOUT	



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	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2006 07	438.1	13.6	9.58	0.00	0.52	4.63	4.63	35.51	22.66	54.6	5.64	1.04	47.92	398.99	-351.07
2006 08	489.0	15.2	10.69	0.00	0.58	4.63	4.63	35.51	22.66	60.9	6.29	1.04	53.62	0.00	53.62
2006 09	491.6	14.7	10.40	0.00	0.56	4.63	4.63	35.51	22.66	59.3	6.12	1.04	52.13	0.00	52.13
2006 10	414.8	12.9	9.07	0.00	0.49	4.63	4.63	35.51	22.66	51.7	5.34	1.04	45.32	0.00	45.32
2006 11	464.0	13.9	9.82	0.00	0.53	4.63	4.63	35.51	22.66	56.0	5.78	1.04	49.15	0.00	49.15
2006 12	420.2	13.0	9.19	0.00	0.50	4.63	4.63	35.51	22.66	52.4	5.41	1.04	45.92	0.00	45.92
2007 01	407.2	12.6	8.90	0.00	0.48	4.63	4.63	35.51	22.66	50.8	5.24	1.04	44.48	0.00	44.48
2007 02	437.6	12.3	8.64	0.00	0.47	4.63	4.63	35.51	22.66	49.3	5.09	1.04	43.14	0.00	43.14
2007 03	384.1	11.9	8.40	0.00	0.45	4.63	4.63	35.51	22.66	47.9	4.94	1.04	41.89	0.00	41.89
2007 04	386.2	11.6	8.17	0.00	0.44	4.63	4.63	35.51	22.66	46.6	4.81	1.04	40.73	0.00	40.73
2007 05	364.0	11.3	7.96	0.00	0.43	4.63	4.63	35.51	22.66	45.4	4.68	1.04	39.64	0.00	39.64
2007 06	366.7	11.0	7.76	0.00	0.42	4.63	4.63	35.51	22.66	44.2	4.57	1.04	38.63	0.00	38.63
2007 07	346.3	10.7	7.57	0.00	0.41	4.63	4.63	35.51	22.66	43.2	4.46	1.04	37.67	0.00	37.67
2007 08	338.3	10.5	7.39	0.00	0.40	4.63	4.63	35.51	22.66	42.2	4.35	1.04	36.77	0.00	36.77
2007 09	341.7	10.3	7.23	0.00	0.39	4.63	4.63	35.51	22.66	41.2	4.25	1.04	35.92	0.00	35.92
2007 10	323.5	10.0	7.07	0.00	0.38	4.63	4.63	35.51	22.66	40.3	4.16	1.04	35.11	0.00	35.11
2007 11	327.2	9.8	6.92	0.00	0.37	4.63	4.63	35.51	22.66	39.5	4.07	1.04	34.35	0.00	34.35
2007 12	310.2	9.6	6.78	0.00	0.37	4.63	4.63	35.51	22.66	38.7	3.99	1.04	33.63	0.00	33.63
2008 01	304.0	9.4	6.65	0.00	0.36	4.63	4.63	35.51	22.66	37.9	3.91	1.04	32.94	0.00	32.94
2008 02	318.8	9.2	6.52	0.00	0.35	4.63	4.63	35.51	22.66	37.2	3.84	1.04	32.29	0.00	32.29
Sub.	---	233.5	164.69	0.00	8.90	---	---	---	---	939.0	96.94	20.78	821.27	398.99	422.28
Rem.	---	826.6	582.86	0.00	31.50	---	---	---	---	3,323.2	343.09	970.43	2,009.67	0.00	2,009.67
Total	---	1,060.1	747.55	0.00	40.40	---	---	---	---	4,262.2	440.03	991.21	2,830.94	398.99	2,431.95

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
1 PARKER SQ STE 510
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
PO BOX 291445
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