



498

San Juan Business Unit
PO Box 4289
Farmington NM 87499-4289
(505) 326-9700

Burlington Resources Inc.
"A wholly owned subsidiary"

October 10 2007

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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: San Juan 32-9 Unit (#14-08-001-569)
Commercial Determination
Dakota Formation
San Juan County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 32-9 Unit Agreement, #14-08-001-569, approved, June 26, 1953, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the well listed is capable of producing unitized substances in paying quantities from the Dakota Formation. Burlington is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Completion Date	Determination
SJ 32-9 Unit #50B	E/2 Sec. 25-32N-10W	SF-078507	11-8-2006	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. This will be the first well to establish the Dakota Formation Participating Area.

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.

Very truly yours,

Dawn Howell
Staff Land Technician

DH
SJ 32-9 Unit, 4.3

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 32-9 UNIT 50B

WELL INFORMATION

LEASE SAN JUAN 32-9 UNIT 50B
 LOCATION 25032N010WM
 COUNTY, STATE SAN JUAN, New Mexico
 FORMATION DAKOTA
 PROJECT TYPE
 WELL TYPE GAS WELL
 OPERATOR BURLINGTON RESOURCES O&G CO LP
 SPUD DATE 8/9/2006
 COMP DATE 11/8/2006
 1ST DELIVERY 12/1/2006
 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

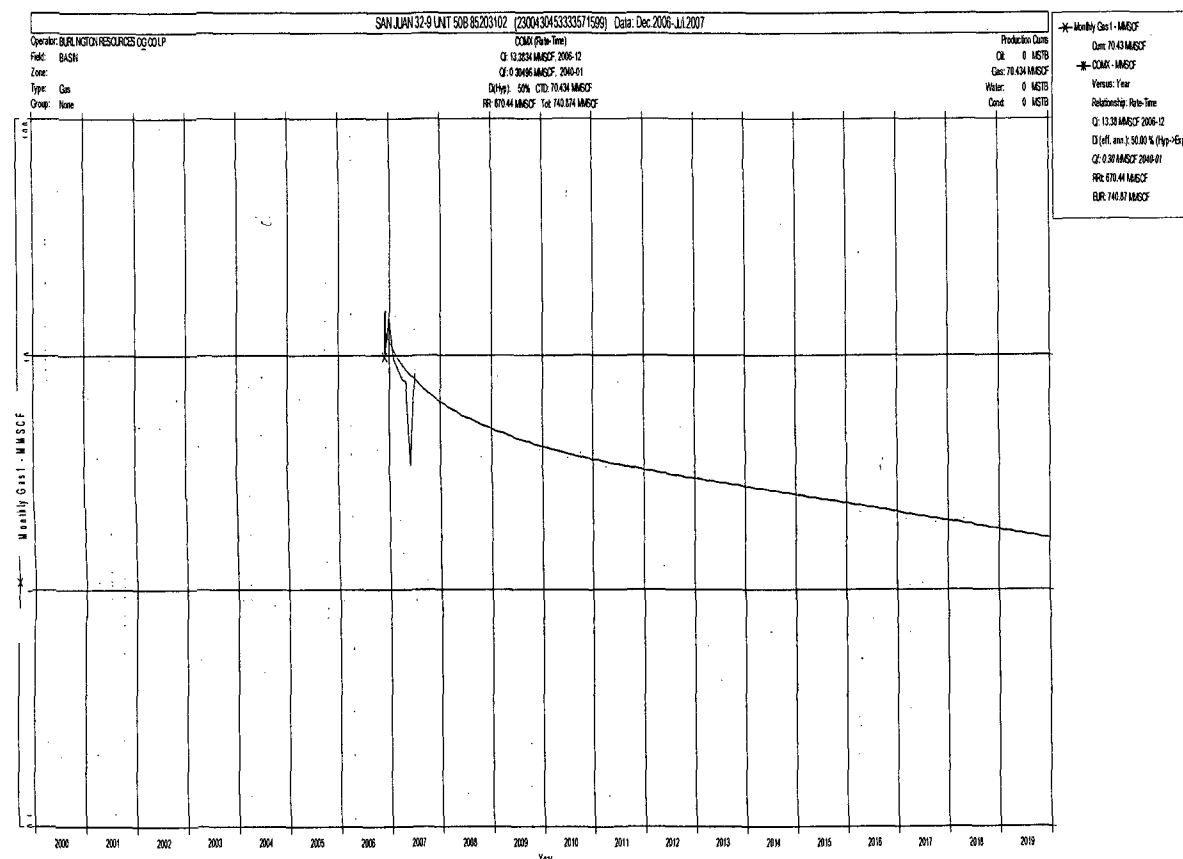
SEVERANCE:
 Severance, School, Conservation 7.93
 AD VALOREM:
 Production, Equipment 1.40
 TOTAL %: 9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

684.00	M\$	AVERAGE WELL COST
740.87	MMCF	ULT. GROSS GAS RESERVES
319.55	MCFD	INITIAL GAS RATE
59.34	%	RATE OF RETURN
1.46	\$/	P/I, DISC. @ 10.00 %
1,000.58	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
1.83	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-9 UNIT 50B

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 Opccosts	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	319.5	9.9	7.08	0.00	0.69	4.86	4.86	35.51	22.66	48.1	4.91	0.64	42.50	684.00	-641.50
2007 01	462.9	14.3	10.25	0.00	1.00	4.86	4.86	35.51	22.66	69.6	7.11	0.64	61.85	0.00	61.85
2007 02	348.7	9.8	6.98	0.00	0.68	4.86	4.86	35.51	22.66	47.4	4.84	0.64	41.88	0.00	41.88
2007 03	285.9	8.9	6.33	0.00	0.62	4.86	4.86	35.51	22.66	43.0	4.39	0.64	37.95	0.00	37.95
2007 04	264.7	7.9	5.67	0.00	0.55	4.86	4.86	35.51	22.66	38.5	3.93	0.64	33.94	0.00	33.94
2007 05	251.7	7.8	5.58	0.00	0.54	4.86	4.86	35.51	22.66	37.8	3.87	0.64	33.34	0.00	33.34
2007 06	115.0	3.5	2.47	0.00	0.24	4.86	4.86	35.51	22.66	16.7	1.71	0.64	14.39	0.00	14.39
2007 07	269.6	8.4	5.97	0.00	0.58	4.86	4.86	35.51	22.66	40.5	4.14	0.64	35.76	0.00	35.76
2007 08	244.3	7.6	5.41	0.00	0.53	4.86	4.86	35.51	22.66	36.7	3.75	0.64	32.34	0.00	32.34
2007 09	242.9	7.3	5.21	0.00	0.51	4.86	4.86	35.51	22.66	35.3	3.61	0.64	31.09	0.00	31.09
2007 10	226.8	7.0	5.02	0.00	0.49	4.86	4.86	35.51	22.66	34.1	3.48	0.64	29.98	0.00	29.98
2007 11	226.7	6.8	4.86	0.00	0.47	4.86	4.86	35.51	22.66	33.0	3.37	0.64	28.97	0.00	28.97
2007 12	212.6	6.6	4.71	0.00	0.46	4.86	4.86	35.51	22.66	32.0	3.27	0.64	28.06	0.00	28.06
2008 01	206.4	6.4	4.57	0.00	0.44	4.86	4.86	35.51	22.66	31.0	3.17	0.64	27.23	0.00	27.23
2008 02	214.6	6.2	4.45	0.00	0.43	4.86	4.86	35.51	22.66	30.2	3.08	0.64	26.47	0.00	26.47
2008 03	195.5	6.1	4.33	0.00	0.42	4.86	4.86	35.51	22.66	29.4	3.00	0.64	25.76	0.00	25.76
2008 04	197.1	5.9	4.22	0.00	0.41	4.86	4.86	35.51	22.66	28.7	2.93	0.64	25.11	0.00	25.11
2008 05	186.2	5.8	4.13	0.00	0.40	4.86	4.86	35.51	22.66	28.0	2.86	0.64	24.50	0.00	24.50
2008 06	188.1	5.6	4.03	0.00	0.39	4.86	4.86	35.51	22.66	27.4	2.80	0.64	23.94	0.00	23.94
2008 07	178.1	5.5	3.95	0.00	0.38	4.86	4.86	35.51	22.66	26.8	2.74	0.64	23.41	0.00	23.41
Sub.	---	147.2	105.23	0.00	10.23	---	---	---	---	714.2	72.97	12.80	628.48	684.00	-55.52
Rem.	---	593.6	424.21	0.00	41.25	---	---	---	---	2,879.5	294.16	241.92	2,343.38	0.00	2,343.38
Total	---	740.9	529.44	0.00	51.48	---	---	---	---	3,593.7	367.12	254.72	2,971.87	684.00	2,287.87

SAN JUAN 32-9 UNIT
WORKING INTEREST OWNERS
DAKOTA FORMATION

BP America

Burlington Resources

ConocoPhillips

Energen Resources

Four Star Oil & Gas

J&M Raymond Ltd

John S Brown, Jr.

TH McElvain Oil & Gas Co

Production Gathering

Robert Umbach Cancer Foundation