



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

Burlington Resources Oil & Gas Company, L.P.
A wholly owned subsidiary of ConocoPhillips Company

January 16, 2007

San Juan 27-5 Unit
Working Interest Owners
(See List)

Re: Proposal for Increased Density Pilot Project
San Juan 27-5 Unit
Mesaverde/Dakota Formations
Rio Arriba County, New Mexico

Dear Ladies/Gentleman:

On August 9, 2006 Burlington Resources Oil and Gas Company LP, ("Burlington") as operator of the San Juan 27-5 Unit, held a meeting in Farmington, New Mexico for all working interest owners to provide justification for proceeding forward with an increased density project in the San Juan 27-5 Unit.

Pursuant to the affirmative response received by a majority of the working interest owners attending the meeting to proceed with the increased density pilot project, designed to recover potentially significant incremental production through further infill drilling, Burlington is requesting your written approval to proceed with the proposed increased density pilot project.

As previously discussed in the August 9, 2006 meeting and explained through the written materials provided, the increased density pilot project will cover the Mesaverde and Dakota formations which are both located within the unit participating areas. The project cost and drilling operations will be spread over three (3) years and will include two (2) pressure observation wells, 1 stand alone Dakota formation producer and fourteen (14) Mesaverde/Dakota formation commingle wells. It is anticipated half of the wells will be drilled in 2007 and the other half in 2008. Please refer to the plats attached in this letter for well locations and directional wellbores. The official well names and footages will be provided as the wells are staked.

Total project cost is expected to be approximately \$34MM split roughly between the Mesaverde and Dakota formations (see cost estimate breakdown provided in the August 9, 2006 meeting materials). These projects will also be reflected in the annual San Juan 27-5 Unit Plan of Development and individual AFE's will be provided as available. Initial drilling for the project wells will commence in 2007 with final operations completed in 2008, or earlier if possible. Your prompt reply to this proposal is necessary in order to quickly bring the project before the New Mexico Oil and Gas Division for regulatory approval and initiation of 2007 operations.

PL-San Juan 27-5 Unit (06-01) Proposed Project Letter.doc

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San Juan 27-5 Unit
Increased Density Proposal
January 16, 2007

Please execute this letter in the spaces provided below within thirty (30) days to reflect your consent for the increased density pilot project. Return the executed original letter in the postage paid self-addressed envelope enclosed for your convenience or you may fax your reply to my attention @ 505-324-3805.

Thank you for your timely response. If you should have any questions or desire additional information please call me at 505.326.9878 or email fschilling@br-inc.com. Technical and cost questions may be directed to Neale Roberts, Principal Reservoir Engineer, at 505.326-9856.

Very truly yours,



Franklin L. Schilling, CPL/ESA
Senior Landman

THE UNDERSIGNED APPROVES THE SAN JUAN 27-5 UNIT INCREASED DENSITY PILOT PROJECT. THE PROJECT INCLUDES DRILLING, COMPLETING AND EQUIPPING OF 2 PRESSURE OBSERVATION WELLS, 1 STAND ALONE DAKOTA FORMATION WELL AND 14 MESAVERDE/DAKOTA FORMATION COMMINGLED WELLS.

DATE: _____

NAME: _____

TITLE: _____

COMPANY: _____

PTC-04-000-27.5 Unit-1-0001 Proposed Original Consent.doc

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San Juan 27-5 Unit
Increased Density Proposal

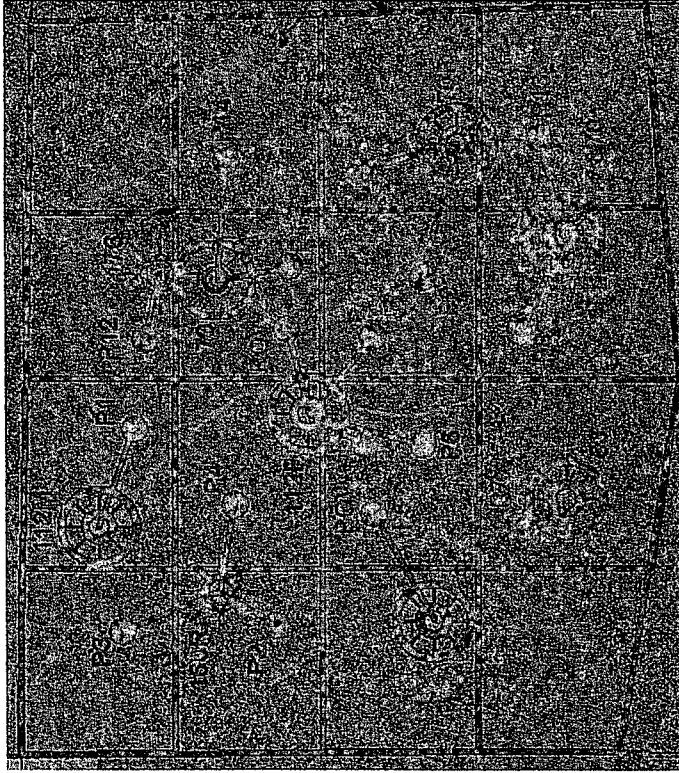
THE UNDERSIGNED DOES NOT APPROVE THE SAN JUAN 27-5 UNIT INCREASED DENSITY PILOT PROJECT.

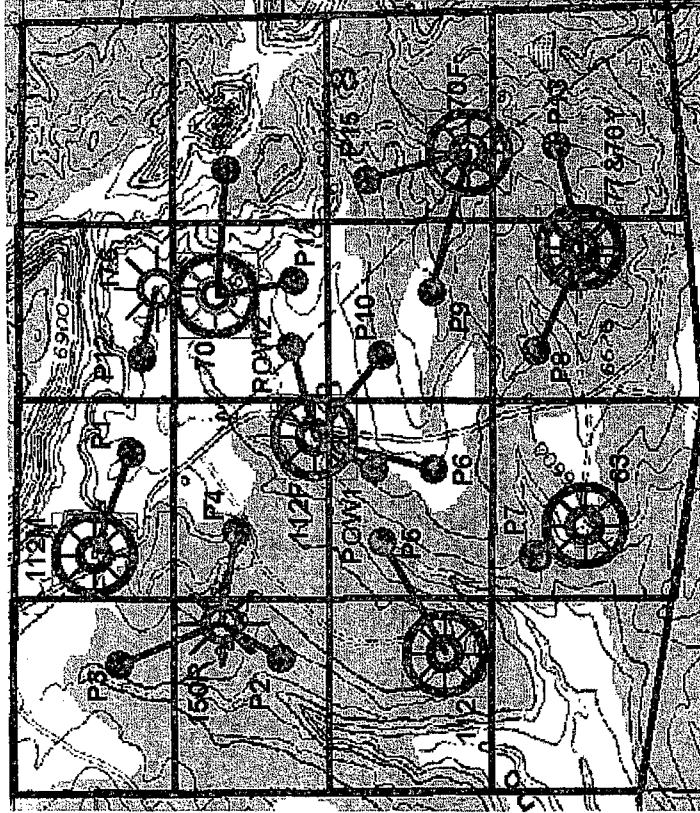
DATE: _____

NAME: _____

TITLE: _____

COMPANY: _____







United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401



IN REPLY REFER TO:
SJ 27-5 Pilot Infill Project

March 5, 2007

Mark Fesmire
New Mexico Oil Conservation Division
1220 S. St. Frances Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Reference is made to Case No. 13880, whereby Burlington Resources Oil and Gas Company LP (Burlington) is seeking approval for a pilot infill project in section 8, T.27N, R.5W, of the San Juan 27-5 Unit. The purpose of the pilot is to determine the commercial feasibility and optimal well spacing for the Mesaverde and Dakota Formations. In assessing the economic feasibility and optimal well spacing, Burlington will drill and develop 15 Mesaverde/Dakota wells and two (2) pressure observations wells. Current well spacing for the Mesaverde and Dakota formations allows up to 4 completions per standard 320 acre proration unit. The pilot will assess the feasibility of both 40 acre and 20 acre increased density.

We recently reviewed the technical merits of this case with representatives of Burlington and find that this pilot should help our respective agencies determine maximum economic recovery of gas and optimal well spacing for Mesaverde and Dakota well development in this part of the San Juan Basin.

Pursuant to the Memorandum of Understanding between the BLM and the OCD, we support Burlington's application for an increased density pilot project.

If you have any questions regarding the above, contact me at (505) 599-6367.

Jim Lovato

Senior Technical Advisor,
Petroleum Engineer

CC: Burlington,

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MESAVERDE OWNER	P/A ACRES	GWI P/A%	NRI P/A%	APPROVAL
BP AMERICA PRODUCTION COMPANY	1440.000000	6.248918	5.294222	YES
BURLINGTON RESOURCES O&G CO LP	18840.352955	81.758206	60.603545	YES
CHAPPELL FAMILY TRUST A DTD 6/4/88	17.984826	0.078046	0.064388	YES
DUGAN PRODUCTION CORP	24.674990	0.107078	0.093693	YES
FOREST OIL CORPORATION	960.040000	4.166119	3.645354	YES
GAY CHARLES W	0.856772	0.003718	0.003253	YES
HACKER LORRAYN GAY	0.856772	0.003718	0.003253	YES
HARCO LTD PARTNERSHIP	17.984837	0.078046	0.064388	YES
PTRNSHP	386.787809	1.678476	1.368710	YES
PRSHF	773.575491	3.356951	2.737420	YES
HARRISON LANGDON D REVOC TRUST B	40.350684	0.175103	0.158230	YES
J&M RAYMOND LTD	17.135392	0.074359	0.065065	YES
JABCO LLP	41.474994	0.179982	0.154295	YES
MAR OIL & GAS CORP	58.750000	0.254947	0.223079	YES
MAST MAYDELL MILLER TRUST	1.713554	0.007436	0.006507	YES
NAVATEX ENERGY LP	31.106250	0.134986	0.115721	YES
PROVIDENCE MINERALS LLC	24.675009	0.107078	0.093693	YES
QUINN KATHLEEN	16.450000	0.071385	0.062462	No Response
RIO ARIBAGAS LTD	51.843744	0.224977	0.192868	YES
SANRIO GAS LLC	17.984837	0.078046	0.064388	YES
T H MCELVAIN OIL & G	242.812510	1.053691	0.921980	YES
TEMPE LTD PARTNERSHIP	17.984837	0.078046	0.064388	YES
TINMIL	5.184366	0.022498	0.019685	YES
TINNIN THOMAS P	5.184391	0.022498	0.019686	YES
ZIMMERMAN RUTH TRUST	8.224981	0.035693	0.031231	YES
	23043.990000	100.000000	76.071502	99.928615

DAKOTA OWNER NAME	P/A ACRES	GWI P/A%	NRI P/A%	Approval
FOREST OIL CORPORATION	960.040000	4.173363	3.651693	YES
DUGAN PRODUCTION CORP	24.674990	0.107264	0.093856	YES
MAR OIL & GAS CORP	58.750000	0.255390	0.223467	YES
MAST MAYDELL MILLER TRUST	1.713545	0.007449	0.006518	YES
QUINN KATHLEEN	16.450000	0.071509	0.062571	No Response
T H MCELVAIN OIL & G	242.812510	1.055523	0.923583	YES
XTO ENERGY INC	441.600000	1.919667	1.679709	YES
ZIMMERMAN RUTH TRUST	8.224990	0.035755	0.031285	YES
TEMPE LTD PARTNERSHIP	17.984837	0.078181	0.064500	YES
HARCO LTD PARTNERSHIP	17.984837	0.078181	0.064500	YES
GAY CHARLES W	0.856772	0.003724	0.003259	YES
HACKER LORRAYN GAY	0.856772	0.003724	0.003259	YES
HARRINGTON SOUTHWEST ENGY LTD PRSHP	624.686604	2.715558	2.240335	YES
HARRINGTON ENERGY RESO LTD PTRNSHP	312.343358	1.357779	1.120168	YES
PROVIDENCE MINERALS LLC	24.675010	0.107264	0.093856	YES
TINMIL	5.184366	0.022537	0.019720	YES
TINNIN THOMAS P	5.184391	0.022537	0.019720	YES
BP AMERICA PRODUCTION COMPANY	4400.190000	19.127943	16.267427	YES
J&M RAYMOND LTD	17.135401	0.074489	0.065178	YES
JABCO LLP	41.474994	0.180295	0.154563	YES
CHAPPELL FAMILY TRUST A DTD 6/4/88	17.984826	0.078181	0.064500	YES
RIO ARIBAGAS LTD	51.843744	0.225368	0.193203	YES
NAVATEX ENERGY LP	31.106248	0.135221	0.115922	YES
HARRISON LANGDON D REVOC TRUST B	40.350684	0.175407	0.158505	YES
SANRIO GAS LLC	17.984837	0.078181	0.064500	YES
BURLINGTON RESOURCES O&G CO LP	15621.896285	67.909507	48.596826	YES
	23003.990000	100.000000	75.982619	99.928491