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ConocoPhillips Company
PO Box 4289
Farmington NM 87499-4289
505-326-9700

Burlington Resources Inc.
"A wholly owned subsidiary"

January 18, 2008

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

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 29-7 Unit (#14-08-001-1650)
Commerciality Determination
Fruitland Coal Formation
Pictured Cliffs 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 not capable of producing unitized substances in paying quantities from the Pictured Cliffs or Fruitland Coal formations. Burlington is seeking confirmation of the paying well determinations enclosed.

Well Name	Well Dedication	Ded. Lease	Completion Date	Determination
SJ 29-7 Unit #197	NE/4 28-29N-7W	SF-078424	1-19-07	Non-Commercial
SJ 29-7 Unit #197	E/2 28-29N-7W	SF-078424	1-19-07	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, this well 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. Please contact Karen Stevens at 326-9754 for any technical questions, and all other questions to the undersigned at 599-4030.

Sincerely,

Dawn Howell
Staff Land Technician

DH
SJ 29-7 Unit 4.1 and 4.5

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 29-7 UNIT 197

WELL INFORMATION

LEASE	SAN JUAN 29-7 UNIT 197
LOCATION	28029N007WA
COUNTY, STATE	RIO ARRIBA, New Mexico
FORMATION	FRUITLAND COAL
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES OIL & GAS CO
SPUD DATE	10/19/2006
COMP DATE	1/5/2007
1ST DELIVERY	1/19/2007
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

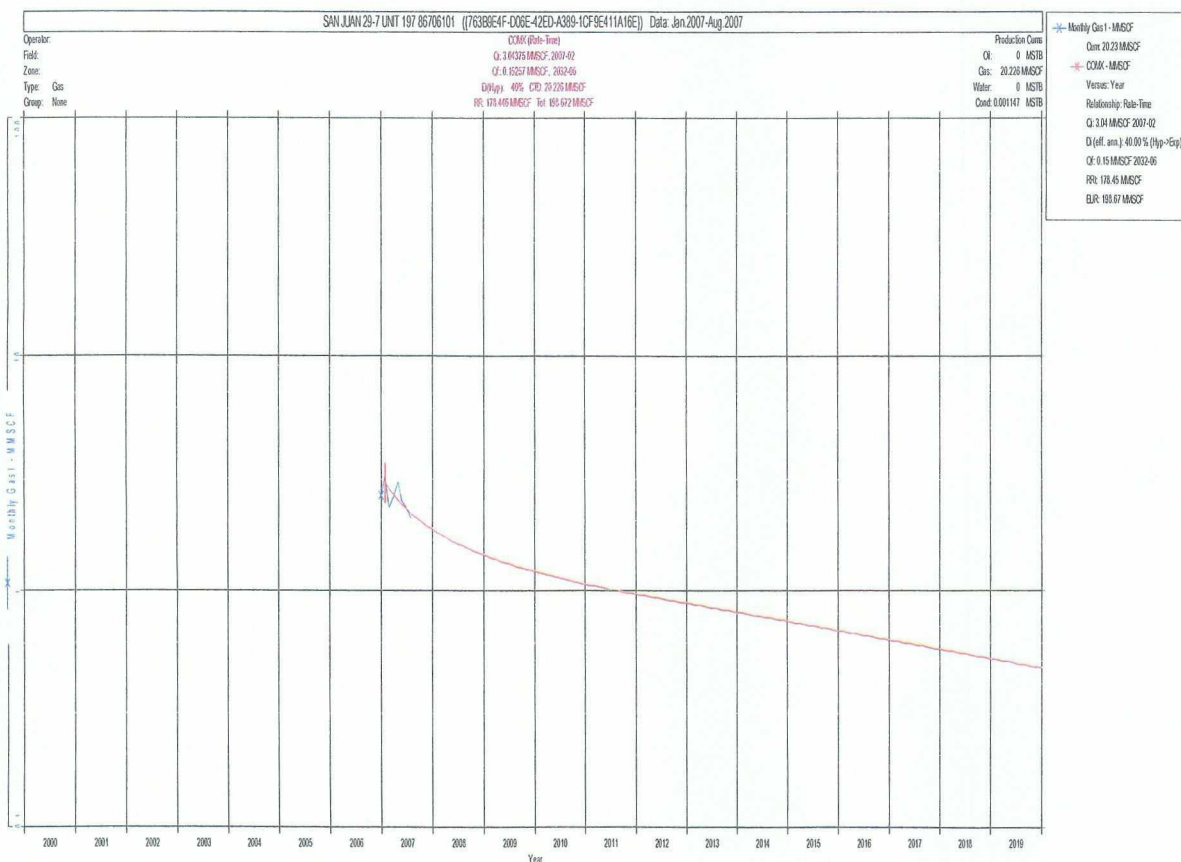
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

450.00	M\$	AVERAGE WELL COST
196.09	MMCF	ULT. GROSS GAS RESERVES
76.74	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.36	\$/	P/I, DISC. @ 10.00 %
-161.41	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 197

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\$
2007(12)	76.7	25.6	18.07	0.00	0.95	4.63	4.63	35.51	22.66	102.6	10.59	11.43	80.55	450.00	-369.45
2008(12)	53.6	19.6	13.84	0.00	0.73	4.63	4.63	35.51	22.66	78.6	8.11	12.47	57.98	0.00	57.98
2009(12)	43.6	15.9	11.23	0.00	0.59	4.63	4.63	35.51	22.66	63.7	6.58	12.47	44.69	0.00	44.69
2010(12)	37.7	13.8	9.70	0.00	0.51	4.63	4.63	35.51	22.66	55.1	5.69	12.47	36.91	0.00	36.91
2011(12)	33.7	12.3	8.67	0.00	0.46	4.63	4.63	35.51	22.66	49.2	5.08	12.47	31.64	0.00	31.64
2012(12)	30.6	11.2	7.89	0.00	0.42	4.63	4.63	35.51	22.66	44.8	4.62	12.47	27.68	0.00	27.68
2013(12)	28.0	10.2	7.20	0.00	0.38	4.63	4.63	35.51	22.66	40.9	4.22	12.47	24.20	0.00	24.20
2014(12)	25.6	9.3	6.58	0.00	0.35	4.63	4.63	35.51	22.66	37.3	3.86	12.47	21.01	0.00	21.01
2015(12)	23.3	8.5	6.01	0.00	0.32	4.63	4.63	35.51	22.66	34.1	3.52	12.47	18.11	0.00	18.11
2016(12)	21.3	7.8	5.49	0.00	0.29	4.63	4.63	35.51	22.66	31.1	3.22	12.47	15.46	0.00	15.46
2017(12)	19.5	7.1	5.01	0.00	0.26	4.63	4.63	35.51	22.66	28.4	2.94	12.47	13.04	0.00	13.04
2018(12)	17.8	6.5	4.58	0.00	0.24	4.63	4.63	35.51	22.66	26.0	2.68	12.47	10.82	0.00	10.82
2019(12)	16.2	5.9	4.18	0.00	0.22	4.63	4.63	35.51	22.66	23.7	2.45	12.47	8.80	0.00	8.80
2020(12)	14.8	5.4	3.82	0.00	0.20	4.63	4.63	35.51	22.66	21.7	2.24	12.47	6.96	0.00	6.96
2021(12)	13.5	4.9	3.49	0.00	0.18	4.63	4.63	35.51	22.66	19.8	2.04	12.47	5.27	0.00	5.27
2022(12)	12.4	4.5	3.18	0.00	0.17	4.63	4.63	35.51	22.66	18.1	1.87	12.47	3.73	0.00	3.73
2023(12)	11.3	4.1	2.91	0.00	0.15	4.63	4.63	35.51	22.66	16.5	1.70	12.47	2.33	0.00	2.33
2024(12)	10.3	3.8	2.66	0.00	0.14	4.63	4.63	35.51	22.66	15.1	1.56	12.47	1.05	0.00	1.05
2025(12)	9.7	1.8	1.24	0.00	0.07	4.63	4.63	35.51	22.66	7.0	0.73	6.23	0.08	0.00	0.08
Total	---	178.3	125.75	0.00	6.63	---	---	---	---	713.6	73.70	229.62	410.29	450.00	-39.71

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 29-7 UNIT 197

WELL INFORMATION

LEASE	SAN JUAN 29-7 UNIT 197
LOCATION	28029N007WA
COUNTY, STATE	RIO ARRIBA, New Mexico
FORMATION	PICTURED CLIFFS
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	BURLINGTON RESOURCES O&G CO
SPUD DATE	10/19/2006
COMP DATE	1/5/2007
1ST DELIVERY	1/19/2007
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

PRODUCTION TAXES

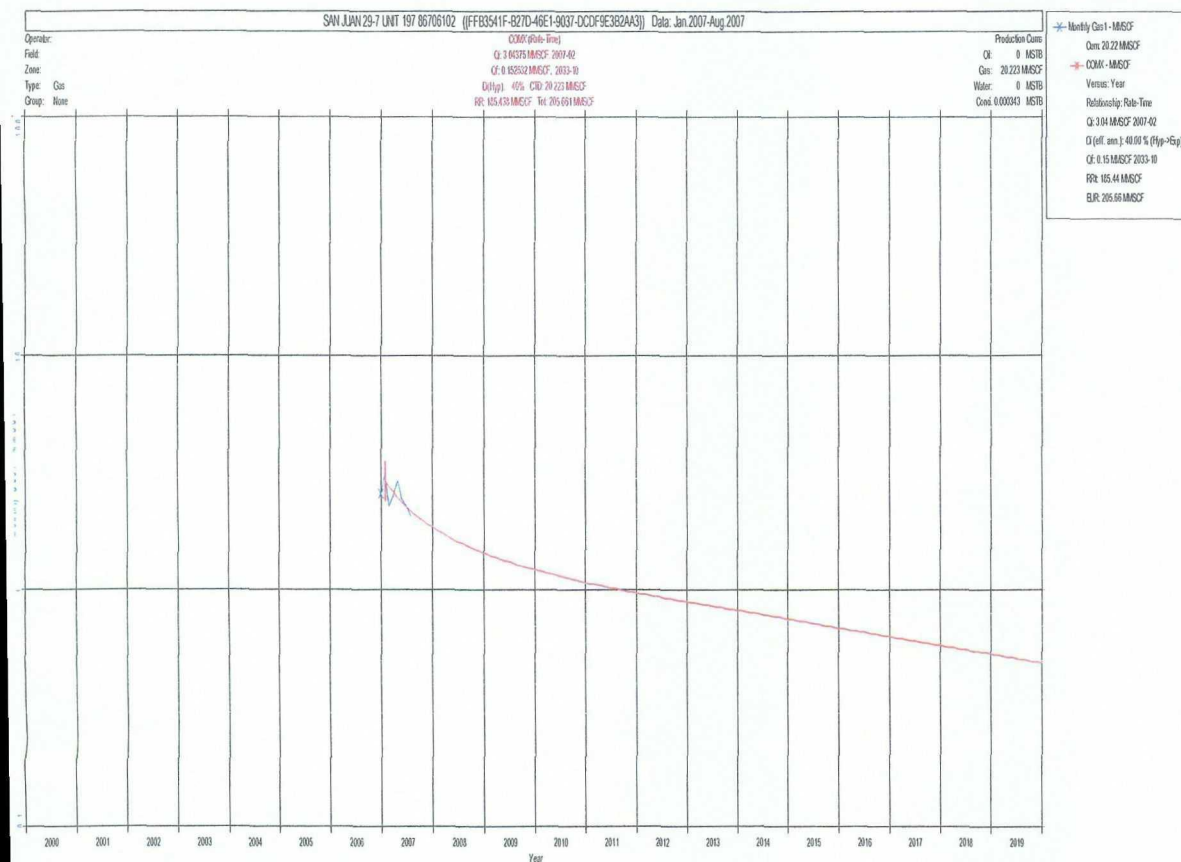
TAXES FOR:	RIO ARRIBA, New Mexico
	2003 - 2004 Commerciality
	GAS % OF REVENUE
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

490.00	M\$	AVERAGE WELL COST
203.08	MMCF	ULT. GROSS GAS RESERVES
76.74	MCFD	INITIAL GAS RATE
2.47	%	RATE OF RETURN
-0.27	\$/	P/I, DISC. @ 10.00 %
-129.89	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
12.28	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 197

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\$
2007(12)	76.7	25.6	17.39	0.00	1.54	4.86	4.86	35.51	22.66	115.1	11.79	9.58	93.78	490.00	-396.22
2008(12)	53.6	19.6	13.32	0.00	1.18	4.86	4.86	35.51	22.66	88.2	9.03	10.45	68.72	0.00	68.72
2009(12)	43.6	15.9	10.81	0.00	0.96	4.86	4.86	35.51	22.66	71.6	7.32	10.45	53.78	0.00	53.78
2010(12)	37.7	13.8	9.34	0.00	0.83	4.86	4.86	35.51	22.66	61.8	6.33	10.45	45.04	0.00	45.04
2011(12)	33.7	12.3	8.34	0.00	0.74	4.86	4.86	35.51	22.66	55.2	5.65	10.45	39.12	0.00	39.12
2012(12)	30.6	11.2	7.60	0.00	0.68	4.86	4.86	35.51	22.66	50.3	5.15	10.45	34.74	0.00	34.74
2013(12)	28.2	10.3	6.98	0.00	0.62	4.86	4.86	35.51	22.66	46.2	4.73	10.45	31.05	0.00	31.05
2014(12)	25.9	9.5	6.41	0.00	0.57	4.86	4.86	35.51	22.66	42.5	4.35	10.45	27.66	0.00	27.66
2015(12)	23.8	8.7	5.89	0.00	0.52	4.86	4.86	35.51	22.66	39.0	3.99	10.45	24.55	0.00	24.55
2016(12)	21.8	8.0	5.41	0.00	0.48	4.86	4.86	35.51	22.66	35.8	3.67	10.45	21.69	0.00	21.69
2017(12)	20.1	7.3	4.97	0.00	0.44	4.86	4.86	35.51	22.66	32.9	3.37	10.45	19.07	0.00	19.07
2018(12)	18.4	6.7	4.56	0.00	0.41	4.86	4.86	35.51	22.66	30.2	3.09	10.45	16.66	0.00	16.66
2019(12)	16.9	6.2	4.19	0.00	0.37	4.86	4.86	35.51	22.66	27.7	2.84	10.45	14.45	0.00	14.45
2020(12)	15.5	5.7	3.85	0.00	0.34	4.86	4.86	35.51	22.66	25.5	2.61	10.45	12.41	0.00	12.41
2021(12)	14.3	5.2	3.53	0.00	0.31	4.86	4.86	35.51	22.66	23.4	2.39	10.45	10.55	0.00	10.55
2022(12)	13.1	4.8	3.24	0.00	0.29	4.86	4.86	35.51	22.66	21.5	2.20	10.45	8.83	0.00	8.83
2023(12)	12.0	4.4	2.98	0.00	0.26	4.86	4.86	35.51	22.66	19.7	2.02	10.45	7.26	0.00	7.26
2024(12)	11.0	4.0	2.74	0.00	0.24	4.86	4.86	35.51	22.66	18.1	1.85	10.45	5.81	0.00	5.81
2025(12)	10.1	3.7	2.51	0.00	0.22	4.86	4.86	35.51	22.66	16.6	1.70	10.45	4.49	0.00	4.49
2026(12)	9.3	3.4	2.31	0.00	0.21	4.86	4.86	35.51	22.66	15.3	1.56	10.45	3.27	0.00	3.27
Sub.	---	186.3	126.37	0.00	11.23	---	---	---	---	836.7	85.65	208.17	542.93	490.00	52.93
Rem.	---	8.2	5.57	0.00	0.49	---	---	---	---	36.9	3.77	29.61	3.48	0.00	3.48
Total	---	194.5	131.93	0.00	11.72	---	---	---	---	873.6	89.42	237.78	546.40	490.00	56.40

SAN JUAN 29-7 UNIT
WORKING INTEREST OWNERS

BP AMERICA PRODUCTION COMPANY
BURLINGTON RESOURCES O&G CO LP
C W BOLIN PROPERTIES LTD
CHARLES W GAY
CONOCOPHILLIPS COMPANY
D P BOLIN
DAN H BOLIN
DAVID A PIERCE
DIRK VANHORN REEMTSMA
FOUR STAR OIL & GAS COMPANY
J&M RAYMOND LTD
LANCE REEMTSMA
LORRAYN GAY HACKER
MAYDELL MILLER MAST TRUST
PAT S BOLIN
R L BOLIN PROPERTIES LTD
T H MCELVAIN OIL AND GAS PROP
WILLIAMS PRODUCTION COMPANY