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

February 25, 2008

Bureau of Land Management
Farmington Resource Area
Attn: Mr. Wayne Townsend
1235 La Plata Highway
Farmington, NM 87401

RE: San Juan 31-6 Unit (14-06-001-464)
Commerciality Determination
Dakota Formation
Rio Arriba County, New Mexico

Ladies and Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 31-6 Unit Agreement, #14-06-001-464, approved November 28, 1952, ConocoPhillips Company, as Operator, has determined that one of the wells listed below is capable of producing unitized substances in paying quantities from the Dakota Formation. ConocoPhillips is seeking confirmation of the well determinations enclosed.

Well Name	Dedication	Lease No.	Completion Date	Determination
SJ 31-6 Unit #20G	E/2 Sec. 3-30N-6W	NM-012292	10-27-06	Non-Commercial
SJ 31-6 Unit #18G	W/2 Sec. 3-30N-6W	NM-012292	11-8-06	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 for the commercial well. The non-commercial well will continue to be carried on a lease basis.

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.

Sincerely,

Dawn Howell
Staff Land Technician

SJ 31-6 Unit 4.3

Cc: State of New Mexico
Oil Conservation Division
Attn: Ms. Lori Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

State of New Mexico
Commissioner of Public Lands
Attn: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, NM 87504-1148

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 31-6 UNIT 18G

WELL INFORMATION

LEASE SAN JUAN 31-6 UNIT 18G
 LOCATION 03030N006W
 COUNTY, STATE RIO ARRIBA, New Mexico
 FORMATION DAKOTA
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS COMPANY
 SPUD DATE 8/3/2006
 COMP DATE 11/8/2006
 1ST DELIVERY 11/26/2006
 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

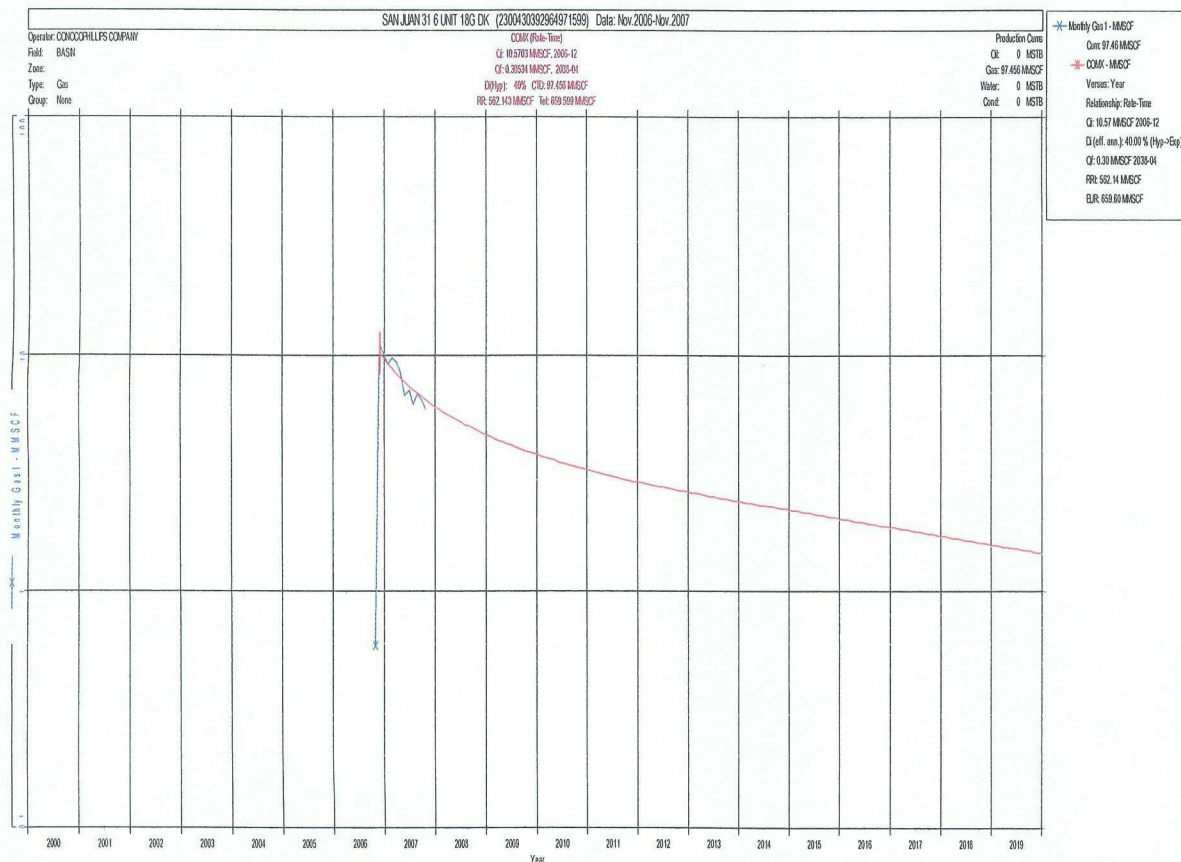
SEVERANCE:
 Severance, School, Conservation 7.93
 AD VALOREM:
 Production, Equipment 1.40
 TOTAL %: 9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

684.00 M\$ AVERAGE WELL COST
 659.02 MMCF ULT. GROSS GAS RESERVES
 356.94 MCFD INITIAL GAS RATE
 54.67 % RATE OF RETURN
 1.28 \$/\$ P/I, DISC. @ 10.00 %
 872.80 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
 1.91 YRS PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 UNIT 18G

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(12)	356.9	11.1	7.91	0.00	0.77	4.86	4.86	35.51	22.66	53.7	5.48	0.50	47.69	684.00	-636.31
2007(12)	252.2	92.1	65.79	0.00	6.40	4.86	4.86	35.51	22.66	446.5	45.62	6.00	394.92	0.00	394.92
2008(12)	174.9	64.0	45.73	0.00	4.45	4.86	4.86	35.51	22.66	310.4	31.71	6.00	272.71	0.00	272.71
2009(12)	139.0	50.7	36.26	0.00	3.53	4.86	4.86	35.51	22.66	246.2	25.15	6.00	215.00	0.00	215.00
2010(12)	117.2	42.8	30.56	0.00	2.97	4.86	4.86	35.51	22.66	207.4	21.19	6.00	180.23	0.00	180.23
2011(12)	102.3	37.3	26.68	0.00	2.59	4.86	4.86	35.51	22.66	181.1	18.50	6.00	156.57	0.00	156.57
2012(12)	91.1	33.3	23.83	0.00	2.32	4.86	4.86	35.51	22.66	161.8	16.53	6.00	139.24	0.00	139.24
2013(12)	83.0	30.3	21.64	0.00	2.10	4.86	4.86	35.51	22.66	146.9	15.01	6.00	125.90	0.00	125.90
2014(12)	76.1	27.8	19.85	0.00	1.93	4.86	4.86	35.51	22.66	134.7	13.76	6.00	114.97	0.00	114.97
2015(12)	69.9	25.5	18.23	0.00	1.77	4.86	4.86	35.51	22.66	123.7	12.64	6.00	105.10	0.00	105.10
2016(12)	64.0	23.4	16.74	0.00	1.63	4.86	4.86	35.51	22.66	113.6	11.61	6.00	96.03	0.00	96.03
2017(12)	58.9	21.5	15.38	0.00	1.49	4.86	4.86	35.51	22.66	104.4	10.66	6.00	87.70	0.00	87.70
2018(12)	54.1	19.8	14.12	0.00	1.37	4.86	4.86	35.51	22.66	95.8	9.79	6.00	80.06	0.00	80.06
2019(12)	49.7	18.1	12.97	0.00	1.26	4.86	4.86	35.51	22.66	88.0	8.99	6.00	73.03	0.00	73.03
2020(12)	45.5	16.7	11.91	0.00	1.16	4.86	4.86	35.51	22.66	80.8	8.26	6.00	66.58	0.00	66.58
2021(12)	41.9	15.3	10.94	0.00	1.06	4.86	4.86	35.51	22.66	74.2	7.58	6.00	60.66	0.00	60.66
2022(12)	38.5	14.1	10.04	0.00	0.98	4.86	4.86	35.51	22.66	68.2	6.97	6.00	55.22	0.00	55.22
2023(12)	35.4	12.9	9.22	0.00	0.90	4.86	4.86	35.51	22.66	62.6	6.40	6.00	50.22	0.00	50.22
2024(12)	32.4	11.9	8.47	0.00	0.82	4.86	4.86	35.51	22.66	57.5	5.87	6.00	45.63	0.00	45.63
2025(12)	29.8	10.9	7.78	0.00	0.76	4.86	4.86	35.51	22.66	52.8	5.40	6.00	41.42	0.00	41.42
Sub.	---	579.4	414.05	0.00	40.26	---	---	---	---	2,810.5	287.11	114.50	2,408.88	684.00	1,724.88
Rem.	---	79.6	56.89	0.00	5.53	---	---	---	---	386.2	39.45	74.00	272.70	0.00	272.70
Total	---	659.0	470.94	0.00	45.79	---	---	---	---	3,196.6	326.56	188.50	2,681.58	684.00	1,997.58

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 31-6 UNIT 20G

WELL INFORMATION

LEASE	SAN JUAN 31-6 UNIT 20G
LOCATION	03030N006W
COUNTY, STATE	RIO ARRIBA, New Mexico
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS COMPANY
SPUD DATE	7/19/2006
COMP DATE	10/27/2006
1ST DELIVERY	11/26/2006
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

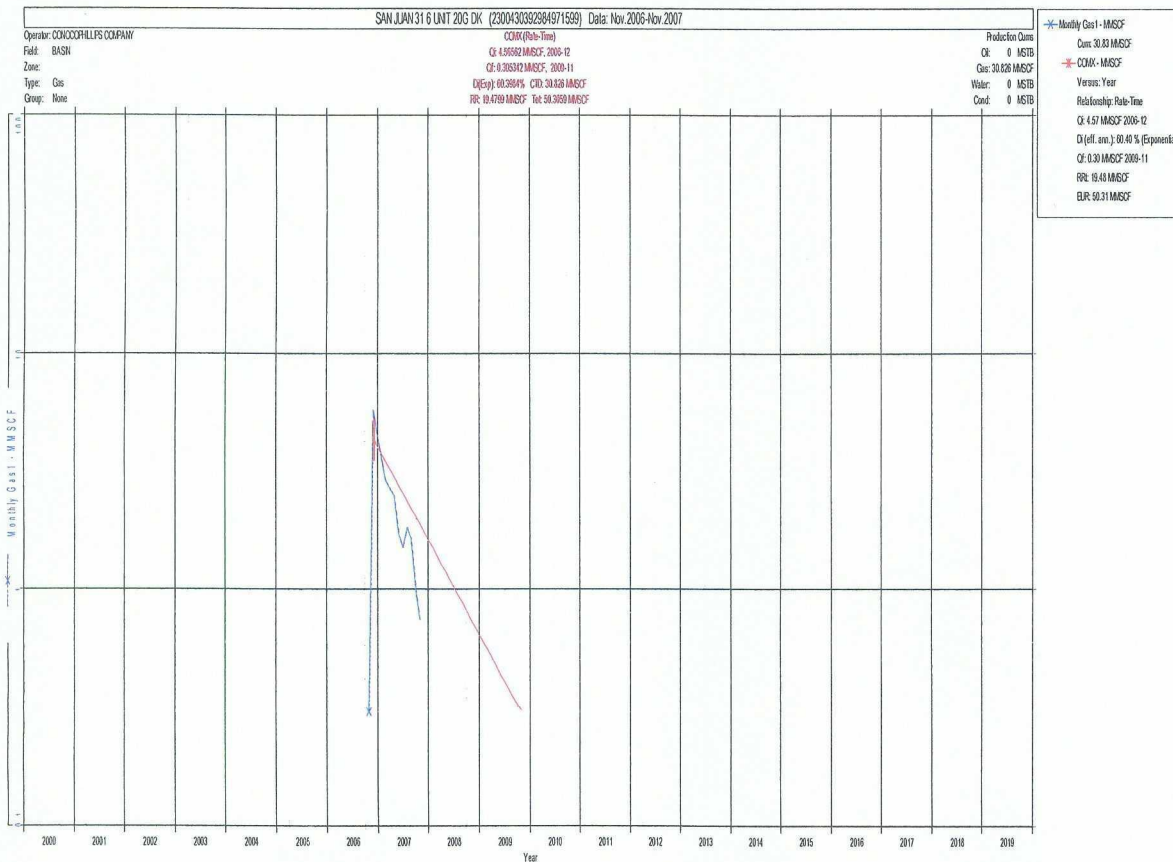
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

684.00	M\$	AVERAGE WELL COST
50.01	MMCF	ULT. GROSS GAS RESERVES
187.90	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.72	\$/	P/I, DISC. @ 10.00 %
-495.09	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT



BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 UNIT 20G

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)	187.9	5.8	4.16	0.00	0.40	4.86	4.86	35.51	22.66	28.3	2.89	0.50	24.87	684.00	-659.13
2007(12)	72.4	26.4	18.90	0.00	1.84	4.86	4.86	35.51	22.66	128.3	13.10	6.00	109.17	0.00	109.17
2008(12)	35.8	13.1	9.36	0.00	0.91	4.86	4.86	35.51	22.66	63.5	6.49	6.00	51.04	0.00	51.04
2009(12)	13.9	4.6	3.32	0.00	0.32	4.86	4.86	35.51	22.66	22.5	2.30	5.50	14.72	0.00	14.72
Total	---	50.0	35.74	0.00	3.47	---	---	---	---	242.6	24.78	18.00	199.79	684.00	-484.21

**SAN JUAN 31-6 UNIT
WORKING INTEREST OWNERS**

BP AMERICA PRODUCTION COMPANY
BURLINGTON RESOURCES OIL & GAS
CONOCOPHILLIPS COMPANY
FOUR STAR OIL & GAS COMPANY
PHILLIPS-SAN JUAN PARTNERS LP
WILLIAMS PRODUCTION COMPANY
XTO ENERGY INC