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ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289

Burlington Resources Inc.
A wholly owned subsidiary

July 21, 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: Canyon Largo Unit (14-08-001-1059)
Commerciality Determination
Dakota Formation
Rio Arriba County, New Mexico**

Gentlemen:

Pursuant to the provisions of Section 11(a) of the Canyon Largo Unit Agreement, #14-08-001-1059, approved, September 18, 1953, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the well listed below is capable of producing unitized substances in paying quantities from the Dakota Formation. Burlington is seeking confirmation of the well determination enclosed.

Well Name	Well Dedication	Dedicated Lease	Completion Date	Commerciality Determination
Canyon Largo Unit #488	E/2 17-25N-6W	SF-078882	9/13/07	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.

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

CLU 4.3

CANYON LARGO UNIT 488

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

WELL COST AND ECONOMICS

1,034.49	M\$	AVERAGE WELL COST
401.39	MMCF	ULT. GROSS GAS RESERVES
624.25	MCFD	INITIAL GAS RATE
14.29	%	RATE OF RETURN
0.11	\$/\$	P/I, DISC. @ 10.00 %
113.33	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
4.94	YRS	PAYOUT

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO UNIT 488

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)	624.2	38.1	27.21	0.00	2.65	4.86	4.86	35.51	22.66	184.7	18.87	1.00	164.84	1,034.49	-869.65
2008(12)	229.4	83.9	59.99	0.00	5.83	4.86	4.86	35.51	22.66	407.2	41.60	6.00	359.59	0.00	359.59
2009(12)	119.6	43.6	31.19	0.00	3.03	4.86	4.86	35.51	22.66	211.7	21.63	6.00	184.10	0.00	184.10
2010(12)	87.6	32.0	22.86	0.00	2.22	4.86	4.86	35.51	22.66	155.2	15.85	6.00	133.31	0.00	133.31
2011(12)	71.1	25.9	18.53	0.00	1.80	4.86	4.86	35.51	22.66	125.8	12.85	6.00	106.96	0.00	106.96
2012(12)	60.5	22.1	15.81	0.00	1.54	4.86	4.86	35.51	22.66	107.3	10.96	6.00	90.36	0.00	90.36
2013(12)	53.3	19.5	13.91	0.00	1.35	4.86	4.86	35.51	22.66	94.4	9.65	6.00	78.78	0.00	78.78
2014(12)	47.7	17.4	12.45	0.00	1.21	4.86	4.86	35.51	22.66	84.5	8.64	6.00	69.90	0.00	69.90
2015(12)	42.9	15.6	11.18	0.00	1.09	4.86	4.86	35.51	22.66	75.9	7.75	6.00	62.12	0.00	62.12
2016(12)	38.4	14.0	10.03	0.00	0.98	4.86	4.86	35.51	22.66	68.1	6.96	6.00	55.13	0.00	55.13
2017(12)	34.5	12.6	9.00	0.00	0.88	4.86	4.86	35.51	22.66	61.1	6.24	6.00	48.86	0.00	48.86
2018(12)	31.0	11.3	8.08	0.00	0.79	4.86	4.86	35.51	22.66	54.8	5.60	6.00	43.24	0.00	43.24
2019(12)	27.8	10.1	7.25	0.00	0.70	4.86	4.86	35.51	22.66	49.2	5.03	6.00	38.19	0.00	38.19
2020(12)	24.9	9.1	6.51	0.00	0.63	4.86	4.86	35.51	22.66	44.2	4.51	6.00	33.66	0.00	33.66
2021(12)	22.4	8.2	5.84	0.00	0.57	4.86	4.86	35.51	22.66	39.6	4.05	6.00	29.59	0.00	29.59
2022(12)	20.1	7.3	5.24	0.00	0.51	4.86	4.86	35.51	22.66	35.6	3.63	6.00	25.94	0.00	25.94
2023(12)	18.0	6.6	4.70	0.00	0.46	4.86	4.86	35.51	22.66	31.9	3.26	6.00	22.67	0.00	22.67
2024(12)	16.1	5.9	4.22	0.00	0.41	4.86	4.86	35.51	22.66	28.7	2.93	6.00	19.73	0.00	19.73
2025(12)	14.5	5.3	3.79	0.00	0.37	4.86	4.86	35.51	22.66	25.7	2.63	6.00	17.09	0.00	17.09
2026(12)	13.0	4.8	3.40	0.00	0.33	4.86	4.86	35.51	22.66	23.1	2.36	6.00	14.72	0.00	14.72
Sub.	---	393.5	281.21	0.00	27.34	---	---	---	---	1,908.8	194.99	115.00	1,598.78	1,034.49	564.29
Rem.	---	7.8	5.57	0.00	0.54	---	---	---	---	37.8	3.86	11.50	22.46	0.00	22.46
Total	---	401.3	286.78	0.00	27.88	---	---	---	---	1,946.6	198.86	126.50	1,621.24	1,034.49	586.75

**CANYON LARGO UNIT
WORKING INTEREST OWNERS**

Burlington Resources
Robert Beamon
Cathryn Beamon
Claudia Marcia Gilmer
Jeanne Lundell Lindsey
Carolyn Beamon Tilley
Robert Walter Lundell
James Robert Beamon
Susan Beamon Porter
Sharon Beamon Burns
Forest Oil Company
Four Star Oil & Gas
Huntington Canyon Largo
Kimbell Oil Company
Richard Tully
Speerex Limited Partnership