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

December 9, 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
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, as Operator, has determined that the well listed below is not capable of producing unitized substances in paying quantities from the Fruitland Coal formation. Burlington is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Completion	Determination
SJ 29-7 Unit #528S	W/2 Sec. 27-29N-7W	SF-078424	7/2/2007	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, the formal Participating Area Schedules will be prepared and submitted.

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 29-7 Unit, 4.5

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 528S

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 08	114.3	3.5	2.50	0.00	0.13	4.86	4.86	35.51	22.66	14.8	1.53	1.33	11.90	840.00	-828.10
2007 09	89.8	2.7	1.90	0.00	0.10	4.86	4.86	35.51	22.66	11.2	1.16	1.33	8.72	0.00	8.72
2007 10	55.0	1.7	1.20	0.00	0.06	4.86	4.86	35.51	22.66	7.1	0.73	1.33	5.04	0.00	5.04
2007 11	58.8	1.8	1.24	0.00	0.07	4.86	4.86	35.51	22.66	7.3	0.76	1.33	5.26	0.00	5.26
2007 12	50.4	1.6	1.10	0.00	0.06	4.86	4.86	35.51	22.66	6.5	0.67	1.33	4.51	0.00	4.51
2008 01	53.4	1.7	1.17	0.00	0.06	4.86	4.86	35.51	22.66	6.9	0.71	1.33	4.85	0.00	4.85
2008 02	53.2	1.5	1.09	0.00	0.06	4.86	4.86	35.51	22.66	6.4	0.66	1.33	4.43	0.00	4.43
2008 03	47.0	1.5	1.03	0.00	0.05	4.86	4.86	35.51	22.66	6.1	0.63	1.33	4.11	0.00	4.11
2008 04	48.8	1.5	1.03	0.00	0.05	4.86	4.86	35.51	22.66	6.1	0.63	1.33	4.14	0.00	4.14
2008 05	45.0	1.4	0.98	0.00	0.05	4.86	4.86	35.51	22.66	5.8	0.60	1.33	3.88	0.00	3.88
2008 06	23.4	0.7	0.49	0.00	0.03	4.86	4.86	35.51	22.66	2.9	0.30	1.33	1.29	0.00	1.29
2008 07	48.0	1.5	1.05	0.00	0.06	4.86	4.86	35.51	22.66	6.2	0.64	1.33	4.23	0.00	4.23
2008 08	46.7	1.4	1.02	0.00	0.05	4.86	4.86	35.51	22.66	6.0	0.62	1.33	4.08	0.00	4.08
2008 09	48.8	1.5	1.03	0.00	0.05	4.86	4.86	35.51	22.66	6.1	0.63	1.33	4.14	0.00	4.14
2008 10	46.9	1.5	1.02	0.00	0.05	4.86	4.86	35.51	22.66	6.1	0.63	1.33	4.10	0.00	4.10
2008 11	48.0	1.4	1.01	0.00	0.05	4.86	4.86	35.51	22.66	6.0	0.62	1.33	4.04	0.00	4.04
2008 12	46.0	1.4	1.01	0.00	0.05	4.86	4.86	35.51	22.66	5.9	0.61	1.33	3.99	0.00	3.99
2009 01	45.5	1.4	1.00	0.00	0.05	4.86	4.86	35.51	22.66	5.9	0.61	1.33	3.94	0.00	3.94
2009 02	50.0	1.4	0.99	0.00	0.05	4.86	4.86	35.51	22.66	5.8	0.60	1.33	3.89	0.00	3.89
2009 03	44.7	1.4	0.98	0.00	0.05	4.86	4.86	35.51	22.66	5.8	0.60	1.33	3.84	0.00	3.84
Sub.	---	32.4	22.85	0.00	1.20	---	---	---	---	134.9	13.95	26.60	94.38	840.00	-745.62
Rem.	---	120.7	85.11	0.00	4.48	---	---	---	---	502.6	51.95	192.85	257.76	0.00	257.76
Total	---	153.1	107.96	0.00	5.69	---	---	---	---	637.5	65.89	219.45	352.13	840.00	-487.87

**SAN JUAN 29-7 UNIT
WORKING INTEREST OWNERS
FRUITLAND COAL FORMATION**

ConocoPhillips
BP America Production Company
Burlington Resources Oil & Gas Co
David A Pierce
Dirk Vanhorn Reemtsma
Four Star Oil & Gas Company
Lance Reemtsma
Phillips-San Juan Partners
Williams Production Company