



553

January 26, 2009

2009 JAN 28

PM 1:00

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

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

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 28-5 Unit (#14-08-001-0949)  
Commercial Determinations  
Dakota Formation  
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-5 Unit Agreement, #14-08-001-0949, approved, August 25, 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 paying well determination enclosed.

| Well Name         | Dedication              | Lease No.   | Compl. Date | Determination |
|-------------------|-------------------------|-------------|-------------|---------------|
| SJ 28-5 Unit #31B | NSP Sec. 12 & 13-28N-5W | SF-080516-B | 11/12/07    | Commercial    |

The SJ 28-5 Unit #31M, completed 11/19/07, will come into the next revision with the #31B

Upon receipt of response from the Bureau of Land Management and concurring response from the 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.

Sincerely,

Dawn Howell  
Staff Land Technician

SJ 28-5 Unit, 4.3

# BURLINGTON RESOURCES

## COMMERCIALITY DETERMINATION

### BLM DATA SHEET

SAN JUAN UNIT 28-5 31B

#### WELL INFORMATION

LEASE SAN JUAN UNIT 28-5 31B  
 LOCATION 12028N005W  
 COUNTY, STATE RIO ARriba, NEW MEXICO  
 FORMATION DAKOTA  
 PROJECT TYPE NEWDRILL  
 WELL TYPE GAS WELL  
 OPERATOR BURLINGTON RESOURCES O&G CO  
 SPUD DATE 2/21/2007  
 COMP DATE 11/12/2007  
 1ST DELIVERY 2/14/2008  
 COMM GWI % 100.00  
 COMM NRI % 85.00  
 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

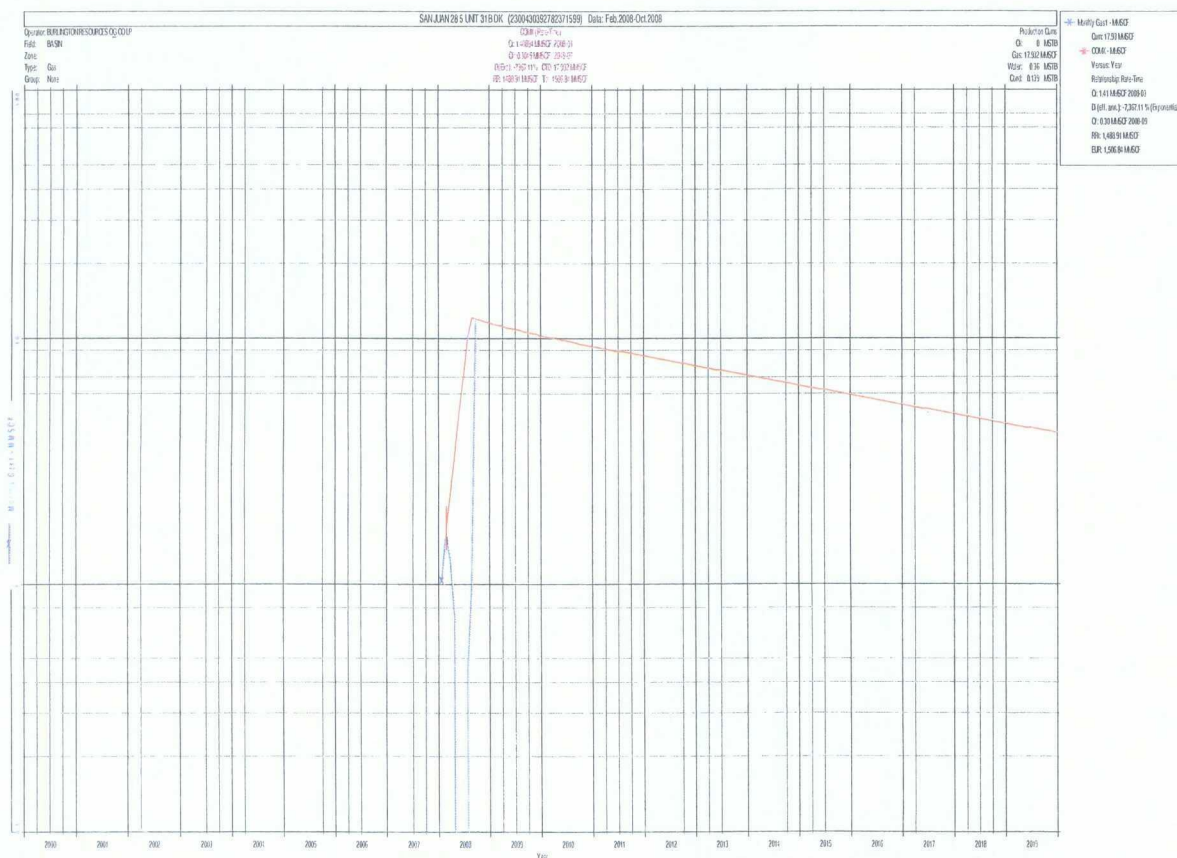
TOTAL %: 9.33

#### AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

#### WELL COST AND ECONOMICS

1,034.49 M\$ AVERAGE WELL COST  
 1,505.81 MMCF ULT. GROSS GAS RESERVES  
 51.39 MCFD INITIAL GAS RATE  
 44.96 % RATE OF RETURN  
 1.80 \$/\$ P/I, DISC. @ 10.00 %  
 1,863.77 M\$ NET PRESENT VALUE, DISC. @ 10.00 %  
 2.49 YRS PAYOUT



BURLINGTON RESOURCES  
COMMERCIALITY DETERMINATION  
BLM DATA SHEET  
SAN JUAN UNIT 28-5 31B

CASH FLOW SUMMARY

| Date    | Gas1<br>Rate | Gas1<br>Volume | Net Gas<br>Volume | Net Cond<br>Volume | Net Oth<br>Volume | Gas1<br>Price | Gas<br>Price | Cond<br>Price | Oth<br>Price | Net<br>Revenue | Prod<br>Taxes | Total<br>Opcosts | Total<br>Oper Inc | Total<br>Capital | Total<br>BT Cash |
|---------|--------------|----------------|-------------------|--------------------|-------------------|---------------|--------------|---------------|--------------|----------------|---------------|------------------|-------------------|------------------|------------------|
|         | mcf/d        | MMSCF          | MMSCF             | MSTB               | MSTB              | \$/MMBTU      | \$/mcf       | \$/Bbl        | \$/Bbl       | M\$            | M\$           | M\$              | M\$               | M\$              | M\$              |
| 2008 03 | 51.4         | 1.6            | 1.11              | 0.00               | 0.11              | 4.86          | 4.86         | 35.51         | 22.66        | 7.5            | 0.79          | 1.32             | 5.40              | 1,034.49         | -1,029.09        |
| 2008 04 | 41.5         | 1.2            | 0.86              | 0.00               | 0.09              | 4.86          | 4.86         | 35.51         | 22.66        | 5.9            | 0.62          | 1.32             | 3.93              | 0.00             | 3.93             |
| 2008 05 | 23.9         | 0.7            | 0.51              | 0.00               | 0.05              | 4.86          | 4.86         | 35.51         | 22.66        | 3.5            | 0.37          | 1.32             | 1.80              | 0.00             | 1.80             |
| 2008 06 | 0.0          | 0.0            | 0.00              | 0.00               | 0.00              | 4.86          | 4.86         | 35.51         | 22.66        | 0.0            | 0.00          | 1.32             | -1.32             | 0.00             | -1.32            |
| 2008 07 | 0.0          | 0.0            | 0.00              | 0.00               | 0.00              | 4.86          | 4.86         | 35.51         | 22.66        | 0.0            | 0.00          | 1.32             | -1.32             | 0.00             | -1.32            |
| 2008 08 | 14.5         | 0.4            | 0.31              | 0.00               | 0.03              | 4.86          | 4.86         | 35.51         | 22.66        | 2.1            | 0.22          | 1.32             | 0.57              | 0.00             | 0.57             |
| 2008 09 | 32.2         | 1.0            | 0.67              | 0.00               | 0.07              | 4.86          | 4.86         | 35.51         | 22.66        | 4.6            | 0.48          | 1.32             | 2.76              | 0.00             | 2.76             |
| 2008 10 | 384.2        | 11.9           | 8.27              | 0.00               | 0.83              | 4.86          | 4.86         | 35.51         | 22.66        | 56.1           | 5.90          | 1.32             | 48.89             | 0.00             | 48.89            |
| 2008 11 | 394.3        | 11.8           | 8.21              | 0.00               | 0.82              | 4.86          | 4.86         | 35.51         | 22.66        | 55.7           | 5.86          | 1.32             | 48.56             | 0.00             | 48.56            |
| 2008 12 | 377.4        | 11.7           | 8.12              | 0.00               | 0.81              | 4.86          | 4.86         | 35.51         | 22.66        | 55.1           | 5.80          | 1.32             | 48.01             | 0.00             | 48.01            |
| 2009 01 | 373.3        | 11.6           | 8.03              | 0.00               | 0.80              | 4.86          | 4.86         | 35.51         | 22.66        | 54.5           | 5.73          | 1.32             | 47.47             | 0.00             | 47.47            |
| 2009 02 | 408.8        | 11.4           | 7.95              | 0.00               | 0.80              | 4.86          | 4.86         | 35.51         | 22.66        | 53.9           | 5.67          | 1.32             | 46.95             | 0.00             | 46.95            |
| 2009 03 | 365.4        | 11.3           | 7.86              | 0.00               | 0.79              | 4.86          | 4.86         | 35.51         | 22.66        | 53.4           | 5.61          | 1.32             | 46.44             | 0.00             | 46.44            |
| 2009 04 | 373.6        | 11.2           | 7.78              | 0.00               | 0.78              | 4.86          | 4.86         | 35.51         | 22.66        | 52.8           | 5.55          | 1.32             | 45.94             | 0.00             | 45.94            |
| 2009 05 | 357.9        | 11.1           | 7.70              | 0.00               | 0.77              | 4.86          | 4.86         | 35.51         | 22.66        | 52.3           | 5.50          | 1.32             | 45.46             | 0.00             | 45.46            |
| 2009 06 | 366.1        | 11.0           | 7.62              | 0.00               | 0.76              | 4.86          | 4.86         | 35.51         | 22.66        | 51.7           | 5.44          | 1.32             | 44.99             | 0.00             | 44.99            |
| 2009 07 | 350.7        | 10.9           | 7.55              | 0.00               | 0.76              | 4.86          | 4.86         | 35.51         | 22.66        | 51.2           | 5.39          | 1.32             | 44.53             | 0.00             | 44.53            |
| 2009 08 | 347.3        | 10.8           | 7.47              | 0.00               | 0.75              | 4.86          | 4.86         | 35.51         | 22.66        | 50.7           | 5.34          | 1.32             | 44.08             | 0.00             | 44.08            |
| 2009 09 | 355.4        | 10.7           | 7.40              | 0.00               | 0.74              | 4.86          | 4.86         | 35.51         | 22.66        | 50.2           | 5.28          | 1.32             | 43.64             | 0.00             | 43.64            |
| 2009 10 | 340.7        | 10.6           | 7.33              | 0.00               | 0.73              | 4.86          | 4.86         | 35.51         | 22.66        | 49.8           | 5.23          | 1.32             | 43.21             | 0.00             | 43.21            |
| Sub.    | ---          | 150.9          | 104.77            | 0.00               | 10.49             | ---           | ---          | ---           | ---          | 711.2          | 74.79         | 26.40            | 609.98            | 1,034.49         | -424.51          |
| Rem.    | ---          | 1,354.5        | 940.32            | 0.00               | 94.11             | ---           | ---          | ---           | ---          | 6,382.7        | 671.21        | 627.00           | 5,084.47          | 0.00             | 5,084.47         |
| Total   | ---          | 1,505.5        | 1,045.09          | 0.00               | 104.60            | ---           | ---          | ---           | ---          | 7,093.8        | 746.00        | 653.40           | 5,694.45          | 1,034.49         | 4,659.96         |

**SAN JUAN 28-5 UNIT  
DAKOTA FORMATION  
WORKING INTEREST OWNERS  
A728816**

BP America Production Company  
Burlington Resources Oil & Gas Co, LP  
Charles W. Gay  
Dugan Production Corp  
J&M Raymond LTD  
JABCO LLP  
Kathleen Quinn  
Langdon Harrison Rev. Trust  
Lorrayn Gay Hacker  
MAR Oil & Gas Corporation  
NAVATEX Energy LP  
Providence Minerals LLC  
Rio Aribagas LTD  
Ruth Zimmerman Trust  
T.H. McElvain Oil and Gas Company  
TAMACAM LLC  
Thomas P Tinnin  
Tinmil A NM LLC