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March 17, 2009

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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

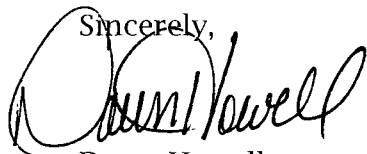
Gentlemen:

Per letter dated January 26, 2009, Burlington Resources indicated that the well listed below was capable of producing unitized substances in paying quantities from the Dakota formation. After further review, we found this to be incorrect. This well is **unable** to produce in paying quantities from the Dakota formation. Attached for your consideration is a revised paying well determination.

| 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    | Non-Commercial |

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

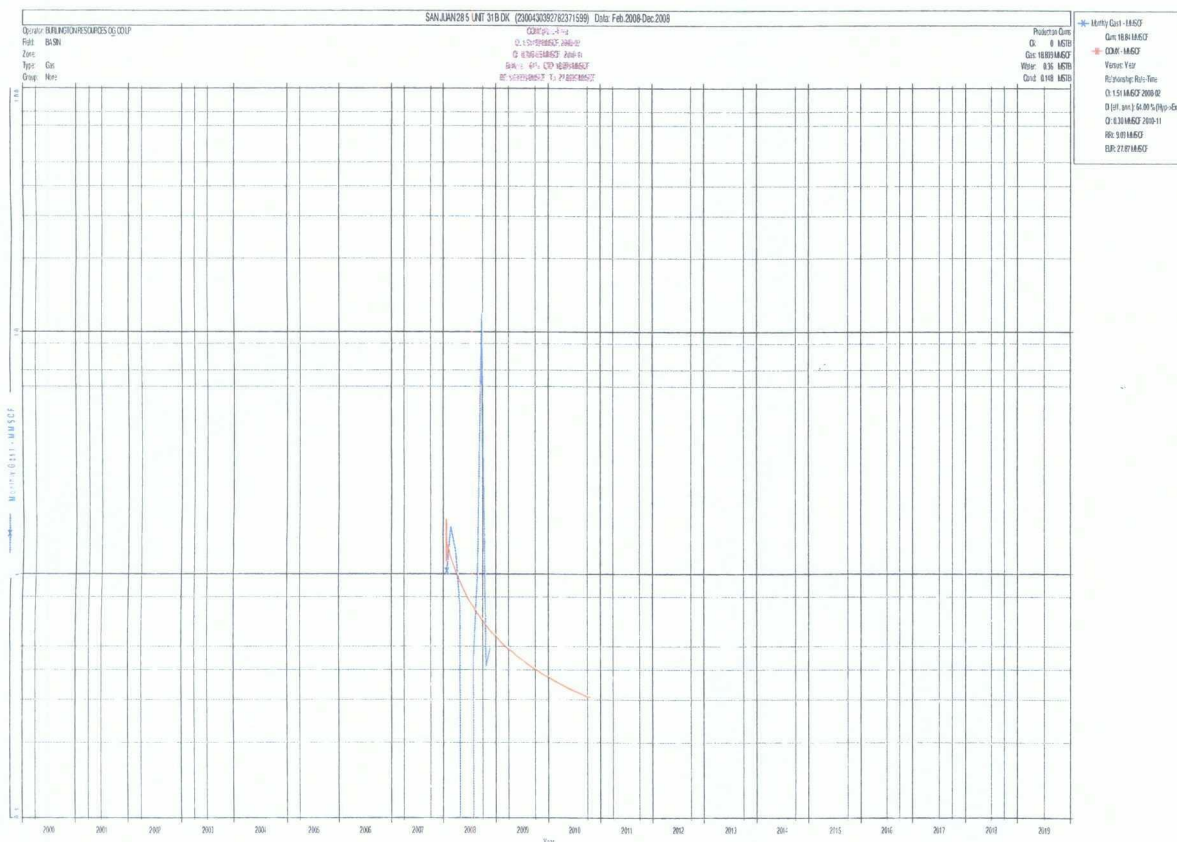
|                                 |      |
|---------------------------------|------|
| SEVERANCE:                      |      |
| Severance, School, Conservation | 7.93 |
| AD VALOREM:                     |      |
| Production, Equipment           | 1.40 |
| TOTAL %:                        | 9.33 |

### AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

## WELL COST AND ECONOMICS

|          |      |                                    |
|----------|------|------------------------------------|
| 1,034.49 | M\$  | AVERAGE WELL COST                  |
| 26.84    | MMCF | ULT. GROSS GAS RESERVES            |
| 51.39    | MCFD | INITIAL GAS RATE                   |
| 0.00     | %    | RATE OF RETURN                     |
| -0.94    | \$/  | P/I, DISC. @ 10.00 %               |
| -969.72  | M\$  | NET PRESENT VALUE, DISC. @ 10.00 % |
| 0.00     | 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>Opccosts | 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 | 13.8         | 0.4            | 0.29              | 0.00               | 0.03              | 4.86          | 4.86         | 35.51         | 22.66        | 2.0            | 0.21          | 1.32              | 0.43              | 0.00             | 0.43             |
| 2008 12 | 15.9         | 0.5            | 0.34              | 0.00               | 0.03              | 4.86          | 4.86         | 35.51         | 22.66        | 2.3            | 0.24          | 1.32              | 0.75              | 0.00             | 0.75             |
| 2009 01 | 18.0         | 0.6            | 0.39              | 0.00               | 0.04              | 4.86          | 4.86         | 35.51         | 22.66        | 2.6            | 0.28          | 1.32              | 1.03              | 0.00             | 1.03             |
| 2009 02 | 19.1         | 0.5            | 0.37              | 0.00               | 0.04              | 4.86          | 4.86         | 35.51         | 22.66        | 2.5            | 0.26          | 1.32              | 0.93              | 0.00             | 0.93             |
| 2009 03 | 16.5         | 0.5            | 0.36              | 0.00               | 0.04              | 4.86          | 4.86         | 35.51         | 22.66        | 2.4            | 0.25          | 1.32              | 0.84              | 0.00             | 0.84             |
| 2009 04 | 16.4         | 0.5            | 0.34              | 0.00               | 0.03              | 4.86          | 4.86         | 35.51         | 22.66        | 2.3            | 0.24          | 1.32              | 0.76              | 0.00             | 0.76             |
| 2009 05 | 15.3         | 0.5            | 0.33              | 0.00               | 0.03              | 4.86          | 4.86         | 35.51         | 22.66        | 2.2            | 0.24          | 1.32              | 0.68              | 0.00             | 0.68             |
| 2009 06 | 15.3         | 0.5            | 0.32              | 0.00               | 0.03              | 4.86          | 4.86         | 35.51         | 22.66        | 2.2            | 0.23          | 1.32              | 0.62              | 0.00             | 0.62             |
| 2009 07 | 14.3         | 0.4            | 0.31              | 0.00               | 0.03              | 4.86          | 4.86         | 35.51         | 22.66        | 2.1            | 0.22          | 1.32              | 0.55              | 0.00             | 0.55             |
| 2009 08 | 13.9         | 0.4            | 0.30              | 0.00               | 0.03              | 4.86          | 4.86         | 35.51         | 22.66        | 2.0            | 0.21          | 1.32              | 0.50              | 0.00             | 0.50             |
| 2009 09 | 13.9         | 0.4            | 0.29              | 0.00               | 0.03              | 4.86          | 4.86         | 35.51         | 22.66        | 2.0            | 0.21          | 1.32              | 0.44              | 0.00             | 0.44             |
| 2009 10 | 13.1         | 0.4            | 0.28              | 0.00               | 0.03              | 4.86          | 4.86         | 35.51         | 22.66        | 1.9            | 0.20          | 1.32              | 0.39              | 0.00             | 0.39             |
| Sub.    | ---          | 22.5           | 15.65             | 0.00               | 1.57              | ---           | ---          | ---           | ---          | 106.2          | 11.17         | 26.40             | 68.65             | 1,034.49         | -965.84          |
| Rem.    | ---          | 4.3            | 2.99              | 0.00               | 0.30              | ---           | ---          | ---           | ---          | 20.3           | 2.13          | 21.12             | -2.99             | 0.00             | -2.99            |
| Total   | ---          | 26.8           | 18.63             | 0.00               | 1.86              | ---           | ---          | ---           | ---          | 126.5          | 13.30         | 47.52             | 65.66             | 1,034.49         | -968.83          |

**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