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June 8, 2009

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

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

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

RE: San Juan 29-5 Unit (#14-08-001-437)
Commercial Determination
Fruitland Formation
Rio Arriba County, New Mexico

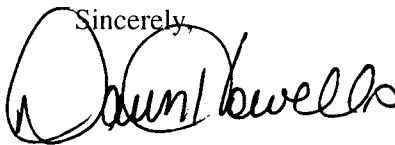
Ladies and Gentlemen:

Per letter dated March 19, 2009, Burlington Resources indicated that the well listed below was capable of producing unitized substances in paying quantities from the Fruitland Coal formation. After further review and discussions with the BLM, we found this to be incorrect. This well is **unable** to produce in paying quantities from the Fruitland Cola formation. Attached for your consideration is a revised paying well determination.

Well Name	Dedication	Lease No.	Compl. Date	Determination
SJ 29-5 Unit #25	E/2 Sec. 18-T29N-R5W	SF-078281	6/4/2004	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 non-commercial well will continue to be carried on a lease basis.

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 Susan Rainbolt at 326-9574, all other questions to the undersigned at 599-4030.

Sincerely,


Dawn Howell
Staff Land Technician

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
San Juan 29-5 UNIT 25

WELL INFORMATION

LEASE San Juan 29-5 UNIT 25
LOCATION 18029N005W
COUNTY, STATE RIO ARriba, NEW MEXICO
FORMATION FRUITLAND COAL
PROJECT TYPE NEWDRILL
WELL TYPE GAS WELL
OPERATOR CONOCOPhillips CO
SPUD DATE 5/21/2004
COMP DATE 6/3/2004
1ST DELIVERY 6/9/2004
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

840.00 M\$ AVERAGE WELL COST
342.19 MMCF ULT. GROSS GAS RESERVES
67.75 MCfD INITIAL GAS RATE
0.00 % RATE OF RETURN
-0.58 \$/\$ P/I, DISC. @ 10.00 %
-487.80 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
0.00 YRS PAYOUT

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
San Juan 29-5 UNIT 25

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\$
2004 07	67.7	2.1	1.48	0.00	0.08	4.63	4.63	35.51	22.66	8.4	0.87	1.92	5.62	840.00	-834.38
2004 08	75.4	2.3	1.65	0.00	0.09	4.63	4.63	35.51	22.66	9.4	0.97	1.92	6.47	0.00	6.47
2004 09	86.7	2.6	1.83	0.00	0.10	4.63	4.63	35.51	22.66	10.4	1.07	1.92	7.41	0.00	7.41
2004 10	93.3	2.9	2.04	0.00	0.11	4.63	4.63	35.51	22.66	11.6	1.20	1.92	8.46	0.00	8.46
2004 11	101.7	3.0	2.15	0.00	0.11	4.63	4.63	35.51	22.66	12.2	1.26	1.92	9.03	0.00	9.03
2004 12	98.4	3.0	2.15	0.00	0.11	4.63	4.63	35.51	22.66	12.2	1.26	1.92	9.03	0.00	9.03
2005 01	96.9	3.0	2.12	0.00	0.11	4.63	4.63	35.51	22.66	12.0	1.24	1.92	8.87	0.00	8.87
2005 02	104.3	2.9	2.06	0.00	0.11	4.63	4.63	35.51	22.66	11.7	1.21	1.92	8.56	0.00	8.56
2005 03	91.6	2.8	2.00	0.00	0.11	4.63	4.63	35.51	22.66	11.4	1.17	1.92	8.28	0.00	8.28
2005 04	92.2	2.8	1.95	0.00	0.10	4.63	4.63	35.51	22.66	11.1	1.14	1.92	8.01	0.00	8.01
2005 05	87.0	2.7	1.90	0.00	0.10	4.63	4.63	35.51	22.66	10.8	1.11	1.92	7.76	0.00	7.76
2005 06	87.7	2.6	1.86	0.00	0.10	4.63	4.63	35.51	22.66	10.5	1.09	1.92	7.53	0.00	7.53
2005 07	82.9	2.6	1.81	0.00	0.10	4.63	4.63	35.51	22.66	10.3	1.06	1.92	7.31	0.00	7.31
2005 08	81.1	2.5	1.77	0.00	0.09	4.63	4.63	35.51	22.66	10.1	1.04	1.92	7.10	0.00	7.10
2005 09	81.9	2.5	1.73	0.00	0.09	4.63	4.63	35.51	22.66	9.8	1.02	1.92	6.90	0.00	6.90
2005 10	77.6	2.4	1.70	0.00	0.09	4.63	4.63	35.51	22.66	9.6	0.99	1.92	6.72	0.00	6.72
2005 11	78.6	2.4	1.66	0.00	0.09	4.63	4.63	35.51	22.66	9.4	0.97	1.92	6.54	0.00	6.54
2005 12	74.5	2.3	1.63	0.00	0.09	4.63	4.63	35.51	22.66	9.2	0.95	1.92	6.37	0.00	6.37
2006 01	73.1	2.3	1.60	0.00	0.08	4.63	4.63	35.51	22.66	9.1	0.94	1.92	6.21	0.00	6.21
2006 02	79.4	2.2	1.57	0.00	0.08	4.63	4.63	35.51	22.66	8.9	0.92	1.92	6.06	0.00	6.06
Sub.	---	52.0	36.67	0.00	1.93	---	---	---	---	208.1	21.49	38.32	148.27	840.00	-691.73
Rem.	---	219.0	154.40	0.00	8.14	---	---	---	---	876.2	90.50	427.27	358.42	0.00	358.42
Total	---	271.0	191.06	0.00	10.07	---	---	---	---	1,084.3	111.99	465.59	506.69	840.00	-333.31