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ConocoPhillips

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

July 28, 2009

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 28-7 Unit (14-06-001-459)
Commerciality Determinations
Mesaverde Formation
Dakota Formation
Rio Arriba County, New Mexico

Ladies and Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 28-7 Unit Agreement, #14-06-001-459, approved January 29, 1953, ConocoPhillips Company, as Operator, has determined that the wells listed below are capable of producing unitized substances in paying quantities from the Mesaverde and Dakota Formations. ConocoPhillips is seeking confirmation of the well determinations enclosed.

Well Name	Dedication	Lease No.	Compl. Date	Determination
SJ 28-7 Unit #151E	E/2 Sec. 21-27N-7W	SF-078640	7/03/2008	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.

Sincerely,



Dawn Howell
Staff Land Technician

DH
SJ 28-7 Unit, 4.2 & 4.3

**WORKING INTEREST OWNERS
SAN JUAN 28-7 UNIT
MESAVERDE FORMATION**

BOFB Ltd
Burlington Resources
Carolee Smith
Carolyn Beamon Tilley
Cathryn Beamon
Claudia Marcia Gilmer
ConocoPhillips Company
DJ Simmons Co LTD Prtn.
Dugan Production
Holly Bishop
James Robert Beamon
June Lively
Linda Jeanne Lundell Lindsey
Robert Beamon
Robert Walter Lundell
Sharon Beamon Burns
Susan Beamon Porter
WG Peavy Oil Co

**WORKING INTEREST OWNERS
SAN JUAN 28-7 UNIT
DAKOTA FORMATION**

BOFB Ltd
Burlington Resources
Carolee Smith
Carolyn Beamon Tilley
Cathryn Beamon
Chevron USA Inc
Cindy M Hartner
Claudia Marcia Gilmer
ConocoPhillips Company
Derrick J Turnbull
Denise Turnbull
DJ Simmons Co LTD Prtn.
Dugan Production
Elizabeth Calloway
Holly Bishop
James Robert Beamon
John L Turner
J Glenn Turner
June Lively
Kathleen McLane Tr
Linda Jeanne Lundell Lindsey
Mary Frances Turner, Jr.
Michael S McLane Tr
Noble Onshore Inc.
Robert Beamon
Robert Walter Lundell
Sharon Beamon Burns
Susan Beamon Porter
WG Peavy Oil Co

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 28-7 UNIT 151E

WELL INFORMATION

LEASE SAN JUAN 28-7 UNIT 151E
 LOCATION 21027N007W
 COUNTY, STATE RIO ARriba, NEW MEXICO
 FORMATION MESAVERDE
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS CO
 SPUD DATE 4/9/2008
 COMP DATE 7/3/2008
 1ST DELIVERY 7/31/2008
 COMM GWT % 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

1,145.00	M\$	AVERAGE WELL COST
605.51	MMCF	ULT. GROSS GAS RESERVES
213.20	MCFD	INITIAL GAS RATE
14.96	%	RATE OF RETURN
0.19	\$/\$	P/I, DISC. @ 10.00 %
215.75	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
5.09	YRS	PAYOUT

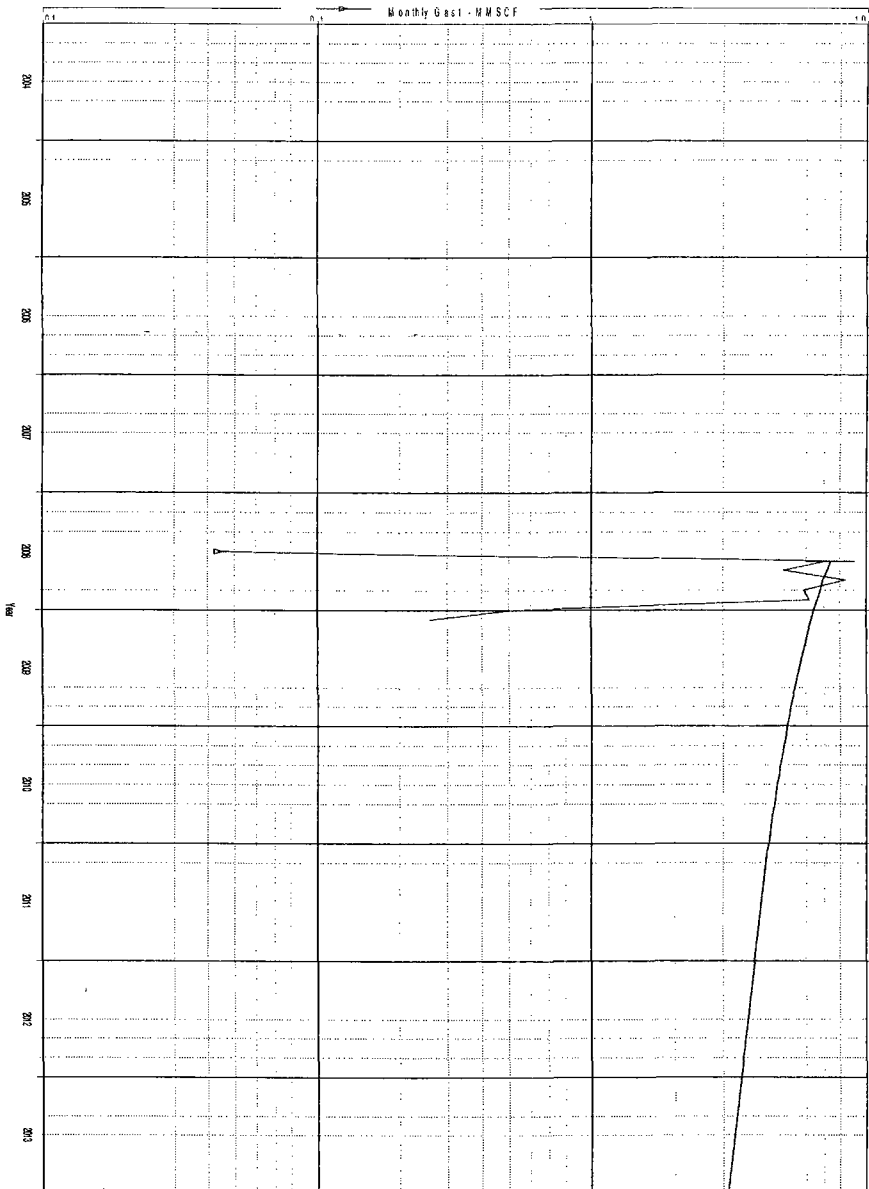
**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-7 UNIT 151E**

Operator	CONCORD PULPS COMPANY
Fish	BLANCO
Zone	MESEWATER
Type	Gas
Group	Nine

01: 754MSCT, 208-28
 02: 0005141MSCT, 264-07
 03: 01: 25% CND 3042MSCT
 FR 572121MSCT 164 006 3043MSCT

Production Units	0
Oil	0 MBTB
Gas	33,422 MBSCF
Water	3.83 MBTB
Cond	0 MBTB

+ Monthly Cost - MMSF
 On 21 Q1 MMSF
 -φ- COM - MMSF
 Versus Year
 Reducing Rate Time
 Q. 7.50 MMSF 200.00
 D (4) (m) 25.00 % (100-50)
 Q. 0.00 MMSF 205.00
 PR 572.12 MMSF
 BR 66.55 MMSF



CASH FLOW SUMMARY

	Gas1	Gas1	Net Gas	Net Cond	Net Oth	Gas1	Gas	Cond	Oth	Net	Prod	Total	Total	Total
Date	Rate	Volume	Volume	Volume	Volume	Price	Price	Price	Price	Revenue	Taxes	Oposts	Oper Inc	Capital
mc/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 28-7 UNIT 151E

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 Opcois	Total Oper inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2008(12)	213.2	32.6	22.82	0.00	2.66	4.86	4.86	35.51	22.66	163.7	16.65	6.69	140.33	1,145.00	-1,004.67
2009(12)	156.9	57.3	40.06	0.00	4.67	4.86	4.86	35.51	22.66	287.3	29.23	16.07	242.01	0.00	242.01
2010(12)	156.7	57.2	40.02	0.00	4.67	4.86	4.86	35.51	22.66	287.0	29.20	16.07	241.77	0.00	241.77
2011(12)	136.6	49.9	34.89	0.00	4.07	4.86	4.86	35.51	22.66	250.2	25.45	16.07	208.69	0.00	208.69
2012(12)	121.4	44.4	31.08	0.00	3.62	4.86	4.86	35.51	22.66	222.9	22.67	16.07	184.14	0.00	184.14
2013(12)	108.6	39.6	27.72	0.00	3.23	4.86	4.86	35.51	22.66	198.8	20.23	16.07	162.54	0.00	162.54
2014(12)	96.9	35.4	24.73	0.00	2.88	4.86	4.86	35.51	22.66	177.4	18.04	16.07	143.27	0.00	143.27
2015(12)	86.4	31.5	22.07	0.00	2.57	4.86	4.86	35.51	22.66	158.3	16.10	16.07	126.09	0.00	126.09
2016(12)	76.9	28.1	19.69	0.00	2.30	4.86	4.86	35.51	22.66	141.2	14.36	16.07	110.75	0.00	110.75
2017(12)	68.8	25.1	17.56	0.00	2.05	4.86	4.86	35.51	22.66	126.0	12.81	16.07	97.07	0.00	97.07
2018(12)	61.4	22.4	15.67	0.00	1.83	4.86	4.86	35.51	22.66	112.4	11.43	16.07	84.87	0.00	84.87
2019(12)	54.7	20.0	13.98	0.00	1.63	4.86	4.86	35.51	22.66	100.2	10.20	16.07	73.98	0.00	73.98
2020(12)	48.7	17.8	12.47	0.00	1.45	4.86	4.86	35.51	22.66	89.4	9.10	16.07	64.27	0.00	64.27
2021(12)	43.6	15.9	11.12	0.00	1.30	4.86	4.86	35.51	22.66	79.8	8.12	16.07	55.60	0.00	55.60
2022(12)	38.9	14.2	9.92	0.00	1.16	4.86	4.86	35.51	22.66	71.2	7.24	16.07	47.87	0.00	47.87
2023(12)	34.7	12.7	8.85	0.00	1.03	4.86	4.86	35.51	22.66	63.5	6.46	16.07	40.97	0.00	40.97
2024(12)	30.8	11.3	7.90	0.00	0.92	4.86	4.86	35.51	22.66	56.7	5.76	16.07	34.82	0.00	34.82
2025(12)	27.6	10.1	7.05	0.00	0.82	4.86	4.86	35.51	22.66	50.5	5.14	16.07	29.33	0.00	29.33
2026(12)	24.6	9.0	6.29	0.00	0.73	4.86	4.86	35.51	22.66	45.1	4.59	16.07	24.43	0.00	24.43
2027(12)	22.0	8.0	5.61	0.00	0.65	4.86	4.86	35.51	22.66	40.2	4.09	16.07	20.06	0.00	20.06
Sub.	---	542.4	379.49	0.00	44.25	---	---	---	---	2,721.7	276.86	311.99	2,132.85	1,145.00	987.85
Rem.	---	35.6	24.92	0.00	2.91	---	---	---	---	178.7	18.18	108.46	52.07	0.00	52.07
Total	---	578.0	404.41	0.00	47.16	---	---	---	---	2,900.4	295.04	420.45	2,184.93	1,145.00	1,039.93

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 28-7 UNIT 151E

WELL INFORMATION

LEASE SAN JUAN 28-7 UNIT 151E
 LOCATION 21027N007W
 COUNTY, STATE RIO ARriba, NEW MEXICO
 FORMATION DAKOTA
 PROJECT TYPE NEWDRILL
 WELL TYPE GAS WELL
 OPERATOR CONOCOPHILLIPS CO
 SPUD DATE 4/9/2008
 COMP DATE 7/3/2008
 1ST DELIVERY 7/31/2009
 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

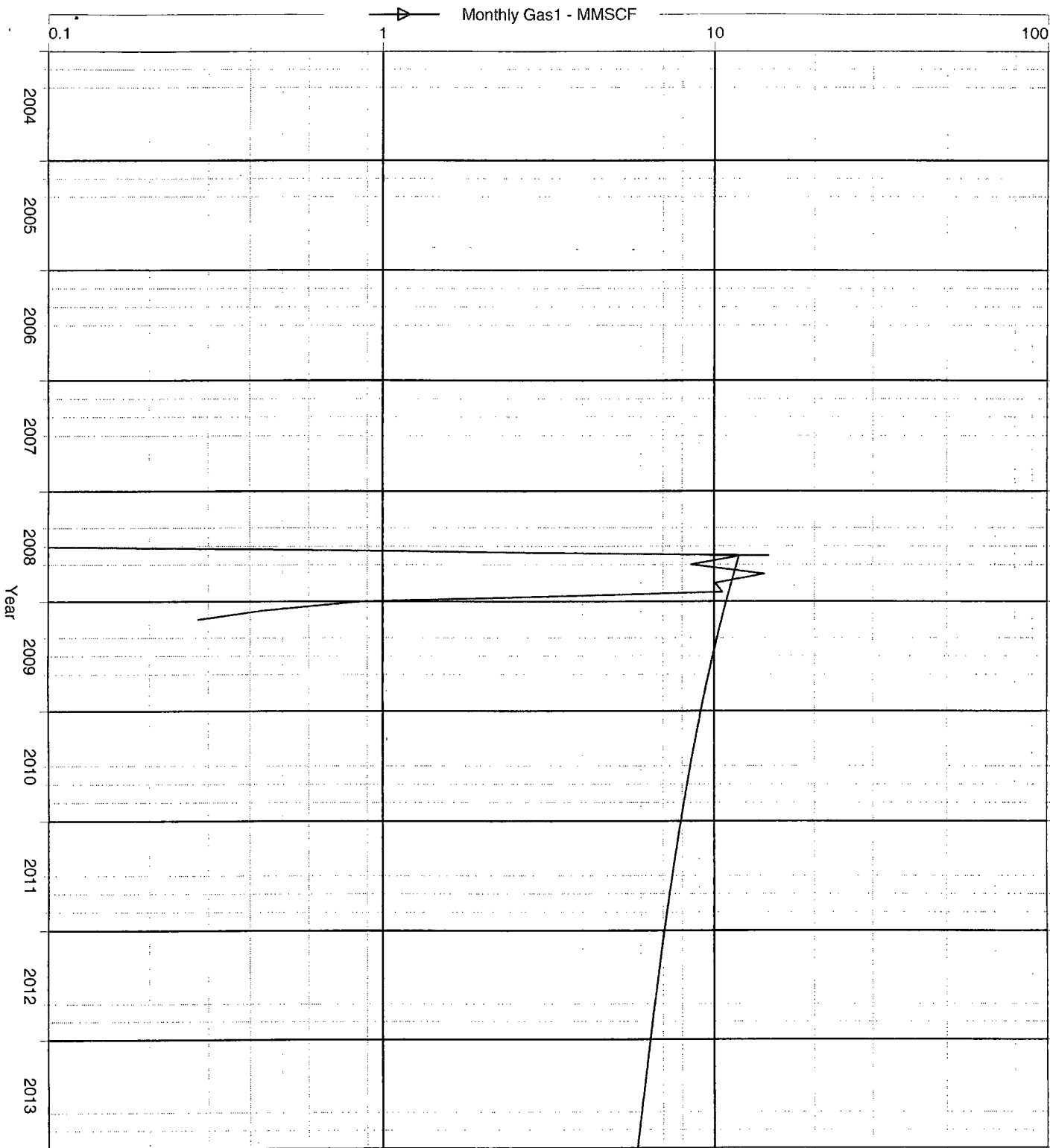
1,032.00	M\$	AVERAGE WELL COST
1,265.34	MMCF	ULT. GROSS GAS RESERVES
363.02	MCFD	INITIAL GAS RATE
46.82	%	RATE OF RETURN
1.49	\$/\$	P/I, DISC. @ 10.00 %
1,542.48	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
2.36	YRS	PAYOUT

SAN JUAN 28-7 UNIT 151E DK (2300430393041571599) Data: Jul.2008-Mar.2009

Operator: CONOCOPHILLIPS COMPANY
 Field: BASIN
 Zone: DAKOTA
 Type: Gas
 Group: None

COMX (Rate-Time)
 Qi: 16 MMSCF, 2007-08
 Qi: 0.0304176 MMSCF, 2072-01
 Di(Hyp): 25% CTD: 57.202 MMSCF
 RR: 1208.22 MMSCF Tot: 1265.42 MMSCF

Production Cums
 Oil: 0 MSTB
 Gas: 57.202 MMSCF
 Water: 0.526 MSTB
 Cond: 0 MSTB



— Monthly Gas1 - MMSCF
 Cum: 57.20 MMSCF
 — COMX - MMSCF
 Versus: Year
 Relationship: Rate-Time
 Qi: 16.00 MMSCF 2007-08
 Di (eff. ann.): 25.00 % (Hyp->Exp)
 Qi: 0.03 MMSCF 2072-01
 RR: 1,208.22 MMSCF
 EUR: 1,265.42 MMSCF

SAN JUAN 28-7 UNIT 151E

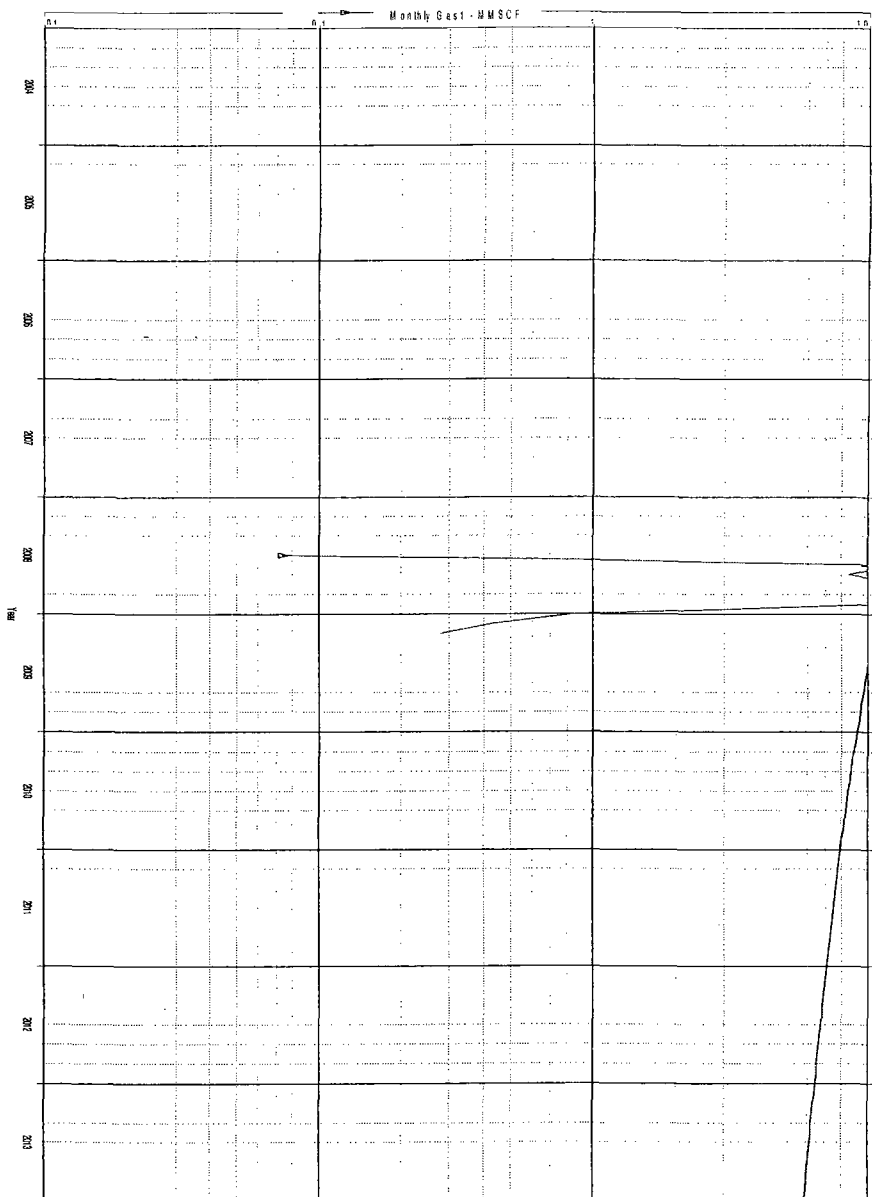
SAN JUAN 28-7 UNT 151E DK (230043039304151559) Def.: Jul 2006-Mar 2009

Operator: DMOGCHILFS DMRANV
Field: BASH
Zone: DMOITA
Type: Gas
Group: None

01. 16.11.2023, 20:37-23
 02. 16.11.2023, 20:37-23
 03. 16.11.2023, 20:37-23
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 96. 16.11.2023, 20:37-23
 97. 16.11.2023, 20:37-23
 98. 16.11.2023, 20:37-23
 99. 16.11.2023, 20:37-23
 100. 16.11.2023, 20:37-23

Production Units	-6 Month Cum: MGS
Qr 0 MGTB	One 57.20 MGS
Gss 57.202 MGS	-6 COIN- MGS
Water 0.526 MGB	Venus Yel
Cord 0 MGTB	Relationship Rate

Q: 16.00 MAST 2007-08
D (ell. arch.; 25.00 % (HP>50g)
Q: 0.03 MAST 2002-01
PR: 1.20 22 MAST
BR: 1.26 42 MAST



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 Opois	Total Oper Inc	Total Capital	Total BT Cash
mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	\$/Bbl	M/\$	M/\$	M/\$	M/\$	M/\$	M/\$

**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 28-7 UNIT 151E**

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
	mc/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2008(12)	363.0	55.5	39.69	0.00	3.86	4.86	4.86	35.51	22.66	269.4	27.52	6.60	235.29	1,032.00	-796.71
2009(12)	245.2	89.5	63.96	0.00	6.22	4.86	4.86	35.51	22.66	434.1	44.35	15.84	373.95	0.00	373.95
2010(12)	280.7	102.4	73.20	0.00	7.12	4.86	4.86	35.51	22.66	496.9	50.76	15.84	430.30	0.00	430.30
2011(12)	247.1	90.2	64.44	0.00	6.27	4.86	4.86	35.51	22.66	437.4	44.68	15.84	376.88	0.00	376.88
2012(12)	221.4	81.0	57.90	0.00	5.63	4.86	4.86	35.51	22.66	393.0	40.15	15.84	337.05	0.00	337.05
2013(12)	202.2	73.8	52.73	0.00	5.13	4.86	4.86	35.51	22.66	357.9	36.56	15.84	305.52	0.00	305.52
2014(12)	184.6	67.4	48.16	0.00	4.68	4.86	4.86	35.51	22.66	326.9	33.39	15.84	277.65	0.00	277.65
2015(12)	168.6	61.5	43.98	0.00	4.28	4.86	4.86	35.51	22.66	298.5	30.50	15.84	252.19	0.00	252.19
2016(12)	153.6	56.2	40.16	0.00	3.91	4.86	4.86	35.51	22.66	272.6	27.85	15.84	228.94	0.00	228.94
2017(12)	140.6	51.3	36.68	0.00	3.57	4.86	4.86	35.51	22.66	249.0	25.44	15.84	207.71	0.00	207.71
2018(12)	128.4	46.9	33.50	0.00	3.26	4.86	4.86	35.51	22.66	227.4	23.23	15.84	188.32	0.00	188.32
2019(12)	117.3	42.8	30.59	0.00	2.97	4.86	4.86	35.51	22.66	207.7	21.21	15.84	170.61	0.00	170.61
2020(12)	106.8	39.1	27.94	0.00	2.72	4.86	4.86	35.51	22.66	189.6	19.37	15.84	154.43	0.00	154.43
2021(12)	97.8	35.7	25.52	0.00	2.48	4.86	4.86	35.51	22.66	173.2	17.69	15.84	139.66	0.00	139.66
2022(12)	89.3	32.6	23.30	0.00	2.27	4.86	4.86	35.51	22.66	158.2	16.16	15.84	126.18	0.00	126.18
2023(12)	81.6	29.8	21.28	0.00	2.07	4.86	4.86	35.51	22.66	144.5	14.76	15.84	113.86	0.00	113.86
2024(12)	74.3	27.2	19.44	0.00	1.89	4.86	4.86	35.51	22.66	131.9	13.48	15.84	102.61	0.00	102.61
2025(12)	68.0	24.8	17.75	0.00	1.73	4.86	4.86	35.51	22.66	120.5	12.31	15.84	92.33	0.00	92.33
2026(12)	62.1	22.7	16.21	0.00	1.58	4.86	4.86	35.51	22.66	110.0	11.24	15.84	82.95	0.00	82.95
2027(12)	56.8	20.7	14.80	0.00	1.44	4.86	4.86	35.51	22.66	100.5	10.27	15.84	74.38	0.00	74.38
Sub.	---	1,051.3	751.24	0.00	73.04	---	---	---	---	5,099.3	520.93	307.56	4,270.79	1,032.00	3,238.79
Rem.	---	178.6	127.64	0.00	12.41	---	---	---	---	866.4	88.51	298.32	479.56	0.00	479.56
Total	---	1,229.9	878.88	0.00	85.45	---	---	---	---	5,965.7	609.43	605.88	4,750.35	1,032.00	3,718.35