



446
November 20, 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

RECEIVED OCD
2009 NOV 23 A 11:45

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 32-8 UNIT, #14-08-001-446**
Commerciality Determination
Dakota Participating Area
San Juan County, New Mexico

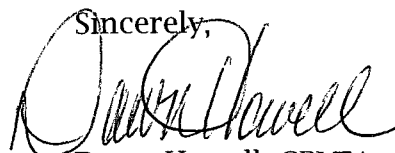
Gentlemen:

Pursuant to Section 11(a) of the above referenced Unit Agreement, approved October 21, 1952, **CONOCOPHILLIPS, as Unit Operator**, has determined that the well listed below is not capable of producing unitized substances in paying quantities from the Dakota formation. ConocoPhillips is seeking confirmation of the well determination enclosed.

Well Name	Dedication	Lease No.	Completion	Determination
SJ 32-8 Unit #49M	E/2 Sec. 15-32N-8W	SF-079380	9/10/08	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., this well will continue to be reported under Communitization Agreement NMNM 121578.

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, CPLTA
Staff Land Technician

SJ 32-8 Unit 4.3

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET SAN JUAN 32-8 UNIT 49M

WELL INFORMATION

LEASE SAN JUAN 32-8 UNIT 49M
LOCATION 19032N008W
COUNTY, STATE SAN JUAN, NEW MEXICO
FORMATION DAKOTA
PROJECT TYPE NEW/DRILL
WELL TYPE GAS WELL
OPERATOR CONOCOPHILLIPS CO
SPUD DATE 5/19/2008
COMP DATE 8/28/2008
1ST DELIVERY 9/10/2008
COMM GWI % 100.00
COMM NRI % 87.50
BOARD RATE % 10.00

PRODUCTION TAXES

TAXES FOR: SAN JUAN, NEW MEXICO
2003 - 2004 Commerciality

GAS % OF REVENUE

SEVERANCE:
Severance, School, Conservation 7.93

AD VALOREM:
Production, Equipment 1.26

TOTAL %: 9.19

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

1,032.00 M\$ AVERAGE WELL COST
212.58 MCF ULT. GROSS GAS RESERVES
158.39 MCFD INITIAL GAS RATE
0.00 % RATE OF RETURN
-0.37 \$/\$ P/I, DISC. @ 10.00 %
-380.69 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
0.00 YRS PAYOUT

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

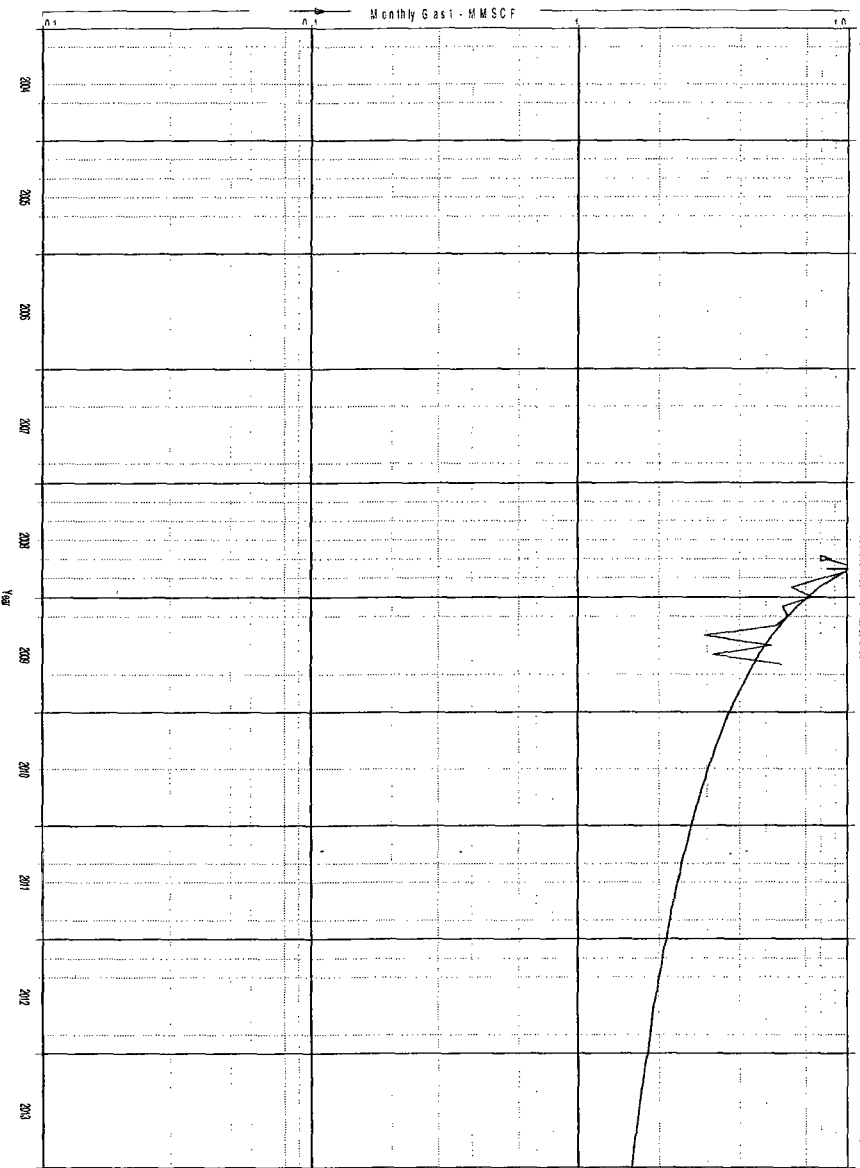
SAN JUAN 32-8 UNIT 49M

Operator: COGAS/PLS/COMINT
 Ref: BSN
 Date: 04/07/10
 Type: Gas
 Group: here

San Juan 32-8 Unit (49M) (COGAS) (2000-04-01-07-1991) Data Set: 2008-Aug-2009
 COGAS Ref: here
 Q: 11,329 MMSCF 2008-10
 Q: 11,929 MMSCF 2009-10
 Price: \$0.55/MMBtu 2008-10
 Price: \$0.55/MMBtu 2009-10
 RR: 17,088 MMSCF 10-16-09 MMSCF

Production
 Q: 0 MMSCF
 Gas: 7,539 MMSCF
 Water: 0 MMBB
 Cond: 0 MMSB

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CASH FLOW SUMMARY

Date	Gas1 Rate mcf/d	Gas1 Volume MMSCF	Net Gas Volume MMSCF	Net Cond Volume MMSCF	Net Oth Volume MMSCF	Gas1 Price \$/MMBtu	Gas Price \$/mcf	Cond Price \$/Bbl	Oth Price \$/Bbl	Net Revenue M\$	Prod Taxes M\$	Total Opcois M\$	Total Oper Inc M\$	Total Capital M\$	Total BT Cash M\$
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**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 32-8 UNIT 49M**

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\$
2009(12)	158.4	57.8	41.31	0.00	4.02	4.86	4.86	35.51	22.66	280.4	28.35	15.01	237.06	1,032.00	-794.94
2010(12)	102.6	37.4	26.75	0.00	2.60	4.86	4.86	35.51	22.66	181.6	18.36	15.01	148.22	0.00	148.22
2011(12)	78.1	28.5	20.38	0.00	1.98	4.86	4.86	35.51	22.66	138.3	13.98	15.01	109.31	0.00	109.31
2012(12)	64.3	23.5	16.82	0.00	1.64	4.86	4.86	35.51	22.66	114.2	11.54	15.01	87.61	0.00	87.61
2013(12)	55.6	20.3	14.50	0.00	1.41	4.86	4.86	35.51	22.66	98.4	9.95	15.01	73.45	0.00	73.45
2014(12)	49.2	18.0	12.84	0.00	1.25	4.86	4.86	35.51	22.66	87.1	8.81	15.01	63.32	0.00	63.32
2015(12)	44.0	16.1	11.49	0.00	1.12	4.86	4.86	35.51	22.66	78.0	7.88	15.01	55.09	0.00	55.09
2016(12)	39.9	10.9	7.82	0.00	0.76	4.86	4.86	35.51	22.66	53.1	5.37	11.26	36.45	0.00	36.45
Total	---	212.6	151.91	0.00	14.77	---	---	---	---	1,031.1	104.25	116.34	810.51	1,032.00	-221.49

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COMX1 (Time

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COMMERCIALITY DETERMINATION
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