ConocoPhillips

541

ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289
Burlington Resources Inc.
A wholly owned subsidiary

November 20, 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

RECEIVED OCD
2009 NOV 23 A 11:44

New Mexico Oil Conservation Division
Energy Minerals & Natural Resources
Attn: Ms. Lori Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

RE: Canyon Largo Unit (14-08-001-1059)
Commerciality Determination
Dakota Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the Canyon Largo Unit Agreement, #14-08-001-1059, approved, September 18, 1953, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the well listed below is not capable of producing unitized substances in paying quantities from the Dakota Formation. Burlington is seeking confirmation of the well determination enclosed.

Well Name	Dedication	Dedicated Lease	Compl. Date	Determination
CLU #494	W/2 30-25N-6W	SF-078875	11/5/2008	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 the lease.

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

Dawn Howell, CPLTA
Staff Land Technician

CLU 4.3

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO UNIT 494

WELL INFORMATION

LEASE	CANYON LARGO UNIT 494
LOCATION	3025N006W
COUNTY, STATE	RIO ARRIBA, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	9/13/2008
COMP DATE	10/23/2008
1ST DELIVERY	11/5/2008
COMM GWI %	100.00
COMM NRI %	87.50
BOARD RATE %	10.00

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

PRODUCTION TAXES

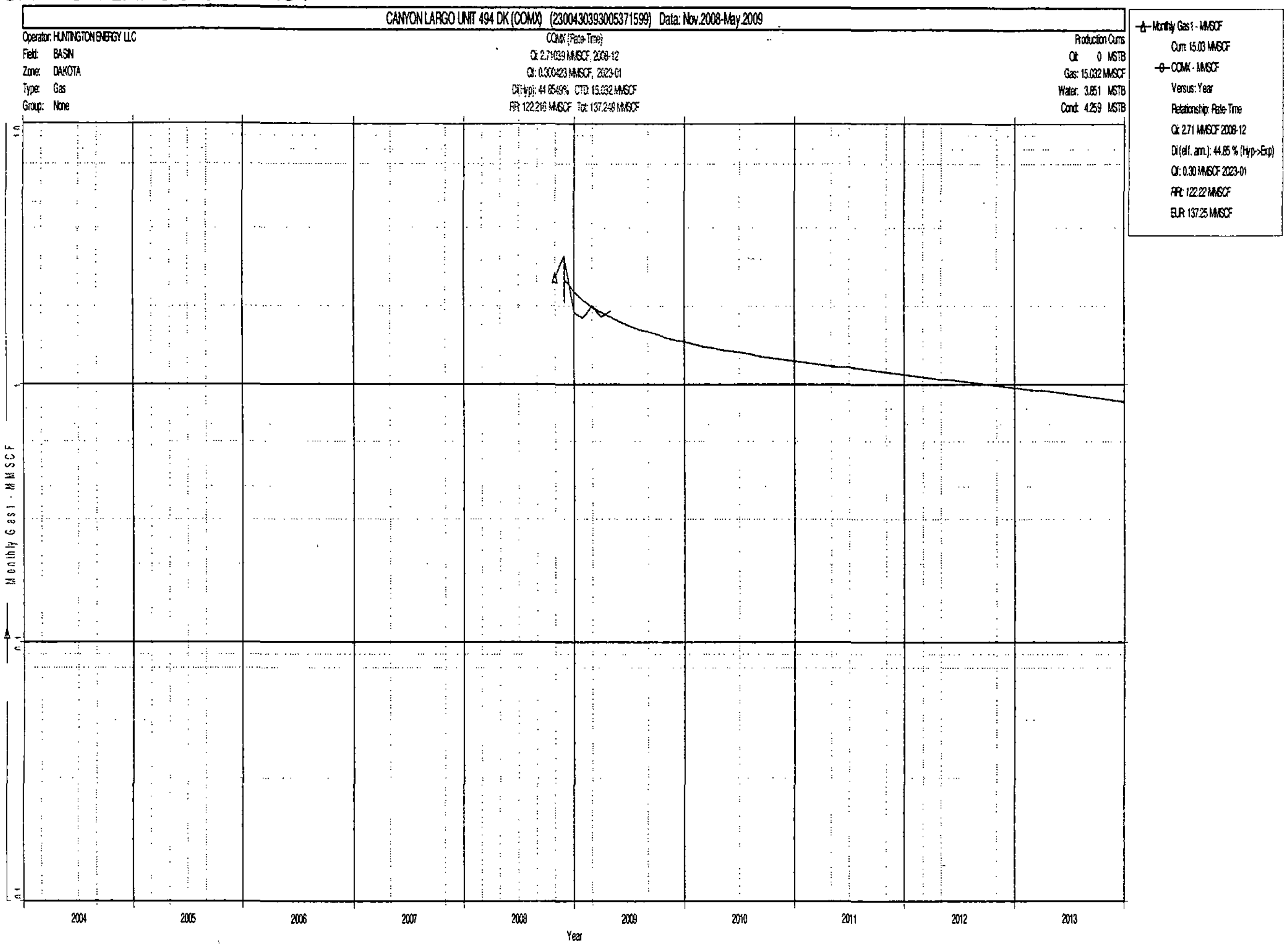
TAXES FOR: RIO ARRIBA, NEW MEXICO
2003 - 2004 Commerciality

	GAS % OF REVENUE
SEVERANCE:	
Severance, School, Conservation	7.93
AD VALOREM:	
Production, Equipment	1.40
TOTAL %:	9.33

WELL COST AND ECONOMICS

891.00	M$	AVERAGE WELL COST
134.70	MMCF	ULT. GROSS GAS RESERVES
100.39	MCFD	INITIAL GAS RATE
0.00	%	RATE OF RETURN
-0.69	$/$	P/I, DISC. @ 10.00 %
-614.04	M$	NET PRESENT VALUE, DISC. @ 10.00 %
0.00	YRS	PAYOUT

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
CANYON LARGO UNIT 494



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$

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET

CANYON LARGO UNIT 494

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$
2008(12)	100.4	3.1	2.22	0.00	0.22	4.86	4.86	35.51	22.66	15.1	1.54	1.25	12.30	891.00	-878.70
2009(12)	56.3	20.5	14.67	0.00	1.43	4.86	4.86	35.51	22.66	99.6	10.17	15.01	74.40	0.00	74.40
2010(12)	43.8	16.0	11.43	0.00	1.11	4.86	4.86	35.51	22.66	77.6	7.93	15.01	54.65	0.00	54.65
2011(12)	38.1	13.9	9.95	0.00	0.97	4.86	4.86	35.51	22.66	67.5	6.90	15.01	45.61	0.00	45.61
2012(12)	33.8	12.4	8.84	0.00	0.86	4.86	4.86	35.51	22.66	60.0	6.13	15.01	38.89	0.00	38.89
2013(12)	30.2	11.0	7.87	0.00	0.76	4.86	4.86	35.51	22.66	53.4	5.45	15.01	32.92	0.00	32.92
2014(12)	26.8	9.8	7.00	0.00	0.68	4.86	4.86	35.51	22.66	47.5	4.85	15.01	27.62	0.00	27.62
2015(12)	23.9	8.7	6.22	0.00	0.60	4.86	4.86	35.51	22.66	42.2	4.31	15.01	22.90	0.00	22.90
2016(12)	21.2	7.7	5.53	0.00	0.54	4.86	4.86	35.51	22.66	37.6	3.84	15.01	18.71	0.00	18.71
2017(12)	18.9	6.9	4.92	0.00	0.48	4.86	4.86	35.51	22.66	33.4	3.41	15.01	14.97	0.00	14.97
2018(12)	16.8	6.1	4.38	0.00	0.43	4.86	4.86	35.51	22.66	29.7	3.03	15.01	11.66	0.00	11.66
2019(12)	14.9	5.4	3.89	0.00	0.38	4.86	4.86	35.51	22.66	26.4	2.70	15.01	8.70	0.00	8.70
2020(12)	13.2	4.8	3.46	0.00	0.34	4.86	4.86	35.51	22.66	23.5	2.40	15.01	6.08	0.00	6.08
2021(12)	11.8	4.3	3.08	0.00	0.30	4.86	4.86	35.51	22.66	20.9	2.13	15.01	3.75	0.00	3.75
2022(12)	10.5	3.8	2.74	0.00	0.27	4.86	4.86	35.51	22.66	18.6	1.90	15.01	1.67	0.00	1.67
Total	---	134.6	96.20	0.00	9.35	---	---	---	---	653.0	66.70	211.42	374.83	891.00	-516.17