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February 3, 2010

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

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 29-6 Unit (14-06-001-439)
Commerciality Determination
Dakota Formation
Rio Arriba County, New Mexico**

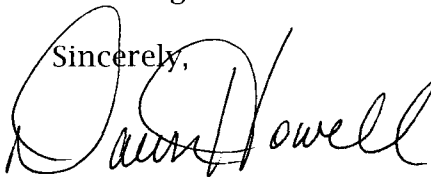
Ladies and Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-6 Unit Agreement, #14-06-001-464, approved September 8, 1952, ConocoPhillips Company, as Operator, has determined that the well listed below is 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 Date	Determination
SJ 29-6 Unit #109	W/2, 32-29N-6W	ST of NM 289	4-26-04	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 and enclosures are being sent to the working interest owners as listed on the attached page. For technical questions please contact Karen Stevens at 505-326-9754, all other questions to the undersigned at 505-599-4030.

Sincerely,

Dawn Howell, CPLTA
Land Analyst

SJ 29-6 Unit, 4.3

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 29-6 UNIT 109

WELL INFORMATION		PRODUCTION TAXES	
LEASE	SAN JUAN 29-6 UNIT 109	TAXES FOR:	RIO ARriba, NEW MEXICO
LOCATION	32026N006W		2003 - 2004 Commerciality
COUNTY, STATE	RIO ARriba, NEW MEXICO		
FORMATION	DAKOTA		GAS % OF REVENUE
PROJECT TYPE	NEWDRILL		
WELL TYPE	GAS WELL	SEVERANCE:	
OPERATOR	CONOCOPHILLIPS CO	Severance, School, Conservation	7.93
SPUD DATE	3/4/2004		
COMP DATE	4/26/2004	AD VALOREM:	
1ST DELIVERY	5/26/2006	Production, Equipment	1.40
COMM GWI %	100.00		
COMM NRI %	87.50	TOTAL %:	9.33
BOARD RATE %	10.00		

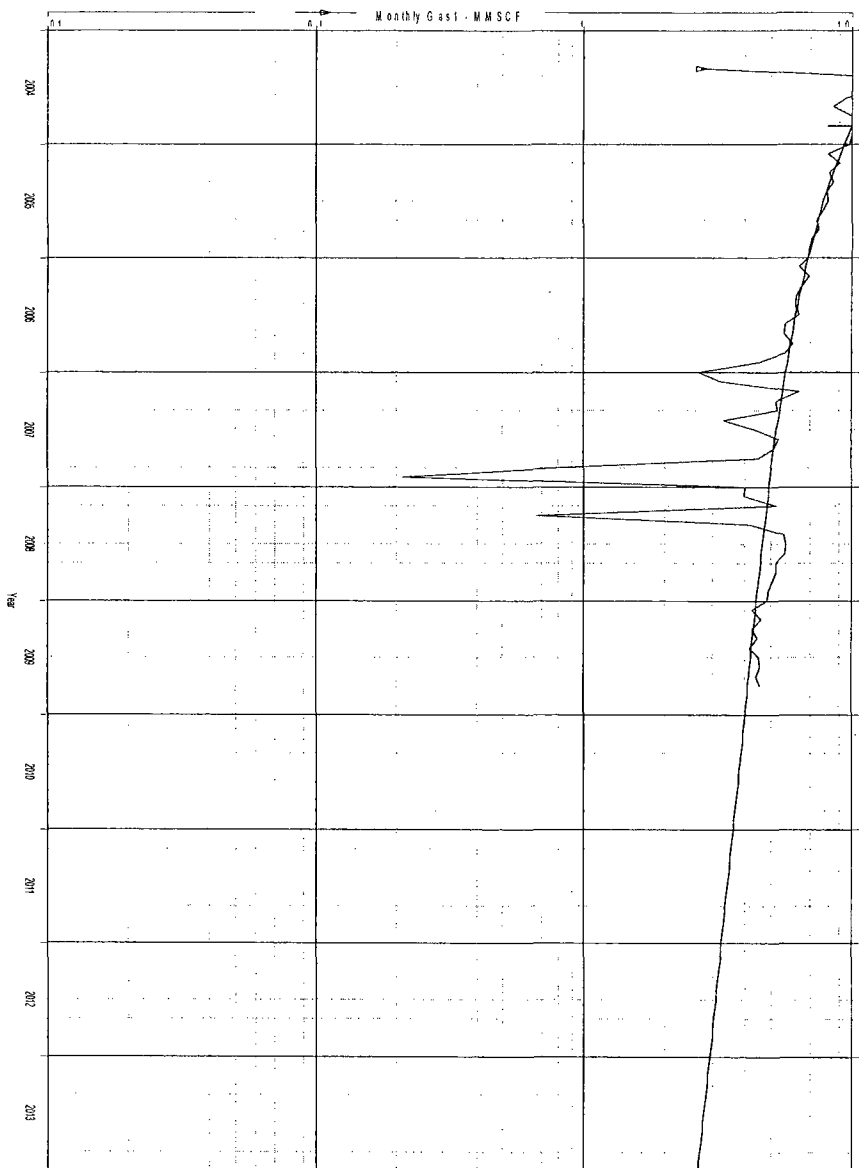
AVERAGE HEAT CONTENT		WELL COST AND ECONOMICS	
1,000	MMBtu / Mcf	1,304.00	M\$ AVERAGE WELL COST
		684.35	MMCF ULT. GROSS GAS RESERVES
		334.33	MCFD INITIAL GAS RATE
		75.05	% RATE OF RETURN
		3.74	\$/\$ P/I, DISC. @ 10.00 %
		4,880.54	M\$ NET PRESENT VALUE, DISC. @ 10.00 %
		1.73	YRS PAYOUT

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 29-6 UNIT 109

Operator: DUCORP US COMPANY		San Juan 29-6 Unit 109 DR COMAK (2800430827291599)		Date: May 2004-Oct 2009	
Field: BLM	Zone: BLM/TA	County: San Juan	State: NM	Section: 29-6	Block: 109
Type: Gas	Group: None	Product: Gas	Q: 0.125 MMSCF 2004-11	Q: 0.125 MMSCF 2004-11	Q: 0.125 MMSCF 2004-11
			RR: 2800430827291599	RR: 2800430827291599	RR: 2800430827291599
			Q: 0.125 MMSCF 2004-11	Q: 0.125 MMSCF 2004-11	Q: 0.125 MMSCF 2004-11
			RR: 2800430827291599	RR: 2800430827291599	RR: 2800430827291599



+ Weekly Gas1: MMSCF
 - Cum 30/01/MSCT
 - Cum 1/MSCT
 - Verbal: Yes
 - Reference: Ref: Yes
 - Q: 0.125 MMSCF 2004-11
 - Q: 0.125 MMSCF 2004-11
 - RR: 2800430827291599
 - RR: 2800430827291599

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	Revenue	Net M\$	Prod Taxes M\$	Total Opcois M\$	Oper Inc M\$	Total Capital M\$	Total BT Cash M\$
	mcf/d	MMSCF	MMSCF	MMSCF	MSTB	MSTB \$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl							

**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET**

SAN JUAN 29-6 UNIT 109

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oih Volume	Gas1 Price	Gas Price	Cond Price	Oih 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(12)	334.3	20.4	14.57	0.00	4.24	4.86	4.86	35.51	22.66	154.9	15.37	0.00	139.49	1,304.00	-1,164.51
2005(12)	264.3	96.5	68.94	0.00	25.36	4.86	4.86	35.51	22.66	837.9	82.61	0.00	755.28	0.00	755.28
2006(12)	199.0	72.6	51.89	0.00	25.36	4.86	4.86	35.51	22.66	755.0	73.88	0.00	681.16	0.00	681.16
2007(12)	127.3	46.5	33.20	0.00	25.36	4.86	4.86	35.51	22.66	664.2	64.31	0.00	599.88	0.00	599.88
2008(12)	150.7	55.2	39.42	0.00	25.43	4.86	4.86	35.51	22.66	695.8	67.62	0.00	628.16	0.00	628.16
2009(12)	143.9	52.5	37.53	0.00	25.36	4.86	4.86	35.51	22.66	685.2	66.52	0.00	618.69	0.00	618.69
2010(12)	125.1	45.7	32.63	0.00	25.36	4.86	4.86	35.51	22.66	661.4	64.02	0.00	597.40	0.00	597.40
2011(12)	113.1	41.3	29.49	0.00	25.36	4.86	4.86	35.51	22.66	646.1	62.41	0.00	583.73	0.00	583.73
2012(12)	101.9	37.3	26.65	0.00	25.43	4.86	4.86	35.51	22.66	633.7	61.08	0.00	572.63	0.00	572.63
2013(12)	92.3	33.7	24.08	0.00	25.36	4.86	4.86	35.51	22.66	619.9	59.64	0.00	560.22	0.00	560.22
2014(12)	83.4	30.4	21.76	0.00	25.36	4.86	4.86	35.51	22.66	608.6	58.45	0.00	550.13	0.00	550.13
2015(12)	75.4	27.5	19.66	0.00	25.36	4.86	4.86	35.51	22.66	598.4	57.38	0.00	541.02	0.00	541.02
2016(12)	67.9	24.9	17.77	0.00	25.43	4.86	4.86	35.51	22.66	590.9	56.54	0.00	534.03	0.00	534.03
2017(12)	61.6	22.5	16.06	0.00	25.36	4.86	4.86	35.51	22.66	580.9	55.53	0.00	525.34	0.00	525.34
2018(12)	55.6	20.3	14.51	0.00	25.36	4.86	4.86	35.51	22.66	573.3	54.74	0.00	518.61	0.00	518.61
2019(12)	50.3	18.3	13.11	0.00	25.36	4.86	4.86	35.51	22.66	566.6	54.02	0.00	512.53	0.00	512.53
2020(12)	45.3	16.6	11.85	0.00	25.43	4.86	4.86	35.51	22.66	561.8	53.50	0.00	508.29	0.00	508.29
2021(12)	41.0	15.0	10.71	0.00	25.36	4.86	4.86	35.51	22.66	554.9	52.79	0.00	502.08	0.00	502.08
2022(12)	20.0	7.3	5.21	0.00	25.36	4.86	4.86	35.51	22.66	528.2	49.98	0.00	478.19	0.00	478.19
2023(12)	0.0	0.0	0.00	0.00	25.36	4.86	4.86	35.51	22.66	502.8	47.31	0.00	455.52	0.00	455.52
Sub.	---	684.3	489.04	0.00	486.36	---	---	---	---	12,020.1	1,157.68	0.00	10,862.37	1,304.00	9,558.37
Rem.	---	0.0	0.00	0.00	1,522.65	---	---	---	---	30,190.4	2,840.39	0.00	27,350.04	0.00	27,350.04
Total	---	684.3	489.04	0.00	2,009.01	---	---	---	---	42,210.5	3,998.07	0.00	38,212.41	1,304.00	36,908.41

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-6 UNIT 109

WELL INFORMATION

LEASE	SAN JUAN 29-6 UNIT 109
LOCATION	32026N06W
COUNTY, STATE	RIO ARriba, NEW MEXICO
FORMATION	DAKOTA
PROJECT TYPE	NEWDRILL
WELL TYPE	GAS WELL
OPERATOR	CONOCOPHILLIPS CO
SPUD DATE	3/4/2004
COMP DATE	4/26/2004
1ST DELIVERY	5/26/2006
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
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AVERAGE HEAT CONTENT

1,000	MMBtu / Mcf
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WELL COST AND ECONOMICS

1,304.00	M\$	AVERAGE WELL COST
684.35	MMCF	ULT. GROSS GAS RESERVES
334.33	MCFD	INITIAL GAS RATE
75.05	%	RATE OF RETURN
3.74	\$/S	P/I, DISC. @ 10.00 %
4,880.54	M\$	NET PRESENT VALUE, DISC. @ 10.00 %
1.73	YRS	PAYOUT

COMX1 (Time

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oih Volume	Gas1 Price	Gas Price	Cond Price	Oih 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

SAN JUAN 29-6 UNIT 109

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\$
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2006(12)	199.0	72.6	51.89	0.00	25.36	4.86	4.86	35.51	22.66	755.0	73.88	0.00	681.16	0.00	681.16
2007(12)	127.3	46.5	33.20	0.00	25.36	4.86	4.86	35.51	22.66	664.2	64.31	0.00	599.88	0.00	599.88
2008(12)	150.7	55.2	39.42	0.00	25.43	4.86	4.86	35.51	22.66	695.8	67.62	0.00	628.16	0.00	628.16
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2013(12)	92.3	33.7	24.08	0.00	25.36	4.86	4.86	35.51	22.66	619.9	59.64	0.00	560.22	0.00	560.22
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2018(12)	55.6	20.3	14.51	0.00	25.36	4.86	4.86	35.51	22.66	573.3	54.74	0.00	518.61	0.00	518.61
2019(12)	50.3	18.3	13.11	0.00	25.36	4.86	4.86	35.51	22.66	566.6	54.02	0.00	512.53	0.00	512.53
2020(12)	45.3	16.6	11.85	0.00	25.43	4.86	4.86	35.51	22.66	561.8	53.50	0.00	508.29	0.00	508.29
2021(12)	41.0	15.0	10.71	0.00	25.36	4.86	4.86	35.51	22.66	554.9	52.79	0.00	502.08	0.00	502.08
2022(12)	20.0	7.3	5.21	0.00	25.36	4.86	4.86	35.51	22.66	528.2	49.98	0.00	478.19	0.00	478.19
2023(12)	0.0	0.0	0.00	0.00	25.36	4.86	4.86	35.51	22.66	502.8	47.31	0.00	455.52	0.00	455.52
Sub.	---	684.3	489.04	0.00	486.36	---	---	---	---	12,020.1	1,157.68	0.00	10,862.37	1,304.00	9,558.37
Rem.	---	0.0	0.00	0.00	1,522.65	---	---	---	---	30,190.4	2,840.39	0.00	27,350.04	0.00	27,350.04
Total	---	684.3	489.04	0.00	2,009.01	---	---	---	---	42,210.5	3,998.07	0.00	38,212.41	1,304.00	36,908.41

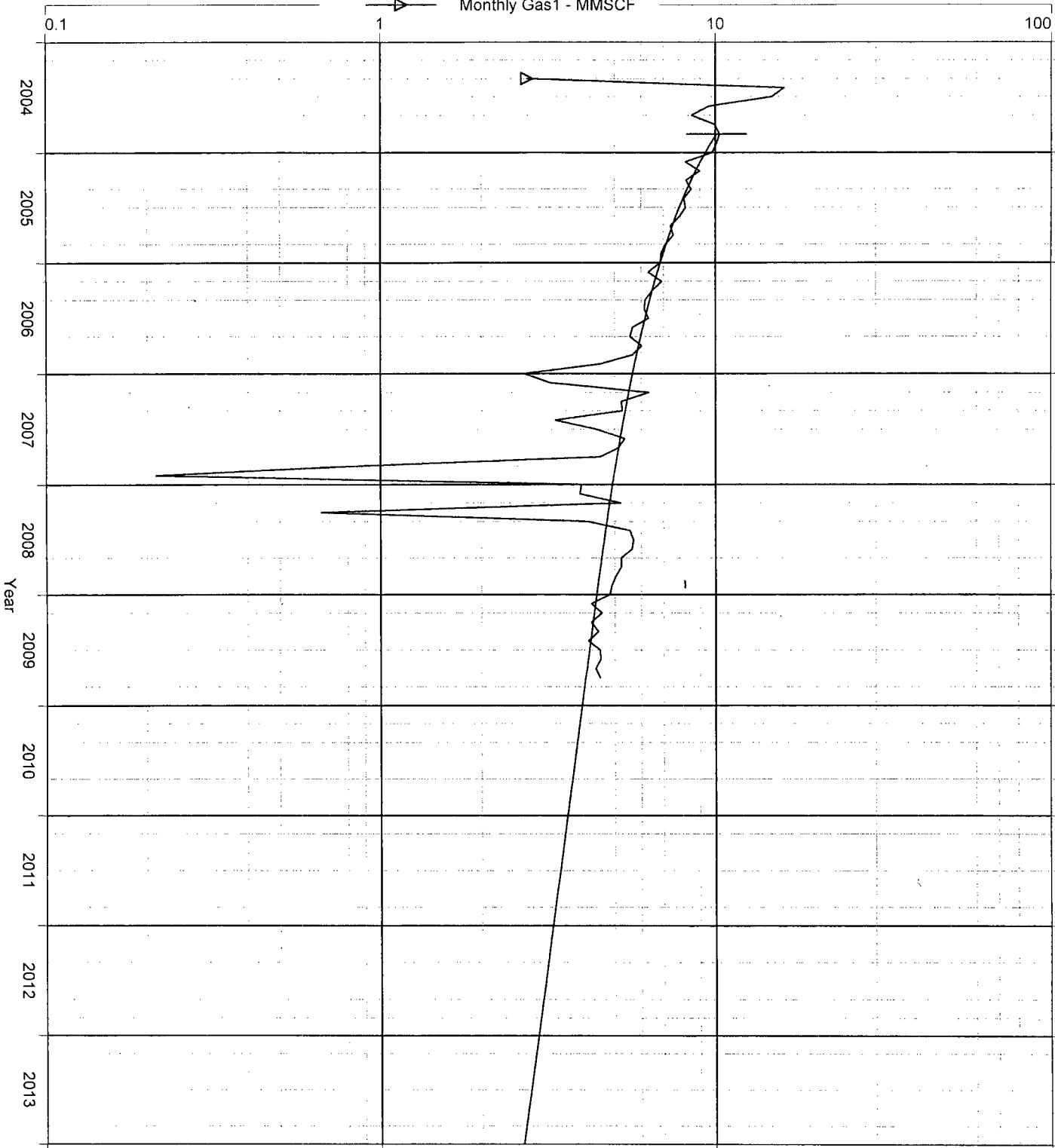
SAN JUAN 29-6 UNIT 109 DK COMX (2300430392752971599) Data: May 2004-Oct 2009

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

COMX (Rate-Time)
Q1: 10.3 MMSCF, 2004-11
Qf: 1.1263 MMSCF, 2022-07
Di(Hyp): 30% CTD: 397.004 MMSCF
RR: 348.792 MMSCF Tot: 745.796 MMSCF

Production Cums
Oil: 0 MSTB
Gas: 397.004 MMSCF
Water: 0 MSTB
Cond: 0 MSTB

Monthly Gas1 - MMSCF
Cum: 397.00 MMSCF
COMX - MMSCF
Versus: Year
Relationship: Rate-Time
Q1: 10.30 MMSCF 2004-11
Di (eff. ann.): 30.00 % (Hyp->Exp)
Qf: 1.12 MMSCF 2022-07
RRt: 348.79 MMSCF
EUR: 745.80 MMSCF



**SAN JUAN 29-6 UNIT
DAKOTA FORMATION
WORKING INTEREST OWNERS**

Betty T. Johnston Marital Trust

Burlington Resources Oil & Gas Co, LP

Charles W. Gay

ConocoPhillips Company

Eula May Johnston Trust

J&M Raymond LTD

Lorrayn Gay Hacker

TAMACAM

McElvain Oil Company

Pintail Production Co, Inc.

Sable Energy, Ltd.

T.H. McElvain Oil & Gas Limited

V A Johnston Family Trust

Vaughan–McElvain Energy Inc.

Veva Jean Gibbard