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

April 22, 2010

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 31-6 Unit (14-06-001-464)**
Commerciality Determination
Dakota Formation
Rio Arriba County, New Mexico

Ladies and Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 31-6 Unit Agreement, #14-06-001-464, approved November 28, 1952, ConocoPhillips Company, as 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.	Compl. Date	Determination
SJ 31-6 Unit #3M	E/2 Sec. 06-30N-6W	SF-012735	11/18/2008	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 report to 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, CPLTA
Land Analyst

SJ 31-6 Unit 4.3

BURLINGTON RESOURCES

COMMERCIALITY DETERMINATION

BLM DATA SHEET

SAN JUAN 31-6 UNIT 3M

WELL INFORMATION		PRODUCTION TAXES	
LEASE	SAN JUAN 31-6 UNIT 3M	TAXES FOR:	RIO ARRIBA, NEW MEXICO 2003 - 2004 Commerciality
LOCATION	030N006W		
COUNTY, STATE	RIO ARRIBA, NEW MEXICO		
FORMATION	DAKOTA		
PROJECT TYPE	NEWDRILL		
WELL TYPE	GAS WELL	SEVERANCE:	GAS % OF REVENUE
OPERATOR	CONOCOPHILLIPS CO	Severance, School, Conservation	
SPUD DATE	6/16/2008		
COMP DATE	11/18/2008	AD VALOREM:	
1ST DELIVERY	11/26/2008	Production, Equipment	
COMM GWI %	100.00		1.40
COMM NRI %	87.50		
BOARD RATE %	10.00	TOTAL %:	9.33

AVERAGE HEAT CONTENT		WELL COST AND ECONOMICS				
1,000	MMBtu / Mcf	1,304.00	M\$	AVERAGE WELL COST		
		81.34	MMCF	ULT. GROSS GAS RESERVES		
		69.51	MCFD	INITIAL GAS RATE		
		0.00	%	RATE OF RETURN		
		-0.84	\$/\$	P/I, DISC. @ 10.00 %		
		-1,095.57	M\$	NET PRESENT VALUE, DISC. @ 10.00 %		
		0.00	YRS	PAYOUT		

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

SAN JUAN 31-6 UNIT 3M

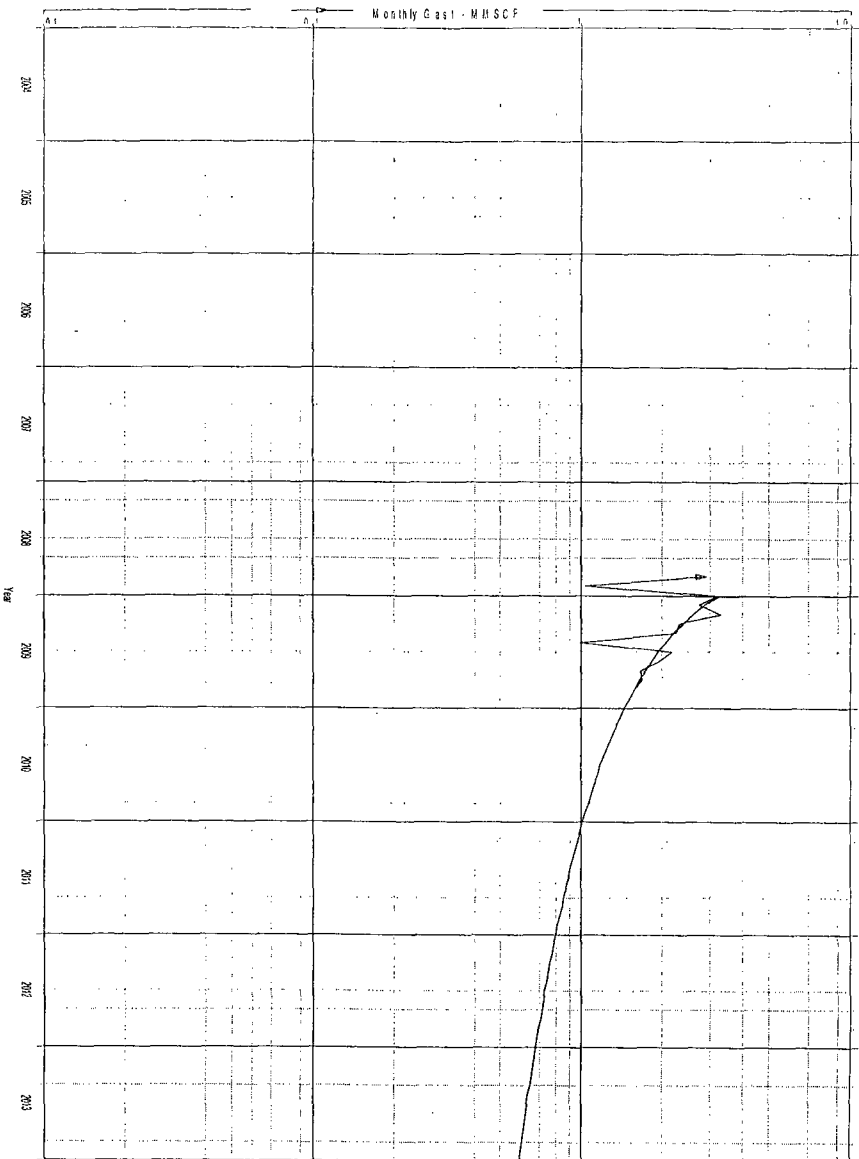
SAN JUAN 31-6 UNIT 3M (COM) (2004-09-03/2013-09-01) Date: Nov 2008-Nov 2009

Operator: JACOBUS CORP
Field: BSN
Zone: D4013
Type: Gas
Spec: Free

Q2004 35 MMSCF
Q2005 35 MMSCF
Q2006 35 MMSCF
Q2007 35 MMSCF
Q2008 35 MMSCF
Q2009 35 MMSCF

Production Gas
Q2004 0 MMSCF
Q2005 0 MMSCF
Q2006 0 MMSCF
Q2007 0 MMSCF
Q2008 0 MMSCF
Q2009 0 MMSCF

San Juan 31-6 Unit 3M
Q2004 35 MMSCF
Q2005 35 MMSCF
Q2006 35 MMSCF
Q2007 35 MMSCF
Q2008 35 MMSCF
Q2009 35 MMSCF



CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oth Volume	Gas1 Price	Gas1 Price	Cond Price	Oth Price	Net Revenue	Prod Taxes	Total Opcosts	Total Oper Inc	Total Capital	Total BT Cash
mcf/d	mmscf	mmscf	mmscf	mmscf	mmscf	\$/mcf	\$/mcf	\$/bbl	\$/bbl	M\$	M\$	M\$	M\$	M\$	M\$

**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 31-6 UNIT 3M**

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)	69.5	25.4	18.13	0.00	1.76	4.86	4.86	35.51	22.66	123.1	12.57	15.01	95.48	1,304.00	-1,208.52
2010(12)	39.8	14.5	10.39	0.00	1.01	4.86	4.86	35.51	22.66	70.5	7.20	15.01	48.31	0.00	48.31
2011(12)	29.7	10.8	7.75	0.00	0.75	4.86	4.86	35.51	22.66	52.6	5.37	15.01	32.23	0.00	32.23
2012(12)	24.2	8.9	6.34	0.00	0.62	4.86	4.86	35.51	22.66	43.0	4.39	15.01	23.60	0.00	23.60
2013(12)	20.8	7.6	5.43	0.00	0.53	4.86	4.86	35.51	22.66	36.9	3.77	15.01	18.08	0.00	18.08
2014(12)	18.4	6.7	4.79	0.00	0.47	4.86	4.86	35.51	22.66	32.5	3.32	15.01	14.18	0.00	14.18
2015(12)	16.4	6.0	4.27	0.00	0.42	4.86	4.86	35.51	22.66	29.0	2.96	15.01	11.02	0.00	11.02
2016(12)	15.3	1.4	0.99	0.00	0.10	4.86	4.86	35.51	22.66	6.7	0.69	3.75	2.30	0.00	2.30
Total	---	81.3	58.09	0.00	5.65	---	---	---	---	394.3	40.28	108.84	245.20	1,304.00	-1,058.80

SAN JUAN 31-6 UNIT
DAKOTA FORMATION
WORKING INTEREST OWNERS

BP AMERICA PRODUCTION

BURLINGTON RESOURCES

CONOCOPHILLIPS COMPANY

FOUR STAR OIL & GAS COMPANY

PHILLIPS-NEW MEXICO PARTNERS