

286

ConocoPhillips RECEIVED OCD
July 21, 2010

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

2010 JUL 26 P 1:13

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: Huerfanito Unit (#I Sec. No. 943)
Commerciality Determination
Fruitland Coal Formation
San Juan County, New Mexico

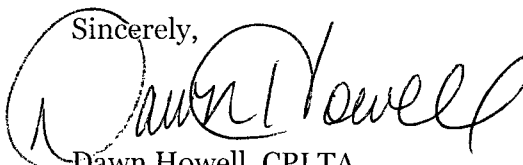
Gentlemen:

Pursuant to the provisions of Section 11(a) of the Huerfanito Unit Agreement, #I Sec. No. 943, approved June 2, 1952, 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 Fruitland Coal Formation. Burlington is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Dedicated Lse.	Compl. Date	Determination
Huerfanito Unit #177	E/2 28-27N-9W	SF-078081	11/15/08	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 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

Huerfanito Unit 4.5

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET

HEREFANITO UNIT 177

WELL INFORMATION

LEASE HEREFANITO UNIT 177
LOCATION 28027N009W
COUNTY, STATE SAN JUAN, NEW MEXICO
FORMATION FRUITLAND COAL
PROJECT TYPE NEWDRILL
WELL TYPE GAS WELL
OPERATOR CONOCOPHILLIPS CO
SPUD DATE 7/25/2008
COMP DATE 11/15/2008
1ST DELIVERY 1/20/2009
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 1.40

TOTAL %: 9.33

AVERAGE HEAT CONTENT

1,000 MMBtu / Mcf

WELL COST AND ECONOMICS

768.00 M\$ AVERAGE WELL COST
293.18 MMCF ULT. GROSS GAS RESERVES
38.79 MCFD INITIAL GAS RATE
8.24 % RATE OF RETURN
-0.06 \$/S P/I, DISC. @ 10.00 %
-42.41 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
6.12 YRS PAYOUT

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET

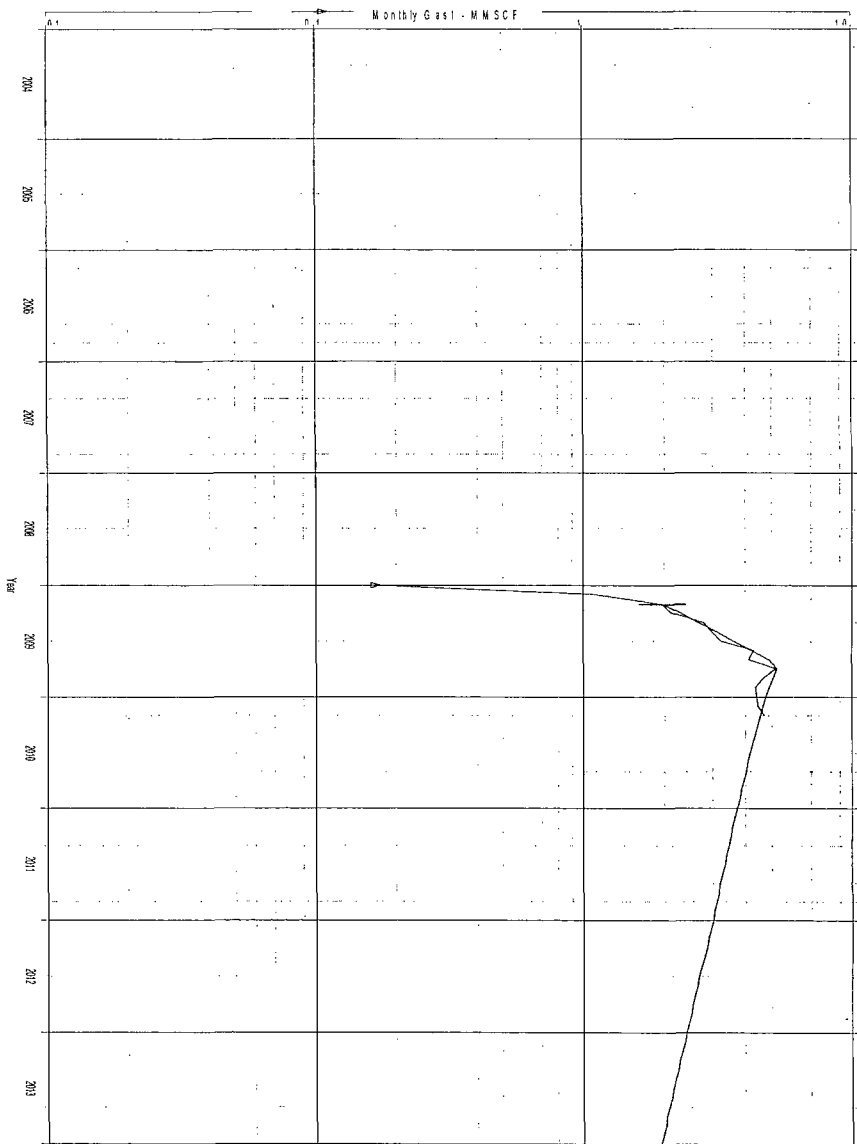
HERFANITO UNIT 177

HERFANITO UNIT 177 FC (CDM) 23040404545517629 Date: Jan 2004-May 2010

Owner: BLM
Title: BLM
Type: Gas
Group: None
CDM Release Line
G: 1.000 MCF 205.40
O: 0.000 MCF 205.40
D: 0.000 MCF 205.40
R: 0.000 MCF 205.40
G: 1.000 MCF 205.40
O: 0.000 MCF 205.40
D: 0.000 MCF 205.40
R: 0.000 MCF 205.40

Production Gas
G: 0 MCF
O: 0 MCF
D: 0 MCF
R: 0 MCF
G: 0 MCF
O: 0 MCF
D: 0 MCF
R: 0 MCF

CDM Gas: MCF
G: 1.000 MCF
O: 0.000 MCF
D: 0.000 MCF
R: 0.000 MCF
G: 1.000 MCF
O: 0.000 MCF
D: 0.000 MCF
R: 0.000 MCF



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	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

HERFANITO UNIT 177

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	\$/mc	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$
2009 02	38.8	1.1	0.77	0.00	0.04	4.63	4.63	35.51	22.66	4.3	0.45	0.00	3.90	768.00	-764.10
2009 03	62.7	1.9	1.37	0.00	0.07	4.63	4.63	35.51	22.66	7.8	0.80	0.00	6.98	0.00	6.98
2009 04	71.2	2.1	1.51	0.00	0.08	4.63	4.63	35.51	22.66	8.5	0.88	0.00	7.66	0.00	7.66
2009 05	89.8	2.8	1.96	0.00	0.10	4.63	4.63	35.51	22.66	11.1	1.15	0.00	9.99	0.00	9.99
2009 06	98.8	3.0	2.09	0.00	0.11	4.63	4.63	35.51	22.66	11.9	1.23	0.00	10.64	0.00	10.64
2009 07	105.1	3.3	2.30	0.00	0.12	4.63	4.63	35.51	22.66	13.0	1.35	0.00	11.69	0.00	11.69
2009 08	138.3	4.3	3.02	0.00	0.16	4.63	4.63	35.51	22.66	17.2	1.77	0.00	15.38	0.00	15.38
2009 09	137.2	4.1	2.90	0.00	0.15	4.63	4.63	35.51	22.66	16.5	1.70	0.00	14.77	0.00	14.77
2009 10	167.1	5.2	3.65	0.00	0.19	4.63	4.63	35.51	22.66	20.7	2.14	0.00	18.59	0.00	18.59
2009 11	154.4	4.6	3.27	0.00	0.17	4.63	4.63	35.51	22.66	18.5	1.91	0.00	16.62	0.00	16.62
2009 12	139.9	4.3	3.06	0.00	0.16	4.63	4.63	35.51	22.66	17.4	1.79	0.00	15.56	0.00	15.56
2010 01	141.6	4.4	3.10	0.00	0.16	4.63	4.63	35.51	22.66	17.6	1.81	0.00	15.76	0.00	15.76
2010 02	158.6	4.4	3.13	0.00	0.16	4.63	4.63	35.51	22.66	17.8	1.84	0.00	15.93	0.00	15.93
2010 03	150.6	4.7	3.29	0.00	0.17	4.63	4.63	35.51	22.66	18.7	1.93	0.00	16.76	0.00	16.76
2010 04	147.5	4.4	3.12	0.00	0.16	4.63	4.63	35.51	22.66	17.7	1.83	0.00	15.88	0.00	15.88
2010 05	139.7	4.3	3.05	0.00	0.16	4.63	4.63	35.51	22.66	17.3	1.79	0.00	15.54	0.00	15.54
2010 06	141.4	4.2	2.99	0.00	0.16	4.63	4.63	35.51	22.66	17.0	1.75	0.00	15.22	0.00	15.22
2010 07	134.2	4.2	2.93	0.00	0.15	4.63	4.63	35.51	22.66	16.6	1.72	0.00	14.92	0.00	14.92
2010 08	131.7	4.1	2.88	0.00	0.15	4.63	4.63	35.51	22.66	16.3	1.69	0.00	14.65	0.00	14.65
2010 09	133.6	4.0	2.83	0.00	0.15	4.63	4.63	35.51	22.66	16.0	1.66	0.00	14.38	0.00	14.38
Sub.	---	75.5	53.22	0.00	2.80	---	---	---	---	302.0	31.19	0.00	270.81	768.00	-497.19
Rem.	---	217.7	153.52	0.00	8.09	---	---	---	---	871.2	89.98	0.00	781.22	0.00	781.22
Total	---	293.2	206.74	0.00	10.89	---	---	---	---	1,173.2	121.17	0.00	1,052.03	768.00	284.03

**WORKING INTEREST OWNERS
HUERFANITO UNIT
FRUITLAND COAL FORMATION**

AJM LLC
BURLINGTON RESOURCES OIL & GAS
FRANKLIN P LILLY
MCCONNELL LTD CO
MICHAEL J LILLY



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RE: Huerfanito Unit (#I Sec. No. 943)
Commerciality Determinations
Mesaverde Formation
San Juan County, New Mexico

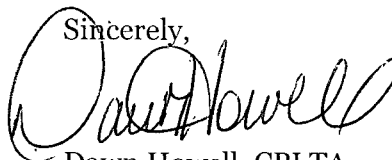
Gentlemen:

Pursuant to the provisions of Section 11(a) of the Huerfanito Unit Agreement, #I Sec. No. 943, approved June 2, 1952, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the wells listed below are not capable of producing unitized substances in paying quantities from the Mesaverde Formation. Burlington is seeking confirmation of the paying well determinations enclosed.

Well Name	Dedication	Dedicated Lse.	Compl. Date	Determination
Huerfanito Unit #76M	W/2 2-26N-9W	B-11122-2	4-12-09	Non-Commercial
Huerfanito Unit #106M	W/2 2-26N-9W	E-5116-8	2-17-09	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, CPLTA
Land Analyst

Huerfanito Unit 4.2

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANTO UNIT 76M

WELL INFORMATION

LEASE HUERFANTO UNIT 76M
LOCATION 02026N009W
COUNTY, STATE SAN JUAN, NEW MEXICO
FORMATION MESAVERDE
PROJECT TYPE NEWDRILL
WELL TYPE GAS WELL
OPERATOR CONOCOPHILLIPS CO
SPUD DATE 2/2/2009
COMP DATE 4/21/2009
1ST DELIVERY 6/9/2009
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

1,528.00 M\$ AVERAGE WELL COST
21.96 MCMF ULT. GROSS GAS RESERVES
58.32 MCFD INITIAL GAS RATE
0.00 % RATE OF RETURN
-0.94 \$/S P/L DISC. @ 10.00 %
-1,435.70 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
0.00 YRS PAYOUT

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

HUERFANITO UNIT 76M

Operator: BURLINGTON RESOURCES GROUP
 Field: BLAND
 Zone: MESAVERA
 Type: Gas
 Comp: None

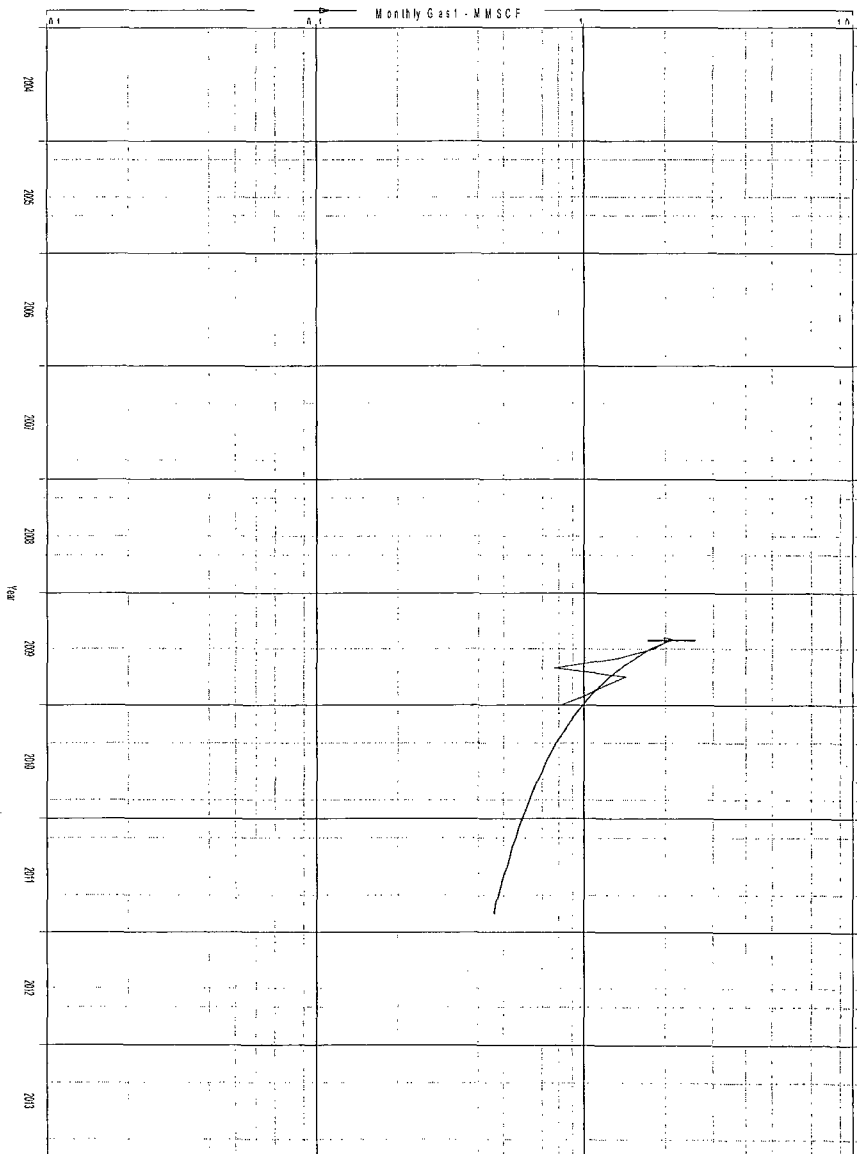
DATE: 02/23/2009
 BY: J. M. MCGEE
 REVISION: 001

DATE: 02/23/2009
 BY: J. M. MCGEE
 REVISION: 001

Production Gas
 OF: 0 MMB
 Gas: 0.000 MMB
 Water: 0.000 MMB
 Cond: 0.000 MMB

Com: 0.000 MMB
 OF: 0.000 MMB
 Gas: 0.000 MMB
 Water: 0.000 MMB
 Cond: 0.000 MMB

Relationship: None
 Date: 02/23/2009
 By: J. M. MCGEE
 Revision: 001



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

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

HUERFANTO UNIT 76M

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 07	58.3	1.8	1.26	0.00	0.15	4.86	4.86	35.51	22.66	9.1	0.91	0.00	8.16	1,528.00	-1,519.84
2009 08	42.5	1.3	0.92	0.00	0.11	4.86	4.86	35.51	22.66	6.6	0.67	0.00	5.94	0.00	5.94
2009 09	26.0	0.8	0.55	0.00	0.06	4.86	4.86	35.51	22.66	3.9	0.39	0.00	3.52	0.00	3.52
2009 10	46.0	1.4	1.00	0.00	0.12	4.86	4.86	35.51	22.66	7.2	0.72	0.00	6.44	0.00	6.44
2009 11	38.9	1.2	0.82	0.00	0.10	4.86	4.86	35.51	22.66	5.9	0.59	0.00	5.27	0.00	5.27
2009 12	32.6	1.0	0.71	0.00	0.08	4.86	4.86	35.51	22.66	5.1	0.51	0.00	4.56	0.00	4.56
2010 01	26.5	0.8	0.58	0.00	0.07	4.86	4.86	35.51	22.66	4.1	0.42	0.00	3.71	0.00	3.71
2010 02	32.9	0.9	0.65	0.00	0.08	4.86	4.86	35.51	22.66	4.6	0.47	0.00	4.16	0.00	4.16
2010 03	28.1	0.9	0.61	0.00	0.07	4.86	4.86	35.51	22.66	4.4	0.44	0.00	3.93	0.00	3.93
2010 04	27.6	0.8	0.58	0.00	0.07	4.86	4.86	35.51	22.66	4.1	0.42	0.00	3.73	0.00	3.73
2010 05	25.4	0.8	0.55	0.00	0.06	4.86	4.86	35.51	22.66	4.0	0.40	0.00	3.56	0.00	3.56
2010 06	25.1	0.8	0.53	0.00	0.06	4.86	4.86	35.51	22.66	3.8	0.38	0.00	3.40	0.00	3.40
2010 07	23.3	0.7	0.51	0.00	0.06	4.86	4.86	35.51	22.66	3.6	0.36	0.00	3.26	0.00	3.26
2010 08	22.4	0.7	0.49	0.00	0.06	4.86	4.86	35.51	22.66	3.5	0.35	0.00	3.13	0.00	3.13
2010 09	22.3	0.7	0.47	0.00	0.05	4.86	4.86	35.51	22.66	3.4	0.34	0.00	3.02	0.00	3.02
2010 10	20.8	0.6	0.45	0.00	0.05	4.86	4.86	35.51	22.66	3.2	0.33	0.00	2.91	0.00	2.91
2010 11	20.8	0.6	0.44	0.00	0.05	4.86	4.86	35.51	22.66	3.1	0.32	0.00	2.82	0.00	2.82
2010 12	19.5	0.6	0.42	0.00	0.05	4.86	4.86	35.51	22.66	3.0	0.31	0.00	2.73	0.00	2.73
2011 01	18.9	0.6	0.41	0.00	0.05	4.86	4.86	35.51	22.66	2.9	0.30	0.00	2.64	0.00	2.64
2011 02	20.3	0.6	0.40	0.00	0.05	4.86	4.86	35.51	22.66	2.9	0.29	0.00	2.57	0.00	2.57
Sub.	---	17.6	12.32	0.00	1.44	---	---	---	---	88.3	8.90	0.00	79.45	1,528.00	-1,448.55
Rem.	---	4.3	3.04	0.00	0.35	---	---	---	---	21.8	2.20	0.00	19.62	0.00	19.62
Total	---	22.0	15.36	0.00	1.79	---	---	---	---	110.2	11.10	0.00	99.07	1,528.00	-1,428.93

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 106M

WELL INFORMATION

LEASE HUERFANITO UNIT 106M
LOCATION 002026N009W
COUNTY, STATE SAN JUAN, NEW MEXICO
FORMATION MESAVERTDE
PROJECT TYPE NEWDRILL
WELL TYPE GAS WELL
OPERATOR CONOCOPHILLIPS CO
SPUD DATE 12/18/2008
COMP DATE 2/17/2009
1ST DELIVERY 3/23/2009
COMM GVI % 100.00
COMM NRI % 87.50
BOARD RATE % 10.00

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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

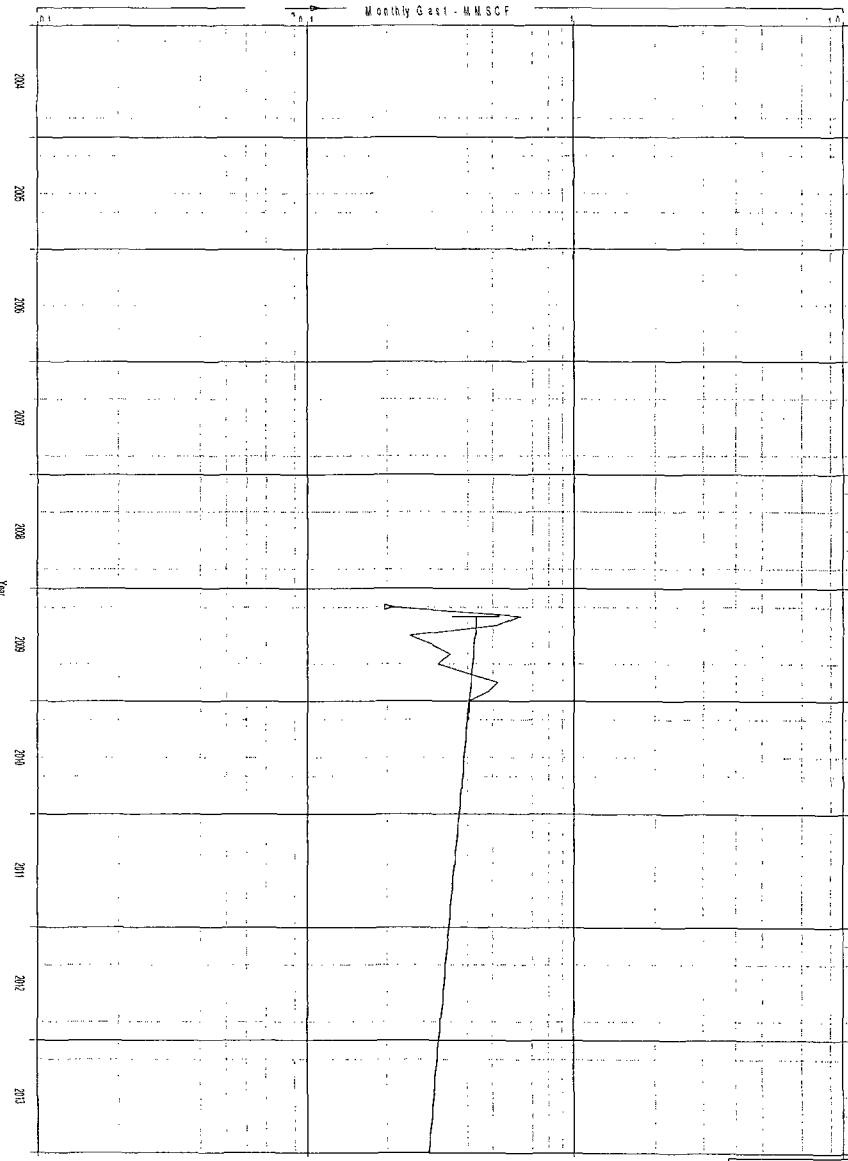
WELL COST AND ECONOMICS

1,528.00 M\$ AVERAGE WELL COST
59.81 MMCF ULT. GROSS GAS RESERVES
13.55 MCFD INITIAL GAS RATE
0.00 % RATE OF RETURN
-0.99 \$/\$ P/L DISC. @ 10.00 %
-1,516.25 M\$ NET PRESENT VALUE, DISC. @ 10.00 %
0.00 YRS PAYOUT

BURLINGTON RESOURCES COMMERCIALITY DETERMINATION BLM DATA SHEET

HUERFANITO UNIT 106M

Operator: BURLINGTON RESOURCES 03/20/10		HURFANITO UNIT 106M (CMA) (2004/03/05/08/09/23/19) Date: Mar 2009-Mar 2010	
Field: BLAND	CDM (gas line)	Production Date	04/14/03
Zone: HURFANITO	04/15/03-04/03/2009	Oil	0.0000
Type: Gas	04/15/03-04/03/2009	Gas	3.1314
Comp: None	04/15/03-04/03/2009	Water	0.0000
	04/15/03-04/03/2009	Other	0.0000



04/14/03-04/03/2009	04/14/03-04/03/2009
04/15/03-04/03/2009	04/15/03-04/03/2009
04/16/03-04/03/2009	04/16/03-04/03/2009
04/17/03-04/03/2009	04/17/03-04/03/2009
04/18/03-04/03/2009	04/18/03-04/03/2009
04/19/03-04/03/2009	04/19/03-04/03/2009
04/20/03-04/03/2009	04/20/03-04/03/2009
04/21/03-04/03/2009	04/21/03-04/03/2009
04/22/03-04/03/2009	04/22/03-04/03/2009
04/23/03-04/03/2009	04/23/03-04/03/2009
04/24/03-04/03/2009	04/24/03-04/03/2009
04/25/03-04/03/2009	04/25/03-04/03/2009
04/26/03-04/03/2009	04/26/03-04/03/2009
04/27/03-04/03/2009	04/27/03-04/03/2009
04/28/03-04/03/2009	04/28/03-04/03/2009
04/29/03-04/03/2009	04/29/03-04/03/2009
04/30/03-04/03/2009	04/30/03-04/03/2009

CASH FLOW SUMMARY

Date	Gas1 Rate	Gas1 Volume	Net Gas Volume	Net Cond Volume	Net Oil Volume	Gas1 Price	Gas Price	Cond Price	Oil Price	Revenue	Net	Prod Taxes	Total Opco	Total Oper Inc	Total Capital	Total BT Cash
	mcf/d	MMSCF	MMSCF	MMSCF	MSTB	MSTB \$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$	M\$	M\$	M\$	M\$

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
HUERFANITO UNIT 106M

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\$
2009(12)	13.5	3.7	2.61	0.00	0.30	4.86	4.86	35.51	22.66	18.7	1.88	12.60	4.21	1,528.00	-1,523.79
2010(12)	12.8	4.7	3.28	0.00	0.38	4.86	4.86	35.51	22.66	23.5	2.37	16.80	4.34	0.00	4.34
2011(12)	11.8	4.3	3.01	0.00	0.35	4.86	4.86	35.51	22.66	21.6	2.17	16.80	2.59	0.00	2.59
2012(12)	10.8	3.9	2.76	0.00	0.32	4.86	4.86	35.51	22.66	19.8	1.99	16.80	0.97	0.00	0.97
2013(12)	10.3	1.2	0.87	0.00	0.10	4.86	4.86	35.51	22.66	6.2	0.63	5.60	-0.01	0.00	-0.01
Total	---	17.9	12.51	0.00	1.46	---	---	---	---	89.7	9.04	68.60	12.10	1,528.00	-1,515.90