



674

ConocoPhillips
San Juan Business Unit
P.O. Box 11489
Farmington, NM 87499-4289
2010 JUL 23 A 10:29

July 21, 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

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 29-7 Unit (#14-08-001-1650)
Commerciality Determination
Dakota Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11(a) of the San Juan 29-7 Unit Agreement, #14-08-001-1650, approved September 3, 1954, Burlington Resources Oil & Gas Company, as Operator, has determined that the well listed below is capable of producing unitized substances in paying quantities from the Dakota formation. Burlington is seeking confirmation of the paying well determination enclosed.

Well Name	Dedication	Lease No.	Completion	Determination
SJ 29-7 Unit #73C	W/2 Sec. 24-29N-7W	FEE	4/2/2009	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 Susan Rainbolt at 326-9574, all other questions to the undersigned at 599-4030.

Sincerely,

Dawn Howell, CPLTA
Land Analyst

DH
SJ 29-7 Unit, 4.3

**SAN JUAN 29-7 UNIT
WORKING INTEREST OWNERS
DAKOTA FORMATION**

Acton Energy LP
BP America Production Company
Burlington Resources Oil & Gas Co
ConocoPhillips
David A Pierce
Dirk Vanhorn Reemtsma
Douglas Cameron Mcleod
Dugan Production Corporation
Lance Reemtsma
Leslie Hardwick Oshea
Robert Soens

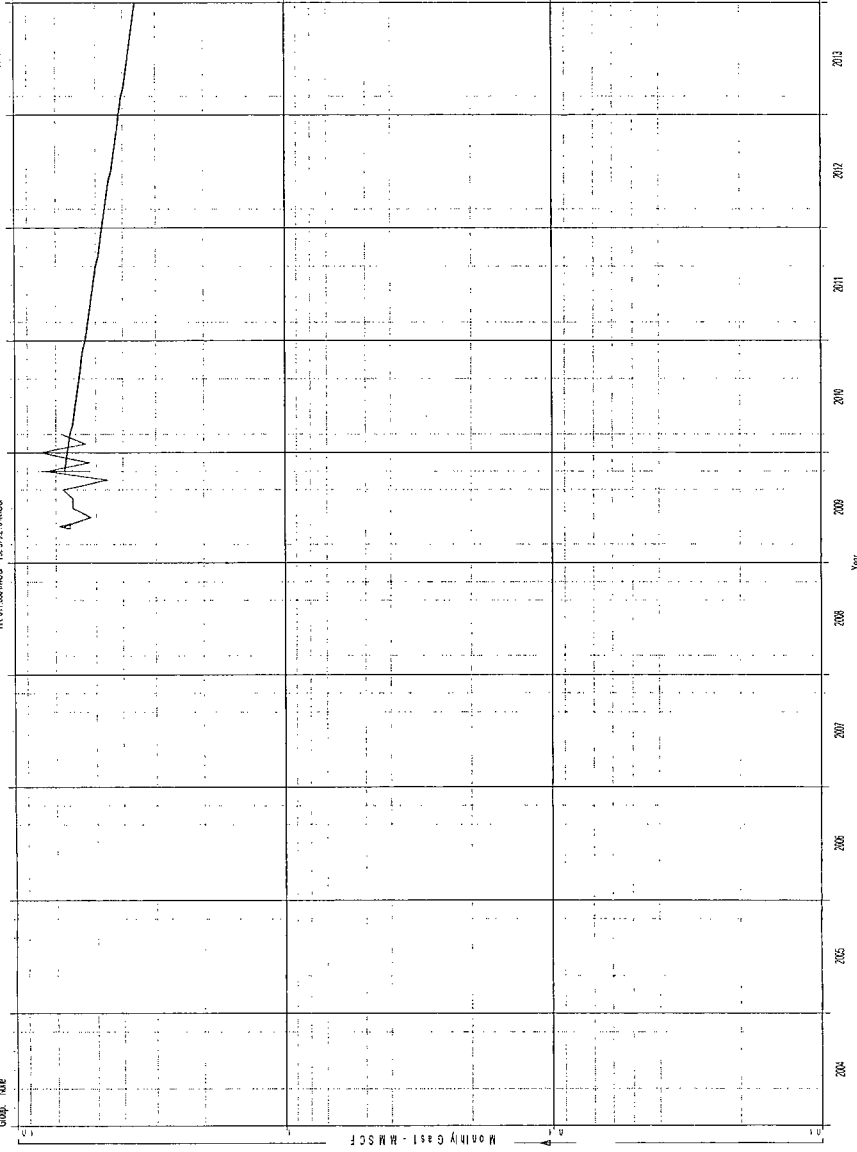
BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 73C

WELL INFORMATION		PRODUCTION TAXES	
LEASE	SAN JUAN 29-7 UNIT 73C	TAXES FOR:	RIO ARRIBA, NEW MEXICO
LOCATION	24029N007W		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	2/17/2009		
COMP DATE	4/2/2009	AD VALOREM:	
1ST DELIVERY	5/11/2009	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
		572.79	MMCF ULT. GROSS GAS RESERVES
		193.26	MCFD INITIAL GAS RATE
		11.63	% RATE OF RETURN
		0.06	\$/\$ P/I, DISC. @ 10.00 %
		71.72	M\$ NET PRESENT VALUE, DISC. @ 10.00 %
		5.56	YRS PAYOUT

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 73C

Owner: BURLINGTON RESOURCES GROUP		SAN JUAN 29-7 UNIT 73C (COM) (2004-03-05-06-07-159) Date: May 2009-Mar 2010	
Field: BLM		COA (Rate Fee)	
Zone: DACTA		G 65220 MSCF 2009-11	
Type: Gas		OF 0.000 MSCF 2009-10	
Group: None		D544-134938 CTS 01588 MSCF	
		RR-31138 MSCF 10-51246 MSCF	
		Production Gas	
		OR 0 MSCF	
		Gas 61533 MSCF	
		Water 0.038 MSCB	
		Cost 0.04 MSCB	
		Monthly Gas: MSCF	
		Cost 61.68 MSCF	
		COA: MSCF	
		Venus: Year	
		Relationship Rate Fee	
		G 652 MSCF 2009-11	
		Diff. amt: 13.2 % (Expendit)	
		G 100 MSCF 2009-10	
		RR-31138 MSCF	
		SR-37523 MSCF	



CASH FLOW SUMMARY												
Date	Gas1	Gas1	Net Gas	Net Cond	Net Oth	Gas1	Gas	Cond	Oth	Net	Prod	Total
	Rate	Volume	Volume	Volume	Volume	Price	Price	Price	Price	Revenue	Taxes	Capital
	mcf/d	MMSCF	MMSCF	MSTB	MSTB	\$/MMBTU	\$/mcf	\$/Bbl	\$/Bbl	M\$	M\$	M\$

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 73C

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)	193.3	41.4	29.55	0.00	2.87	4.86	4.86	35.51	22.66	200.6	20.49	8.76	171.36	1,304.00	-1,132.64
2010(12)	198.5	72.4	51.77	0.00	5.03	4.86	4.86	35.51	22.66	351.4	35.90	15.01	300.48	0.00	300.48
2011(12)	168.8	61.6	44.03	0.00	4.28	4.86	4.86	35.51	22.66	298.8	30.53	15.01	253.30	0.00	253.30
2012(12)	145.7	53.3	38.12	0.00	3.71	4.86	4.86	35.51	22.66	258.7	26.43	15.01	217.29	0.00	217.29
2013(12)	126.5	46.2	33.00	0.00	3.21	4.86	4.86	35.51	22.66	224.0	22.88	15.01	186.11	0.00	186.11
2014(12)	109.5	40.0	28.57	0.00	2.78	4.86	4.86	35.51	22.66	193.9	19.81	15.01	159.11	0.00	159.11
2015(12)	94.8	34.6	24.74	0.00	2.41	4.86	4.86	35.51	22.66	167.9	17.15	15.01	135.74	0.00	135.74
2016(12)	81.9	30.0	21.42	0.00	2.08	4.86	4.86	35.51	22.66	145.4	14.85	15.01	115.51	0.00	115.51
2017(12)	71.1	25.9	18.54	0.00	1.80	4.86	4.86	35.51	22.66	125.9	12.86	15.01	97.99	0.00	97.99
2018(12)	61.5	22.5	16.05	0.00	1.56	4.86	4.86	35.51	22.66	109.0	11.13	15.01	82.82	0.00	82.82
2019(12)	53.3	19.4	13.90	0.00	1.35	4.86	4.86	35.51	22.66	94.3	9.64	15.01	69.69	0.00	69.69
2020(12)	46.0	16.8	12.03	0.00	1.17	4.86	4.86	35.51	22.66	81.7	8.34	15.01	58.32	0.00	58.32
2021(12)	39.9	14.6	10.42	0.00	1.01	4.86	4.86	35.51	22.66	70.7	7.22	15.01	48.48	0.00	48.48
2022(12)	34.6	12.6	9.02	0.00	0.88	4.86	4.86	35.51	22.66	61.2	6.25	15.01	39.96	0.00	39.96
2023(12)	29.9	10.9	7.81	0.00	0.76	4.86	4.86	35.51	22.66	53.0	5.42	15.01	32.58	0.00	32.58
2024(12)	25.9	9.5	6.76	0.00	0.66	4.86	4.86	35.51	22.66	45.9	4.69	15.01	26.19	0.00	26.19
2025(12)	22.4	8.2	5.85	0.00	0.57	4.86	4.86	35.51	22.66	39.7	4.06	15.01	20.66	0.00	20.66
2026(12)	19.4	7.1	5.07	0.00	0.49	4.86	4.86	35.51	22.66	34.4	3.51	15.01	15.87	0.00	15.87
2027(12)	16.8	6.1	4.39	0.00	0.43	4.86	4.86	35.51	22.66	29.8	3.04	15.01	11.73	0.00	11.73
2028(12)	14.5	5.3	3.80	0.00	0.37	4.86	4.86	35.51	22.66	25.8	2.63	15.01	8.14	0.00	8.14
Sub.	---	538.5	384.84	0.00	37.42	---	---	---	---	2,612.2	266.85	293.99	2,051.34	1,304.00	747.34
Rem.	---	10.7	7.62	0.00	0.74	---	---	---	---	51.7	5.28	38.78	7.64	0.00	7.64
Total	---	549.2	392.45	0.00	38.16	---	---	---	---	2,663.9	272.13	332.77	2,058.99	1,304.00	754.99