



RECEIVED OGD

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

2011 MAR 21 A 11: 30 March 17, 2011

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 not 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 #71M	E/2 Sec. 24-29N-7W	SF-078424-A	4/28/2009	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 to Communitization #NMNM-116787.

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

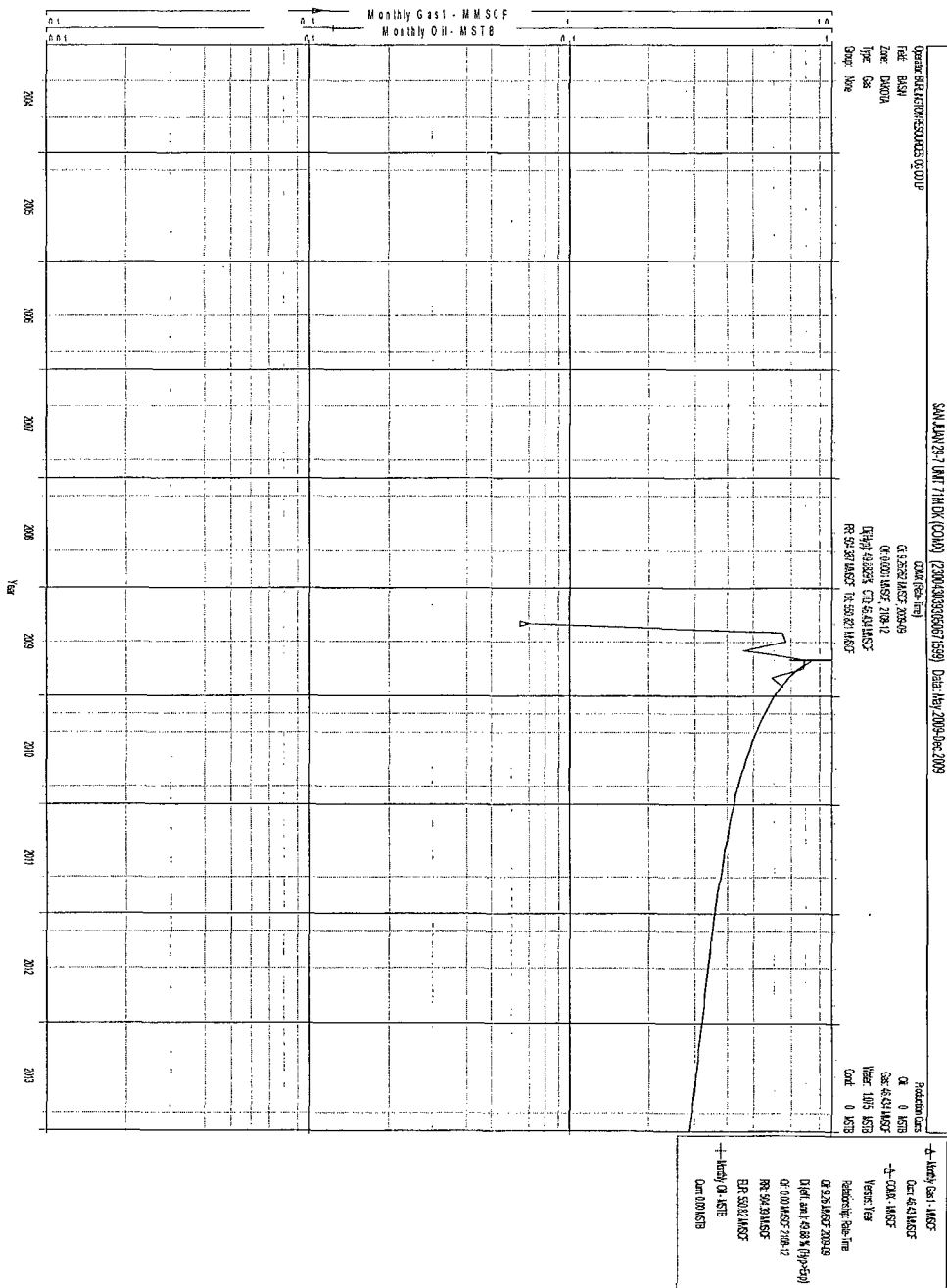
BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 71M

WELL INFORMATION		PRODUCTION TAXES	
LEASE	SAN JUAN 29-7 UNIT 71M	TAXES FOR:	RIO ARriba, NEW MEXICO
LOCATION	24029N007W		2003 - 2004 Commercially
COUNTY, STATE	RIO ARriba, NEW MEXICO		GAS % OF REVENUE
FORMATION	DAKOTA		
PROJECT TYPE	NEWDRILL		
WELL TYPE	GAS WELL	SEVERANCE:	
OPERATOR	CONOCOPHILLIPS CO	Severance, School, Conservation	7.93
SPUD DATE	2/12/2009	AD VALOREM:	
COMP DATE	9/3/2008	Production, Equipment	1.40
1ST DELIVERY	5/28/2009		
COMM GWI %	100.00	TOTAL %:	9.33
COMM NRI %	87.50		
BOARD RATE %	10.00		

AVERAGE HEAT CONTENT		WELL COST AND ECONOMICS			
1,000	MMBtu / Mcf	1,304.00	M\$	AVERAGE WELL COST	
		532.31	MMCF	ULT. GROSS GAS RESERVES	
		261.33	MCFD	INITIAL GAS RATE	
		6.64	%	RATE OF RETURN	
		-0.12	\$/	P/I, DISC. @ 10.00 %	
		-161.14	M\$	NET PRESENT VALUE, DISC. @ 10.00 %	
		8.28	YRS	PAYOUT	

**BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET**

SAN JUAN 29-7 UNIT 71M



CASH FLOW SUMMARY															
	Gas1	Gas1	Net Gas	Net Cond	Net Oth	Gas1	Gas	Cond	Oth	Net	Prod	Total	Total	Total	Total
Date	Rate	Volume	Volume	Volume	Volume	Price	Price	Price	Price	Revenue	Taxes	Opcosts	Oper Inc	Capital	BT Cash
mc/d	MMSCF	MMSCF	MSTB	MSTB	MSTB	\$/MMBtu	\$/mcf	\$/Bbl	\$/Bbl	\$	\$	\$	\$	\$	\$

BURLINGTON RESOURCES
COMMERCIALITY DETERMINATION
BLM DATA SHEET
SAN JUAN 29-7 UNIT 71M

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 09	261.3	7.8	5.60	0.00	0.54	4.86	4.86	35.51	22.66	38.0	3.88	1.25	32.89	1,304.00	-1,271.11
2009 10	250.3	7.8	5.54	0.00	0.54	4.86	4.86	35.51	22.66	37.6	3.84	1.25	32.54	0.00	32.54
2009 11	197.1	5.9	4.23	0.00	0.41	4.86	4.86	35.51	22.66	28.7	2.93	1.25	24.50	0.00	24.50
2009 12	209.5	6.5	4.64	0.00	0.45	4.86	4.86	35.51	22.66	31.5	3.22	1.25	27.04	0.00	27.04
2010 01	194.3	6.0	4.30	0.00	0.42	4.86	4.86	35.51	22.66	29.2	2.98	1.25	24.98	0.00	24.98
2010 02	204.8	5.7	4.10	0.00	0.40	4.86	4.86	35.51	22.66	27.8	2.84	1.25	23.72	0.00	23.72
2010 03	177.2	5.5	3.93	0.00	0.38	4.86	4.86	35.51	22.66	26.6	2.72	1.25	22.67	0.00	22.67
2010 04	176.3	5.3	3.78	0.00	0.37	4.86	4.86	35.51	22.66	25.7	2.62	1.25	21.79	0.00	21.79
2010 05	165.0	5.1	3.65	0.00	0.36	4.86	4.86	35.51	22.66	24.8	2.53	1.25	21.02	0.00	21.02
2010 06	165.3	5.0	3.54	0.00	0.34	4.86	4.86	35.51	22.66	24.1	2.46	1.25	20.35	0.00	20.35
2010 07	155.6	4.8	3.45	0.00	0.34	4.86	4.86	35.51	22.66	23.4	2.39	1.25	19.75	0.00	19.75
2010 08	151.6	4.7	3.36	0.00	0.33	4.86	4.86	35.51	22.66	22.8	2.33	1.25	19.22	0.00	19.22
2010 09	152.9	4.6	3.28	0.00	0.32	4.86	4.86	35.51	22.66	22.3	2.27	1.25	18.73	0.00	18.73
2010 10	144.8	4.5	3.21	0.00	0.31	4.86	4.86	35.51	22.66	21.8	2.22	1.25	18.29	0.00	18.29
2010 11	146.5	4.4	3.14	0.00	0.31	4.86	4.86	35.51	22.66	21.3	2.18	1.25	17.89	0.00	17.89
2010 12	139.0	4.3	3.08	0.00	0.30	4.86	4.86	35.51	22.66	20.9	2.14	1.25	17.52	0.00	17.52
2011 01	136.5	4.2	3.02	0.00	0.29	4.86	4.86	35.51	22.66	20.5	2.10	1.25	17.18	0.00	17.18
2011 02	148.5	4.2	2.97	0.00	0.29	4.86	4.86	35.51	22.66	20.2	2.06	1.25	16.86	0.00	16.86
2011 03	131.9	4.1	2.92	0.00	0.28	4.86	4.86	35.51	22.66	19.8	2.03	1.25	16.56	0.00	16.56
2011 04	134.2	4.0	2.88	0.00	0.28	4.86	4.86	35.51	22.66	19.5	1.99	1.25	16.28	0.00	16.28
Sub.	---	104.4	74.62	0.00	7.26	---	---	---	---	506.5	51.74	25.02	429.76	1,304.00	-874.24
Rem.	---	396.7	283.48	0.00	27.56	---	---	---	---	1,924.2	196.57	362.79	1,364.85	0.00	1,364.85
Total	---	501.1	358.11	0.00	34.82	---	---	---	---	2,430.7	248.32	387.81	1,794.61	1,304.00	490.61

**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