PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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September 8, 2010

Conoco Phillips
P. O. Box 4289
Farmington, New Mexico 87499-4289

Attention: Ms. Dawn Howell

Re: Huerfano Unit
Commercial Determination
Dakota Formation
San Juan County, New Mexico

Dear Ms. Howell:

We are in receipt of your letter of July 20, 2010 together with data that supports your commercial determinations regarding the following Huerfano Unit Wells:

Well Name and Number	Dedication	Completion Date	Determination
Huerfano Unit #307	W/2 35-26N-9W	9/4/08	Non-Commercial
Huerfano Unit #309	W/2 2-25N-9W	11/12/08	Commercial

The Bureau of Land Management, by their letter of July 29, 2010, has advised this office that they have concurred with your determination of the commerciality for the above-mentioned Dakota wells. The Commissioner of Public Lands concurs with the Bureau of Land Management that the Huerfano Unit Well Nos. 307 is a non commercial well and should be produced on a lease basis. The Well No. 309 is a commercial well and is to be included in the Dakota participating area.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS.
COMMISSIONER OF PUBLIC LANDS

BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm
pc: Reader File,
BLM Farmington
OCD-Attn.: Mr. Ed Martin
TRD-Attn.: Mr. Valdean Severson
RMD-Attn.: Mr. Kurt McFall

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