

Aubrey Dunn COMMISSIONER

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

October 20, 2015

ConocoPhillips Company San Juan Business Unit 3401 E. 30th St. Farmington, NM87402

Attention: Ms. Yvonne Scott

Re: San Juan 28-7 Unit

San Juan 28-7 Unit 217N API 30-039-31089 Mesaverde Formation

Rio Arriba County, New Mexico

Dear Ms. Scott:

We are in receipt of your letter of April 23, 2015 together with the non-commercial determination data for the above referenced well.

The Bureau of Land Management, advised this office that they concur with your determination that the San Juan 28-7 Unit 217N is not capable of producing unitized substances in paying quantities from the Dakota formation and is to be produced on a lease basis.

Please be advised that the Commissioner of Public Lands concurs with yours and the Bureau of Land Management's determinations that the San Juan 28-7 Unit 217N is a non-commercial Mesaverde formation well and should be produced on a lease or communitization basis.

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

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COMMISSIONER OF PUBLIC LANDS

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cc: Reader File,

OCD-Attn: Mr. Daniel Sanchez TRD-Santa Fe, Attn: Ms. Judy Vigil BLM Carlsbad – Attn: Mr. Ed Fernandez