PATRICK H. LYONS 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 24, 2006

ConocoPhiHips Company P. O. Box 4289 Farmington, NM 87499-4289

Attention: Ms. Dawn Howell

Re:

San Juan 32-7 Unit San Juan County, NM

Fruitland Coal Participating Area 31st Expansion Effective 7/1/2005 32nd Expansion Effective 9/1/2005 33rd Expansion Effective 10/1/2005 34th Expansion Effective 12/1/2005

RECEIVED

OCT 23 2005

Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

Dear Ms. Howell:

We are in receipt of your letter of September 6, 2006 together with the 31st through 34th expansions to the Fruitland participating area for the San Juan 32-7 Unit, San Juan County, New Mexico.

The Bureau of Land Management approved the above referenced revisions and expansions by their letter of October 11, 2006.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced Fruitland participating area revisions and expansions.

Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

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

JAMI BAILEY, Director

Oil, Gas and Minerals Division

(505) 827-5744 PL/JB/pm

pc:

Reader File,

OCD-Attention: Mr. David Catanach

BLM-Farmington Attn: Mr. Wayne Townsend

TRD-Attention: Mr. Valdean Severson RMD-Attention: Ms. Linda Vieira

-State Land Office Beneficiaries -