



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
NMNM78424B FRLND (PA)
3105 (21110)

February 9, 2007

2007 FEB 12 AM 11 00

ConocoPhillips Company
P. O. Box 4289
Farmington, New Mexico 87499-4289

Dear Ms. McMurdo:

On February 5, 2007 the San Juan 32-8 Unit 32nd expansion for the Fruitland formation was submitted to our office for approval. The approval for this expansion was accomplished on February 6, 2007. The submission of this expansion caused the following Communitization Agreements (CA) to become obsolete due to the inclusion into the Fruitland participating area.

NMNM-115362, Sec. 14, T32N, R8W, W/2 dedication for San Juan 32-8 Unit #265. Effective 11/03/2005.
NMNM-115692, Sec. 14, T32N, R8W, E/2 dedication for San Juan 32-8 Unit #266A. Effective 11/16/2005.
NMNM-115693, Sec. 15, T32N, R8W, E/2 dedication for San Juan 32-8 Unit #263A. Effective 11/18/2005.

These agreements communitized particular acres of Federal lands within the San Juan 32-8 Unit as to natural gas and associated liquid hydrocarbons producible from the Fruitland formation. The term of the agreements was for 2 years and for so long thereafter as communitized substances are produced in paying quantities.

Our records indicate that the wells dedicated to the described agreements were completed and that the public interest requirement for the communitization agreements, pursuant to 43 CFR 3105.2-3, have been met.

The termination date of these CA's is December 1, 2005, this date being the effective date of the 32nd expansion to the Fruitland formation. All subject Federal leases involved with these CA's are held by the Unit. All indicated wells will report to 891000446B (Fruitland participating area for San Juan 32-8 Unit) from effective termination date of the CAs.

If you have any questions, please contact me at the above address or telephone (505) 599-8918.

Sincerely,
/s/ Margie Dupre
Margie Dupre
Legal Instruments Examiner
Petroleum Management Branch

cc: MMS, MS-3133, Denver, CO
NMOCD, Santa Fe
NM Tax & Rev. Dept