

State of New Mexico Commissioner of Public Land 310 OLD SANTA FE TRAIL

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310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

May 3, 2007

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

Attention: Ms. Dawn Howell

Re: Huerfano Unit Fruitland Coal Participating Area Eighteenth Expansion – Effective 4/1/2006 Huerfano Unit Well Nos. 80A, 18, 20 and 81 San Juan County, NM

Dear Ms. Howell:

We are in receipt of your letter of April 18, 2007 together with your application for approval of the Eighteenth expansion to the Fruitland Coal participating area for the Huerfano Unit, San Juan County, New Mexico.

The Bureau of Land Management approved the above referenced expansion by their letter of April 26, 2007.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced Fruitland Coal Participating Areas.

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. Roy Johnson BLM-Farmington Attn: Mr. Wayne Townsend TRD-Attention: Mr. Valdean Severson RMD-Attention: Mr. Kurt McFall

-State Land Office Beneficiaries -

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PATRICK H. LYONS COMMISSIONER