

PATRICK H. LYONS COMMISSIONER

State of New Mexico Commissioner of Public Lands

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June 4, 2007

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

Attention: Ms. Dawn Howell

Re: Hu

Huerfanito Unit

San Juan County, New Mexico Pictured Cliffs Participating Area

SE/4 Sec. 26-27N-9W

Third Expansion - Effective 4/1/2006

Dear Ms. Howell:

We are in receipt of your letter of March 27, 2007 together with your application for approval of the Third expansion to the Pictured Cliffs participating area for the Huerfanito Unit, San Juan County, New Mexico.

The Bureau of Land Management approved the above referenced expansion by their letter of April 4, 2007.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-referenced Pictured Cliffs participating area expansion.

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

(PL/JB/pm

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Reader File,

OCD-Attention: Mr. David Catanach

BLM-Farmington Attn: Mr. Wayne Townsend

TRD-Attention: Mr. Valdean Severson RMD-Attention: Mr. Kurt McFall