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PATRICK H. LYONS
COMMISSIONER

2009 JAN 9 PM 1
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

January 6, 2009

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

Attention: Ms. Dawn Howell

Re: San Juan 32-8 Unit
Commerciality Determinations
Mesaverde Formation
San Juan 32-8 Unit Well No. 29M, E/2 Sec. 11-31N-8W Commercial
San Juan 32-8 Unit Well No. 18, W/2 Sec. 11-31N-8W Non-Commercial
San Juan County, New Mexico

Dear Ms. Howell:

We are in receipt of your letter of December 5, 2008 and a copy of the Bureau of Land Management's letter of December 11, 2008 regarding the above referenced commerciality determinations for the San Juan 32-8 Unit Well Nos. 29M and 18.

We concur with the Bureau of Land Management that the San Juan 32-8 Unit Well No. 29M is a commercial well in the Mesaverde formation and should be included in the Mesaverde participating area. The San Juan 32-8 Unit Well No. 18 is a non-commercial well and should be produced on a lease basis.

Please submit an application for the appropriate expansion of the Mesaverde participating area to this office for approval.

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

BY:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File
BLM-Farmington Attn: Mr. Wayne Townsend
OCD-Santa Fe Attn: Mr. Ed Martin
TRD-Attn: Mr. Valdean Severson
RMD-Kurt McFall

-State Land Office Beneficiaries -

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