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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

February 10, 2010

ConocoPhillips P. O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Ms. Dawn Howell

Re:

San Juan 32-7 Unit

Commerciality Determination

Dakota Formation

San Juan County, New Mexico

Dear Ms. Howell:

We received your letter of November 20, 2009, together with data that supports the Dakota non-commercial determination for the San Juan 32-7 Unit Well No. 24N located in the W/2 of Section 21, Township 32 North, Range 7 West.

By their letter of December 4, 2009, the Bureau of Land Management advised this office that they have concurred with your determination for the above-mentioned well.

The Commissioner of Public Lands concurs with ConocoPhillips and the Bureau of Land Management's determination that the San Juan 32-7 Unit Well No. 24N is a non-commercial well in the Dakota formation and should be produced on a lease basis.

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

nc:

Reader File

BLM-Farmington Attn: Mr. Wayne Townsend

OCD-Santa Fe Attn: Mr. Ed Martin

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

-State Land Office Beneficiaries -

State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University