

State of New Mexico Commissioner of Public Lands

www.nmstatelands.org

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

October 4, 2010

ConocoPhillips P. O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Ms. Dawn Howell

Re:

Huerfano Unit

Commercial Determination

Dakota Formation

San Juan County, New Mexico

Dear Ms. Howell:

We are in receipt of your letter of July 30, 2010 together with data that supports your commercial was indetermination regarding the following Huerfano Unit Well: rain a programme

| Well Name | 1.5 | Completion | |
|--------------------|--------------|-----------------|---|
| and Number | Dedication | Date | Determination :::::::::::::::::::::::::::::::::::: |
| | | | |
| Huerfano Unit #314 | E/2 34-26N-9 | 9W : ::: 2/1/09 | Commercial |

The Bureau of Land Management, by their letter of August 5, 2010, has advised this office that they have concurred with your determination of the commerciality for the above-mentioned Dakota well. The Commissioner of Public Lands concurs with the Bureau of Land Management that the Huerfano Unit Well No. 314 is a commercial well and is to be included in the Dakota participating area.

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____ Reader File,

BLM Farmington

OCD-Attn.: Mr. Ed Martin

-- ! TRD-Attn: Mr. Valdean Severson

RMD-Attn.: Mr. Kurt McFall