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Ray Powell, M.S., D.V.M. COMMISSIONER

# State of New Mexico SEP 16 P 11:58 MMISSIONER'S OFFICE Commissioner of Public Lands Phone (505) 827-5760 Fox (505) 827-5766

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

September 13, 2011

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

Attention: Ms. Dawn Howell

Re: Huerfano Unit

San Juan County, New Mexico Dakota Participating Area Expansions 52-55 52<sup>nd</sup> Expansion Effective 10/1/2008 53<sup>rd</sup> Expansion Effective 12/1/2008 54<sup>th</sup> Expansion Effective 2/1/2009 55<sup>th</sup> Expansion Effective 3/1/2009

Dear Ms. Howell:

We are in receipt of your letter of October 19, 2010 together with your data for approval of the above referenced expansions to the Dakota Participating Area for the Huerfano Unit, San Juan County, New Mexico.

The Bureau of Land Management (BLM) approved the above referenced expansions by their letter of August 11, 2011.

The Commissioner of Public Lands concurs with the BLM and has approved the above-referenced Dakota Participating Area expansions. 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,

RAY POWELL, M.S., D.V.M. COMMISSIONER OF PUBLIC LANDS

BY: au Larry J. Roy

Oil, Gas and Minerals Division (505) 827-5744 RP/LR/pm cc: Reader File, OCD-Attention: Mr. Ed Martin

BLM-Farmington Attn: Mr. Wayne Townsend TRD-Attention: Mr. Valdean Severson RMD-Attention: Mr. Kurt McFall Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org



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ConocoPhillips San Juan Business Unit P.O. Box 4289 Farmington, NM 87499-4289

October 19, 2010

Bureau of Land Management (3) Attn: Mr. Jim Lovato 1235 La Plata Highway Farmington, NM 87401

State of New Mexico (2) Oil Conservation Division Energy & Minerals Department Attn: Ms. Lori Wrotenbery 1220 S. Saint Francis Drive Santa Fe, NM 87505-4000

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State of New Mexico (2) Commissioner of Public Lands Attn: Mr. Pete Martinez P.O. Box 1148 Santa Fe, NM 87501-1148

Huerfano Unit (I Sec. No. 731) <u>Dakota Participating Area</u> 52<sup>nd</sup> Expansion effective 10-1-08 53<sup>rd</sup> Expansion, effective 12-1-08 54<sup>th</sup> Expansion, effective 2-1-09 55<sup>th</sup> Expansion, effective 3-1-09 San Juan County, New Mexico Contract: 255185 Prop. Code: A728748

Gentlemen:

Pursuant to the provisions of Section 11(a) of the Huerfano Unit Agreement, #I Sec. No. 731, approved June 6, 1950, Burlington Resources Oil & Gas Company LP, as Operator, has determined that the following wells are capable of producing unitized substances in paying quantities from the Dakota formation, thereby should be admitted to the Dakota Participating Area. Pursuant to the attached BLM letters, the wells listed below have been deemed commercial.

RE:

### FIFTY-SECOND EXPANSION - EFFECTIVE 10/1/08

<u>Well Name</u> <i>Huerfano Unit #308</i> Sec. 3-T25N-R9W 320.21 Acres	<u>Tract/Acres</u> Tr. 90 / 320.21	<u><b>Tr. Description</b></u> Lots 1-2, S/2NE/4, SE/4	<u>Compl. Date</u> 9/26/2008

# FIFTY-THIRD EXPANSION - EFFECTIVE 12/1/08

<u>Well Name</u>	Tract/Acres	Tr. Description	<u>Compl. Date</u>
Huerfano Unit Com #309	Tr. 124 / 80.21	Lots 3-4 – Non-Committed	11/12/2008
Sec. 2-T25N-R9W	Tr. 126 / 160.00	SE/4NW/4, N/2SW/4, SW/4S	W/4
240.00 Acres Committed	Tr. 139A / 80.00	SW/4NW/4, SE/4SW/4	
80.21 Acres Non-Committed			

Attached to Huerfano Unit 52<sup>nd</sup>-55<sup>th</sup> DK PA Letter October 19, 2010 Page 2

#### FIFTY-FOURTH EXPANSION - EFFECTIVE 2/1/09

<u>Well Name</u>	Tract/Acres	Tr. Description	<u>Compl. Date</u>
<i>Huerfano Unit Com #289</i> Sec. 34-T25N-R9W	Tr. 85A / 320	S/2	1-26-09
320.00 Acres			

## FIFTY-FIFTH EXPANSION - EFFECTIVE 3/1/09

<u>Well Name</u>	Tract/Acres	Tr. Description	<u>Compl. Date</u>		
Huerfano Unit Com #314	Tr. 85A / 160	* NE/4	2-1-09		
Sec. 34-T25N-R9W					
320.00 Acres					
*SE/4 came in with the #289 Well					
under the 54 <sup>th</sup> Expansion					

The Expansion Schedules for the Fifty-Second through Fifty-Fifth Expansions are enclosed. The schedules describe the Participating Area and shows the percentage of unitized substances allocated to the tracts according to the ownership within the tracts.

Burlington Resources would appreciate consideration of these Expansions, by written response. Please contact the undersigned at (505) 599-4030 if there are any questions regarding this matter. Copies of this letter and attachments are being furnished to the working interest owners on the attached list.

Sincerely,

Dawn Howell, CPLTA Land Analyst

dh: attachments File: Huerfano Unit 4.3

APPROVED SEP 1 3 2011 PPROVED ON MMISSIONER of PUBL derl 1:00 0102



# State of New Mexico Commissioner of Public Lands

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2011 SEP -8 P 11:44

COMMISSIONER'S OFFICI Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

Ray Powell, M.S., D.V.M. COMMISSIONER

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

Amtex Energy, Inc. P. O. Box 3418

Midland, Texas 79702

August 29, 2011

Attention: Mr. William J. Savage

Re: Final Approval Dagger State Unit Agreement Lea County, New Mexico

Dear Mr. Savage:

This office is in receipt of your letter of August 23, 2011, wherein you have requested final approval to the Dagger State Unit Agreement, Lea County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Dagger State Unit Agreement, Lea County, New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division. It is our understanding that all tracts are committed to the unit at this time.

Enclosed are (5) Certificates of Approval.

Your \$90.00 filing fee has been received.

Please submit continuous daily drilling reports to this office until the initial well is completed.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M. COMMISSIONER OF PUBLIC LANDS

BY LARRY NROYB

Oil, Gas and Minerals Division RP/LR/pm pc: Reader File, NMOCD – Attn: Mr. Ed Martin TRD – Valdean Severson RMD- Kurt McFall

# UNIT NAME: DAGGER STATE UNIT OPERATOR: AMTEX ENERGY, INC. COUNTY: LEA

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DATE APPROVED	OCD CASE NO. OCD ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 8/29/2011	CASE NO. 14618 ORDER NO. R-13398	1873.90	1873.90	0	0	STRICT	5 YEARS SO LONG AS
APPROVALS							SU LUNG AS
SLO-08/29/2011 OCD-05/09/2011							
TOWNSHIP 21 SOL	JTH, RANGE 33 EAST						

SECTION 19: ALL SECTION 30: ALL SECTION 31: ALL