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PATRICK H. LYONS  
COMMISSIONER

2009 JAN 9 PM 1:00  
*State of New Mexico*  
*Commissioner of Public Lands*

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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

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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

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