

PATRICK H. LYONS COMMISSIONER OCT 12 P Commissioner of Public Lands 310 OLD SANTA FE TRAIL

COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

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

Non-Commercial Determinations

Dakota Formation

San Juan County, New Mexico

Dear Ms. Howell:

We are in receipt of your letter of September 2, 2010 together with data that supports your commercial determination regarding the following Huerfano Unit Wells:

Well Name	Completion		1.	
and Number	Dedication	Date	Formation	Determination
Huerfano Unit Well #304	N/2 Sec. 4-25N-10W	3/20/08	Dakota	Non-Commercial
Huerfano Unit Well #320	E/2 Sec. 14-25N-9W	11/14/08	Dakota	Non-Commercial

The Bureau of Land Management, by their letter of September 10, 2010, has advised this office that they have concurred with your determination of the commerciality for the above-mentioned Dakota wells. The Commissioner of Public Lands concurs with the Bureau of Land Management that the Huerfano Unit Well Nos. 304 and 320 are non commercial wells in the Dakota formation and should be reported on a lease or communitization 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

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Reader File,

BLM Farmington Attn: Mr. Wayne Townsend

OCD-Attn.: Mr. Ed Martin

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