

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

RE: Huerfano Unit (I Sec. No. 731) **Dakota Participating Area**

52nd Expansion effective 10-1-08 53rd Expansion, effective 12-1-08 54th Expansion, effective 2-1-09 55th Expansion, effective 3-1-09

San Juan County, New Mexico

Gentlemen:

Contract: 255185 Prop. Code: A728748

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.

FIFTY-SECOND EXPANSION - EFFECTIVE 10/1/08

Well Name Huerfano Unit #308 Sec. 3-T25N-R9W 320.21 Acres Tract/Acres Tr. 90 / 320.21 Tr. Description
Lots 1-2, S/2NE/4, SE/4

Compl. Date 9/26/2008

FIFTY-THIRD EXPANSION - EFFECTIVE 12/1/08

Well Name
Huerfano Unit Com #309
Sec. 2-T25N-R9W
240.00 Acres Committed
80.21 Acres Non-Committed

Tract/Acres
Tr. 124 / 80.21
Tr. 126 / 160.00
Tr. 139A / 80.00

 Tr. Description
 Compl. Date

 Lots 3-4 - Non-Committed
 11/12/2008

 SE/4NW/4, N/2SW/4, SW/4SW/4

 SW/4NW/4, SE/4SW/4

Attached to Huerfano Unit 52^{nd} - 55^{th} DK PA Letter October 19, 2010 Page 2

FIFTY-FOURTH EXPANSION - EFFECTIVE 2/1/09

Well Name Huerfano Unit Com #289 Tract/Acres
Tr. 85A / 320

Tr. Description S/2

Compl. Date 1-26-09

Sec. 34-T25N-R9W 320.00 Acres

FIFTY-FIFTH EXPANSION - EFFECTIVE 3/1/09

<u>Well Name</u>

Tract/Acres

Tr. Description

Compl. Date

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 54th 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

APPROVED ON _

COMMISSIONER of PUBLIC LANDS



RECEIVED OCD

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

State of New Mexico SEP 16 P 11: COMMISSIONER'S OFFICE Commissioner of Public Lands

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

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

52nd Expansion Effective 10/1/2008 53rd Expansion Effective 12/1/2008 54th Expansion Effective 2/1/2009 55th 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

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