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Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

June 10, 2016

ConocoPhillips Company
San Juan Business Unit
3401 E. 30th St.
Farmington, NM87402

Attention: Ms. Yvonne Scott

Case # 541

Re: Canyon Largo Unit
Canyon Largo Unit #2H
API 30-039-31239
Gallup Formation
Rio Arriba County, New Mexico

Dear Ms. Scott:

We are in receipt of your letter of February 10, 2016 together with the non-commercial determination data for the above referenced well.

The Bureau of Land Management, advised this office that they concur with your determination that the Canyon Largo Unit #2H is not capable of producing unitized substances in paying quantities from the Gallup Formation and is to be produced on a lease basis.

Please be advised that the Commissioner of Public Lands concurs with yours and the Bureau of Land Management's determinations that the Canyon Largo Unit #2H is a non-commercial Gallup formation well and should be produced on a lease or communitization basis.

If you have any questions, or if we may be of further help, please contact Sue Keelin at (505) 827-5783.

Very truly yours,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/sk

cc: Reader File,

OCD-Attn: Mr. Daniel Sanchez ✓

TRD-Santa Fe, Attn: Ms. Judy Vigil

BLM Carlsbad – Attn: Mr. Ed Fernandez