



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

2006 AUG 25 PM 1:57
COMMISSIONER'S OFFICE

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January 4, 2005

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

ConocoPhillips Company
WL3 14072
600 North Dairy Ashford
Houston, Texas 77079-1175

Attention: Mr. Jim Penny

Re: San Juan 32-8 Unit
Commerciality Determinations
Fruitland Coal Formation
San Juan 32-8 Unit Well No. 263A, E/2 Sec. 15-32N-8W
San Juan 32-8 Unit Well No. 265, W/2 Sec. 14-32N-8W
San Juan 32-8 Unit Well No. 266A, E/2 Sec. 14-32N-8W
San Juan County, New Mexico

Dear Mr. Penny:

We are in receipt of your letter of June 16, 2006 and a copy of the Bureau of Land Management's letter of July 19, 2006 regarding the above referenced commerciality determinations for the San Juan 32-8 Unit Well Nos. 263A, 265 and 266A.

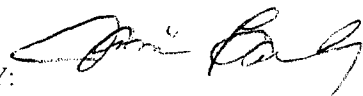
We concur with the Bureau of Land Management that the above referenced San Juan 32-8 Unit Wells are commercial wells in the Fruitland Coal formation and should be included in the Fruitland Coal participating area.

Please submit an application for the appropriate expansion of the Fruitland Coal 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. David Catanach
TRD-Attn: Mr. Valdean Severson
RMD-Linda Vieira

-State Land Office Beneficiaries -

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