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October 2, 2007

ConocoPhillips Company
P. O. Box 4289
Farmington, NM 87499-4289

Attention: Ms. Dawn Howell

Re: San Juan 29-6 Unit
Commerciality Determinations
Dakota Formation
Rio Arriba County, New Mexico

Dear Ms. Howell:

We are in receipt of your letter of September 10, 2007 and a copy of the Bureau of Land Management's letter of September 20, 2007 regarding the commerciality determinations for the San Juan 29-6 Unit Well Nos. 8B, 22M, 29B and 33M.

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We concur with both yours and the Bureau of Land Management's determinations, that the San Juan 29-6 Unit Well Nos. 22M, (E/2, Sec. 12-29N-6W) and the 33M (E/2 Sec. 13-29N-6W) are commercial wells in the Dakota Formation and should be included in the Dakota participating area. Please submit the appropriate expansion of the Dakota participating area. We also concur with your determination that the San Juan 29-6 Unit Well Nos. 8B (W/2, Sec. 1-29N-6W) and 29B (W/2 Sec. 3-29N-6W) are non-commercial wells in the Dakota formation and should be produced on a lease 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

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-Attn: Mr. Kurt McFall

-State Land Office Beneficiaries -

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