

PATRICK H. LYONS COMMISSIONER

State of New Mexico Commissioner of Public Lands

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December 2, 2009

ConocoPhillips P. O. Box 4289 Farmington, New Mexico 87499-4289

Attention: Ms. Dawn Howell

Re: San Juan 29-7 Unit Commerciality Determination Fruitland Coal Formation Rio Arriba County, New Mexico

Dear Ms. Howell:

We received your letter of September 16, 2009, together with data that supports the Fruitland Coal noncommercial determination for the San Juan 29-7 Unit Well No. 588 located in the E/2 of Section 17, Township 29 North, Range 7 West.

By their letter of October 30, 2009, the Bureau of Land Management advised this office that they have concurred with your determination for the above-mentioned well.

The Commissioner of Public Lands concurs with ConocoPhillips and the Bureau of Land Management's determination that the San Juan 29-7 Unit Well No. 588 is a non-commercial well in the Fruitland Coal 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: C

JAMI BAILEY, Director Oil, Gas and Minerals Division PL/JB/pm pc: Reader File

Reader File BLM-Farmington Attn: Mr. Wayne Townsend OCD-Santa Fe Attn: Mr. Ed Martin 7 TRD-Attn: Mr. Valdean Severson RMD-Attn: Mr. Kurt McFall

-State Land Office Beneficiaries -