

*BURLINGTON  
RESOURCES*

SAN JUAN DIVISION

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

September 11, 1998

Bolack Minerals Company  
Route 3 South, Box 47  
3901 Bloomfield Hwy  
Farmington, NM 87401

RECEIVED  
SEP 14 1998  
OIL CON. DIV.  
DIST. 3

Re: Plug & Abandon AFE Second Follow-Up  
Sheets C #4 *m-*  
SW/4 SW/4 Section 1, T25N, R8W  
San Juan County, NM

Gentlemen:

This letter is Burlington's third attempt to solicit Bolack Minerals Company (Bolack) consent in the proposed plugging and abandoning procedure for the referenced well. Copies of our previous letters are enclosed for your review.

In previous contact, Mr. Richard Tully has advised Burlington that Bolack has no intention of signing any Burlington AFE due to pending litigation. Regardless of the nature of the Burlington/Bolack relationship, we still need to conduct operations in compliance with NMOCD regulations. This well is subject to a produce or plug demand from the NMOCD.

As previously communicated, Burlington does not feel that this well will ever produce and has recommended that the well be plugged and abandoned. As an interest owner your consent is requested prior to Burlington plugging this well. In regard to the pending litigation, Burlington will not assert that your concurrence to the plugging and abandoning of this well is a waiver or admissible as to the claims related to costs under the GLA. Moreover, without waiving its position on Bolack's liability for costs, the plugging costs will be paid initially by Burlington with ultimate liability for the plugging cost to be determined in the pending litigation.

Please advise if you concur to the plugging and abandonment under the terms set out in this letter.

Any questions may be directed to the undersigned at 599-4010

Sincerely,

*Shannon Nichols*

Shannon Nichols  
Landman

GLA 190  
NM 4899

xc: NMOCD – Aztec Office  
Mr. Richard Tully  
Mr. Michael Campbell

# **BURLINGTON RESOURCES**

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SAN JUAN DIVISION

June 15, 1998

Bolack Minerals Company  
Route 3 South, Box 46  
3901 Bloomfield Hwy.  
Farmington, NM 87401

**RE: Plug & Abandon AFE FOLLOW-UP  
Sheets C #4 Well  
SW SW Sec. 1, T25N, R8W  
San Juan County, New Mexico**

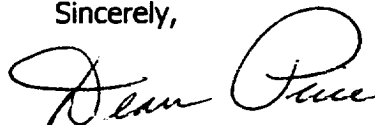
Dear Mr. Bolack:

By letter dated December 18, 1997, Burlington Resources Oil & Gas Company forwarded to Bolack Minerals Company an AFE to plug and abandon the referenced Fruitland Coal well at a gross estimated cost of \$18,206 (copy enclosed). To date, we have not received your response as to your concurrence to plugging this well. Bolack's interest in this well is 24.145314%, with Burlington owning the remaining 75.854686%.

We would like to proceed with the plugging and abandoning as soon as possible, as this well has never produced from the Fruitland. Please review the attached AFE and make your election as to your participation as soon as possible. You may return your response to the undersigned.

Please call me at (505) 599-4027 if there are any questions regarding this matter.

Sincerely,



Dean Price, CPL  
Senior Staff Landman

DDP/cj  
NM-4899 WF

# BURLINGTON RESOURCES

SAN JUAN DIVISION

December 18, 1997

Bolack Minerals Company  
Attn: Tom Bolack & Tommy Bolack  
Route 3 South, Box 47  
3901 Bloomfield Highway  
Farmington, NM 87401

**RE: Plug & Abandon AFE  
Sheets C #4 Well  
SW/4 SW/4 Sec. 1, T25N, R8W  
San Juan County, New Mexico**

Dear Mr. Bolack:

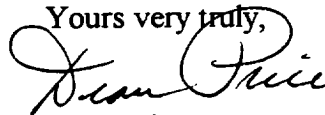
The referenced well was originally drilled and completed as a Pictured Cliffs producer in 1956, then recompleted to the Fruitland Coal formation in November, 1990. The Fruitland Coal has never produced. Therefore, it is recommended to permanently plug and abandon this well pursuant to regulatory requirements.

The total estimated cost to plug this well is \$18,206. Your ownership in this drillblock is 24.145314%, with Burlington owning the remaining 75.854686%.

Enclosed for your information and approval is the AFE, procedure and wellbore schematics. Please indicate your approval of our recommendation by executing a copy of this letter and attached AFE.

Please call me at (505) 599-4027 if there are any questions regarding this well.

Yours very truly,



Dean Price  
Senior Landman

DDP/cj  
NM-4899 WF

The undersigned this \_\_\_\_\_ day of \_\_\_\_\_, 1997, agrees to participate in the plug & abandonment of the Sheets C #4 Fruitland Coal well.

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

COMPANY: Bolack Minerals Company