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October 26, 1998

VIA FACSIMILE

Richard Alvidrez, Esq. Keleher,& McLeod, P.A. Post Office Drawer AA Albuquerque, New Mexico 87103

Re: Hampton Well No. 4M Unit N, Section 13, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico

Dear Mr Alvidrez:

Recent sampling near the Hampton Well No. 4M confirms that the prior activities of the Public Service Company of New Mexico, and in particular the discharge of hydrocarbons into an unlined pit from its dehydrator, are a continuing active source at this well site. This source is not the result of the activity at this well of Burlington Resources Oil & Gas Company or its predecessors. Until the contamination caused by PNM's discharge of hydrocarbons from its dehydrator is remediated, problems will continue. Furthermore, no effort to clean up this site will be effective until the area surrounding the old PNM unlined dehydrator pit is remediated.

Burlington Resources Oil & Gas Company believes that the delays by PNM in remediation of contamination caused by PNM's discharge of hydrocarbons from its dehydrator can no longer be tolerated and therefore demands that PNM immediately undertake the remediation of the contamination at the Hampton 4M Well. If PNM does not agree to undertake the full remediation of its contamination by 5:00 p.m. on Friday October 30, 1998, Burlington will promptly remediate the contamination resulting from PNM's operation of its dehydrator at the Hampton 4M Well site. Thereafter, Burlington Resources will pursue all remedies available to it for PNM's continued unwillingness to clean up its contamination.

Véry truly yours,

WILLIAM F. CARR
Attorney for Burlington Resources Oil & Gas Company
WFC:mlh
cc: Bruce Gantner, Burlington Resources Oil & Gas Company

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