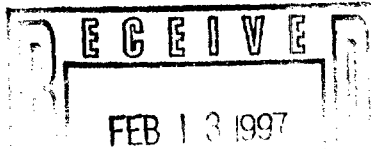


JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

SUITE B
612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)



February 13, 1997

Hand Delivered

Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Regarding Case No. 11702 (Application of Mallon Oil Company for compulsory pooling), Mallon has reached voluntary agreements with all interest owners except Burlington Resources. Thus, Burlington Resources is the only interest owner who needs to be pooled.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the typed name.

James Bruce

Attorney for Mallon
Oil Company

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

February 6, 1997

Hand Delivered

Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: OCD Case No. 11702; Application of Mallon Oil Company for
compulsory pooling and an unorthodox well location (S½
§30-19S-34E), Lea County

Dear Mr. Stogner:

Regarding your letter of January 28, 1997, I have spoken to Randy Stalcup, the landman for Mallon Oil Company ("Mallon"). Mallon has been unable to locate the subject letter, and as a result, we must assume that it does not exist. I have obtained the enclosed affidavit from Mr. Stalcup¹, explaining his attempts to contact Burlington, and the results of those discussions.

Mallon is quite anxious to commence the well, and at this point I ask your guidance in how to proceed with this matter. We apologize for any problems this case may have caused you.

Very truly yours,


James Bruce

¹The original affidavit will be provided to the Division.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MALLON OIL COMPANY
FOR COMPULSORY POLING AND AN
UNORTHODOX WELL LOCATION, LEA
COUNTY, NEW MEXICO.**

Case No. 11,702

AFFIDAVIT OF RANDY STALCUP

STATE OF COLORADO)
CITY AND COUNTY OF DENVER) ss.

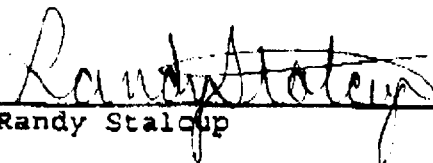
Randy Stalcup, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.

2. I am a landman for Mallon Oil Company ("Mallon"), and I testified on behalf of Mallon at the hearing in this matter held on January 9, 1997.

3. At the hearing, I testified that Burlington Resources Oil & Gas Company ("Burlington") had sent Mallon a letter stating that it wished to go non-consent in the proposed Mescalero Ridge "30" Well No. 4. At that time, I believed that Mallon had such a letter in its files. After searching Mallon's files, I could not locate such a letter for this well. My belief was based on a number of "non-consent" letters Burlington had sent us on numerous other wells which Mallon has proposed or drilled recently in the same township and range as the Mescalero Ridge "30" Well No. 4. My testimony was not intended to mislead the Division.

4. Before the application was filed in this matter, I personally traveled to Midland, Texas to speak with Burlington about the proposed well, but Burlington refused to meet with me. Before the hearing, the land department at Burlington did not return numerous phone calls I made to them. Since the hearing in this matter, I have spoken with David Logan, a contract landman at Burlington. He informed me that Burlington would like to farmout its interest to Mallon. However, the farmout terms requested by Burlington are not economic for Mallon, and, therefore, Mallon is unable to accept Burlington's offer.


Randy Stalcup

SUBSCRIBED AND SWORN TO before me this 6th day of February,
1997, by Randy Stalcup.



Notary Public

My Commission Expires:

My Commission Expires July 12, 2000



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 28, 1997

Hinkle, Cox, Eaton, Coffield, & Hensley, L.L.P.
Attention: Mr. Jim Bruce
P. O. Box 2068
Santa Fe, New Mexico 87504-2068

Re: *Case No. 11,702, Application of Mallon Oil Company for an order compulsory pooling all mineral interests from the surface to the base of the Morrow formation underlying portions of Section 30, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, and for an unorthodox location for its proposed Mescalero Ridge "30" Well No. 4.*

Dear Mr. Bruce:

Reference is made to your letter dated January 20, 1997, to date I have not received the "Burlington" letter that you and Mr. Stalcup were to provide me subsequent to the January 9, 1997 hearing (see pages 32, 36, and 37 of the transcript). Your January 9th letter included letters from Burlington on several shallow Delaware proposals, but nothing specific to this deeper Morrow proposal. It has become imperative to this matter that Mallon produce this letter before any further action will be taken by the Division in this case.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
Case File 11,702
William J. LeMay - OCD Director, Santa Fe
Rand Carroll - Legal Counsel, OCD, Santa Fe

**HINKLE, COX, EATON, COFFIELD & HENSLEY,
L.L.P.**

ATTORNEYS AT LAW

**218 MONTEZUMA POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504-2068
(505) 982-4554 FAX (505) 982-8623**

LEWIS C. COX, JR. (1924-1993)
CLARENCE E. HINKLE (1901-1985)

OF COUNSEL
O. M. CALHOUN* JOE W. WOOD
RICHARD L. CAZZELL* RAY W. RICHARDS*

AUSTIN AFFILIATION
HOFFMAN & STEPHENS, P.C.
KENNETH R. HOFFMAN*
TOM D. STEPHENS*
RONALD C. SCHULTZ, JR.*
JOSE CANO*

THOMAS E. HOOD
REBECCA NICHOLS JOHNSON
STANLEY K. KOTOVSKY, JR.

ELLEN S. CASEY
MARGARET CARTER LUDEWIG
S. BARRY PAISNER
WYATT L. BROOKS*
DAVID M. RUSSELL*
ANDREW J. CLOUTIER
STEPHANIE LANDRY
KIRT E. MOELLING*
DIANE FISHER
JULIE P. NEERKEN
WILLIAM P. SLATTERY
CHRISTOPHER M. MOODY
JOHN D. PHILLIPS
EARL R. NORRIS
JAMES A. GILLESPIE
MARGARET R. MCNETT

GARY W. LARSON
LISA K. SMITH*
NORMAN D. EWART
DARREN T. GROCE*
MOLLY MCINTOSH
MARCIA B. LINCOLN
SCOTT A. SHUART*
PAUL G. NASON
AMY C. WRIGHT*
BRADLEY G. BISHOP*
KAROLYN KING NELSON
ELLEN T. LOUDERBOUGH
JAMES H. WOOD*
NANCY L. STRATTON
TIMOTHY R. BROWN
JAMES C. MARTIN

*NOT LICENSED IN NEW MEXICO

January 20, 1997

Hand Delivered

Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: OCD Case No. 11702; Application of Mallon Oil Company for
compulsory pooling (N $\frac{1}{2}$ §30-19S-34E)

Dear Mr. Stogner:

At the hearing you requested a copy of the form letter from Burlington Resources Oil & Gas Company, mentioned by Mr. Stalcup, stating that Burlington wishes to go non-consent in this well because it is selling its interest. We have been unable to locate that specific letter, although we are still looking. However, enclosed are similar form letters from Burlington regarding six proposed wells located in §§27, 34, and 35 (T19S-R34E), which state the same thing. We hope these letters will suffice as to Burlington's intent.

Also, since the hearing Mallon has come to terms with the following parties, and they do not need to be pooled: Robert W. Kent; Brighthawk/Burkhard Venture; Nortex Corporation; and Ayco Energy, LLC.

Please call me if you have any questions.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.

James Bruce
James Bruce

JAN 21

**BURLINGTON
RESOURCES**

RECEIVED NOV 26 1996

MID-CONTINENT DIVISION

November 22, 1996

Mallon Oil Company
Attn: Anita Springer
999 18th Street - Suite 1700
Denver, CO 80202

RE: Mallon 34 Federal #8
Red-Tank (Delaware) Field
Lea County, New Mexico

Dear Ms Springer

Thank you for your consideration of Burlington O&G regarding the subject project. Burlington recognizes the merits of these projects; however, at this time our decision is to non-consent as these properties will be divested through a larger property sale.

If we may be of further assistance please call Doug Seams at (915) 688-6854 or C. J. Baysinger at (915) 688-6819.

Yours very truly,

BURLINGTON RESOURCES OIL & GAS CO.

P. M. Callaway
P. M. Callaway
Production Superintendent

a:\bjb\doc\mallon\11/19/96

21

**BURLINGTON
RESOURCES**

MID-CONTINENT DIVISION

RECEIVED OCT 21 1995

Mallon Oil Company
Attn: Randy Stalcup
999 18th Street - Suite 1700
Denver, CO 80202

RE: Mallon 34 Federal #16 &
Mallon 35 Federal #1
Red Tank (Delaware) Field
Lea County, New Mexico

Dear Mr. Stalcup:

Thank you for your consideration of Burlington O&G regarding the subject projects. Burlington recognizes the merits of these projects; however, at this time our decision is to non-consent as these properties will be divested through a larger property sale.

If we may be of further assistance please call Doug Seams at (915) 688-6854 or C. J. Baysinger at (915) 688-6819.

Yours very truly,

BURLINGTON RESOURCES OIL & GAS CO.

P. M. Callaway
P. M. Callaway
Production Superintendent

c:\gbl\doct\mallon\10/15/96

21

BURLINGTON RESOURCES

RECEIVED DEC 09 1996

MID-CONTINENT DIVISION

December 3, 1996

Mallon Oil Company
Attn: Randy Stalcup
999 18th Street - Suite 1700
Denver, CO 80202

RE: Mallon 35 Federal #3
Red Tank (Delaware) Field
Lea County, New Mexico

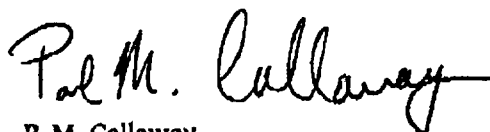
Dear Mr Stalcup

Thank you for your consideration of Burlington O&G regarding the subject project. Burlington recognizes the merits of these projects; however, at this time our decision is to non-consent as these properties will be divested through a larger property sale.

If we may be of further assistance please call Doug Seams at (915) 688-6854 or C. J. Baysinger at (915) 688-6819.

Yours very truly,

BURLINGTON RESOURCES OIL & GAS CO.



P. M. Callaway
Production Superintendent

cc: L.S. Swierc
D. P. Seams

s:\cjb\doc\mallon\12/03/96

21

**BURLINGTON
RESOURCES**

MID-CONTINENT DIVISION

November 19, 1996

RECEIVED NOV 25 1996

Mallon Oil Company
Attn: Randy Stalcup
999 18th Street - Suite 1700
Denver, CO 80202

RE: Mallon 27 Federal #1 &
Mallon 27 Federal #4
Red Tank (Delaware) Field
Lea County, New Mexico

Dear Mr. Stalcup:

Thank you for your consideration of Burlington O&G regarding the subject projects. Burlington recognizes the merits of these projects; however, at this time our decision is to non-consent as these properties will be divested through a larger property sale.

If we may be of further assistance please call Doug Seams at (915) 688-6854 or C. J. Baysinger at (915) 688-6819.

Yours very truly,

BURLINGTON RESOURCES OIL & GAS CO.

P. M. Callaway
P. M. Callaway
Production Superintendent

\\bjbdoc\mallon\11/19/96

21