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November 5, 1997

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PLEASE REPLY TO SANTA FE

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BY HAND DELIVERY

Re: NMOCD Case No.s 11808 and 11809 (De Novo); Application of Burlington Resources Oil and Gas Company For Compulsory Pooling, San Juan County, New Mexico

Dear Tom:

I have received the Burlington Response to Total Minatome Corporation's Second Motion For Stay. In this regard, I believe it is incumbent on counsel and the parties to make a good faith effort to compromise their differences on a particular matter rather than ask the Division or Commission to settle each and every dispute that may arise during the course of a proceeding. Accordingly, please regard this as Total's invitation to Burlington to effect an interim compromise of the election participation/well data confidentiality issue.

The present dispute may be briefly summarized as thus: On the one hand, Total wishes to exercise its right under the compulsory pooling orders to avoid the statutory risk penalty. At the same time, Total wishes to have access to the requested well data. On the other hand, Burlington wishes to preserve the confidentiality of certain well data and this particular concern constituted the basis for Burlington's rejection of Total's payment of its share of estimated well costs. If I correctly understand Burlington's position, as represented in the Response, particularly at page 5, the only reason Burlington rejected Total's payment is because Total is not a signatory to a confidentiality agreement. In this regard, it should be noted that until now, we have never been

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asked to execute a confidentiality agreement.

A common-sense solution to this particular dispute is obvious: Total will agree to execute an agreement protecting the confidentiality of the data it has requested from Burlington. By so doing, Burlington's concerns over the data are obviated and Total's payment of well costs under the pooling order should be rendered a non-issue. Accordingly, if Burlington will stipulate that Total's payment of its share of estimated well costs was both proper and timely and is not an issue in contention in this proceeding, then Total will agree to be bound by the terms of an acceptable confidentiality agreement approved by an order entered by the Commission or the Division Director.

To facilitate the prompt resolution of this particular matter, I have prepared the enclosed original of a proposed Stipulation And Agreement Governing the Confidentiality Certain Information for your review.

Thank you for your consideration of this proposal. Please let me hear from you before the end of business tomorrow.

Very truly yours,

MILLER, STRATVERT & TORGERSON, P.A.

A handwritten signature in black ink, appearing to read "J. Scott Hall". The signature is written in a cursive, flowing style with a large initial "J" and a long, sweeping underline.

J. Scott Hall, Esq.

cc: Wm. J. LeMay, Director, NMOCD
Lynn Hebert, Esq. NMOCC Counsel
Rand Carroll, Esq. NMOCD Counsel
Norman Inman, Esq. Total Minatome Corporation
J.E. Gallegos, Esq.