

GALLEGOS LAW FIRM

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May 9, 1997
(Our File No. 92-170.00)

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. N
CASE NO. 11808 + 11809
J.E. GALLEGOS*

James R. J. Strickler
Senior Staff Landman
Burlington Resources
San Juan Division
3535 East 30th Street
Farmington, New Mexico 87499-4289

Re: Scott #24 Well Pennsylvania Formation

Dear Mr. Strickler:

This is written in reference to your letter of April 29, 1997 to "Working Interest Owners." We represent all of those owners on your Exhibit "A" attached indicated by a check mark. As you know, those parties hold federal lease SF 078389 which includes the E/2 and SW/4 of Section 9, and so a G.W.I. in that section of almost 65%.

In order to make a informed judgment concerning Burlington's preferred AFE and Operating Agreement for an exploratory well having a dry hole cost of \$1.713 million considerable information is needed. Accordingly, it is requested that Burlington provide immediately its complete work-up on the proposed well, geological studies and seismic data and any other technical information relied on. Please also provide the technical basis for seeking to include the entire Section 9 under the Operating Agreement for the well when, under NMOCD spacing for wildcat wells, the Scott 24 can be drilled on the 160-acres of the NW/4.

We agree that the information provided will be treated with strict confidentiality. Of course, consultation by technical experts will be used by our clients but the consultants will also be subject to the customary confidentiality restrictions.

I will appreciate a response from you as soon as possible.

Sincerely,

GALLEGOS LAW FIRM, P.C.

By


J.E. GALLEGOS

JEG:sa

fx: John Cooney
John Bemis
Steve Hunsicker

* New Mexico Board of Legal Specialization
Recognized Specialist in the area of
Natural Resources-Oil and Gas Law