

Bank of America



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January 19, 2000

Mr. Mark Ashley  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87504

By Facsimile (505) 827-7177

Re: Case No. 12276 and No. 12277; Application of Burlington Resources Oil and Gas Company

Dear Mr. Ashley:

Bank of America administers trust interests for the benefit of Carolyn Nelson Sedberry, C. Fred Luthy, Jr., Cyrene Inman, The F.A. and H.B. Cronican Revocable Trust, William C. Briggs, Herbert R. Briggs, Marcia Berger, and WWR Enterprises, Inc. These working interest owners derive their interests from the former shareholders of the Dacresa Corporation and are identified as the "Dacresa Group" in the attachments to Burlington's Applications in the above-referenced cases.

The Dacresa Group succeeded to the interests of Thomas B. Scott under the November 27, 1951 Farmout and Operating Agreement (the GLA-46 Agreement). For decades, the Dacresa Group has participated in the drilling of scores of wells in the San Juan Basin under GLA-46 with Burlington and its predecessors, Meridian and El Paso Natural Gas Company. As had been past practice for decades, when the three Brookhaven wells that are the subject of these cases were proposed, Burlington was notified that the Dacresa Group would participate under the terms of the GLA-46 Agreement that governs operations on the subject lands.

Burlington's newly adopted position that the Agreement no longer applies and that it must force-pool the Dacresa Group's GLA-46 interests is directly inconsistent with its long-established conduct. For years, Burlington/Meridian/El Paso, et al have exercised exclusive operating authority and have honored the terms of GLA-46. It is our position that the Dacresa Group's working interests have been voluntarily committed to the proposed wells under its contract with Burlington. Accordingly, the Dacresa Group's interests are not subject to being force-pooled and Burlington may not use the Oil Conservation Division to rewrite its contract.

On behalf of the Dacresa Group, we respectfully request that Burlington's application be denied.

Sincerely,

Janet Cunningham, CPL  
Vice President  
Oil & Gas Asset Management Group

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