

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVER SHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

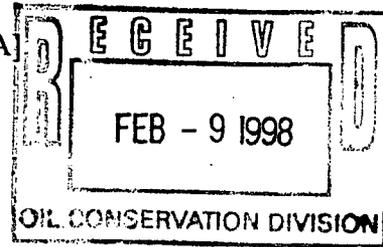
- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR



[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
will be mailing copies of certified return receipts as soon as operator receives them.
- [F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Eileen Dey
Print or Type Name

Signature

Regulatory Comp. Spvr.
Title

2-4-98
Date

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

February 4, 1998

Mr. Michael E. Stogner
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505-5472

RE: Proposed Lateral Unorthodox Bottom Hole Location.

Burlington Resources Oil & Gas Company, ONGRID #26485
El Paso 23 Federal #2, Property Code 14828, (Proposed Dual Lateral)
Ross Draw Wolfcamp (Gas) Pool, Pool Code 84330
Surf. Loc.: NW/4 NE/4, UL-B, 1120' FNL & 2630' FEL
Section 23, T26S, R30E, Eddy County, New Mexico
API# 30-015-29307, Lse. #NM 15311

Dear Mr. Stogner:

Burlington Resources Oil & Gas Company, hereinafter referred to as "BROG", requests administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the currently drilling El Paso 23 Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface location and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 10-18 days .

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well, has shown that it is thinner in the El Paso 23 Federal #2 than in the #1 well located on the SW/4 SW/4 of said Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of NW/4 NW/4, 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.

Page -2-

Enclosed is a geologic cross-section interpretation which indicated that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Ross Draw Wolfcamp (Gas) Pool than a well drill at a location considered to be standard within the NW/4 of said Section 23.

The applicable drilling window or "producing area" within the Ross Draw Wolfcamp (Gas) Pool for said wellbore shall include that area within the subject 320-acre spacing and proration unit comprising the N/2 of said Section 23 that is:

- (a) no closer than 660' feet to the North & South boundary of said 320-acre unit;
- (b) no closer than 1650' feet from the from the East and West lines of said section 23.

A list is attached with the names and addresses of the affected offsets which were notified by certified-return receipt mail on 2-4-98. Currently we are attempting to contact the affected offsets to see if signed waivers can be obtained to speed up the notification period. A plat is also enclosed showing the diagonal and adjoining spacing units. The affected offsets also have an interest in this well. We request administrative approval based on this geologic data .

Burlington Resources will comply with all provision of Division General Rule 111 applicable in this matter.

Sincerely,



Maria L. Perez
Regulatory Representative
A/C 915-688-6906

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management - Roswell

(My Documents:El Paso 23 Fed #2.doc)

Burlington Resources Oil & Gas Co. , OGRID# 26485
El Paso 23 Federal #2
Surf. Loc. NW/4 NE/4, UL-B, 1120' FNL & 2630' FEL
Sec. 23, T26S, R30E, Eddy Co., New Mexico
API# 30-015-29307
Lse. # NM 15311

NAME AND ADDRESSES OF AFFECTED OFFSETS

(North of 320 ac spacing & proration unit)

Leasehold Ownership: United States Department of the Interior
SW/4 SW/4 Sec 14. Bureau of Land Management
Roswell District Office
2909 West Second Street
Roswell, New Mexico 88201

Operator: Burlington Resources Oil & Gas Company
SE/4 SW/4 & S/2 SE/4
Sec. 14

(Northwest Corner & West of 320 ac spacing & prortion unit)

Leasehold	J. C. Williamson	Kerry Petroleum Company Inc.
Ownership:	P. O. Box 16	500 West Texas
SE/4 Sec.15 &	Midland, Texas 79702	Suite 1450
NE/4 Sec.22		Midland, Texas 79701
	ICA Energy, Inc.	KP Acquisition Corporation
	P. O. Box 233	500 West Texas
	Odessa, Texas 79760	Suite 1450
	Ralph E. Williamson	Midland, Texas 79701
	P. O. Box 994	Charlotte Ward-Williamson
	Midland, Texas 79701	P. O. Box 50410
	Costilla Energy, Inc.	Austin, Texas 78763
	P. O. Box 10369	
	Midland, Texas 79702	
	Lois G. Williamson	
	P. O. Box 16	
	Midland, Texas 79702	
	C. W. Trainer	
	500 W. Texas	
	Suite 710	
	Midland, Texas 79701	

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 S. 1st Street, Artesia, NM 88210-2834
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-29307		² Pool Code 84330		³ Pool Name ROSS DRAW WOLFCAMP (GAS)	
⁴ Property Code 14828		⁵ Property Name EL PASO 23 FEDERAL			⁶ Well Number 2
⁷ OGRID No. 26485		⁸ Operator Name BURLINGTON RESOURCES OIL & GAS CO.			⁹ Elevation 3101'

¹⁰ Surface Location

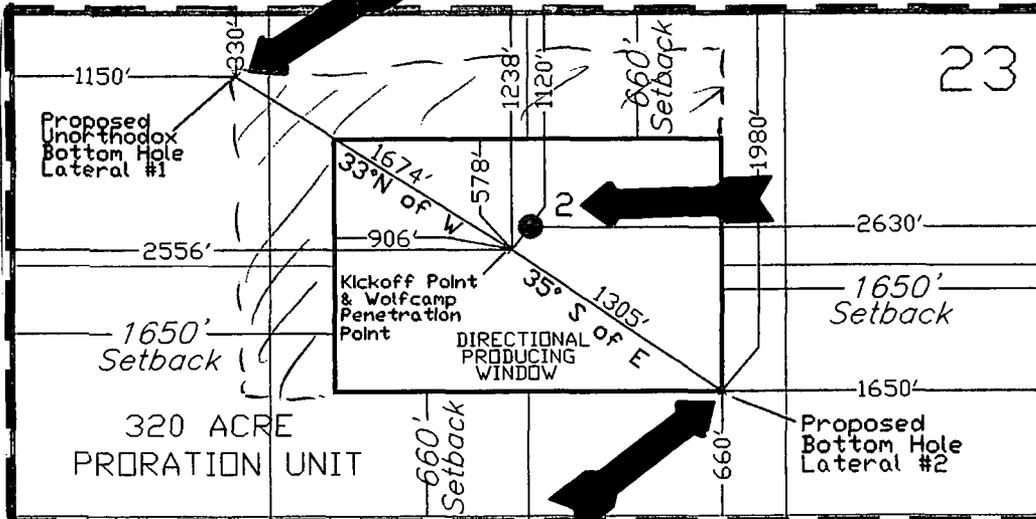
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
B	23	26S	30E		1120	NORTH	2630	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
D	23	26S	30E		330	NORTH	1150	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
 OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Maria L. Perez
 Signature
 MARIA L. PEREZ
 Printed Name
 REGULATORY REPRESENTATIVE
 Title
 2-4-97
 Date

¹⁸ SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
 Signature and Seal of Professional Surveyer:

DIRECTIONAL PRODUCING WINDOW
 MINIMUM SETBACK DISTANCE

Proposed dual lateral well in a 320 acre proration unit and Directional Producing Window w/setback requirements from outer boundary of a standard Wolfcamp formation gas proration unit. One lateral is approximately 1700' to the northwest and the other is approximately 1300' to the southeast from the surface location.

Lateral #1 is a proposed unorthodox bottom hole location. Lateral #2 is within the orthodox producing window as prescribed by Statewide Rule 104.C(2)(b) & Statewide Rule 111.A(8) for Directional Wells.

Certificate Number

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM 15311
2. Name of Operator BURLINGTON RESOURCES OIL & GAS COMPANY	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P. O. BOX 51810, MIDLAND, TEXAS 79710-1810 915-688-6906	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) B, 1120' FNL & 2630' FEL SEC. 23, T26S, R30E	8. Well Name and No. EL PASO "23" 2 FEDERAL
	9. API Well No. 30-015-29307
	10. Field and Pool, or exploratory Area ROSS DRAW WOLFCAMP (GAS)
	11. County or Parish, State EDDY NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other AMEND LENGTH OF LATERAL
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

THIS IS A PERMITTED DUAL LATERAL WELL CURRENTLY BEING DRILLED. THIS SUNDRY IS TO AMEND THE LENGTH OF LATERAL #1, AS SHOWN ON THE ATTACHED PLAT, TO AN UNORTHODOX BOTTOMHOLE LOCATION OF 330' FNL & 1150' FWL NW/4 NW/4, UL-D, SEC. 23, T26S, R36E, EDDY CO., NM.

BURLINGTON JUST FINISHED DRILLING THE VERTICAL SECTION OF THIS WELL AND IS IN THE PROCESS OF STARTING TO KICK-OFF LATERAL #1 IN A NW DIRECTION. APPLICATION FOR AN UNORTHODOX BOTTOMHOLE LOCATION FOR LATERAL #1 HAS BEEN FILED WITH THE OCD IN SANTA FE. ALL AFFECTED OFFSETS HAVE BEEN NOTIFIED. IT WILL BE 10-18 DAYS BEFORE LATER #1 WELL REACHES THE POINT AT WHICH IT WILL BECOME UNORTHODOX,

THE REQUEST TO LENGTHEN LATERAL #1 IS DUE TO NEW GEOLOGICAL DATA INTERPRETATION OBTAINED WHEN WE RAN CORES AND LOGS ON THE VERTICAL PORTION OF THIS WELL. THE NEW DATA WAS INTEGRATED WITH EXISTING 3-D SEISMIC DATA TO PREDICT WHERE A THICKER GROSS INTERVAL MIGHT BE FOUND BY DRILLING HORIZONTALLY. ONE OF THESE OPPORTUNITIES LIES TO THE NORTHWEST OF THE SURFACE LOCATION.

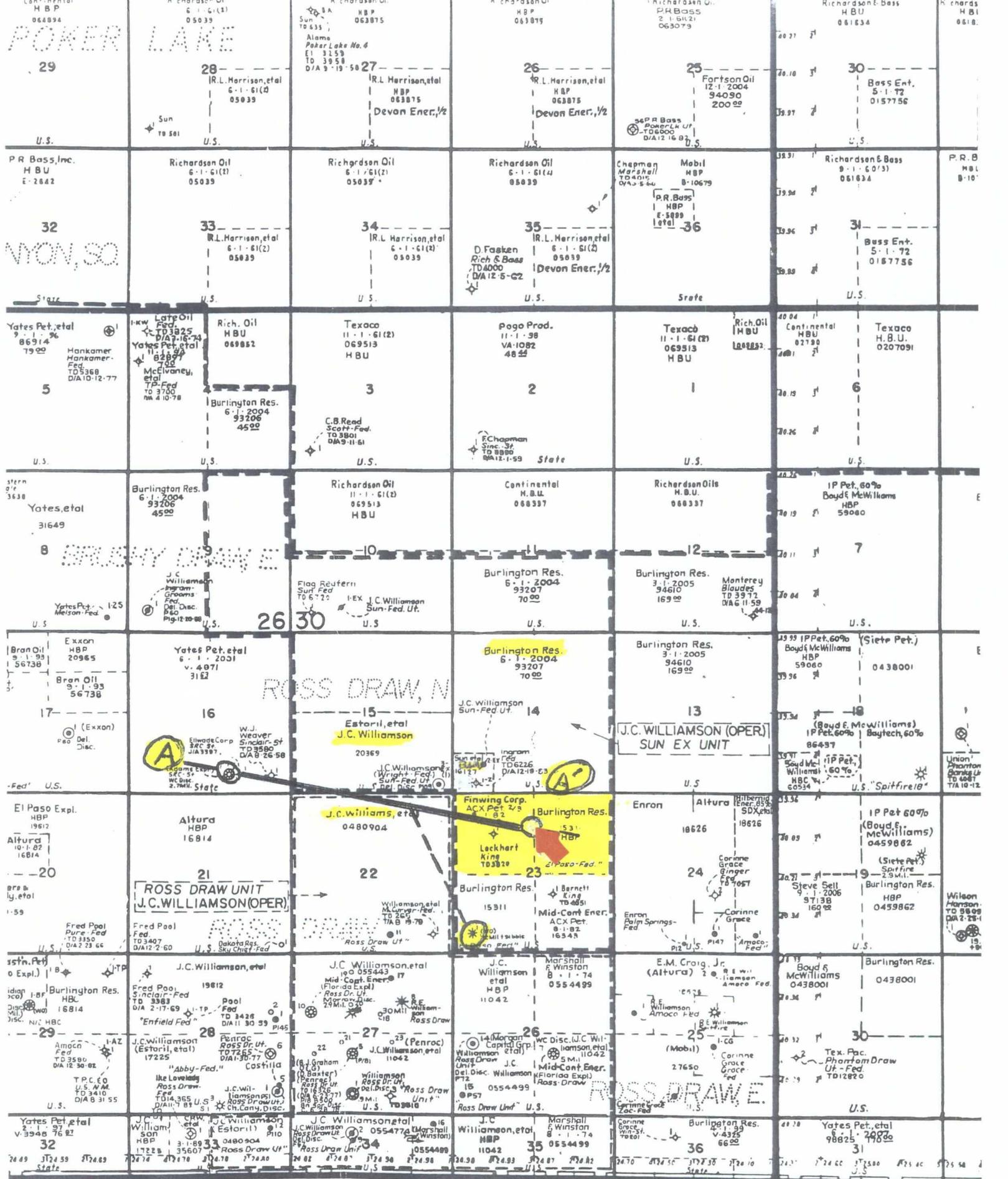
COPY OF APPLICATION TO THE OCD-SANTA FE OFFICE AND PLATS ARE ATTACHED.

14. I hereby certify that the foregoing is true and correct
Signed *Maria L. Perez* Title REGULATORY REPRESENTATIVE Date 2-4-97

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



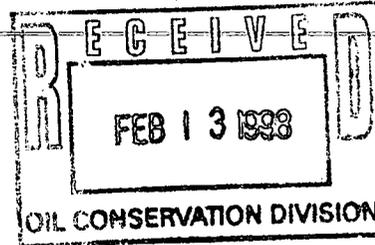
R-30-E

LOVING County

Cross Section A-A' Index Map

BURLINGTON RESOURCES

MID-CONTINENT DIVISION



February 11, 1998

Mr. Michael E. Stogner
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505-5472

RE: Signed Waivers from affected offsets for previously submitted application for an unorthodox bottom hole location for Lateral #1 Burlington Resources Oil & Gas Company, OGRID #26485 El Paso 23 Federal #2, Property Code 14828, (Proposed Dual Lateral) Ross Draw Wolfcamp (Gas) Pool, Pool Code #84330 Surf. Loc.: NW/4 NE/4, UL-B, 1120' FNL & 2630' FEL Section 23, T26S, R30E, Eddy County, New Mexico API# 30-015-29307, Lse. #NM 15311

Dear Mr. Stogner:

Enclosed are the signed waivers from the affected offsets for the unorthodox bottom hole location application submitted to you on 2-4-97. We are deleting Charlotte Ward-Williamson from the original list of offset notifications. Charlotte Ward-Williams owns interest from the surface to the base of the Bone Spring and does not own interest in the Wolfcamp zone.

Because we are currently drilling lateral #1 and soon will be reaching the point at which this lateral will become unorthodox, we are requesting administrative approval on this application.

Please call me if you require additional information in order to approve this application.

Sincerely,

A handwritten signature in cursive script that reads "Maria L. Perez".

Maria L. Perez
Regulatory Representative
A/C 915-688-6906

RALPH E. WILLIAMSON

ATTORNEY AT LAW

RIVERVIEW TOWERS SUITE 300 111 SOLEDAD SAN ANTONIO, TEXAS 78205 (210) 472-3980, FAX (210) 229-9742

February 6, 1998



Burlington Resources
PO Box 51810
Midland Texas 79710

RE Burlington Resources
SE Paso 23-2
N/2 Section 23, T26 S R30 E
Eddy County, New Mexico

Attention: Mr. Dick Gallegos

Dear Sir:

Enclosed is a signed approval of your unorthodox location request for the above referenced well.

It is certainly hoped that this well will be successful and that there will be many more to come.

Yours Very Truly
Ralph Williamson

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

J. C. Williamson
P. O. Box 16
Midland, Texas 79702

Ralph E. Williamson
P. O. Box 994
Midland, Texas 79702

Lois G. Williamson
P. O. Box 16
Midland, Texas 79702

February 4, 1998

Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E
Eddy County, New Mexico

Dear Sirs and Madam:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 11.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the El Paso "23" Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and protection unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 days.

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well has shown that it is thinner in the El Paso "23" Federal #2 than in the #1 well located on the SW/4 SW/4 of Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.

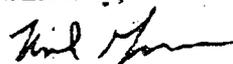
Based on the information provided hereinabove, BROG hereby requests the Parties hereto consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

Mr. J. C. Williamson
Mr. Ralph Williamson
Ms. Lois G. Williamson
February 4, 1998
Page 2

- 1) J. C. Williamson, Lois G. Williamson and Ralph E. Williamson, hereinafter referred to as the "Parties," hereby agree that the Parties will not oppose BROG's application of a Unorthodox Location Exception as provided for herein.
- 2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T25S, R30E.
- 3) BROG shall not oppose a similar application by the Parties to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.
- 4) BROG shall furnish the Parties with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators and the Parties shall furnish BROG with like information to the extent possible for Wolfcamp wells drilled by the Parties in the N/2 Section 22, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998. If BROG has not received a copy of this letter executed by all parties hereto by February 6, 1998, this letter agreement shall be null and void.

Sincerely,



Rick Gallegos
Senior Landman

cc: Don Davis

Agreed and Accepted this 5th day
of February, 1998

By: J.C. Williamson
J.C. Williamson

Agreed and Accepted this 6th day of
February, 1998

By: Ralph E. Williamson
Ralph E. Williamson

Agreed and Accepted this 5th day
of February, 1998

By: Lois G. Williamson
Lois G. Williamson

J.C. WILLIAMSON

P.O. BOX 18 MIDLAND, TEXAS 79702

TELECOPY

DATE: 2-4-98

TIME: _____

TO: COMPANY NAME: Burlington Resources

ATTN: Rick Challegos

FROM: J.C. Williamson

NUMBER OF PAGES TO FOLLOW: 2

RECEIVER'S TELECOPIER NO.: 688-6010

SENDER'S TELEPHONE NO. (915) 682-1797

SENDER'S TELECOPIER NO. (915) 682-9432



MESSAGE

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

J. C. Williamson
P. O. Box 16
Midland, Texas 79702

Ralph E. Williamson
P. O. Box 994
Midland, Texas 79702

Lois G. Williamson
P. O. Box 16
Midland, Texas 79702

February 4, 1998

Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E
Eddy County, New Mexico

Dear Sirs and Madam:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 11.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the El Paso "23" Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6- 0 days.

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well has shown that it is thinner in the El Paso "23" Federal #2 than in the #1 well located on the SW/4 SW/4 of Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of, 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.

Based on the information provided hereinabove, BROG hereby requests the Parties hereto consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

Mr. J. C. Williamson
Mr. Ralph Williamson
Ms. Lois G. Williamson
February 4, 1998
Page 2

1) J. C. Williamson, Lois G. Williamson and Ralph E. Williamson, hereinafter referred to as the "Parties," hereby agree that the Parties will not oppose BROG's application of a Unorthodox Location Exception as provided for herein.

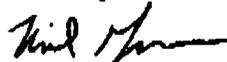
2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T25S, R30E.

3) BROG shall not oppose a similar application by the Parties to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

4) BROG shall furnish the Parties with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators and the Parties shall furnish BROG with like information to the extent possible for Wolfcamp wells drilled by the Parties in the N/2 Section 22, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998. If BROG has not received a copy of this letter executed by all parties hereto by February 6, 1998, this letter agreement shall be null and void.

Sincerely,

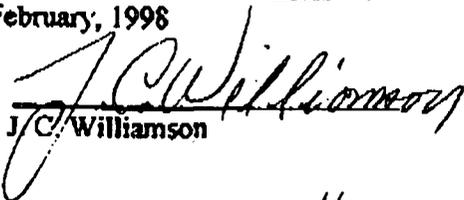


Rick Gallegos
Senior Landman

cc: Don Davis

Agreed and Accepted this 5th day
of February, 1998

By:


J.C. Williamson

Agreed and Accepted this 5th day of
February, 1998

By:

Ralph E. Williamson

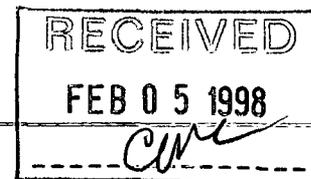
Agreed and Accepted this 5th day
of February, 1998

By:


Lois G. Williamson

BURLINGTON RESOURCES

MID-CONTINENT DIVISION



CERTIFIED RECEIPT NO. Z 236 287 611

ICA Energy, Inc.
P. O. Box 233
Odessa, Texas 79760

Attention: Mr. Curtis Leonard

February 4, 1998

Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E
Eddy County, New Mexico

Gentlemen:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the El Paso "23" Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 days.

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well has shown that it is thinner in the El Paso "23" Federal #2 than in the #1 well located on the SW/4 SW/4 of Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of, 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.

Based on the information provided hereinabove, BROG hereby requests ICA Energy, Inc.'s consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

ICA Energy, Inc.
February 4, 1998
Page 2

- 1) ICA Energy, Inc., hereinafter referred to as "ICA," hereby agrees that they will not oppose BROG's application for an Unorthodox Location as provided for herein.
- 2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.
- 3) BROG shall not oppose a similar application by ICA to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E, that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998.

Sincerely,



Rick Gallegos
Senior Landman



Agreed and Accepted this 5th day of February, 1998

ICA ENERGY, INC.

By:

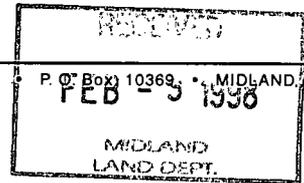
Its:

Michael...
President

FORM
OK




915/683-3092



P. O. Box 10369, MIDLAND, TX 79702

February 6, 1998

Burlington Resources
P.O. Box 51810
Midland, Texas 79710-1810

Attention: Rick Gallegos

Re: Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E,
Eddy County, New Mexico

Gentlemen:

Please find attached Costilla Energy, Inc.'s waiver to your Unorthodox Location.

Sincerely,

A handwritten signature in cursive script that reads "Gary L. Winter". The signature is written in dark ink and is positioned above the printed name and title.

Gary L. Winter, CPL
District Landman

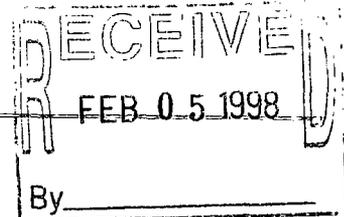
BURLINGTON RESOURCES

MID-CONTINENT DIVISION

CERTIFIED RECEIPT NO. Z 236 287 608

Costilla Energy, Inc,
P. O. Box 10369
Midland, Texas 79702

Attention: Mr. Richard Lemon



February 4, 1998

Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E
Eddy County, New Mexico

Gentlemen:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the El Paso "23" Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 days.

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well has shown that it is thinner in the El Paso "23" Federal #2 than in the #1 well located on the SW/4 SW/4 of Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of, 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.

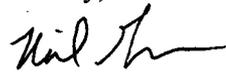
Based on the information provided hereinabove, BROG hereby requests Costilla Energy, Inc.'s consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

Costilla Energy, Inc.
February 4, 1998
Page 2

- 1) Costilla Energy, Inc., hereinafter referred to as "COSTILLA," hereby agrees that they will not oppose BROG's application for an Unorthodox Location as provided for herein.
- 2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.
- 3) BROG shall not oppose a similar application by COSTILLA to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E, that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998.

Sincerely,



Rick Gallegos
Senior Landman



Agreed and Accepted this 6th day of February, 1998

COSTILLA ENERGY, INC.

By: Clifford N. Hair, Jr. *DN*
Its: Senior Vice President

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

CERTIFIED RECEIPT NO. Z 236 287 607

C. W. Trainer
500 West Texas, Suite 710
Midland, Texas 79701

February 4, 1998

Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E
Eddy County, New Mexico

Dear Mr. Trainer:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the El Paso "23" Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 days.

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well has shown that it is thinner in the El Paso "23" Federal #2 than in the #1 well located on the SW/4 SW/4 of Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of, 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.

Based on the information provided hereinabove, BROG hereby requests C. W. Trainer's consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

C. W. Trainer
February 4, 1998
Page 2

- 1) C. W. Trainer hereby agrees that he will not oppose BROG's application for an Unorthodox Location as provided for herein.
- 2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.
- 3) BROG shall not oppose a similar application by C. W. Trainer to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E, that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.
- 4) BROG shall furnish C. W. Trainer with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998.

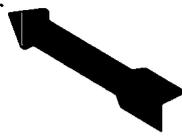
Sincerely,

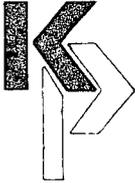


Rick Gallegos
Senior Landman

Agreed and Accepted this 6th day of February, 1998

By: _____


C. W. Trainer 



KERRY PETROLEUM COMPANY, INC.

500 West Texas Ave., Suite 1450

Midland, Texas 79701

Telephone (915) 687-5958

February 6, 1998



Mr. Rick Geologies
Burlington Resources
P. O. Box 51810
Midland, Texas 79710

RE: Unorthodox Location
El Paso '23' Federal #2 Well
Eddy County, New Mexico

Dear Rick,

This letter is to confirm our phone conversation yesterday concerning the agreement dated February 1, 1998, between Kerry Petroleum and Burlington. It was executed with the understanding it will be accepted by all of the non-working interest owners in the Burlington El Paso '23' Federal #2 well.

Sincerely,

Wm. Ahern

President

By S. F.

WA-sf

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

CERTIFIED RECEIPT NO. Z 236 287 609

K P Acquisition Corporation
500 West Texas, Suite 1450
Midland, Texas 79701

Kerry Petroleum Company, Inc.
500 West Texas, Suite 1450
Midland, Texas 79701

February 4, 1998.

Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E
Eddy County, New Mexico

Gentlemen:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the El Paso "23" Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 days.

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well has shown that it is thinner in the El Paso "23" Federal #2 than in the #1 well located on the SW/4 SW/4 of Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of, 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.

Based on the information provided hereinabove, BROG hereby requests the Parties hereto consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

K P Acquisition Corporation
Kerry Petroleum Company, Inc.
February 4, 1998
Page 2

1) K P Acquisition Corporation and Kerry Petroleum Company, Inc., hereinafter referred to as the "Parties," hereby agree that the Parties will not oppose BROG's application for an Unorthodox Location as provided for herein.

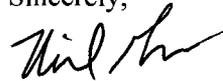
2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.

3) BROG shall not oppose a similar application by the Parties to drill a Wolfcamp well in ~~the~~ ^{NW} ~~N/2~~ of Section 22, T26S, R30E that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

4) BROG shall furnish the Parties with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998. If BROG has not received a copy of this letter executed by all parties hereto by February 6, 1998, this letter agreement shall be null and void.

Sincerely,

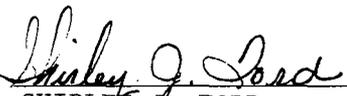


Rick Gallegos
Senior Landman



Agreed and Accepted this 6TH day
of February, 1998

K P ACQUISITION CORPORATION

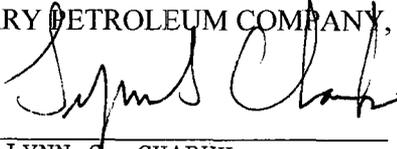
By: 
SHIRLEY J. FORD

Its: VP-ADMINISTRATION



Agreed and Accepted this 6TH day of
February, 1998

KERRY PETROLEUM COMPANY, INC.

By: 
LYNN S. CHARUK

Its: AGENT

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

<p>3. Article Addressed to:</p> <p>United States Department of the Interior Bureau of Land Management Roswell District Office 2902 West Second Street Roswell, New Mexico 88201</p>	<p>4a. Article Number 2 740 400 345</p> <p>4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD</p> <p>7. Date of Delivery 2-2-98</p>
<p>5. Received By: (Print Name)</p>	<p>8. Addressee's Address (Only if requested and fee is paid)</p>
<p>6. Signature: (Addressee or Agent)</p> <p>X <i>[Handwritten Signature]</i></p>	<p>102386-97-B-0179</p>

PS Form 3811, December 1994

102386-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

February 11, 1998

Mr. Michael E. Stogner
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505-5472

RE: Signed Waivers from affected offsets for previously submitted application for an unorthodox bottom hole location for Lateral #1
Burlington Resources Oil & Gas Company, OGRID #26485
El Paso 23 Federal #2, Property Code 14828, (Proposed Dual Lateral)
Ross Draw Wolfcamp (Gas) Pool, Pool Code #84330
Surf. Loc.: NW/4 NE/4, UL-B, 1120' FNL & 2630' FEL
Section 23, T26S, R30E, Eddy County, New Mexico
API# 30-015-29307, Lse. #NM 15311

Dear Mr. Stogner:

Enclosed are the signed waivers from the affected offsets for the unorthodox bottom hole location application submitted to you on 2-4-97. We are deleting Charlotte Ward-Williamson from the original list of offset notifications. Charlotte Ward-Williams owns interest from the surface to the base of the Bone Spring and does not own interest in the Wolfcamp zone.

Because we are currently drilling lateral #1 and soon will be reaching the point at which this lateral will become unorthodox, we are requesting administrative approval on this application.

Please call me if you require additional information in order to approve this application.

Sincerely,



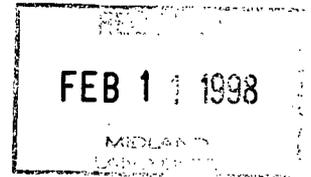
Maria L. Perez
Regulatory Representative
A/C 915-688-6906

RALPH E. WILLIAMSON

ATTORNEY AT LAW

RIVERVIEW TOWERS SUITE 300 111 SOLEDAD SAN ANTONIO, TEXAS 78205 (210) 472-3980, FAX (210) 229-9742

February 6, 1998



Burlington Resources
PO Box 51810
Midland Texas 79710

RE Burlington Resources
SE Paso 23-2
1/2 Section 23, T26 S R30 E
Eddy County, New Mexico

Attention Mr. Dick Gallegos

Dear Sir:

Enclosed is a signed approval of your unorthodox location request for the above referenced well.

It is certainly hoped that this well will be successful and that there will be many more to come.

Yours Very Truly
Ralph Williamson

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

J. C. Williamson
P. O. Box 16
Midland, Texas 79702

Ralph E. Williamson
P. O. Box 994
Midland, Texas 79702

Lois G. Williamson
P. O. Box 16
Midland, Texas 79702

February 4, 1998

Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E
Eddy County, New Mexico

Dear Sirs and Madam:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 11.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the El Paso "23" Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 days.

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well has shown that it is thinner in the El Paso "23" Federal #2 than in the #1 well located on the SW/4 SW/4 of Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.

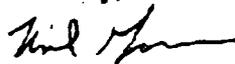
Based on the information provided hereinabove, BROG hereby requests the Parties hereto consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

Mr. J. C. Williamson
Mr. Ralph Williamson
Ms. Lois G. Williamson
February 4, 1998
Page 2

- 1) J. C. Williamson, Lois G. Williamson and Ralph E. Williamson, hereinafter referred to as the "Parties," hereby agree that the Parties will not oppose BROG's application of a Unconventional Location Exception as provided for herein.
- 2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T25S, R30E.
- 3) BROG shall not oppose a similar application by the Parties to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.
- 4) BROG shall furnish the Parties with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators and the Parties shall furnish BROG with like information to the extent possible for Wolfcamp wells drilled by the Parties in the N/2 Section 22, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998. If BROG has not received a copy of this letter executed by all parties hereto by February 6, 1998, this letter agreement shall be null and void.

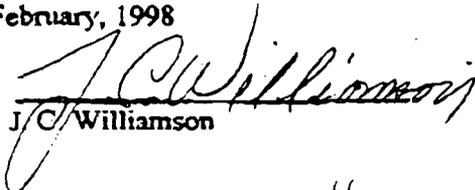
Sincerely,



Rick Gallegos
Senior Landman

cc: Don Davis

Agreed and Accepted this 5th day
of February, 1998

By: 
J.C. Williamson

Agreed and Accepted this 6th day of
February, 1998

By: 
Ralph E. Williamson

Agreed and Accepted this 5th day
of February, 1998

By: 
Lois G. Williamson

J.C. WILLIAMSON

P.O. BOX 18 MIDLAND, TEXAS 79702

TELECOPY

DATE: 2-4-98

TIME: _____

TO: COMPANY NAME: Burlington Resources

ATTN: Rick Challegosi

FROM: J.C. Williamson

NUMBER OF PAGES TO FOLLOW: 2

RECEIVER'S TELECOPIER NO.: 688-6010

SENDER'S TELEPHONE NO. (915) 882-1797

SENDER'S TELECOPIER NO. (915) 882-9432



MESSAGE

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

J. C. Williamson
P. O. Box 16
Midland, Texas 79702

Ralph E. Williamson
P. O. Box 994
Midland, Texas 79702

Lois G. Williamson
P. O. Box 16
Midland, Texas 79702

February 4, 1998

Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E
Eddy County, New Mexico

Dear Sirs and Madam:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 11.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the El Paso "23" Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6- 0 days.

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well has shown that it is thinner in the El Paso "23" Federal #2 than in the #1 well located on the SW/4 SW/4 of Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of, 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.

Based on the information provided hereinabove, BROG hereby requests the Parties hereto consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

Mr. J. C. Williamson
Mr. Ralph Williamson
Ms. Lois G. Williamson
February 4, 1998
Page 2

1) J. C. Williamson, Lois G. Williamson and Ralph E. Williamson, hereinafter referred to as the "Parties," hereby agree that the Parties will not oppose BROG's application of a Unorthodox Location Exception as provided for herein.

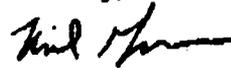
2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.

3) BROG shall not oppose a similar application by the Parties to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

4) BROG shall furnish the Parties with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators and the Parties shall furnish BROG with like information to the extent possible for Wolfcamp wells drilled by the Parties in the N/2 Section 22, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998. If BROG has not received a copy of this letter executed by all parties hereto by February 6, 1998, this letter agreement shall be null and void.

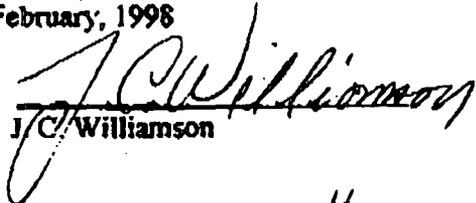
Sincerely,



Rick Gallegos
Senior Landman

cc: Don Davis

Agreed and Accepted this 5th day
of February, 1998

By: 
J.C. Williamson

Agreed and Accepted this 5th day of
February, 1998

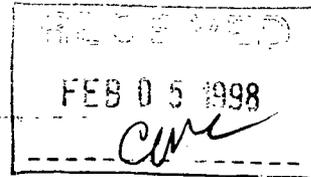
By: _____
Ralph E. Williamson

Agreed and Accepted this 5th day
of February, 1998

By: 
Lois G. Williamson

BURLINGTON RESOURCES

MID-CONTINENT DIVISION



CERTIFIED RECEIPT NO. Z 236 287 611

ICA Energy, Inc.
P. O. Box 233
Odessa, Texas 79760

Attention: Mr. Curtis Leonard

February 4, 1998

Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E
Eddy County, New Mexico

Gentlemen:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the El Paso "23" Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 days.

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well has shown that it is thinner in the El Paso "23" Federal #2 than in the #1 well located on the SW/4 SW/4 of Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of, 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.

Based on the information provided hereinabove, BROG hereby requests ICA Energy, Inc.'s consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

ICA Energy, Inc.
February 4, 1998
Page 2

- 1) ICA Energy, Inc., hereinafter referred to as "ICA," hereby agrees that they will not oppose BROG's application for an Unorthodox Location as provided for herein.
- 2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.
- 3) BROG shall not oppose a similar application by ICA to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E, that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998.

Sincerely,

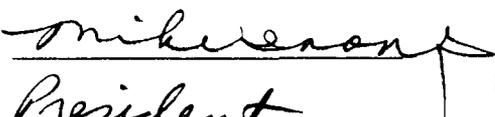


Rick Gallegos
Senior Landman



Agreed and Accepted this 5th day of February, 1998

ICA ENERGY, INC.

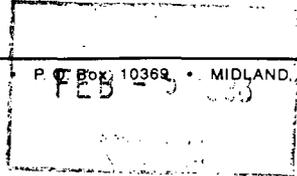
By:  FORM
OK

Its: President



915/683-3092

P.O. Box 10369 • MIDLAND, TX 79702



February 6, 1998

Burlington Resources
P.O. Box 51810
Midland, Texas 79710-1810

Attention: Rick Gallegos

Re: Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E,
Eddy County, New Mexico

Gentlemen:

Please find attached Costilla Energy, Inc.'s waiver to your Unorthodox Location.

Sincerely,

A handwritten signature in cursive script that reads "Gary L. Winter".

Gary L. Winter, CPL
District Landman

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

CERTIFIED RECEIPT NO. Z 236 287 608.

Costilla Energy, Inc,
P. O. Box 10369
Midland, Texas 79702

Attention: Mr. Richard Lemon

February 4, 1998

Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E
Eddy County, New Mexico

Gentlemen:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the El Paso "23" Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 days.

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well has shown that it is thinner in the El Paso "23" Federal #2 than in the #1 well located on the SW/4 SW/4 of Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of, 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.

Based on the information provided hereinabove, BROG hereby requests Costilla Energy, Inc.'s consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

Costilla Energy, Inc.

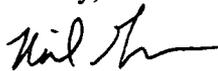
February 4, 1998

Page 2

- 1) Costilla Energy, Inc., hereinafter referred to as "COSTILLA," hereby agrees that they will not oppose BROG's application for an Unorthodox Location as provided for herein.
- 2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.
- 3) BROG shall not oppose a similar application by COSTILLA to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E, that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998.

Sincerely,



Rick Gallegos
Senior Landman



Agreed and Accepted this 6th day of February, 1998

COSTILLA ENERGY, INC.

By: Clifford N. Hair, Jr. *DN*
Clifford N. Hair, Jr.
Its: Senior Vice President

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

CERTIFIED RECEIPT NO. Z 236 287 607

C. W. Trainer
500 West Texas, Suite 710
Midland, Texas 79701

February 4, 1998

Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E
Eddy County, New Mexico

Dear Mr. Trainer:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the El Paso "23" Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 days.

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well has shown that it is thinner in the El Paso "23" Federal #2 than in the #1 well located on the SW/4 SW/4 of Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of, 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.

Based on the information provided hereinabove, BROG hereby requests C. W. Trainer's consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

C. W. Trainer
February 4, 1998
Page 2

- 1) C. W. Trainer hereby agrees that he will not oppose BROG's application for an Unorthodox Location as provided for herein.
- 2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.
- 3) BROG shall not oppose a similar application by C. W. Trainer to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E, that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.
- 4) BROG shall furnish C. W. Trainer with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998.

Sincerely,



Rick Gallegos
Senior Landman

Agreed and Accepted this 6th day of February, 1998

By:



C. W. Trainer





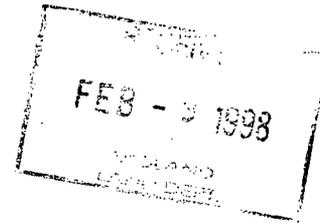
KERRY PETROLEUM COMPANY, INC.

500 West Texas Ave., Suite 1450

Midland, Texas 79701

Telephone (915) 687-5958

February 6, 1998



Mr. Rick Geologies
Burlington Resources
P. O. Box 51810
Midland, Texas 79710

RE: Unorthodox Location
El Paso '23' Federal #2 Well
Eddy County, New Mexico

Dear Rick,

This letter is to confirm our phone conversation yesterday concerning the agreement dated February 1, 1998, between Kerry Petroleum and Burlington. It was executed with the understanding it will be accepted by all of the non-working interest owners in the Burlington El Paso '23' Federal #2 well.

Sincerely,

Wm. Ahern

President

By: S. F.

WA-sf

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

CERTIFIED RECEIPT NO. Z 236 287 609

K P Acquisition Corporation
500 West Texas, Suite 1450
Midland, Texas 79701

Kerry Petroleum Company, Inc.
500 West Texas, Suite 1450
Midland, Texas 79701

February 4, 1998

Unorthodox Location
El Paso "23" Federal #2 Well
N/2 Section 23, T26S, R30E
Eddy County, New Mexico

Gentlemen:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the El Paso "23" Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 days.

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well has shown that it is thinner in the El Paso "23" Federal #2 than in the #1 well located on the SW/4 SW/4 of Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of, 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.

Based on the information provided hereinabove, BROG hereby requests the Parties hereto consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

K P Acquisition Corporation
Kerry Petroleum Company, Inc.
February 4, 1998
Page 2

1) K P Acquisition Corporation and Kerry Petroleum Company, Inc., hereinafter referred to as the "Parties," hereby agree that the Parties will not oppose BROG's application for an Unorthodox Location as provided for herein.

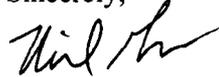
2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.

3) BROG shall not oppose a similar application by the Parties to drill a Wolfcamp well in ~~the~~ ^{N2} ~~N/2~~ of Section 22, T26S, R30E that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

4) BROG shall furnish the Parties with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998. If BROG has not received a copy of this letter executed by all parties hereto by February 6, 1998, this letter agreement shall be null and void.

Sincerely,

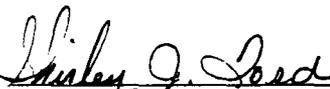


Rick Gallegos
Senior Landman



Agreed and Accepted this 6TH day
of February, 1998

K P ACQUISITION CORPORATION

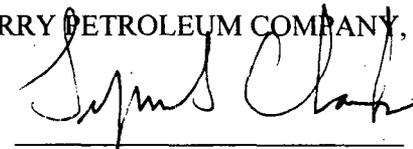
By: 
SHIRLEY J. FORD

Its: VP-ADMINISTRATION



Agreed and Accepted this 6TH day of
February, 1998

KERRY PETROLEUM COMPANY, INC.

By: 
LYNN S. CHARUK

Its: AGENT

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

United States Department of the Interior
 Bureau of Land Management
 Roswell District Office
 2902 West Second Street
 Roswell, New Mexico 88201

4a. Article Number

2 740 400 345

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

2-6-98

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

[Handwritten Signature]

8. Addressee's Address (Only if requested and fee is paid)

||||| ||||| ||||| |||||

PS Form 3811, December 1994

10295-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service

2-13-97

TO: Mr. Michael Stogner
State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
Santa Fe, New Mexico
Fax No. 505-827-1389

FR: Maria L. Perez
Burlington Resources Oil & Gas Co.
Tel. No. 915-688-6906
Fax No. 915-688-6007

RE: El Paso 23 Federal #2
Ross Draw Wolfcamp (Gas) Pool
NW/4 NE/4, UL-B, 1120' FNL & 2630' FEL
Sec. 23, T26S, R30E, Eddy Co., NM
API# 30-015-29307, Lse. #NM 15311

Hi Mike, how are you this fine morning? I hope bright eyed, perky and in a darn good mood.

Here is a copy of the BLM-approval for the application on the unorthodox lateral #1 bottom hole location which was signed by Alexis C. Swoboda, Petroleum Engineer for the BLM in Roswell. All the signed waivers were mailed to you by certified mail on 2-11-98. Could we have verbal approval for this application?? We will be reaching the point at which this Lateral will become unorthodox by next week and want to make sure we have your blessing prior to reaching this point.

Have a great Valentine's Day tomorrow.

*Thanks,
Maria Perez*

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OPERATOR'S COPY

FORM APPROVED
Budget Bureau No. 1004-0155
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM 15311
2. Name of Operator BURLINGTON RESOURCES OIL & GAS COMPANY	6. If Indian, Allowee or Tribe Name
3. Address and Telephone No. P. O. BOX 51810, MIDLAND, TEXAS 79710-1810 915-688-6906	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) B, 1120' FNL & 2630' FEL SEC. 23, T26S, R30E	8. Well Name and No. EL PASO "23" 2
	9. API Well No. 30-015-29307
	10. Field and Pool, or exploratory Area ROSS DRAW WOLFCAMP (GAS)
	11. County or Parish, State EDDY NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other AMEND LENGTH OF LATERAL
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THIS IS A PERMITTED DUAL LATERAL WELL CURRENTLY BEING DRILLED. THIS SUNDRY IS TO AMEND THE LENGTH OF LATERAL #1, AS SHOWN ON THE ATTACHED PLAT, TO AN UNORTHODOX BOTTOMHOLE LOCATION OF 330' FNL & 1150' FWL NW/4 NW/4, UL-D, SEC. 23, T26S, R36E, EDDY CO., NM.

BURLINGTON JUST FINISHED DRILLING THE VERTICAL SECTION OF THIS WELL AND IS IN THE PROCESS OF STARTING TO KICK-OFF LATERAL #1 IN A NW DIRECTION. APPLICATION FOR AN UNORTHODOX BOTTOMHOLE LOCATION FOR LATERAL #1 HAS BEEN FILED WITH THE OCD IN SANTA FE. ALL AFFECTED OFFSETS HAVE BEEN NOTIFIED. IT WILL BE 10-18 DAYS BEFORE LATERAL #1 WELL REACHES THE POINT AT WHICH IT WILL BECOME UNORTHODOX.

THE REQUEST TO LENGTHEN LATERAL #1 IS DUE TO NEW GEOLOGICAL DATA INTERPRETATION OBTAINED WHEN WE RAN CORES AND LOGS ON THE VERTICAL PORTION OF THIS WELL. THE NEW DATA WAS INTEGRATED WITH EXISTING 3-D SEISMIC DATA TO PREDICT WHERE A THICKER GROSS INTERVAL MIGHT BE FOUND BY DRILLING HORIZONTALLY. ONE OF THESE OPPORTUNITIES LIES TO THE NORTHWEST OF THE SURFACE LOCATION.

**SUBJECT TO
LIKE APPROVAL
BY STATE**

COPY OF APPLICATION TO THE OCD-SANTA FE OFFICE AND PLATS ARE ATTACHED.

14. I hereby certify that the foregoing is true and correct

Signed *Maria L. Reese* Title REGULATORY REPRESENTATIVE Date 2-4-97

(This space for Federal or State office use)

Approved by *Alexis C. Swoboda* Title PETROLEUM ENGINEER Date FEB 11 1998

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* See Instruction on Reverse Side

