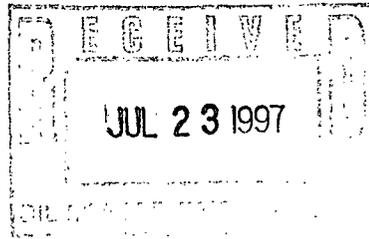


**LEWIS B. BURLESON, INC.**  
OIL & GAS PROPERTIES

LEWIS B. BURLESON  
PRESIDENT  
STEVEN L. BURLESON  
VICE-PRESIDENT  
WAYNE JARVIS  
SUPERINTENDENT

July 21, 1997



Mr. William LeMay, Director  
State of New Mexico  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

RE: Administrative Application for Non-Standard Proration Unit, and Simultaneous Dedication for Lewis B. Burleson Inc.'s Farney A-5 #8 well, located 1780' FNL & 660' FEL of Section 5, T-23-S, R-36-E, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed is a copy of the letter sent to off-set operators, per your request, with the returned receipts showing a delivery date of July 9, 1997. All requirements have been made within the specified waiting period.

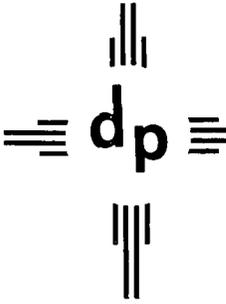
We would like to know the status of the application. Your attention is appreciated.

Yours truly,

Lewis B. Burleson

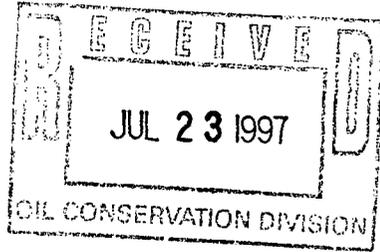
LBB/jt

Enclosures



dugan production corp.

RECEIVED



JUL 07 1997  
CENTRAL RESOURCES, INC.

Certified Mail

June 30, 1997

Central Resources  
1775 Sherman St., Suite 2600  
Denver, CO 80203-4313

**Subject:** *Administrative Approval of Unorthodox Location  
Dugan Production Corp.  
Bisti State #1  
1980' FNL & 660' FWL Sec. 2, T25N, R13W, NMPM  
San Juan County, NM  
Basin Fruitland Coal*

SIGN & RETURN  
THIS COPY  
to New Mexico Oil Cons. Div.  
Santa Fe, NM

Gentlemen:

Dugan Production Corp. has filed with the New Mexico Oil Conservation Division (NMOCD) an Application for Administrative Approval for an Unorthodox Location for its Bisti State #1 well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver. Return one executed copy to the NMOCD in Santa Fe, NM, one copy to our office, and retain one copy for your files. Self-addressed, stamped envelopes are enclosed.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Kurt Fagrelus

KF/cg

WAIVER

Central Resources hereby waives objection to the above referenced Application for Unorthodox Location for Dugan Production Corp's Bisti State #1 well.

By:

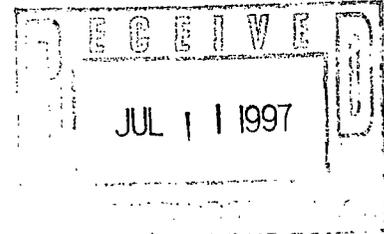
Date: 7-19-97

~~NSP~~ (SD) 7/31/97

**LEWIS B. BURLESON, INC.**  
OIL & GAS PROPERTIES

LEWIS B. BURLESON  
PRESIDENT  
STEVEN L. BURLESON  
VICE-PRESIDENT  
WAYNE JARVIS  
SUPERINTENDENT

July 8, 1997



Mr. William LeMay, Director  
State of New Mexico  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

RE: Administrative Application for Non-Standard Proration Unit, and Simultaneous Dedication for Lewis B. Burleson, Inc.'s Farney A-5 #8 well, located 1780' FNL & 660' FEL of Section 5, T-23-S, R-36-E, Lea County, New Mexico

Dear Mr. LeMay:

Lewis B. Burleson, Inc. requests administrative approval of a non-standard proration unit, and simultaneous dedication for its Farney A-5 #8 well which is proposed to be completed in the Jalmat Gas Pool. We have notified by Certified Letter, all offset operators as shown in Exhibit "B" so that they may object to these variances within the specified waiting period.

Non-Standard Unit and Simultaneous Dedication:

A 322.76 acre Non-Standard Gas Proration Unit (E/2, Section 5, T-23-S, R-36-E) was previously approved for the Farney #4 by Administrative Order NSP 1525(L). We plan to complete the #8 well located 1780' FNL and 660' FEL, in Section 5 as a Jalmat Gas well, and simultaneously dedicate both wells to the 322.76 acre unit. The Farney A-5 #8 tested the 7-Rivers oil zone as non-commercial. Upon approval, we plan to plug this well back to the Jalmat Gas Pool.

This notice and all attachments are true and correct to the best of our knowledge and belief.

Yours truly,  
  
Lewis B. Burleson

LBB/jrt  
Enclosures

NSP1

**EXHIBIT "B"**

**LEWIS B. BURLESON, INC.  
Farney A-5  
Well No. 8**

**Simultaneous Dedication Application  
Jalmat Gas Pool  
1780' FNL and 660' FEL  
Section 5, T-23-S, R-36-E  
Lea County, New Mexico**

**OFFSET OPERATORS**

Conoco Inc.  
Attention: Jerry W. Hoover  
Conservation/Proration Dept.  
10 Desta Drive #100W  
Midland, Texas 79705-4500

Clayton Williams  
Attn: Conservation Manager  
6 Desta Drive, Suite 3000  
Midland, Texas 79705



Sec : 05 Twp : 23S Rng : 36E Section Type : NORMAL

4 41.23  Federal owned	3 41.29  Federal owned A	2 41.35  Federal owned A	1 41.41  Federal owned A
E 40.00  Federal owned	F 40.00  Federal owned	G 40.00  Federal owned A	H 40.00  Federal owned A

PF01 HELP      PF02              PF03 EXIT      PF04 GoTo      PF05              PF06  
PF07 BKWD      PF08 FWD          PF09 PRINT      PF10 SDIV      PF11              PF12

Sec : 05 Twp : 23S Rng : 36E Section Type : NORMAL

L 40.00  Federal owned	K 40.00  Federal owned	J 40.00  Federal owned	I 40.00  Federal owned  A
M 40.00  Federal owned	N 40.00  Federal owned	O 40.00  Federal owned	P 40.00  Federal owned

PF01 HELP      PF02              PF03 EXIT      PF04 GoTo      PF05              PF06  
PF07 BKWD      PF08 FWD          PF09 PRINT      PF10 SDIV      PF11              PF12

**LEWIS B. BURLESON, INC.**  
OIL & GAS PROPERTIES

LEWIS B. BURLESON  
PRESIDENT  
STEVEN L. BURLESON  
VICE-PRESIDENT  
WAYNE JARVIS  
SUPERINTENDENT

July 8, 1997

Clayton Williams  
Attn: Conservation Manager  
6 Desta Drive, Suite 3000  
Midland, Texas 79705

Certified Mail P389 510 ~~898~~600  
RETURN RECEIPT REQUESTED

Re: Administrative application for Non-Standard Proration Unit, and simultaneous Dedication for Lewis B. Burleson, Inc.'s Farney A-5 #8 well, located 1780' FNL & 660' FEL of Section 5, T-23-S, R-36-E, Lea County, New Mexico

Gentlemen:

Enclosed is a copy of the letter to the State of New Mexico Oil Conservation Division in application for a non-standard proration unit, and simultaneous dedication for Lewis B. Burleson, Inc.'s Farney A-5 #8 well, located 1780' FNL & 660' FEL of Section 5, T-23-S, R-36-E, Lea County, New Mexico.

Should you have an objection, call me or file an objection with the State of New Mexico Oil Conservation Division.

Yours truly,

  
Lewis B. Burleson

LBB/jrt  
Enclosure

NSP2

ADDRESS completed on the reverse side	I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
	3. Article Addressed to:  Clayton Williams Attn: Conservation Manager 6 Desta Drive, Suite 3000 Midland, Texas 79705	4a. Article Number P389 510 600
	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
	7. Date of Delivery 7 9 9 7	
8. Addressee's Address (Only if requested and fee is paid)		Thank you for using Return Receipt Service.
(Name) (see or Agent) (number 1994)		

P 389 510 600

US Postal Service  
**Receipt for Certified Mail**  
No Insurance Coverage Provided.  
Do not use for International Mail (See reverse)

Sent to Clayton Williams	
Street & Number Conserv Manager	
Post Office, State, & ZIP Code 6 Desta Dr Ste 3000 Midland TX	
Postage	\$ .32
Certified Fee	135
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	1/10
Postage & Fees	\$ 272



Our copy

**LEWIS B. BURLESON, INC.**  
OIL & GAS PROPERTIES

LEWIS B. BURLESON  
PRESIDENT  
STEVEN L. BURLESON  
VICE-PRESIDENT  
WAYNE JARVIS  
SUPERINTENDENT

July 8, 1997

Conoco Inc.  
Attention: Jerry W. Hoover  
Conservation/Proration Dept.  
10 Desta Drive #100W  
Midland, Texas 79705-4500

Certified Mail #P389 510 599  
RETURN RECEIPT REQUESTED

Re: Administrative application for Non-Standard Proration Unit, and simultaneous Dedication for Lewis B. Burleson, Inc.'s Farney A-5 #8 well, located 1780' FNL & 660' FEL of Section 5, T-23-S, R-36-E, Lea County, New Mexico

Gentlemen:

Enclosed is a copy of the letter to the State of New Mexico Oil Conservation Division in application for a non-standard proration unit, and simultaneous dedication for Lewis B. Burleson, Inc.'s Farney A-5 #8 well, located 1780' FNL & 660' FEL of Section 5, T-23-S, R-36-E, Lea County, New Mexico.

Should you have an objection, call me or file an objection with the State of New Mexico Oil Conservation Division.

Yours truly,

Lewis B. Burleson

LBB/jrt  
Enclosures

NSP2

P 389 510 599

US Postal Service  
**Receipt for Certified Mail**  
No Insurance Coverage Provided.  
Do not use for international Mail (See reverse)

Sent to Conoco Inc. Attn: Jerry Hoover	
Street & Number 10 Desta Drive #100W	
Post Office, State, & ZIP Code Midland, TX 79705	
Postage	\$ .32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
Postage & Fees	\$ 1.67
Postmark or Date	

0000 UNITED STATES POSTAL SERVICE Completed on the reverse <b>INSTRUCTIONS:</b> Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Write your name and address on the reverse of this form so that we can return this to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Mark "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. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to: Conoco Inc. Jerry Hoover Conservation/Proration Dept Drive #100W Texas 79705-4500	4a. Article Number P389 510 599 4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD 7. Date of Delivery 7-9-97
8. Addressee's Address (Only if requested and fee is paid) Jerry Hoover Conservation/Proration Dept Drive #100W Texas 79705-4500	Thank you for using Return Receipt Service.

Domestic Return Receipt  
August 1994

