

BURLINGTON RESOURCES

SAN JUAN DIVISION

FAXED to 505-476-³⁴⁶²3471 on April 21, 2003

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: El Paso #1B
2165'FNL, 440'FWL Section 20, T-29-N, R-9-W, San Juan County
API #30-045-29845
PKRV0-310426262

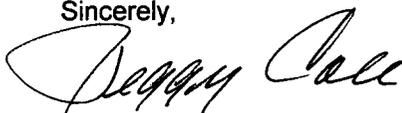
Dear Mr. Stogner:

This is in response to your letter dated April 14, 2003 concerning the referenced application for administrative approval for a non-standard location for the Otero Chacra in the subject well.

Attached is a revised offset operators map and the letter of notification sent to the offset operators/working interest owners for the east half of Section 19, T-29-N, R-9-W by certified mail on April 21, 2003.

Please let me know if you have further questions or concerns.

Sincerely,



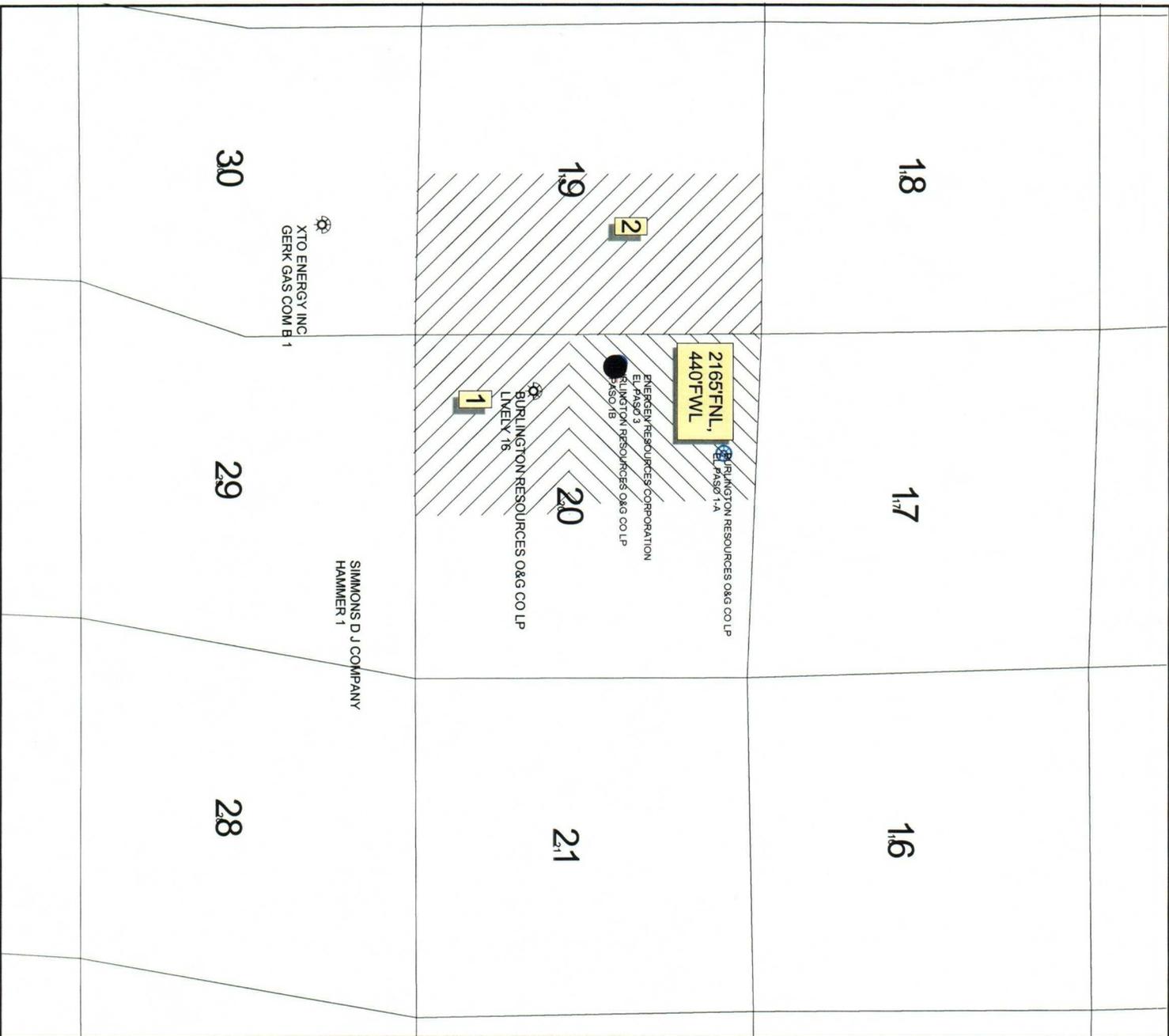
Peggy Cole
Regulatory Supervisor

Xc: New Mexico Oil Conservation Division – Aztec District
Bureau of Land Management – Farmington Field Office

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APR 22 2003

Oil Conservation Division

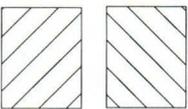


1 Burlington Resources Oil & Gas Company LP
 Offset Operator and 100% Working Interest Owner
 PO Box 4289
 Farmington, New Mexico 87499

2 Burlington Resources Oil & Gas Company LP
 Offset Operator and Working Interest Owner
 PO Box 4289
 Farmington, New Mexico 87499

XTO Energy, Inc.
 Offset Operator and Working Interest Owner
 810 Houston Street, Suite 2000
 Ft. Worth, Texas 76102-6289

Merchant Resources #1 LP
 16800 Greenspoint Park Drive
 Suite 380 S
 Houston, Texas 77060



Proposed Well

Offset Well



BURLINGTON RESOURCES
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 PLAT



BURLINGTON RESOURCES
 San Juan Division

El Paso #1B
 Sec. 20, T-29-N, R-9-W
 San Juan County, New Mexico
 Offset Operator/Owner Plat
 Nonstandard Location
 Chacra Formation

Transverse Mercator
 State Plane - 1927 ; New Mexico, West
 Prepared By: Nancy Ottmanns
 Date: 01/30/2003
 File No: 1-28262
 Revised: _____
 File Name: s:\pub\chacra\el_paso #1b.apr

BURLINGTON RESOURCES

SAN JUAN DIVISION

Sent Federal Express

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: El Paso #1B
2165'FNL, 440'FWL Section 20, T-29-N, R-9-W, San Juan County
API #30-045-29845

Dear Mr. Stogner:

This is a request for administrative approval for a non-standard gas well location in the Otero Chacra pool.

Burlington Resources plans to recomplete this well in the Otero Chacra formation and commingle with the existing Blanco Mesaverde formation. Order DHC-1072-AZ has been issued to downhole commingle this well. Order NSL-927-A was issued April 26, 1999 to originally drill and complete this well in the Blanco Mesaverde.

The El Paso #1A, a Blanco Mesaverde well (30-045-22778) located at 500'FNL, 1840'FWL was considered as a candidate for recompletion; however it is also a non-standard location in the Otero Chacra and had Order NSL-927 issued February 24, 1978. This is an older wellbore and at this time it's casing integrity is not known. Geologically, there is no difference between the El Paso #1A and El Paso #1B; therefore, we would prefer to use the newer wellbore.

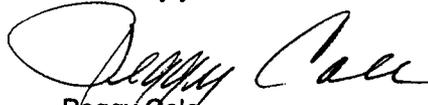
Production from the Chacra is included in a 160 acre gas spacing unit comprising of the northwest quarter of Section 20.

To comply with the New Mexico Oil Conservation Division rules, we are submitting the following for your approval of this non-standard location:

- C-102 plat showing location of the well;
- Plat showing offset owners/operators
- Copy of Well Completion Log for original completion;

Please let me know if you have any questions concerning this application.

Sincerely yours,



Peggy Cole
Regulatory Supervisor

Xc: New Mexico Oil Conservation Division – Aztec District Office
Bureau of Land Management – Farmington Field Office

WAIVER

_____ hereby waives objection to Burlington Resource's application for non-standard location for the El Paso #1B as proposed above.

By: _____ Date: _____

Xc: XTO Energy
Merchant Resources #1 LP

Re: El Paso #1B
2165'FNL, 440'FWL Section 20, T-29-N, R-9-W, San Juan County
API #30-045-29845

I hereby certify that the following offset owners/operators have been notified by certified mail of our application for administrative approval for non-standard well location of the above well

XTO Energy, Inc.
810 Houston, Street, Suite 2000
Ft. Worth, TX 76102-6289

Merchant Resources #1 LP
16800 Greenspoint Park Drive
Suite 380 S
Houston, TX 77060

A handwritten signature in cursive script that reads "Peggy Cole".

Peggy Cole
Regulatory Supervisor
Burlington Resources