



STURM & ASSOCIATES

*Certified Public Accountants
A Professional Corporation*

Santa Fe:
1442-F St. Francis Drive
Santa Fe, New Mexico 87501
(505) 983-1112 FAX 982-9992

Albuquerque:
(505) 256-7342

Kenneth W. Sturm, CPA
Tim D. Burrell, CPA

RECEIVED

OCT 11 1996

Oil Conservation Division

Mr. William J. Lemay, Director
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Re : San Juan Unit
Application of Burlington Resources
Oil and Gas Company / Commingling
San Juan County , New Mexico

Mr. Lemay:

Pursuant to the hearing to take place on October 17, 1996 on commingling we would like to ensure that the following items are addressed in the hearing.

Burlington Resources Oil and Gas Company has stated on page four item 14 that "The value of the commingled production will not be less than the sum of the values of the individual production." They have not given any assurances to the owners and interest holders what their cost of commingling will be. Specifically, will the cost of commingling the wells cause any owner or interest holder to incur additional costs which puts them in a worse position than they would be without commingling?

If owners perceive that they may be in worse position with commingling than without, what is the owners recourse? Do they have any recourse other than the terms of their lease?

I am submitting this letter because I am not sure that a representative from Mar Oil and Gas will be a able to attend the hearing. I would appreciate someone from your office contacting Mrs. Romero, 473-1937 or I, Tim Burrell at 983-1112 regarding availability of minutes of the hearing.

I would also appreciate any input from Burlington's attorneys Kellahin and Kellahin on the above. Thank you for your consideration in this matter.

Very Truly Yours,

Tim D. Burrell
Certified Public Accountant

c.c. W. Thomas Kellahin Via Facsimile 982-2047
c.c. Alan Alexander Via Kellahin Facsimile 982-2047