



McCONNELL LLC

67428 Oak Leaf Drive, Montrose CO 81401

Phone: (970) 252-1207

Fax: (970) 252-0409

Email: ebruss@dmea.net

24 January 2001

Ms. Lori Wrottenbury, Director
Oil Conservation Division
Energy, Minerals and Natural Resources Department
State of New Mexico
2040 S. Pacheco
Santa Fe NM 87505

Re; Case #12557
Application for compulsory pooling
Robert L. Bayless, Operator
Hun Nop Pi #2 Well
W/2 Sec. 19-T26N-R8W
San Juan County, NM

Dear Ms. Wrottenbury:

The attached letter was sent to you on 14 December 2000. In that letter we did not specifically request that the letter be read into the record at the hearing.

We would like to hereby request that our letter be read into the record at the hearing, which we understand has now been continued to 22 February 2001.

Thank you very much.

Sincerely,

Ernest Bruss
Managing Member
McConnell LLC

Barbara Bruss
Trustee
Barbara Irene McConnell Testamentary Trust



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14 December 2000

Ms. Lori Wrottenbury, Director
Oil Conservation Division
Energy, Minerals and Natural Resources Department
State of New Mexico
2040 S. Pacheco
Santa Fe NM 87505

Re; Case #12557
Application for compulsory pooling
Robert L. Bayless, Operator
Hun Nop Pi #2 Well
W/2 Sec. 19-T26N-R8W
San Juan County, NM

Dear Ms. Wrottenbury:

Pursuant to Robert L. Bayless's application for a hearing on 21 December 2000 requesting the issuance of an order for forced pooling on the above named well, we submit the following information:

McConnell Limited Co., a New Mexico LLC, and the Barbara Irene McConnell Testamentary Trust, working interest owners in the above well, in response to Bayless's letter of 17 August 2000 (copy attached) to either participate in the drilling of this well or sell our interests, by our letter on 29 August 2000 (copy attached) requested instead to go non-consent and to pay 150% of the proportionate costs of the well from production based on previous agreements with Burlington Resources (copies attached).

Bayless did not respond to our request or offer any alternative.

We request that the New Mexico Oil Conservation Division find that 150% of the cost of drilling, completing and equipping this well is a reasonable cost recovery for the operator.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ernest Bruss'.

Ernest Bruss
Managing Member
McConnell LLC

A handwritten signature in black ink, appearing to read 'Barbara Bruss'.

Barbara Bruss
Trustee
Barbara Irene McConnell Testamentary Trust

BURLINGTON RESOURCES

SAN JUAN DIVISION

January 25, 2000

McConnell Ltd
c/o John Breed
3430 Florida NE
Albuquerque, NM 87110

Re: McConnell # 4 & 5 (Pictured Cliffs re-stimulation workovers)

Dear Mr. Breed:

Pursuant to our conversation, this letter shall evidence the terms and conditions under which McConnell Ltd has elected to non-consent each of the referenced projects. As discussed, Burlington will carry, subject to 150% recoupment, all of the drilling, completing, equipping and operating costs associated with McConnell Ltd's 22.064493% interest in each of the referenced projects.

At such time Burlington has recouped 150% of its costs associated with the carried interest, we will update our ownership records to credit McConnell Ltd with its full 22.064493% interest in each of the projects. Payout shall be on a project by project basis.

If the terms of this letter are in accordance with your understanding of our agreement, please acknowledge your acceptance of same by signing and returning one copy of this letter agreement.

Any questions may be directed to the undersigned at 505 599-4010.

Sincerely,

Shannon Nichols

Shannon Nichols
Petroleum Landman

$$\begin{array}{l} \text{McConnell} \\ *4 \quad 107,205 \times .22064 = 23,653 \\ *5 \quad 107,205 \times .22064 = 23,653 \end{array}$$

The undersigned approves this 25th day of JANUARY, 2000, the above stated terms and conditions of McConnell Ltd's non-consent election in each of the referenced projects.

Name: *[Signature]*

Title: Agent

Company: McConnell, Ltd

Average Rate
*4 \$1,100 = 21 month payout
*5 \$1,100 = 17 month payout

4/a3

BURLINGTON RESOURCES

SAN JUAN DIVISION

August 9, 1999

Barbara I. McConnell Trust
c/o Bank of America
Attn: Mr. Ed DiRe'
P.O. Box 2546
Fort Worth, TX 76113-2546

Re: McConnell # 504 (Fruitland Coal New Drill)
McConnell # 2,3,6,7 (Pictured Cliffs re-stimulation workovers)

*minimum of
2 years*

Dear Ed:

Pursuant to our conversation, this letter shall evidence the terms and conditions under which the Barbara I. McConnell Trust has elected to non-consent each of the referenced projects. As discussed, Burlington will carry, subject to 150% recoupment, all of the drilling, completing, equipping and operating costs associated with Barbara I. McConnell Trust's 23.469469% interest in each of the referenced projects.

At such time Burlington has recouped 150% of its costs associated with the carried interest, we will update our ownership records to credit the Barbara I. McConnell Trust with its full 23.469469% interest in each of the projects. Payout shall be on a project by project basis.

If the terms of this letter are in accordance with your understanding of our agreement, please acknowledge your acceptance of same by signing and returning one copy of this letter agreement.

Any questions may be directed to the undersigned at 505 599-4010.

Sincerely,

Shannon Nichols

Shannon Nichols
Petroleum Landman

The undersigned approves this 17 day of August, 1999, the above stated terms and conditions of Barbara I. McConnell Trust's non-consent election in each of the referenced projects.

Name: *Ed DiRe*
Ed DiRe, Vice President

Title: Bank of America, N.A. in its Fiduciary Capacity

Company: _____

cc Keenan