



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 2, 2001

T. Tweetie Blancett
Blancett Trust
P.O. Box 55
Aztec, New Mexico 87410

Re: Case No. 12745; Basin Dakota Increased Well Density; Application of Burlington Resources Oil & Gas Company and Conoco Inc. to amend the Special Rules and Regulations for the Basin Dakota Gas Pool to increase well density and amend well location requirements, San Juan, McKinley and Rio Arriba Counties, New Mexico.

Dear Ms. Blancett,

Lori Wrotenbery is out of town and asked me to respond to your letter of September 28, 2001. You requested that the above-referenced case be heard in Farmington, New Mexico. Unfortunately, at this late date, it will be impossible to grant your request.

The reasons are practical ones: Rules and Regulations of the Division require that notice be given of such hearings in certain specified ways. Notice was provided by advertising in this case, and the ad specified that the hearing would take place Santa Fe.

You may be aware that 14 cases are to be heard on October 18. These cases involve dozens of attorneys and witnesses, and it is not unusual for witnesses to travel here from Midland and Houston. Even if we didn't have the advertising problem, the witnesses, the attorneys, the Hearing Examiners, the court reporter, and the Division attorney would have to travel to Farmington. At this point many of the out-of-state attorneys and witnesses doubtless already have made travel plans, and the persons who live here would have to quickly make travel plans.

I should also warn you that hearings of this type might not be the place to express generalized concerns about surface damage. These are evidentiary hearings with attorneys questioning witnesses under formal rules similar to those of courts. You have already discussed with Frank Chavez the fact that the scope of this hearing will be its technical merits. Frank informed you that surface damage issues of necessity play little part in the Division's decisions on spacing rules; the Division's focus under the Oil and Gas Act is necessarily on the subsurface geology, engineering and correlative rights.

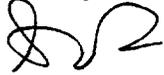
That is not to suggest that the surface issues you raise are not important to the Director. When we talked about your letter earlier this week, she said she would like the OCD to conduct further public meetings on this topic, in Farmington. Please let us know whether this would be helpful.

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We certainly appreciate your comments and participation in our hearing process. We're sorry we were unable to address your request to move this particular case to Farmington.

Please feel free to give me a call if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'SR' with a stylized flourish.

Stephen C. Ross, Assistant General Counsel

Cc: Lori Wrotenbery, Director
David Brooks, Assistant General Counsel
Counsel of record