

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

February 4, 1998

Mr. Michael E. Stogner
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505-5472

RE: Proposed Lateral Unorthodox Bottom Hole Location.

Burlington Resources Oil & Gas Company, ONGRID #26485
El Paso 23 Federal #2, Property Code 14828, (Proposed Dual Lateral)
Ross Draw Wolfcamp (Gas) Pool, Pool Code 84330
Surf. Loc.: NW/4 NE/4, UL-B, 1120' FNL & 2630' FEL
Section 23, T26S, R30E, Eddy County, New Mexico
API# 30-015-29307, Lse. #NM 15311

Dear Mr. Stogner:

Burlington Resources Oil & Gas Company, hereinafter referred to as "BROG", requests administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the currently drilling El Paso 23 Federal #2, (API No. 30-015-29307) located at a standard surface location NW/4 NE/4, 1120' FNL & 2630' FEL, (Unit B) of Section 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface location and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 10-18 days .

New core and log data across the Wolfcamp "A" reservoir in the vertical section of this well, has shown that it is thinner in the El Paso 23 Federal #2 than in the #1 well located on the SW/4 SW/4 of said Section 23. The existing 3-D seismic data can now be integrated with the new logs to predict where a thicker gross interval might be found by drilling horizontally. One of these opportunities lies to the northwest of the surface location so that proposed lateral #1 bottomhole location, as shown on the attached plat, is being extended to a bottomhole location of NW/4 NW/4, 330' FNL & 1150' FWL, (Unit D) of said Section 23. The purpose of requesting this bottomhole unorthodox location is to increase the length of the lateral through this inferred reservoir thick.