

March 12, 1998



Burlington Resources
P. O. Box 51810
Midland, TX 79710-1810
Attn: Mr. Rick Gallegos

MAR 17 1998

RE: Movement of Flowline at
Maralo Operated Pickett Draw Federal #1
Eddy County, NM

Dear Mr. Gallegos,

It is our understanding that Burlington Resources desires to drill a new well in Section 9, T-25-S, R-29-E at a location that will require building the drilling pad to the edge of the existing lease road. Maralo has a flowline extending from our Exxon "8" Federal #1 in Section 8, running parallel to the lease road, to our Pickett Draw Federal #1 that will interfere with Burlington's location and, thus, will have to be moved prior to drilling pad construction. We grant Burlington permission, at their own expense, to move this flowline to such a location as to not interfere with their operations.

Please contact Phillip Smith at (915) 684-7441 prior to beginning this work. He will coordinate the timing of this work with our field people so that we can shut-in the Exxon "8" Federal #1 while the flowline is being moved.

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. A. Lowery".

R. A. Lowery
Production Manager

RAG/dc