



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
1235 La Plata Highway, Suite A  
Farmington, New Mexico 87401

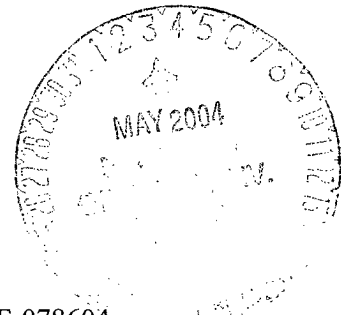


IN REPLY REFER TO:  
NM SF-078604 (WF)  
3162.3-1 (07100)  
3162.5-1

30-045-32133

APR 30 2004

Mr. Cash Smithwick  
Burlington Resources Oil  
& Gas Company LP  
P. O. Box 4289  
Farmington, NM 87499-4289



Dear Mr. Smithwick:

Reference is made to the following well on Federal oil and gas lease NM SF-078604:

**No. 291S Scott Com, located 1900' FSL and 1040' FEL, Sec. 29 T. 32 N., R. 10 W.,  
San Juan County, New Mexico.**

The Application for Permit to Drill (APD) this well was approved on February 18, 2004, to a permitted depth of 3020' or the top of the Pictured Cliffs Formation. Your APD indicates that this well will be a cavitation type completion in the Fruitland Coal. On April 28, 2004, we received a copy of the mud log for the referenced well. After reviewing the log, the results indicate that the well was drilled to a log depth of 3110' or 76' into the Pictured Cliffs formation according to the Pictured Cliffs log top at 3034'. Prior approval for the drilling of a Fruitland coal sump in the underlying Pictured Cliffs formation is essential in protecting the correlative rights of the Pictured Cliffs lessee, and is also required for approval to utilize the sump.

This office has no record, written or verbal, which authorizes a revised total depth for this well into the Pictured Cliffs Formation. As such, you are in violation of 43 CFR 3162.3-1 Application for Permit to Drill and 43 CFR 3162.5-1(a and b), Environmental Obligations which requires prior approval before commencing changes in an approved permit. Further violations under this regulation will result in an assessment for failure to comply with a written order of the authorized officer.

Under 43 CFR 3165.3, you may request an Administrative Review of any instructions, orders, or decisions issued by the Authorized Officer. Such a request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-92000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such a request will not result in a suspension of the instructions, orders, or decisions unless the reviewing official so determines. Procedures governing appeals from the instructions, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et. seq.*

If you have any questions regarding the above, please contact me at (505) 599-6367.

Sincerely,

*/s/ Jim Lovato*

Jim Lovato, Petroleum Engineer  
Senior Technical Advisor,  
Petroleum Management Team

cc:  
New Mexico Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, NM 87410