

# BURLINGTON RESOURCES



SAN JUAN DIVISION

November 15, 2000

Federal Express

NOV 30 2000

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: Lively #18E  
410'FNL, 750'FWL Section 1, T-26-N, R-8-W, San Juan County  
API #30-045-24581

Dear Mr. Stogner:

This is a request for administrative approval for a non-standard gas well location in the Otero Chacra and Blanco Mesaverde pools.

Burlington Resources intends to recomplate the Lively #18E Basin Dakota well, add the Otero Chacra and Blanco Mesaverde pools, and downhole commingle the three under Order DHC-2795. Order NSL-1210 was issued for the Basin Dakota.

Production from the Otero Chacra is included in a 160 acre gas spacing unit comprising of the northwest quarter (NW/4) of Section 1. Production from the Blanco Mesaverde is included in a 321.5 acre gas spacing unit comprising of the west half (W/2) of Section 1. Production from the Basin Dakota is included in a 321.5 acre gas spacing unit comprising of the west half (W/2) of Section 1 and is to be dedicated to the Lively #18 (30-045-21326) located at 800'FSL, 1800'FWL in Section 1.

1. C-102 plat showing location of the well;
2. Plat showing offset owners/operators;
3. Copy of Well Completion Log for original completion;
4. Affidavit of notification of offset owners/operators.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office.

Sincerely yours,

Peggy Cole  
Regulatory Supervisor

### WAIVER

Merchant Resources #1 LP hereby waives objection to Burlington Resource's application for non-standard location for the Lively #18E as proposed above.

By: [Signature] Date: 1/16/01

Xc: NMQCD - Aztec District Office  
Bureau of Land Management - Farmington

**MERCHANT RESOURCES #1 L.P.**

TWO GREENSPPOINT PARK, SUITE 380-5  
16800 GREENSPPOINT PARK DRIVE  
HOUSTON, TEXAS 77060  
(281) 774-2121  
FAX (281) 774-2122

January 17, 2001

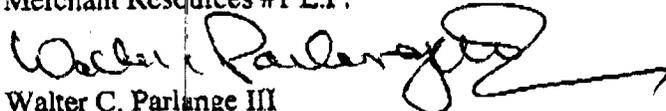
Peggy Cole  
Regulatory Supervisor  
Burlington Resources  
3401 East 30<sup>th</sup> Street  
Farmington, New Mexico 87499-4289

Dear Ms. Cole:

Attached is Burlington Resource's Waiver of Objection Letter dated November 15, 2000 addressed to Mr. Michael Stogner, New Mexico Oil Conservation District for the Lively #18E Well, Section 1, T26N-R8W, San Juan County, New Mexico. This letter has been signed on behalf of Merchant, which waives objection to Burlington's application for non-standard location for the Lively #18E.

Should you have any questions regarding this matter, I can be reached at 281-774-2066.  
Thank you.

Sincerely,  
Merchant Resources #1 L.P.

  
Walter C. Parlange III  
Land Manager