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	ation Acronym				
	[DHC-Downh [PC-Pool [Y	[NSP-Non-Standar [DD-Direction iole Commingling] Commingling] [VFX-Waterflood Exp	[CTB-Lease Com OLS - Off-Lease St pansion] [PMX-P or Disposal] [IPI-I	Simultaneous Dedica Imingling] [PLC-Po orage] [OLM-Off-L ressure Maintenanco njection Pressure In	ation] ooi/Lease Commingling] ease Measurement] e Expansion]
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	Check [B]	Cone Only for [B] a Commingling - St	torage - Measureme		SERVATION DIVISION
	[C]	Injection - Dispos		se - Enhanced Oil Re	covery PPR
2]	NOTIFICAT [A]			e Which Apply, or 🖵 Royalty Interest Owne	
	[B]	Offset Operato	rs, Leaseholders or	Surface Owner	
	[C]	Application is	One Which Require	es Published Legal No	otice
	[D]	Notification an U.S. Bureau of L	nd/or Concurrent Ap and Management - Commission	proval by BLM or SI ner of Public Lands, State Land Off	LO Ice
	[E]	G For all of the a	bove, Proof of Noti Will be main	fication or Publication ling copies of cer	n is Attached, and/or, tified return erator recieves them.
	[F]	C Waivers are A	ttached	ts as soon as op	erator recieves them.

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

leen amin Regulatory Comp. Spvr. 2-4-98 Date Ú Title ignature

<u>Eileen Dey</u> Print or Type Name



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 <u>El Paso 23 Federal #2</u>, 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. Page –2-

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Enclosed is a geologic cross-section interpretation which indicated that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Ross Draw Wolfcamp (Gas) Pool than a well drill at a location considered to be standard within the NW/4 of said Section 23.

The applicable drilling window or "producing area" within the Ross Draw Wolcamp (Gas) Pool for said wellbore shall include that area within the subject 320-acre spacing and proration unit comprising the N/2 of said Section 23 that is:

- (a) no closer than 660' feet to the North & South boundary of said 320-acre unit;
- (b) no closer than 1650' feet from the from the East and West lines of said section 23.

A list is attached with the names and addresses of the affected offsets which were notified by certified-return receipt mail on 2-4-98. Currently we are attempting to contact the affected offsets to see if signed waivers can be obtained to speed up the notification period. A plat is also enclosed showing the diagonal and adjoining spacing units. The affected offsets also have an interest in this well. We request administrative approval based on this geologic data.

Burlington Resources will comply with all provision of Division General Rule 111 applicable in this matter.

Sincerely,

Maria L. Pirz

Maria L. Perez Regulatory Representative A/C 915-688-6906

cc: New Mexico Oil Conservation Division – Artesia U. S. Bureau of Land Management - Roswell

(My Documents:El Paso 23 Fed #2.doc)

Burlington Resources Oil & Gas Co., OGRID# 26485 <u>El Paso 23 Federal #2</u> Surf. Loc. NW/4 NE/4, UL-B, 1120' FNL & 2630' FEL Sec. 23, T26S, R30E, Eddy Co., New Mexico API# 30-015-29307 Lse. # NM 15311

NAME AND ADDRESSES OF AFFECTED OFFSETS

(North of 320 ac spacing & proration unit)

Leasehold Ownership:	United States Department of the Interior
SW/4 SW/4 Sec 14.	Bureau of Land Management
	Roswell District Office
	2909 West Second Street
	Roswell, New Mexico 88201

Operator:Burlington Resources Oil & Gas CompanySE/4 SW/4 & S/2 SE/4Sec. 14

(Northwest Corner & West of 320 ac spacing & prortion unit)

Leasehold	J. C. Williamson	Kerry Petroleum Company Inc.
Ownership:	P. O. Box 16	500 West Texas
SE/4 Sec.15 &	Midland, Texas 79702	Suite 1450
NE/4 Sec.22		Midland, Texas 79701
	ICA Energy, Inc.	
	P. O. Box 233	KP Acquisition Corporation
	Odessa, Texas 79760	500 West Texas
		Suite 1450
	Ralph E. Williamson	Midland, Texas 79701
	P. O. Box 994	<i>.</i>
	Midland, Texas 79701	Charlotte Ward-Williamson
		P. O. Box 50410
	Costilla Energy, Inc.	Austin, Texas 78763
	P. O. Box 10369	
	Midland, Texas 79702	
	Lois G. Williamson	
	P. O. Box 16	
	Midland, Texas 79702	
	C. W. Trainer	
	500 W. Texas	
	Suite 710	
	Midland, Texas 79701	
	Milulanu, 1 exas /9/01	

District [.' PO Box 1980, Hobbs, NM 88241-1980 District [I 811 S. 1st Street, Artesia, NM 88210-2834 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 2040 South Pacheco, Santa Fe, NM 87505 State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505 Form C-102 Revised October 18, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number				² Pool Code		³ Pool Name					
30	30-015-29307				84330 ROSS				S DRAW WOLFCAMP (GAS)		
⁴ Property (Code				⁵ Prop	erty Nar	ne		6	Well Number	
1482					EL PASO					2	
7 OGRID	No.				8 Oper	ator Nar	ne		9	210 (411011	
2648	5			BURLINGT			OIL & GAS CO.		I	3101′	
	¹⁰ Surface Location										
1	JL or lot no. Section Township Range Lot. Idn Feet from the North/South Line							Feet from the	East/West line	County	
В	B 23 26S 30E 1120 NORTH ¹¹ Bottom Hole Location If Different From Surface							2630	EAST	EDDY	
			"Bo	ttom Hole L	ocation I	f Diffe	rent From Surfac	e			
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from		North/South Line	Feet from the	East/West line	County	
D	23	265	30E		33	0	NORTH	1150	WEST	EDDY	
¹² Dedicated Acres	¹³ Joint	or Infill ¹⁴ C	onsolidation	Code ¹⁵ Ord	er No.						
320											
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Unorthodox Bottom Hole Lateral #1		375>									
Lateral #1		/ 3°% 4/	228	2							
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PRORAT		γ IIN	ett		- éí	Lat	eral #2	Date			
	صد است		<u>S</u>	-				¹⁸ SURVE	YOR CERTI	FICATION	
				·				I hereby certify the was plotted from	hat the well location field notes of a	on shown on this plat tual surveys made by	
						ĺ			supervision, and	that the same is true	
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	•										
Lateral #	2 is with	in the orth	nodox pro	bottom ho oducing wind	dow as p	orescil	oed by	Certificate Numbe	ər		
Statewide	Statewide Rule 104.C(2)(b) & Statewide Rule 111.A(8) for Directional Wells.										

Form 3160-5 (June 1990)	FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993 5. Lease Designation and Serial No.		
Do not use this form	for proposals to drill or	REPORTS ON WELLS to deepen or reentry to a different reservoir ERMIT " for such proposals	NM 15311 6. If Indian, Allottee or Tribe Name
	SUBMIT I		7. If Unit or CA, Agreement Designation
Type of Well Oil Oil Well Gas Well Z. Name of Operator RUPL INGTON DESOI	Dother JRCES OIL & GAS COMPA	NY	8. Well Name and No. EL PASO "23" 2 FEDERAL
3. Address and Telephone No. P. O. BOX 51810 4. Location of Well (Footage B, 1120' FNL & 2	9. API Well No. <u>30-015-29307</u> 10. Field and Pool, or exploratory Area ROSS DRAW WOLFCAMP (GAS)		
SEC. 23, T26S, F			11. County or Parish, State EDDY NM
12. CHECK A	PPROPRIATE BOX(s)	TO INDICATE NATURE OF NOTICE, REP	ORT, OR OTHER DATA
TYPE OF SU	JBMISSION	TYPE OF AC	TION
	f Intent ent Report andonment Notice	Abandonment Recompletion Plugging Back Casing Repair Altering Casing X Other <u>AMEND LENGTH OF LA</u>	Change of Plans New Construction Non-Routine Fracturing Water Shut-Off Conversion to Injection ATERAL Dispose Water (Note: Report results of multiple completion on Well Completion on Record and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

THIS IS A PERMITTED DUAL LATERAL WELL CURRENTLY BEING DRILLED. THIS SUNDRY IS TO AMEND THE LENGTH OF LATERAL #1, AS SHOWN ON THE ATTACHED PLAT, TO AN UNORTHODOX BOTTOMHOLE LOCATION OF 330' FNL & 1150' FWL NW/4, NU/4, UL-D, SEC. 23, T26S, R36E, EDDY CO., NM.

BURLINGTON JUST FINISHED DRILLING THE VERTICAL SECTION OF THIS WELL AND IS IN THE PROCESS OF STARTING TO KICK-OFF LATERAL #1 IN A NW DIRECTION. APPLICATION FOR AN UNORTHODOX BOTTOMHOLE LOCATION FOR LATERAL #1 HAS BEEN FILED WITH THE OCD IN SANTA FE. ALL AFFECTED OFFSETS HAVE BEEN NOTIFIED. IT WILL BE 10-18 DAYS BEFORE LATER #1 WELL REACHES THE POINT AT WHICH IT WILL BECOME UNORTHODOX,

THE REQUEST TO LENGTHEN LATERAL #1 IS DUE TO NEW GEOLOGICAL DATA INTERPRETATION OBTAINED WHEN WE RAN CORES AND LOGS ON THE VERTICAL PORTION OF THIS WELL. THE NEW DATA WAS INTEGRATED WITH EXISTING 3-D SEISMIC DATA 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.

COPY OF APPLICATION TO THE OCD-SANTA FE OFFICE AND PLATS ARE ATTACHED.

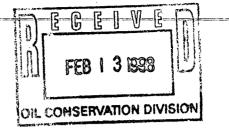
I hereby certify that the foregoing is true and correct Signed Mania 2 - Here	Title REGULATORY REPRESENTATIVEER	Date <u>2-4-97</u>
(This space for Federal or State office use)		
Approved by Conditions of approval, if any:	Title	Date
	owingly and willfully to make to any department or agency of the United	

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LOVING County

Cross Section A-A' Index Map





February 11, 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: <u>Signed Waivers from affected offsets for previously submitted application for</u> <u>an unorthodox bottom hole location for Lateral #1</u> Burlington Resources Oil & Gas Company, OGRID #26485 <u>El Paso 23 Federal #2</u>, 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:

Enclosed are the signed waivers from the affected offsets for the unorthodox bottom hole location application submitted to you on 2-4-97. We are deleting Charlotte Ward-Williamson from the original list of offset notifications. Charlotte Ward-Williams owns interest from the surface to the base of the Bone Spring and does not own interest in the Wolfcamp zone.

Because we are currently drilling lateral #1 and soon will be reaching the point at which this lateral will become unorthodox, we are requesting administrative approval on this application.

Please call me if you require additional information in order to approve this application.

Sincerely,

Maria I. Vere

Maria L. Perez Regulatory Representative A/C 915-688-6906

RALPH E. WILLIAMSON ATTORNEY AT LAW

RIVERVIEW TOWERS SUITE 300 111 SOLEDAD SAN ANTONIO, TEXAS 78205

February 6, 1998



(210) 472-3980, FAX (210) 229-9742

Burlington Resources POBOX 518/0 Mudland Texico 78 7/0

R6 Burlington Resources 52 Naso 23-2 N/2 Section, 23, 7265 R30E Eddy County, New MORICO attention My Ouch Gallogo

England is a righed approval of your un orthodox location request for the above referenced well. at is certainly toped the the well will be micenful and that there will be many moleto come.

yours Very Truch Reg Glillion on

JC WILLIAMSON

FEB-04-90 09:57 FROM B.R. ADMINISTRATION

ID-9156886043

PACE 1/3

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

J. C. Williamson P. O. Box 16 Midland, Texas 79702

Lois G. Williamson P. O. Box 16 Midlanc, Texas 79702 Ralph E. Williamson P. O. Box 994 Midland, Texas 79702

February 4, 1998

Unorthodox Location El Pasci "23" Federal #2 Well N/2 Section 23, T26S, R30E Eddy County, New Mexico

Dear Sirs and Madain:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodox gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 11.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the 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 fluction 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320acre 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 and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-0 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 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, 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.

Based on the information provided hereinabove, BROG hereby requests the Parties hereto consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23. T26S, R30E, subject to the following terms and conditions:

PACE 217

Mr. J. C. Williamson Mr. Ralph Williamson Ms. Lois G. Williamson February 4, 1998 Page 2

FEB-04-90 09:59 FROM: B.R. ADMINISTRATION

1) J. C. Williamson, Lois G. Williamson and Ralph E. Williamson, hereinafter referred to as the "Parties," hereby agree that the Parties will not oppose BROG's application of a Unowhodox Location Exception as provided for herein.

2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T25S, R30E.

3) BROG shall not oppose a similar application by the Parties to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

4) BROG shall furnish the Parties with standard well information and all logs run to the extent permissible by Operating Agreement dated July I, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators and the Parties shall furnish BROG with like information to the extent possible for Wolfcamp wells drilled by the Parties in the N/2 Section 22, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998. If BROG has not received a copy of this letter executed by all parties hereto by February 6, 1998, this letter agreement shall be null and void.

Sincerelv

Rick Gallegos Senior Landman

February, 1998

Agreed and Accepted this

cc: Don Davis

Agreed and Accepted this J of February, 1998

By: J/C/Williamson

Agreed and Accepted this _ of February, 1998

Bv: (illiamson

P.O. BOX	LIAMSON 16 MIDLAND, TEXAS 7	79702
		TELECOPY
DATE:	2-4-98	
TIME:		
TO:	COMPANY NAME:	Burlington Resources
	ATTN:	Rick Gallegos
FROM:		Q.C. Williamson
	OF PAGES TO FOLLOW:	
RECEIVER	'S TELECOPIER NO.:	688-6010
SENDER'S	TELEPHONE NO.	(915) 682-1797
SENDER'S	TELECOPIER NO.	(915) 682-9432

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02/04/1998; 17:43 9156829432

JC WILLIAMSON

PAGE 02

1/3

PACE

FEB-04-90 09 57 FROM B.R. ADMINISTRATION



MID-CONTINENT DIVISIÓN

J. C. Williamson P. O. Box 16 Midland, Texas 79702

Lois G. Williamson P. O. Box 16 Midland, Texas 79702 Ralph E. Williamson P. O. Box 994 Midland, Texas 79702

ID:9156986043

February 4, 1998

Unorthodox Location El Pasci "23" Federal #2 Well N/2 Section 23, T26S, R30E Eddy County, New Mexico

Dear Sirs and Madam:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodex gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 11.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the 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 and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6- 0 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 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, 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.

Based on the information provided hereinabove, BROG hereby requests the Parties hereto consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150" FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

02/04/1998 17:43 9156829432

FEB-04-58 08 58 FROM B.R. AŬ

ID:9155888

PACE 2/3

Mr. J. C. Williamson Mr. Ralph Williamson Ms. Lois G. Williamson February 4, 1998 Page 2

1) J. C. Williamson, Lois G. Williamson and Ralph E. Williamson, hereinafter referred to as the "Parties," hereby agree that the Parties will not oppose BROG's application of a Unorthodox Location Exception as provided for herein.

2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T25S, R30E.

3) BROG shall not oppose a similar application by the Parties to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

4) BROG shall furnish the Parties with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators and the Parties shall furnish BROG with like information to the extent possible for Wolfcamp wells drilled by the Parties in the N/2 Section 22, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998. If BROG has not received a copy of this letter executed by all parties hereto by February 6, 1998, this letter agreement shall be null and void.

Sincerely,

Rick Gallegos Senior Landman

cc: Don Davis

Agreed and Accepted this 5 th day of February, 1998

By:

Agreed and Accepted this of February, 1998

illiamson

Williamson

Agreed and Accepted this February, 1998

By:

Ralph E. Williamson



CERTIFIED RECEIPT NO. Z 236 287 611

ICA Energy, Inc. P. O. Box 233 Odessa, Texas 79760

Attention: Mr. Curtis Leonard

February 4, 1998

Unorthodox Location El Paso "23" Federal #2 Well N/2 Section 23, T26S, R30E Eddy County, New Mexico

RECEIVED

FEB 0 5 1998

Gentlemen:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting 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 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 and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 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 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, 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.

Based on the information provided hereinabove, BROG hereby requests ICA Energy, Inc.'s consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

. .

3300 N. "A" St., Bldg. 6, 79705-5406, P.O. Box 51810, Midland, Texas 79710-1810, Telephone 915-688-6800

ICA Energy, Inc. February 4, 1998 Page 2

1) ICA Energy, Inc., hereinafter referred to as "ICA," hereby agrees that they will not oppose BROG's application for an Unorthodox Location as provided for herein.

2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.

3) BROG shall not oppose a similar application by ICA to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E, that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998.

Sincerely Mil.

Rick Gallegos Senior Landman

Agreed and Accepted this \checkmark day of February, 1998

ICA ENERGY, INC.

FORM OK -By: ____kees Bv:



Burlington Resources P.O. Box 51810 Midland, Texas 79710-1810

Attention: Rick Gallegos

Re: Unorthodox Location El Paso "23" Federal #2 Well N/2 Section 23, T26S, R30E, Eddy County, New Mexico

Gentlemen:

Please find attached Costilla Energy, Inc.'s waiver to your Unorthodox Location.

Sincerely,

Hang L. Vinter

Gary L. Winter, CPL District Landman

8 1.11

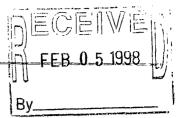
و المحموم المحموم



CERTIFIED RECEIPT NO. Z 236 287 608

Costilla Energy, Inc, P. O. Box 10369 Midland, Texas 79702

Attention: Mr. Richard Lemon



February 4, 1998

Unorthodox Location El Paso "23" Federal #2 Well N/2 Section 23, T26S, R30E Eddy County, New Mexico

Gentlemen:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting 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 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 and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 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 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, 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.

Based on the information provided hereinabove, BROG hereby requests Costilla Energy, Inc.'s consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

Costilla Energy, Inc. February 4, 1998 Page 2

1) Costilla Energy, Inc., hereinafter referred to as "COSTILLA," hereby agrees that they will not oppose BROG's application for an Unorthodox Location as provided for herein.

2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.

3) BROG shall not oppose a similar application by COSTILLA to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E, that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998.

Sincerely,

Rick Gallegos Senior Landman

Agreed and Accepted this 6th day of February, 1998

COSTILLA ENERGY, INC.

<u>Clifford N. Hair, Jr.</u> By:

Its: Senior Vice President

BURLINGTON RESOURCES

CERTIFIED RECEIPT NO. Z 236 287 607

C. W. Trainer 500 West Texas, Suite 710 Midland, Texas 79701

February 4, 1998

Unorthodox Location El Paso "23" Federal #2 Well N/2 Section 23, T26S, R30E Eddy County, New Mexico

Dear Mr. Trainer:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting 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 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 and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 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 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, 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.

Based on the information provided hereinabove, BROG hereby requests C. W. Trainer's consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

C. W. Trainer February 4, 1998 Page 2

1) C. W. Trainer hereby agrees that he will not oppose BROG's application for an Unorthodox Location as provided for herein.

2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.

3) BROG shall not oppose a similar application by C. W. Trainer to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E, that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

4) BROG shall furnish C. W. Trainer with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998.

Sincerely

Rick Gallegos Senior Landman

t,

Agreed and Accepted this day of February, 1998 amen By: C. W. Trainer



KERRY PETROLEUM COMPANY, INC.

500 West Texas Ave., Suite 1450 Midland, Texas 79701 Telephone (915) 687-5958

February 6, 1998

FEB - y 1998 MIDLAND

Mr. Rick Geologies Burlington Resources P. O. Box 51810 Midland, Texas 79710

> RE: Unorthodox Location El Paso '23' Federal #2 Well Eddy County, New Mexico

Dear Rick,

This letter is to confirm our phone conversation yesterday concerning the agreement dated February 1, 1998, between Kerry Petroleum and Burlington. It was executed with the understanding it will be accepted by all of the non-working interest owners in the Burlington El Paso '23' Federal #2 well.

Sincerely,

Wm. Ahern President By. S. -7.

WA-sf

BURLINGTON RESOURCES

CERTIFIED RECEIPT NO. Z 236 287 609

K P Acquisition Corporation 500 West Texas, Suite 1450 Midland, Texas 79701

Kerry Petroleum Company, Inc. 500 West Texas, Suite 1450 Midland, Texas 79701

February 4, 1998

Unorthodox Location El Paso "23" Federal #2 Well N/2 Section 23, T26S, R30E Eddy County, New Mexico

Gentlemen:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting 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 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 and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 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 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, 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.

Based on the information provided hereinabove, BROG hereby requests the Parties hereto consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

K P Acquisition Corporation Kerry Petroleum Company, Inc. February 4, 1998 Page 2

1) K P Acquisition Corporation and Kerry Petroleum Company, Inc., hereinafter referred to as the "Parties," hereby agree that the Parties will not oppose BROG's application for an Unorthodox Location as provided for herein.

2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.

3) BROG shall not oppose a similar application by the Parties to drill a Wolfcamp well in the *W*-N/2-of Section 22, T26S, R30E that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

4) BROG shall furnish the Parties with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998. If BROG has not received a copy of this letter executed by all parties hereto by February 6, 1998, this letter agreement shall be null and void.

Sincerely.

Rick Gallegos Senior Landman



Agreed and Accepted this <u>6TH</u>day of February, 1998

KERRY DETROLEUM COM ¥. INC.

By:

LYNN S. CHARUK

Its: AGENT

Agreed and Accepted this <u>6TH</u> day of February, 1998

K P ACQUISITION CORPORATION

Its: VP-ADMENISTRATION

		2902 West Second Street	Roswell District Office	Bureau of Land Management	eted 3. Article Addressed to:	delivered.	88	Attach this form to the front of the mailpiece, or on the back if space does not bermit.		Complete items 1 and/or 2 for additional services.
and fee is paid)	7. Date of Delivery \mathcal{L} - \mathcal{L} - \mathcal{S}	Return Receipt for Merchandise COD	Registered Certified Certified	4b. Service Type	4a. Article Number $7 \ 74/3 \ 4/3/3 \ 34/5$	Consult postmaster for fee.	id number. 2.	a does not 1. Addressee's Address	a can return this extra fee):	I also wish to receive the

.



February 11, 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: <u>Signed Waivers from affected offsets for previously submitted application for</u> <u>an unorthodox bottom hole location for Lateral #1</u> Burlington Resources Oil & Gas Company, OGRID #26485 <u>El Paso 23 Federal #2</u>, 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:

Enclosed are the signed waivers from the affected offsets for the unorthodox bottom hole location application submitted to you on 2-4-97. We are deleting Charlotte Ward-Williamson from the original list of offset notifications. Charlotte Ward-Williams owns interest from the surface to the base of the Bone Spring and does not own interest in the Wolfcamp zone.

Because we are currently drilling lateral #1 and soon will be reaching the point at which this lateral will become unorthodox, we are requesting administrative approval on this application.

Please call me if you require additional information in order to approve this application.

Sincerely,

Maria L. Pesz

Maria L. Perez Regulatory Representative A/C 915-688-6906

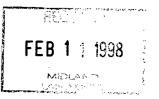
RALPH E. WILLIAMSON

ATTORNEY AT LAW

RIVERVIEW TOWERS SUITE 300 111 SOLEDAD SAN ANTONIO, TEXAS 78205 (210) 472-3980, FAX (210) 229-9742

February 6, 1998

Burlington Resources POBOX 518/0 Mudland Texco 78 710



RE Burlington Resources 52 Naso 23-2 N/2 Section, 23, 7265 R30E Eddy County, New Merilo attention My Ouch Gallogo

England is a nighed approval of your un orthodox location request for the above referenced well. at is certainly loped the this well will be micenful and that there will be many moleto come. yours Very Truly Reg guillions

JC WILLIAMSON

FEB-04-90 09:57 FROM: B.R. ADMINISTRATION

ID-9156986043

PACE 1/3

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

J. C. Williamson P. O. Box 16 Midland, Texas 79702

Lois G. Williamson P. O. Box 16 Midlanc, Texas 79702 Ralph E. Williamson P. O. Box 994 Midlard, Texas 79702

February 4, 1998

Unorthodox Location El Pasci "23" Federal #2 Well N/2 Section 23, T26S, R30E Eddy County, New Mexico

Dear Sirs and Madain:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodex gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 11.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the 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 i tetion 23, T26S, R30E, Eddy County, New Mexico. The N/2 of said Section 23, being a standard 320-acre gas spacing and proretion unit for this interval is to be dedicated to said well.

BROG originally permitted this well as a dual-lateral well with orthodox surface and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-.0 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 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, 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.

Based on the information provided hereinabove, BROG hereby requests the Parties hereto consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWI. & 330' FNL of Section 23. T26S, R30E, subject to the following terms and conditions:

FER-04-98 09 58 FROM R R. ADMINISTRATION

10:9158886043

PACE

Mr. J. C. Williamson Mr. Ralph Williamson Ms. Lois G. Williamson February 4, 1998 Page 2

1) J. C. Williamson, Lois G. Williamson and Ralph E. Williamson, hereinafter referred to as the "Parties," hereby agree that the Parties will not oppose BROG's application of a Uno-hodox Location Exception as provided for herein.

2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T25S, R30E.

3) BROG shall not oppose a similar application by the Parties to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

4) BROG shall furnish the Parties with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators and the Parties shall furnish BROG with like information to the extent possible for Wolfcamp wells drilled by the Parties in the N/2 Section 22, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998. If BROG has not received a copy of this letter executed by all parties hereto by February 6, 1998, this letter agreement shall be null and void.

> Sincereiv Thil

Agreed and Accepted this

Williamson

Rick Gallegos Senior Landman

February, 1998

By:

cc: Don Davis

Agreed and Accepted this J" Hay of February, 1998

By: J/C/Williamson

Agreed and Accepted this L of February, 1998

By: O G. Williamson

٠.

JC WILLIAMSON

PAGE 01

J.C. 1	WIL	LIAM	SON

P.O. BOX 16 MIDLAND, TEXAS 7	9702
	TELECOPY
DATE: 2-4-98	
TIME:	· · · · · · · · · · · · · · · · · · ·
TO: COMPANY NAME:	Burlington Resources
ATTN:	Rick Grallegos
FROM:	Q.C. Williamson
NUMBER OF PAGES TO FOLLOW:	2
RECEIVER'S TELECOPIER NO .:	688-6010
SENDER'S TELEPHONE NO.	(915) 682-1797
SENDER'S TELECOPIER NO.	(915) 682-9432
*****	***************************************

ME88AGE

02/04/1998 17:43 9156829432

JC WILLIAMSON

FEB-04-90 09:57 FROM:0.R. ADMINISTRATION

ID:9156986043

PACE 1/3

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

J. C. Williamson P. O. Box 16 Midland, Texas 79702

Lois G. Williamson P. O. Box 16 Midland, Texas 79702 Ralph E. Williamson P. O. Box 994 Midlard, Texas 79702

February 4, 1998

Unorthodox Location El Pasc "23" Federal #2 Well N/2 Section 23, T26S, R30E Eddy County, New Mexico

Dear Sirs and Madam:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting administrative approval for an unorthodcx gas producing area/bottomhole gas well location, pursuant to Division General Rule 104.F and 11.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the 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 and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6- 0 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 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, 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.

Based on the information provided hereinabove, BROG hereby requests the Parties hereto consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23. T26S, R30E, subject to the following terms and conditions:

n2/04/1998 17:43 9156829432

JC WILLIAMSON

FEB-04-50 08:50 FROM: B.R. AD. INISTRATION

ID:9156885043

PAGE 2/3

Mr. J. C. Williamson Mr. Ralph Williamson Ms. Lois G. Williamson February 4, 1998 Page 2

1) J. C. Williamson, Lois G. Williamson and Ralph E. Williamson, hereinafter referred to as the "Parties," hereby agree that the Parties will not oppose BROG's application of a Unorthodox Location Exception as provided for herein.

2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T25S, R30E.

3) BROG shall not oppose a similar application by the Parties to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

4) BROG shall furnish the Parties with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators and the Parties shall furnish BROG with like information to the extent possible for Wolfcamp wells drilled by the Parties in the N/2 Section 22, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998. If BROG has not received a copy of this letter executed by all parties hereto by February ϵ , 1998, this letter agreement shall be null and void.

Sincerely,

Rick Gallegos Senior Landman

February, 1998

cc: Don Davis

Agreed and Accepted this 5 th day of February, 1998

By: Williamson

Agreed and Accepted this of February, 1998

Bv:

Agreed and Accepted this J'day of

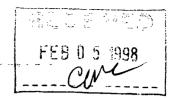
Ralph E. Williamson

BURLINGTON RESOURCES

CERTIFIED RECEIPT NO. Z 236 287 611

ICA Energy, Inc. P. O. Box 233 Odessa, Texas 79760

Attention: Mr. Curtis Leonard



February 4, 1998

Unorthodox Location El Paso "23" Federal #2 Well N/2 Section 23, T26S, R30E Eddy County, New Mexico

Gentlemen:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting 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 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 and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 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 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, 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.

Based on the information provided hereinabove, BROG hereby requests ICA Energy, Inc.'s consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

ICA Energy, Inc. February 4, 1998 Page 2

1) ICA Energy, Inc., hereinafter referred to as "ICA," hereby agrees that they will not oppose BROG's application for an Unorthodox Location as provided for herein.

2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.

3) BROG shall not oppose a similar application by ICA to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E, that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998.

Sincerely

Rick Gallegos Senior Landman

Agreed and Accepted this 5 day of February, 1998

ICA ENERGY, INC.

FORM 0K By: Its: President



915/683-3092	P. P. Box 10369 . MIDLAND, T	(79702
	Alternative second	

February 6, 1998

Burlington Resources P.O. Box 51810 Midland, Texas 79710-1810

Attention: Rick Gallegos

Re: Unorthodox Location El Paso "23" Federal #2 Well N/2 Section 23, T26S, R30E, Eddy County, New Mexico

Gentlemen:

Please find attached Costilla Energy, Inc.'s waiver to your Unorthodox Location.

Sincerely,

Hang L. Vinter

Gary L. Winter, CPL District Landman

÷



CERTIFIED RECEIPT NO. Z 236 287 608

Costilla Energy, Inc, P. O. Box 10369 Midland, Texas 79702

Attention: Mr. Richard Lemon

February 4, 1998

Unorthodox Location El Paso "23" Federal #2 Well N/2 Section 23, T26S, R30E Eddy County, New Mexico

EFE (F. L.

Gentlemen:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting 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 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 and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 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 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, 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.

Based on the information provided hereinabove, BROG hereby requests Costilla Energy, Inc.'s consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

Costilla Energy, Inc. February 4, 1998 Page 2

1) Costilla Energy, Inc., hereinafter referred to as "COSTILLA," hereby agrees that they will not oppose BROG's application for an Unorthodox Location as provided for herein.

2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.

3) BROG shall not oppose a similar application by COSTILLA to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E, that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998.

Sincerely,

Rick Gallegos Senior Landman

Agreed and Accepted this 6th day of February, 1998

COSTILLA ENERGY, INC.

<u>Clifford N. Hair, Jr.</u> Bv:

Its: Senior Vice President

BURLINGTON RESOURCES

CERTIFIED RECEIPT NO. Z 236 287 607

C. W. Trainer 500 West Texas, Suite 710 Midland, Texas 79701

February 4, 1998

Unorthodox Location El Paso "23" Federal #2 Well N/2 Section 23, T26S, R30E Eddy County, New Mexico

Dear Mr. Trainer:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting 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 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 and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 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 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, 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.

Based on the information provided hereinabove, BROG hereby requests C. W. Trainer's consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

C. W. Trainer February 4, 1998 Page 2

1) C. W. Trainer hereby agrees that he will not oppose BROG's application for an Unorthodox Location as provided for herein.

2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.

3) BROG shall not oppose a similar application by C. W. Trainer to drill a Wolfcamp well in the N/2 of Section 22, T26S, R30E, that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

4) BROG shall furnish C. W. Trainer with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998.

Sincerely

Rick Gallegos Senior Landman

Agreed and Accepted this day of February, 1998 By: <u>C. W. Trainer</u>

K

KERRY PETROLEUM COMPANY, INC.

500 West Texas Ave., Suite 1450 Midland, Texas 79701 Telephone (915) 687-5958

February 6, 1998

Mr. Rick Geologies Burlington Resources P. O. Box 51810 Midland, Texas 79710

> RE: Unorthodox Location El Paso '23' Federal #2 Well Eddy County, New Mexico

Dear Rick,

This letter is to confirm our phone conversation yesterday concerning the agreement dated February 1, 1998, between Kerry Petroleum and Burlington. It was executed with the understanding it will be accepted by all of the non-working interest owners in the Burlington El Paso '23' Federal #2 well.

Sincerely,

Wm. Ahern President 3. 5. 7.

WA-sf



CERTIFIED RECEIPT NO. Z 236 287 609

K P Acquisition Corporation 500 West Texas, Suite 1450 Midland, Texas 79701

Kerry Petroleum Company, Inc. 500 West Texas, Suite 1450 Midland, Texas 79701

February 4, 1998

Unorthodox Location El Paso "23" Federal #2 Well N/2 Section 23, T26S, R30E Eddy County, New Mexico

Gentlemen:

Burlington Resources Oil and Gas Company, hereinafter referred to as "BROG," is in the process of requesting 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 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 and bottomhole locations. The vertical portion of this well has been drilled and BROG is currently in the process of kicking off the first sidetrack lateral (lateral #1). It is estimated that lateral #1 will be reaching the point at which it will become unorthodox within the next 6-10 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 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, 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.

Based on the information provided hereinabove, BROG hereby requests the Parties hereto consent to drill lateral #1 in the El Paso "23" Federal #2 to an Unorthodox Location of 1150' FWL & 330' FNL of Section 23, T26S, R30E, subject to the following terms and conditions:

K P Acquisition Corporation Kerry Petroleum Company, Inc. February 4, 1998 Page 2

1) K P Acquisition Corporation and Kerry Petroleum Company, Inc., hereinafter referred to as the "Parties," hereby agree that the Parties will not oppose BROG's application for an Unorthodox Location as provided for herein.

2) BROG hereby agrees that the horizontal lateral in the El Paso "23" Federal #2 shall be drilled no closer than 1150' from the outer boundary of Section 22, T26S, R30E.

3) BROG shall not oppose a similar application by the Parties to drill a Wolfcamp well in the W N/2-of Section 22, T26S, R30E that is no closer than 1150' from the outer boundary of Section 23, T26S, R30E.

4) BROG shall furnish the Parties with standard well information and all logs run to the extent permissible by Operating Agreement dated July 1, 1997, by and between Burlington Resources Oil & Gas Company, as Operator, and Geodyne Nominee Corporation, et al, as Non-Operators.

If you are in agreement with the terms and conditions set out hereinabove, please execute both originals of this letter and return an original or copy to the undersigned at the letterhead address or via facsimile at (915) 688-6010 by no later than February 6, 1998. If BROG has not received a copy of this letter executed by all parties hereto by February 6, 1998, this letter agreement shall be null and void.

Sincerely,

Rick Gallegos Senior Landman

LYNN S.

AGENT

Bv:

Its:

Agreed and Accepted this <u>6TH</u>day of February, 1998

KERRY PETROLEUM COM '. INC.

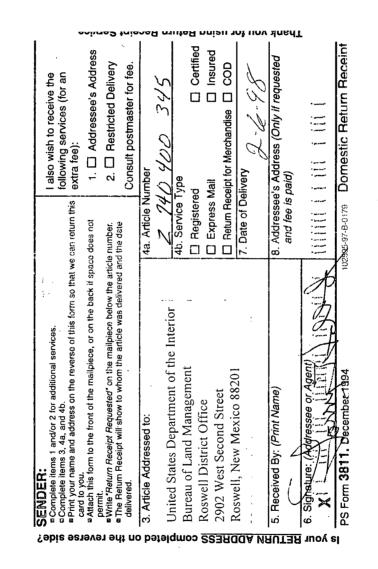
CHARUK

K P ACQUISITION CORPORATION

Agreed and Accepted this 6TH day

of February, 1998

Its: VP-ADMINISTRATION



.

/

2-13-97

- TO: Mr. Michael Stogner State of New Mexico Energy, Minerals & Natural Resources Dept. Oil Conservation Division Santa Fe, New Mexico Fax No. 505-827-1389
- FR: Maria L. Perez Burlington Resources Oil & Gas Co. Tel. No. 915-688-6906 Fax No. 915-688-6007
- RE: El Paso 23 Federal #2 Ross Draw Wolfcamp (Gas) Pool NW/4 NE/4, UL-B, 1120' FNL & 2630' FEL Sec. 23, T26S, R30E, Eddy Co., NM API# 30-015-29307, Lse. #NM 15311

Hi Mike, how are you this fine morning? I hope bright eyed, perky and in a darn good mood.

Here is a copy of the BLM-approval for the application on the unorthodox lateral #1 bottom hole location which was signed by Alexis C. Swoboda, Petroleum Engineer for the BLM in Roswell. All the signed waivers were mailed to you by certified mail on 2-11-98. Could we have verbal approval for this application?? We will be reaching the point at which this Lateral will become unorthodox by next week and want to make sure we have your blessing prior to reaching this point.

Have a great Valentine's Day tomorrow.

Thanks, Maria Perez

FEB-13-98 07:52 From:BURLINGTON RESOURCES MCD_DRILLING DEPT.

9156886007

Form 3160-5 (June 1990) DI BU	FORM APPROVED Budget Bureau No. 1004-0155 Expires: March 31, 1993 5. Leave Designation and Serial No.			
Do not use this form for propo	NOTICES AND REPORTS (Desails to drill or to deepen o CATION FOR PERMIT - " for	r reentry to a different reservoir.	NM 15311 6. If Indian, Allonos or Tribo Namo	
· · ·	7. If Unit or CA, Agreement Designation			
Type of Well Oil X Gas Well Other Orber Orber Of Operator BURL INGTON RESOURCES OIL	& GAS COMPANY		8. Well Name and No. EL PASO "23" 2 FEDERAL 9. API Well No.	
 Address and Telephone No. <u>P. 0. BOX 51810. MIDLAND</u> Location of Well (Footage, Sec., T., R., B, 1120' FNL & 2630' FEL SEC. 23, T26S, R30E 	M., or Survey Description)	915-688-6906	30-015-29307 10. Field and Peel, or exploratory Area ROSS DRAW WOLFCAMP (GAS) 11. County or Parish, State EDDY NM	
12. CHECK APPROPRI	ATE BOX(s) TO INDICAT	E NATURE OF NOTICE, REPORT,	OR OTHER DATA	
TYPE OF SUBMISSION		TYPE OF ACTION		
X Notice of Intent Subsequent Report Final Abandonment Not		Abandonment Recompletion Plugging Back Casing Repair Altering Casing X Other <u>AMEND LENGTH OF LATERA</u> ? give pertinent dates, including estimated date of startin kers and zones pertinent to this work.)*	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

THIS IS A PERMITTED DUAL LATERAL WELL CURRENTLY BEING DRILLED. THIS SUNDRY IS TO AMEND THE LENGTH OF LATERAL #1, AS SHOWN ON THE ATTACHED PLAT. TO AN UNORTHODOX BOTTOMHOLE LOCATION OF 330' FNL & 1150' FWL NW/4, NW/4, UL-D, SEC. 23, T26S, R36E, EDDY CO., NM.

BURLINGTON JUST FINISHED DRILLING THE VERTICAL SECTION OF THIS WELL AND IS IN THE PROCESS OF STARTING TO KICK-OFF LATERAL #1 IN A NW DIRECTION. APPLICATION FOR AN UNORTHODOX BOTTOMHOLE LOCATION FOR LATERAL #1 HAS BEEN FILED WITH THE OCD IN SANTA FE. ALL AFFECTED OFFSETS HAVE BEEN NOTIFIED. IT WILL BE 10-18 DAYS BEFORE LATER®#1 WELL REACHES THE POINT AT WHICH IT WILL BECOME UNORTHODOX.

THE REQUEST TO LENGTHEN LATERAL #1 IS DUE TO NEW GEOLOGICAL DATA INTERPRETATION OBTAINED WHEN WE RAN CORES AND LOGS ON THE VERTICAL PORTION OF THIS WELL. THE NEW DATA WAS INTEGRATED WITH EXISTING 3-D SEISMIC DATA 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. **SUBJECT TO**

COPY OF APPLICATION TO THE OCD-SANTA FE OFFICE AND PLATS ARE ATTACHED.

14. I hereby certify that the foregoing is true and correct Signod Alanta Z-Line	Tido	REGULATORY REPRESENTATIVEER	Dato	2-4-97
(This space for Federal or State office use) Approved by <u>Allfus</u> . <u>Huroboda</u> Conditions of approval, if any:	Title	PETROLEUM ENGINEER	Date	FEB 1 1 1998

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, ficultous or fraudulent statements or representations as to any matter within its jurisdiction.

* See instruction on Reverse Side

LIKE APPROVAL

BY STATE

<u> </u>		<u> </u>	ICOSS INCAUL	<u>= WOLECAMP</u>	GAS
TOWNEHIP	26 Soute	Range	30 EAST	NMPM.	
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7 =	8	9	10		
18	27	16		14	
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			· 经日本公司运输条件 化合金 网络金		
30	29	28	27		25
31		33	34:	35	36

<u>Desiration: 1/2 Sec. 26 All Sec. 27 (R-6378) 5-11-80)</u> <u>Ext: Sec. 23 1/2 Noc. 26 1/2 (R 2076-9-27-82)</u> <u>Ext: 1/2 Sec. 25 (R-8257, 7-8-86)</u>