BURLINGTON RESOURCES

SAN JUAN DIVISION

Sent Federal Express
NOV

November 4, 2003

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re:

Cundiff A #2R

880' FNL, 560' FEL, Section 17, T-32-N, R-12-W, San Juan County

30-045-31790

Dear Mr. Stogner:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for the Basin Fruitland Coal.

The subject well was staked at this location due to terrain and archeology. Large archeological sites and rugged terrain encompass a majority of the area within the legal spacing window for the formation. As a result, no suitable location could be found within the window. Consequently, this location was staked non-standard for the Fruitland Coal formation, to best fit the terrain and archeology. We also would like to avoid twinning the Cundiff A#2 located 1714' FNL, 956' FEL in Section 17. This Mesaverde well was originally drilled in 1958 and recompleted in the Fruitland Coal formation in 1989, leaving the possibility of cement and mud near the wellbore due to the recompletion. As shown in the attached 9 section plat, Burlington prefers to stay on the eastern side of the spacing window due to less productive reservoirs located in the western portion of Section 17.

The following attachments are for your review:

- > Approved application for Permit to Drill and C-102 at referenced location
- > Offset operators / owners plat
- > 9 Section plat
- > Topographic map of Section 17

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Three copies of this application are being submitted to offset operator / owner by certified mail with a request that they furnish you with a Waiver of Objection, keep one copy for their files and return one copy to this office. Please let me know if you have any questions about this application.

Sincerely,

Joni Clark

Regulatory Specialist

0404 Fact 20th Ct. 07400 D.O. Day 4000 Earmington New Maying 97400-4090 Talenhone 505-208-0700 Eay 505-206-000

WAIVER

Dugan Production Company hereby waives objection to Burlington Resources' application for a non-standard location for the Cundiff A #2R as proposed above.

Ву

xc:

Bureau of Land Management NMOCD – Aztec District Office

Re: Cundiff A #2R

880' FNL, 560' FEL, Section 17, T32N, R12W, San Juan County

30-045-31790

I hereby certify that the following offset owners/operators have been notified by certified mail of our application for administrative approval for non-standard well location of the above well.

Dugan Production Company Attn: Tom Dugan 709 Murray Drive Farmington, NM 87401

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

| 1a. | Type of Work | 5. Lease Number 203 Jul 17 P | | | | | |
|------------|---|---|--|--|--|--|--|
| • | DRILL | MANA 2 2 2 2 1 1 1 1 | | | | | |
| | | Unit Reporting Number Unit Reporting Number U/U Farmingto | | | | | |
| | 5 | ovo raimingto | | | | | |
| lb. | Type of Well GAS | 6. If Indian, All. or Tribe | | | | | |
| | GAS | • | | | | | |
| | Operator | 7. Unit Agreement Name | | | | | |
| | Burlington | | | | | | |
| | RESCURCES Oil & Gas Company | | | | | | |
| | Address & Phone No. of Operator | 8. Farm or Lease Name | | | | | |
| • | PO Box 4289, Farmington, NM 87499 | Cundiff A | | | | | |
| | FO BOX 4207, ratuating com, in 6/477 | 9. Weil Number | | | | | |
| | (505) 326-9700 | 2R | | | | | |
| | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | | | | | |
| 4. | Location of Well | 10. Field, Pool, Wildcat | | | | | |
| | 880'FNL, 560'FEL | Basin Fruitland Coal | | | | | |
| | Latitude 36° 59.4608'N, Longitude 108° 06.69 | 11. Sec., Twn, Rge, Mer. (NMPM) 546'W Sec. 17, T-32-N, R-12- | | | | | |
| | Latitude 36° 55.4606 N, Longitude 106° 06.6 | API# 30-045- > . > . > . | | | | | |
| | | 31790 | | | | | |
| 4. | Distance in Miles from Nearest Town | 12. County 13. State | | | | | |
| | 14 miles to Post Office in La Plata, NM | San Juan NM | | | | | |
| 5. | Distance from Proposed Location to Nearest Property or Lea | se Line | | | | | |
| •• | 560' | | | | | | |
| 6. | Acres in Lease | 17. Acres Assigned to Well | | | | | |
| | | 299.27 | | | | | |
| 3. | Distance from Proposed Location to Nearest Well, Drlg, Comp | pl. or Applied for on this Lease | | | | | |
| | 2794' | , | | | | | |
|) . | Proposed Depth | 20. Rotary or Cable Tools | | | | | |
| | 1365' | Rotary | | | | | |
| ī. | Elevations (DF, FT, GR, Etc.) | 22. Approx. Date Work will Start | | | | | |
| • | 6107' GR | | | | | | |
| | | | | | | | |
| 3. | Proposed Casing and Cementing Program | | | | | | |
| | See Operations Plan attached | | | | | | |
| | | | | | | | |
| | | | | | | | |
| L | Authorized by: | 6-19-03 | | | | | |
| • | Regulatory/Compliance Supervisor | | | | | | |
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| | | | | | | | |
| :RMI | T NO. APPROVAL | DATE | | | | | |
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Archaeological Report to be submitted

Threatened and Endangered Species Report to be submitted

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

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, fictitious or fraudulent statements or presentations as to any matter within its jurisdiction.

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DESTRUCT I 1626 M. French Dr., Hobbs, M.M. 68240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

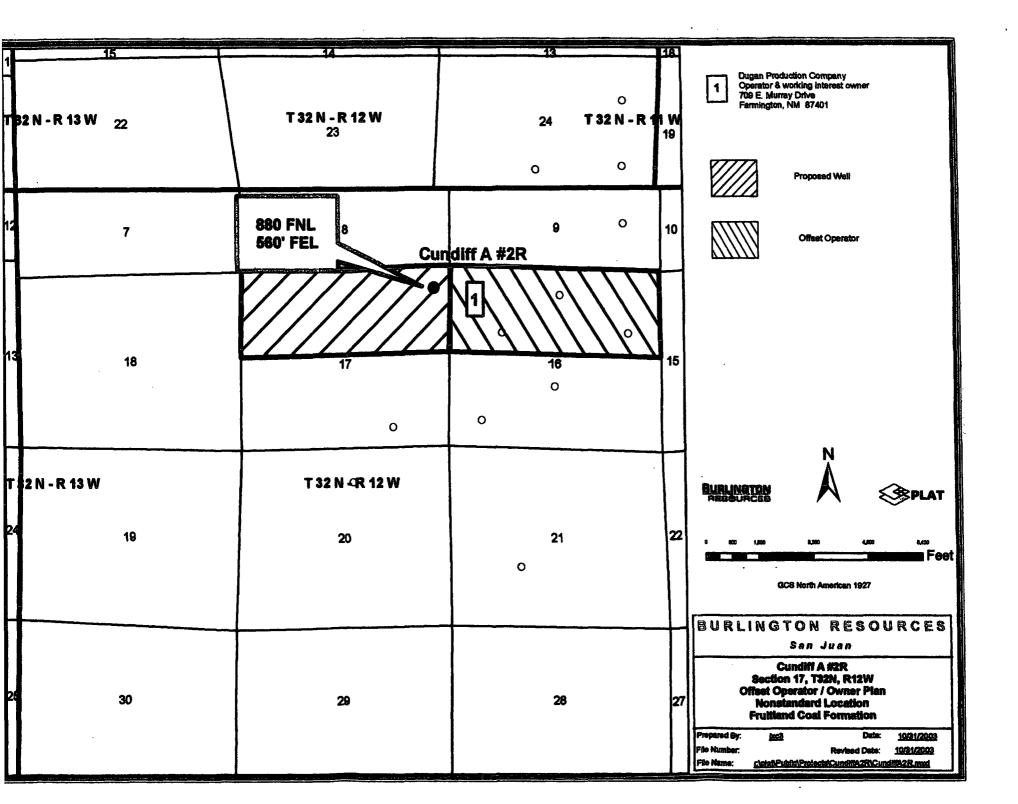
DESTRICT II 611 South First, Artesia, N.M. 66810

DESTRICT III 1000 Rio Brazos Rd., Astec, H.M. 87410

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

| 2040 South Pach | eco, Sant | | | LOCATIO | N AND | AC | REAGE | DED | ICA | TION P | | _ AMS | nded Repor |
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| 1 APR | Humber | | T | Pacl Code | | <u> </u> | | | | ⁸ Pool Nam | | | |
| *Property Code | | | *Property Hame CUNDIFF A | | | | | | | fell Humber 2R | | | |
| ▼GGRID No. | | *Operator Name RLINGTON RESOURCES OIL & GAS COMPAN | | | | PANY | / LP | | Estation 8107 | | | | |
| | | | | | 10 Surf | ace | Location | | | | | | |
| IL or let no. Section A 17 | | Township 32-N | Range 12-W | Lot Ma | Feet from 880' | the | NORTH | | | | Bast/We EAS | | County SAN JUAN |
| | | | 11 Bott | om Hole | | | f Differen | | | | | | |
| UL er lot no. Section | | Tounship | Range | Lot ldn | Feet from | the | he Morth/South line F | | Pec | Foot from the Bast/We | | et line | County |
| ¹³ Dodicated Acre | • | | S joint or | hallil. | ¹⁶ Consolida | rtion (| 20de | • POrd | | rder No. | | | |
| NO ALLOW | ABLE V | | | | | | ON UNTIL | | | | | EEN CO | ONSOLIDATED |
| LOT 4 | | B.L LOT | USA NA . 36'59.4 IG. 108'0 | M-03371 | S 85-13 2439.65 OT 2 (NAD 27) W | 5' (N | LOT 1 | 3 1/ B.L 19 566 | .M. BC 52 0' | l seeds o | ortify that i | ile delimen | ERTIFICATION tion contained herein of my hundridge and |
| LOT 12 | | LOT 1 | 1 | Lo |)T 10 . | | FD 3 B.L.I LOT 9 | 3 1/4 M. BC 1952 | : | | RVEYO | R CER well brothe the of other transport Transport JOHNES | TIFICATION a deep on the plat the same to bee |
| LOT 13 | | LOT 1 | 4 | ro | T 15 | | LOT 1 | 6 | | T AREAS TO THE PARTY OF THE PAR | 148 PROFES | 27) | W W W W W W W W W W W W W W W W W W W |



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|-------------------------------|--|--|--|--|--|
| 1321 12 | -R 13 W | T 32 N - R 12 W | T 32 N Rative SOUTHERN Ground 24 | R 11 W | FRUITLAND FRUITLAND COAL FICTURED CLIFFS POINT LOOKOUT BUSAVERDE GALLUP |
| | | | SOUTHERN LITTLE CAN SOUTHE | MOSSON RUSTS UTE 2-19 EUTE 2-34 UTE 2-34 | Gallup /85/ 8h/ Greenhorn Ordakota |
| 12 | 7 | | 9 STATE COMMOR | 10 ° | - SJD County Names Maior Reads Residence Townships |
| 13 | 18 Coossi | TAMOUND GAS COMP 1: STANDUNG G | STATE COM OUS STATE ? STATE COM 16 Dispin STATE COM O'S TATE COM STATE COM O'S STATE COM STA | 140 ф М. ВЕР 15 15 НЕВИКО ИЗВИКО О | 5 650 1,700 8,400 6,100 6,100 |
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| ошносо ⁵ 25 | CULPEPPERMANTIN SAGE PEPPERMAN PROJECTING SAGE PEPPERMAN PROJECTING SAGE PEPPERMAN SAGE PEPPERMA | одгенев мятін ше ес одгенев мятін жедлене | OUTES CONTRACTOR OF THE PROPERTY OF THE PROPER | E MANTIN IC. C DI AGAS COMPANY DI TON 4A 27 | Cundiff A #2R Section 17, T32N, R12W Sen Juan County, New Mendoo 9 SECTION PLAT Prepared By: http://doi.org/10.1003 File Numbdenexistary/cundiffA2R Revised Date: 11/4/2003 File Name: New Project |

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