

# GALLEGOS LAW FIRM

A Professional Corporation

460 St. Michael's Drive  
Building 300  
Santa Fe, New Mexico 87505  
Telephone No. 505-983-6686  
Telefax No. 505-986-1367  
Telefax No. 505-986-0741

May 9, 1997  
(Our File No. 92-170.00)

J.E. GALLEGOS \*

James R. J. Strickler  
Senior Staff Landman  
Burlington Resources  
San Juan Division  
3535 East 30th Street  
Farmington, New Mexico 87499-4289

Re: Scott #24 Well Pennsylvania Formation

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	<u>N</u>
CASE NO:	<u>11808 + 11809</u>

Dear Mr. Strickler:

This is written in reference to your letter of April 29, 1997 to "Working Interest Owners." We represent all of those owners on your Exhibit "A" attached indicated by a check mark. As you know, those parties hold federal lease SF 078389 which includes the E/2 and SW/4 of Section 9, and so a G.W.I. in that section of almost 65%.

In order to make a informed judgment concerning Burlington's preferred AFE and Operating Agreement for an exploratory well having a dry hole cost of \$1.713 million considerable information is needed. Accordingly, it is requested that Burlington provide immediately its complete work-up on the proposed well, geological studies and seismic data and any other technical information relied on. Please also provide the technical basis for seeking to include the entire Section 9 under the Operating Agreement for the well when, under NMOC spacing for wildcat wells, the Scott 24 can be drilled on the 160-acres of the NW/4.

We agree that the information provided will be treated with strict confidentiality. Of course, consultation by technical experts will be used by our clients but the consultants will also be subject to the customary confidentiality restrictions.

I will appreciate a response from you as soon as possible.

Sincerely,

GALLEGOS LAW FIRM, P.C.

By

  
J.E. GALLEGOS

JEG:sa

fx: John Cooney  
John Bemis  
Steve Hunsicker

\* New Mexico Board of Legal Specialization  
Recognized Specialist in the area of  
Natural Resources-Oil and Gas Law