

# BURLINGTON RESOURCES

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MID-CONTINENT DIVISION  
June 2, 1997

## WORKING INTEREST OWNERS

Re: El Paso "23" Federal No. 2  
1320' FNL & 2639' FEL  
Section 23, T-26-S, R-30-E  
Eddy County, New Mexico

Ladies and Gentlemen:

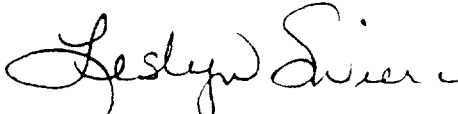
Burlington Resources Oil & Gas Company hereby proposes the drilling of the El Paso "23" Federal No. 2, a 12,000' Wolfcamp test with two 1,000' lateral extensions (the "Well"). The Well will be located and staked 1320' FNL & 2639' FEL Section 23, T-26-S, R-30-E, Eddy County, New Mexico. The plan is to drill to the top of the Wolfcamp, core the "A" zone and drill two horizontal extensions perpendicular to the apparent fracture azimuth.

Enclosed please find an Authority for Expenditure ("AFE") in the amount of \$1,987,300 to drill, complete and equip the Well. Also enclosed is a Joint Operating Agreement ("JOA") with an additional signature page, dated effective July 1, 1997 proposed to cover the N/2 Section 23, T-26-S, R-30-E, Eddy County, New Mexico, as to depths below the base of the Bone Spring formation. If you concur with the drilling of the Well, please execute the AFE and the signature page to the JOA and return to Charlotte Baysinger at the address below within thirty (30) days of your receipt of same.

I will be assuming a new assignment in the Williston Basin of the Rocky Mountains effective July 1st, therefore, should have any questions concerning the Joint Operating Agreement, you may contact Mr. Rick Gallegos at (915) 688-9044 and any engineering questions may be directed to Mr. Doug Seams at (915) 688-6854. I would like to take this opportunity to say that I have enjoyed working with you and thank you for your cooperation and patience. I wish you all the best of luck in all your future endeavors.

Very truly yours,

BURLINGTON RESOURCES  
OIL & GAS COMPANY



Leslyn M. Swierc, CPL  
Senior Staff Landman

LMS/bgm  
Enclosures

cc: Doug Seams  
Rick Gallegos  
Charlotte Baysinger  
Don Davis  
Mike Wallace

BEFORE THE  
OIL CONSERVATION COMMISSION  
Case No. 11837 Exhibit No. **3**  
Submitted By:  
*Burlington Resources*  
Hearing Date: August 21, 1997

## WORKING INTEREST OWNERS

Burlington Resources Oil & Gas Company  
P. O. Box 51810  
Midland, Texas 79710-1810

Geodyne Nominee Corporation  
320 S. Boston Avenue  
Tulsa, Oklahoma 74103

Ralph E. Williamson  
Box 994  
Midland, Texas 79702

J. C. Williamson  
Box 16  
Midland, Texas 79702

Trade Exploration Corp.  
3400 City Center Tower II  
301 Commerce Street  
Fort Worth, Texas 76102

Jacque Oil and Gas Limited  
3400 City Center Tower II  
301 Commerce Street  
Fort Worth, Texas 76102

Duer Wagner III  
3400 City Center Tower II  
301 Commerce Street  
Fort Worth, Texas 76102

Byran C. Wagner  
3400 City Center Tower II  
301 Commerce Street  
Fort Worth, Texas 76102

Lois G. Williamson  
802 Palomino  
Midland, Texas 79705

James D. Finley  
3400 City Center Tower II  
301 Commerce Street  
Fort Worth, Texas 76102

Dennis P. Corkoran  
3400 City Center Tower II  
301 Commerce Street  
Fort Worth, Texas 76102

David John Andrews  
3400 City Center Tower II  
301 Commerce Street  
Fort Worth, Texas 76102

H. E. Patterson  
3400 City Center Tower II  
301 Commerce Street  
Fort Worth, Texas 76102

Finwing Corporation  
P. O. Box 10886  
Midland, Texas 79702

Costilla Energy, Inc.  
400 W. Illinois  
Midland, Texas 79701

K P Acquisition Corp.  
500 West Texas, Suite 1450  
Midland, Texas 79701

ICA Energy, Inc.  
700 N. Grant  
Odessa, Texas 79761

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

Midland Division  
P O. Box 51810  
Midland, Texas 79710-1810  
(915) 688-6800

Date: \_\_\_\_\_  
AFE No.: \_\_\_\_\_

**BURLINGTON RESOURCES OIL AND GAS  
AUTHORITY FOR EXPENDITURE**

Foreman Area Team Name: Hobbs  
DP No.: 81373A  
Lease/Well Name: El Paso 23 #2 Lease No.: 012853201  
Field/Prospect: Ross Draw (Wolfcamp) Region: Midland  
Location: 1320' FNL & 2639' FEL Sec. 23, T26S, R30E County: Eddy State: New Mexico  
AFE Type: (01) Development Drilling Original ☒ Supplement ☐ Addendum ☐ Cost Center ☐  
API Well Type: Dev. Operator: Burlington Resources Inc.  
Objective Formation: Wolfcamp Authorized Total Depth (Feet) 12,000'  
Project Description: Drill, complete, and equip a 12,000' Wolfcamp test with two 1,000' horizontal extensions.

Est. Start Date: September 1, 1997  
Est. Completion Date: November 12, 1997

Prepared By: Doug Seams

**GROSS WELL COST DATA**

	DRILLING		WORKOVER	CONSTRUCTION	
	DRY HOLE	SUSPENDED	COMPLETION	OR FACILITY	TOTAL
DAYS:	<u>68</u>	<u>70</u>	<u>10</u>	<u>3</u>	<u>57</u>
THIS AFE:	<u>1,614,100</u>	<u>1,643,300</u>	<u>250,000</u>	<u>94,000</u>	<u>1,987,300</u>
PRIOR AFE's:					
TOTAL COSTS:	<u>1,614,100</u>	<u>1,643,300</u>	<u>250,000</u>	<u>94,000</u>	<u>1,987,300</u>

**JOINT INTEREST OWNERS**

COMPANY	WORKING INTEREST PERCENT %	NET \$ EXPENDITURES	
		DRYHOLE \$	COMPLETED \$
<u>Finwig Corp.</u>	<u>10.0%</u>	<u>161,410</u>	<u>198,730</u>
<u>Duer Wagner &amp; Co.</u>	<u>10.0%</u>	<u>161,410</u>	<u>198,730</u>
<u>J. C. Williamson</u>	<u>7.8</u>	<u>125,900</u>	<u>155,009</u>
<u>Minor Resources</u>	<u>7.5</u>	<u>121,058</u>	<u>149,048</u>
<u>Costilla</u>	<u>5.8</u>	<u>93,618</u>	<u>115,263</u>
<u>Misc.</u>	<u>6.4</u>	<u>103,302</u>	<u>127,187</u>
<u>BURLINGTON RESOURCES:</u>	<u>52.5%</u>	<u>847,402</u>	<u>1,043,333</u>
<u>AFE TOTAL:</u>	<u>100%</u>	<u>1,614,100</u>	<u>1,987,300</u>

**BURLINGTON RESOURCES APPROVAL**

Recommended: AMT Date: 5/15/97 Approved: MALSON Date: \_\_\_\_\_  
Recommended: SR Date: 5/15/97 Approved: DL Date: \_\_\_\_\_  
Recommended: SR Date: \_\_\_\_\_ Approved: \_\_\_\_\_ Date: 5/15/97

**PARTNER APPROVAL**

Company Name: \_\_\_\_\_ Authorized By: \_\_\_\_\_  
Date: \_\_\_\_\_ Title: \_\_\_\_\_