



RICHARDSON OPERATING COMPANY

1700 Lincoln, Suite 1700  
Denver, Colorado 80203 (303) 830-8000  
FAX (303) 830-8009

July 11, 2000

JUL 2000  
RECEIVED

Mr. Kurt H. Fagrelius  
Dugan Production Corp.  
P.O. Box 420  
Farmington, NM 87499-0420

Re: Application for Administrative Approval  
Unorthodox Well Location  
WF Federal 3-2 Well 2495' FSL and 1290' FWL  
NW/4SW/4-Section 3-T29N-R14W  
San Juan County, NM

Certified Mail  
Return Receipt 7000 0520 0023 4373 1311

Dear Mr. Fagrelius:

Richardson Operating Company is making application to the New Mexico Oil Conservation Division for an unorthodox well location due to surface use considerations. A copy of the application is enclosed for your review.

You are being notified as an offset operator that we are moving toward. If you have no objections to the unorthodox well location, please so indicate by signing below and returning one copy of this letter to us by fax and mail (envelope enclosed). In the event you wish to object, you must notify the New Mexico Oil Conservation Commission at 2040 South Pacheco Street, Santa Fe, NM 87505 within 20 days of receiving this notice.

Sincerely,

RICHARDSON OPERATING COMPANY

*Cathleen Colby*

Cathleen Colby  
Land Manager

Dugan Production Corp. waives objection to the unorthodox well location described above this 10<sup>th</sup> day of July, 2000.

By: *John Alexander*

Title: VP