

# CONCHO OIL & GAS CORP.

Suite 410  
110 W. Louisiana  
Midland, Texas 79701

(915) 683-7443  
FAX 683-7441

Certified/Return Receipt Mail #7099 3400 0017 1724 9607

November 6, 2001

TrinAca Investment  
P. O. Box 2325  
Corrales, New Mexico 87048

Attention: Mr. Jeff K. Ramsey

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 12775 Exhibit No. **A-14**  
Submitted By:  
Concho Resources, Inc.  
Hearing Date: December 6, 2001

Big "D" State #1  
Township 16 South, Range 34 East  
Section 6: Lots 3, 4, 5, 6, 11, 12, 13, 14  
3,498' FNL & 1,200' FWL  
Lea County, New Mexico  
COG File #306070-01


Dear Jeff:

Enclosed are letters addressed to Linda L. Tuggle, William G. Kluck et ux and Robert D. L. Gardiner regarding their election to be treated as non-consenting parties in the drilling of the Big "D" State #1 Well. Also enclosed with these letters are additional copies of Operating Agreements, AFEs and signature pages to the Operating Agreements. Please forward the enclosed letters and enclosures to Linda Tuggle, William & Nancy Kluck and Robert Gardiner for their review and signature. We have prepared this agreement as a side-letter in order to avoid having to amend the Operating Agreement which has already been executed by a couple of dozen working interest owners without change.

As to the rest of your working interest owners that have agreed to participate in the well, we need to receive their executed Operating Agreement and their executed AFEs immediately. We expect to begin the drilling of this well around the middle of December and it is imperative that we get the executed AFEs and Operating Agreements from your other partners immediately. We plan to begin force-pooling proceedings with respect to all of the working interest owners that have not executed an Operating Agreement and AFE for the drilling of the Big "D" State #1 Well. You will receive notices of force pooling proceedings with regard to the TrinAca working interest owners. Those proceedings will be dismissed prior to or at the hearing if we have received their executed AFEs and Operating Agreements, or in the case of Linda Tuggle et al, the executed Operating Agreement and non-consent letter.

If you have any questions please call me.

Yours truly,

  
Michael M. Gray  
Senior Landman

enclosure  
MMG/tb:sundance(75)

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Trin Aca Investment  
P O Box 2325  
Corrales NM  
877048

A. Received by (Please Print Clearly)

J. R. Lang

B. Date of Delivery

11/13/01

C. Signature

X

[Signature]

☐ Agent

☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number (Copy from service label)

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November 6, 2001

William G. Kluck and Nancy Kluck, with Rights of Survivorship  
c/o TrinAca Investment  
P. O. Box 2325  
Corrales, New Mexico 87048

**Big "D" State #1 Well**  
**Township 16 South, Range 34 East**  
**Section 6: Lots 3, 4, 5, 6, 11, 12, 13, 14**  
**3,498' FNL & 1,200' FWL**  
**Lea County, New Mexico**  
**COG File #306070-01**

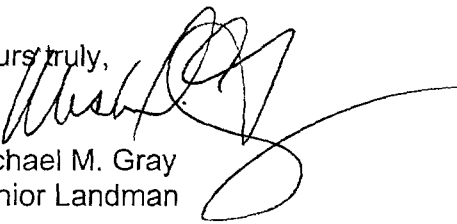
Dear Mr. and Mrs. Kluck:

We have previously presented you with an AFE dated July 16, 2001, for the drilling of the captioned well along with an Operating Agreement dated July 27, 2001 (the "Big D Operating Agreement"), covering the captioned lands. Additional copies of the AFE and the Big "D" Operating Agreement are enclosed for your convenience. You have advised us that you do not wish to participate in the drilling of the captioned well and that you wish to be treated as a non-consenting party under the terms of the Big "D" Operating Agreement. In order to accommodate your wishes the parties hereto agree as follows:

- (1) that notwithstanding your execution of the Big "D" Operating Agreement your participating interest in the Big "D" State #1 Well will be treated as if the Big "D" State #1 Well is a subsequent operation, and
- (2) that you are a non-consenting party with respect to the drilling of the Big "D" State #1 Well, and
- (3) that Concho Oil & Gas will be considered as the sole consenting party to the operation, and
- (4) that your interest will be treated and accounted for by Concho Oil & Gas Corp. as provided in Article VI.B. of the Big "D" Operating Agreement. You will continue to have all of the rights and obligations provided to you under the terms of the Big "D" Operating Agreement as to all subsequent wells drilled within the contract area.

If this letter meets with your approval, please execute and return one copy of this letter, one set of signature pages to the Big "D" Operating Agreement and the Memorandum thereof within fifteen (15) days from the date of this letter.

Yours truly,

  
Michael M. Gray  
Senior Landman

Agreed and Accepted this \_\_\_\_\_ day of November, 2001.

By: \_\_\_\_\_  
William G. Kluck, with rights of survivorship

By: \_\_\_\_\_  
Nancy Kluck, with rights of survivorship

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November 6, 2001

Mr. Robert D. L. Gardiner  
c/o TrinAca Investment  
P. O. Box 2325  
Corrales, New Mexico 87048

**Big "D" State #1 Well**

**Township 16 South, Range 34 East  
Section 6: Lots 3, 4, 5, 6, 11, 12, 13, 14  
3,498' FNL & 1,200' FWL  
Lea County, New Mexico  
COG File #306070-01**

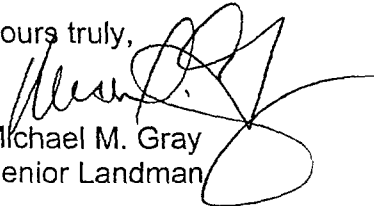
Dear Mr. Gardiner:

We have previously presented you with an AFE dated July 16, 2001, for the drilling of the captioned well along with an Operating Agreement dated July 27, 2001 (the "Big D Operating Agreement"), covering the captioned lands. Additional copies of the AFE and the Big "D" Operating Agreement are enclosed for your convenience. You have advised us that you do not wish to participate in the drilling of the captioned well and that you wish to be treated as a non-consenting party under the terms of the Big "D" Operating Agreement. In order to accommodate your wishes the parties hereto agree as follows:

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Yours truly,



Michael M. Gray  
Senior Landman

Agreed and Accepted this \_\_\_\_\_ day of November, 2001.

By: \_\_\_\_\_  
Robert D. L. Gardiner

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November 6, 2001

Ms. Linda L. Tuggle  
c/o TrinAca Investment  
P. O. Box 2325  
Corrales, New Mexico 87048

**Big "D" State #1 Well**

**Township 16 South, Range 34 East  
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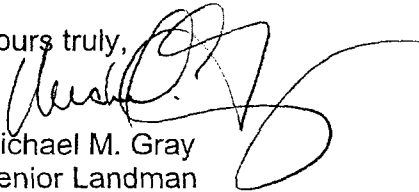
Dear Ms. Tuggle:

We have previously presented you with an AFE dated July 16, 2001, for the drilling of the captioned well along with an Operating Agreement dated July 27, 2001 (the "Big D Operating Agreement"), covering the captioned lands. Additional copies of the AFE and the Big "D" Operating Agreement are enclosed for your convenience. You have advised us that you do not wish to participate in the drilling of the captioned well and that you wish to be treated as a non-consenting party under the terms of the Big "D" Operating Agreement. In order to accommodate your wishes the parties hereto agree as follows:

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- (2) that you are a non-consenting party with respect to the drilling of the Big "D" State #1 Well, and
- (3) that Concho Oil & Gas will be considered as the sole consenting party to the operation, and
- (4) that your interest will be treated and accounted for by Concho Oil & Gas Corp. as provided in Article VI.B. of the Big "D" Operating Agreement. You will continue to have all of the rights and obligations provided to you under the terms of the Big "D" Operating Agreement as to all subsequent wells drilled within the contract area.

If this letter meets with your approval, please execute and return one copy of this letter, one set of signature pages to the Big "D" Operating Agreement and the Memorandum thereof within fifteen (15) days from the date of this letter.

Yours truly,

  
Michael M. Gray  
Senior Landman

Agreed and Accepted this \_\_\_\_\_ day of November, 2001.

By: \_\_\_\_\_  
Linda L. Tuggle