



Southern

Rockies

Business

Unit

February 14, 1995

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

RECEIVED FEB 16 1995

Re: Pictured Cliffs Well Proposal
Burnham Gas Com /B/ #1
SW/4 of Section 12-T29N-R13W
San Juan County, New Mexico

WORKING INTEREST OWNERS - ADDRESSEE LIST ATTACHED

Gentlemen:

Amoco Production Company is proposing to drill a Pictured Cliffs well on the captioned acreage. Enclosed for your review is an AFE outlining the estimated cost of the project. Also enclosed is an Operating Agreement which we are proposing to use to govern the operations of this well. Exhibit "A" of the Operating Agreement sets forth what our records indicate your interest to be in the Pictured Cliffs formation.

Please indicate your approval to join in this project by signing both the AFE and Operating Agreement and returning both to my attention as soon as possible. Because we must drill this well as a "package" with 5 other PC wells in order for it to be economic, we will proceed to initiate force-pooling measures to ensure the timely consolidation of all interests. If you have any questions, please feel free to contact me at (303) 830-4844.

Yours very truly,

Julie Talbot Jenkins
Senior Land Negotiator

JAT/ms
encl.

ADDRESSEE LIST
Burnham Gas Com /B/ #1

Rosalind Redfern
P. O. Box 2127
Midland, TX 79702

The Estate of John J. Redfern, Jr.
c/o John J. Redfern III, Independent Executor
P. O. Box 46
Midland, TX 79702

Kerr-McGee Corp.
P. O. Box 25861
Oklahoma City, OK 73125

Jack Markham
1500 Broadway
Lubbock, TX 79401

Richardson Production Company
1700 Lincoln, Suite 1700
Denver, CO 80203

Estate of John J. Christmann, deceased
c/o Christmann Mineral Company
1500 Broadway, Suite 800
Lubbock, TX 79407

Drilling Authorization

Property - Burnham Gas Com /B/, Well# 1

SAN JUAN County, NEW MEXICO

Operating Field -

AMOCO Production Company

Property FLAC - 189553

Well FLAC -
Well Type - Gas

Operator: AMOCO PRODUCTION COMPANY
I#:

Operations Center: SAN JUAN OC
AMOCO's Interest: 0.5000000

LPN#: 687774---
Contract#: 000000

Targets - Total Depth: 1664

Horizon
PC

Reg. Field

Target Depth
1381

Completion: Single

Surface Location: 850' FSL x 1230' FWL sec. 12 - T29N - R13W

Bottom Hole Location: Same

Cost Summary (Development)

Drilling Intangibles

	Gross Dry Hole	Gross Completion
Drilling Cost:	\$36,000	\$36,000
Day Work:	\$2,160	\$4,260
Location:	\$5,000	\$5,000
Survey:	\$5,000	\$7,000
Mud:	\$7,000	\$7,000
Stimulation:	\$0	\$43,000
Other:	\$13,000	\$20,400

Total Intangible:	\$68,160	\$122,660
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Well Equipment - Tangibles

Casing:	\$8,500	\$8,500
Tubing:	\$0	\$4,600
Wellhead:	\$1,500	\$2,500
Other:	\$0	\$0

Total Tangible:	\$10,000	\$15,600
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Contingency:	\$12,000	\$28,000
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Associated Production Facility:		\$50,000
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Direct Production Facility:		\$0
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Total This Request:	\$90,160	\$216,260
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Previous Estimate:	\$0	\$0
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Total to Date Estimate:	\$90,160	\$216,260
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Notice to Non-Operator: Cost shown on this form are estimates only. Non-Operators should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.

Non-Operator: _____

By: _____

Date: _____

Contacts:

Technical
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DENVER, CO, 80201-0800
303-830-4079
303-830-4777 FAX

Business
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