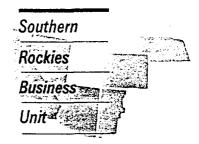


February 14, 1995



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

RECEIVED FEB 1 6 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 Agrement 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

Ğ

JAT/ms encl.

ADDRESSEE LIST Burnham Gas Com /B/ #1

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

. T.

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

rilling Authorization

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

IN JUAN County, NEW MEXICO perating Field -

noco Production Company__

Property FLAC - 189553

Well FLAC -Well Type - Gas

erator: AMOCO PRODUCTION COMPANY I#:

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

LPN#: 687774---Contract#: 000000

rgets - Total Depth: 1664

Eorizon PC.

Reg. Field

Target Depth 1381

mpletion: Single

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

ttom Hole Location: Same

Summary (Development)	Gross Dry Hole	Gross Completion	
Drilling Intangibles	*************		
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	
Well Equipment - Tangibles			
Casing:	* *	\$8,500	
Tubing:	• • • • • • • • • • • • • • • • • • • •	\$4,600	
Wellhead:	• • • • • • • • • • • • • • • • • • • •	\$2,500	
Other:	\$0	\$0	
Total Tangibla:	\$10,000	\$15,600	
Contingency:	\$12,000	\$28,000	
Associated Production Pacility:	• • • • • • • • • • • • • • • • • • • •	\$50,000	
Direct Production Facility:		\$0	
Total This Request:		\$216,260	
Pravious Estimata:		\$0	
Total to Data Estimate:	\$90,160	\$216,260	
ca to Non-Operator: Cost shown on this Non-Operat			
are estimates only. Non-Operators should	UL:		
consider these estimates as establishing By:		Data:	
limit on the monies which will be required	······································		

ntacts:

perform the proposed operation.

Technical GREG E GROTKE P O BOX 800 DENVER, CO, 80201-0800 303-830-4079 303-830-4777 FAX

Business Julia A Jenkins P O BOX 800 DENVER, CO, 80201-0800 (303) 830-4844 (303) 830-4777 FAX