UNITED STATES

DEPARTMENT OF THE INTERIOR

4.10h

P 078604 dated: 5=1=48

Oil and Gas

BUREAU OF HEND NOPPECE GEMENT

P. O. Box 1251 Santa Fe, New Mexico

NMOCD Case No. 11808 NMOCD Case No. 11809

Exhibit No. _ 3

Submitted by: Total Minatome Corp.

July 10, 1997

May 17, 1962

DECISION

Lessee: Brookhaven Oil Company

Oil and Gas

Operator: El Paso Natural Gas Company

Supplement to Operating Agreement of November 27, 1951 Approved

The following Supplement to Operating Agreement of November 27, 1951 involving oil and gas lease santa Fe 078604 is hereby approved.

By decision dated January 8, 1953 this office approved an operating agreement executed November 27, 1951 by and between Brookhayen Oil Company and San Juan Production Company and an assignment thereof to RI Paso Natural Gas Company. The operating agreement covered all of the lands which issued under Santa Fe 078604 with the exception of certain canceled lands namely the SEASER Sec. 8, T. 31 N., R. 10 W., NMPM. On August 31, 1959 lease Santa Fe 078604 was reinstated from the date of its inception, May 1, 1948, as to the SEASER Sec. 8, T. 31 N., R. 10 W., NMPM.

On February 23, 1960 there was filed a Supplement entered into on April 20, 1959 by and between Brookhaven Oil Company and El Paso Natural Gas Company. The purpose of this instrument is to amend the operating agreement of November 27, 1951, to include the BEKSEK Sec. 8, T. 31 N., R. 10 W., NMPM. Brookhaven acknowledges El Paso's operating rights as provided by said agreement in and to the above described land and designates El Paso as operator thereof, and El Paso assumes the obligations prescribed by the operating agreement as to the above land.

The supplement is hereby accepted and approved, and except as hereby modified and supplemented, the operating agreement of November 27, 1951 shall continue in full force and effect.

El Paso is maintaining a nationwide bond hurrd m.

Howard M. Grotberg, Chief Mineral Adjudication Section

O&G Supv. (3) Farmington