

Full
Henry Isham
SAN Juan

BURLINGTON RESOURCES

SAN JUAN DIVISION

September 10, 1996

Henry P. Isham, Jr. Deceased

First National Bank of Chicago Agent for V.M. Isham & R.T. Isham
Trustee of Henry P. Isham Estate
1400 One Dallas Center
Dallas, TX 75201

**RE: BURLINGTON RESOURCES OIL & GAS COMPANY
OFFER TO PURCHASE NON-PRODUCING INTEREST**

FEDERAL LEASE SF 078389

T31N-R10W, NMPM

Section 3: Lots 10 thru 13, SW $\frac{1}{4}$

Section 4: SE $\frac{1}{4}$

Section 9: Lots 3 thru 12, N $\frac{1}{2}$ NE $\frac{1}{4}$

Section 10: Lots 1 thru 7, NW $\frac{1}{4}$ NW $\frac{1}{4}$

Containing 1255.18 acres

FEDERAL LEASE SF 078389-A

T31N-R10W, NMPM

Section 11: Lots 1 thru 16

Section 12: Lots 1 thru 8 and 10 thru 15

Containing 1116.96 acres

San Juan County, New Mexico

Ladies and Gentlemen:

Please be advised that Meridian Oil Inc. changed its name to Burlington Resources Oil & Gas Company July 11, 1996.

Burlington Resources is now in the process of divesting a large number of properties in the San Juan Basin so that it can concentrate on the development of a core area that includes the two referenced Federal Leases that you own an interest in.

According to our records the Isham Estate owns 0.80595% or a 19.1183 net acre interest in the non-producing operating rights. Your interest in these operating rights is located below any producing formations (below Mesa Verde Formation) and is separate from the overriding royalty interest you own in the producing shallow formations (Surface to the base of the Mesa Verde Formation).

<p>BEFORE EXAMINER CATANACH</p> <p>OIL CONSERVATION DIVISION</p> <p>EXHIBIT NO: <u>K</u></p> <p>CASE NO. <u>11808 + 11809</u></p>

SEP 16 1996

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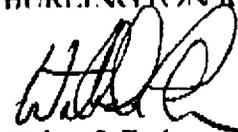
**Burlington Resources Oil & Gas Company
Offer to Purchase Non-Producing Interest
of Henry P. Isham, Jr. Deceased
First National Bank of Chicago Agent for V.M. Isham & R.T. Isham
Trustee of Henry P. Isham Estate
SF 078389 and SF 078389-A
September 10, 1996
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On June 18, 1996 I sent you an offer to purchase your non-producing interest in the SF 078389 Lease for \$100.00. The offer being made to you now is to purchase your non-producing interest in both the SF 078389 and the SF 078389-A leases for \$20.00 per net acre for a total of \$382.37.

If you are interested in selling your non-producing operating rights to Burlington Resources, please sign below and return this letter in the enclosed, self-addressed, stamped envelope. As soon as Burlington receives your signed letter, you will be sent the assignment forms. Once these are executed and accepted by Burlington, you will be sent a check in the amount of \$382.37.

If you have any questions, please give me a call COLLECT at (970)259-5242 in Durango, Colorado.

BURLINGTON RESOURCES OIL & GAS COMPANY



Walter S. Parks
Contract Landman

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 1996.

ESTATE OF HENRY P. ISHAM, JR. DECEASED

By: _____