

El Paso Natural Gas Company

El Paso, Texas 79978

November 15, 1974

Brookhaven Oil Company
Post Office Box 1267
Scottsdale, Arizona 85252

Dacressa Corporation
Post Office Box 1267
Scottsdale, Arizona 85252

Gentlemen:

On November 27, 1951, Brookhaven Oil Company and San Juan Production Company entered into a Farmout Agreement pertaining to certain lands in San Juan County, New Mexico. An Operating Agreement attached as Exhibit "B" to said Farmout Agreement provided for the drilling of Mesaverde wells by San Juan Production Company and the recovery of one-half (1/2) of the cost of drilling such wells subject to the limitations and in accordance with the provisions of sub-paragraph 5.d(1) of such Operating Agreement. By Letter Agreement dated November 20, 1953, the Operating Agreement was amended to provide for a recovery formula for wells drilled to the Pictured Cliffs formation.

By this Letter Agreement Brookhaven and Dacressa, as successors in interest to Brookhaven Oil Company, and El Paso Natural Gas Company, as successor in interest to San Juan Production Company, do hereby evidence the amendment of the Operating Agreement of November 27, 1951, as amended by the Letter Agreement of November 20, 1953, as follows:

By deleting from Paragraph 1 of the Letter Agreement of November 20, 1953 at line 6 the figure "\$8,250.00" and substituting therefor the figure "\$17,000" and by deleting from line 7 of said paragraph the figure "\$16,500" and substituting therefor the figure "\$34,000".

000316

Brookhaven Oil Company
Dacressa Corporation

November 15, 1974
Page Two

Please evidence your acceptance of the foregoing by returning a signed copy of this Letter Agreement to the undersigned.

Yours very truly,

EL PASO NATURAL GAS COMPANY

By T. W. Bittner
Assistant Vice President

JP;saw

AGREED TO AND ACCEPTED:

BROOKHAVEN OIL COMPANY

By _____

Dated _____

DACRESSA CORPORATION

By _____

Dated _____

000317