

GLA 46
Dated 11-27-51
Status Active
No. of Amendments 25

File Nos. NM-366 thru
NM-369D, NM-371,
NM-373 thru
NM-396, NM-4150
Units San Juan 32-9

PARTIES

Brookhaven Oil Co.
(now held by Amoco, Minatome
Dacres/a Group and Umbach
Group)

and

San Juan Production (EPNG)
(EPPC)

Acreage

See Exhibit "3" to Hawkin's memo of 7-26-89.
(Exhibit revised 9-15-89)

Rights Granted

Pursuant to Operating Agreement of 11-27-51:

- EPNG was obligated to fully develop acreage in the Mesaverde formation.
- EPNG has authority to drill all wells without consent of other parties, such parties are entitled to copies of well logs, tests and reports and access to the derrick floor.
- EPNG advances all drilling costs and expenses and recovers other parties' share (1/2) of such costs and expenses out of 1/2 of their share of production (1/4) subject to the following limitations:

EPNG pays for all casing without reimbursement.

Drilling costs recoverable from other parties is limited to:

Pictured Cliffs	\$16,500.00	(Costs listed
Chacra	\$14,275.00	are those in
Pictured Cliffs/Chacra	\$19,170.00	effect as of the
Mesaverde	\$45,000.00	date of this
Tertiary	\$13,250.00	brief)

After recovery of above costs, operating and reworking expenses are borne 50-50.

(\$500 limit on expenditures without partner approval) and revenue is shared 50-50.

Payout is on a well by well basis.

Brief dated

June 15, 1990

Jim P

000506

Comments

EPNG is obligated to give 10 days notice to other parties prior to plugging any well. Such parties have the right to purchase a well for salvage value minus any drilling costs previously paid by such parties.

Operating Agreement of 11-27-51 amended by all parties to provide for gas balancing.

As indicated by the attached list of amendments the terms of the original agreement remain largely unchanged. Most of the amendments either add acreage or provide for other parties to pay their actual share of costs on specific wells.

Tom Hawkin's list of amendments and memo (brief) of 7-26-89 are attached.

000507

Original Agreement dated 11/27/51

List of Amendments

<u>Amendment</u>	<u>Date</u>	<u>Subject of Amendment</u>
No. 1	5/24/52	Acreage added
No. 2	7/17/52	Acreage added
No. 3	12/8/52	Acreage added
No. 4	11/20/53	Costs under O/A changed--PC wells
No. 5	11/25/53	Acreage added
No. 6	12/12/53	Acreage added
No. 7	12/15/53	Acreage added
No. 8	2/18/54	Acreage added
No. 9	3/1/54	Percent ORRI on lease clarified
No. 10	3/23/54	Acreage--well obligation added
No. 11	1/19/55	Acreage added
No. 12	5/22/56	Acreage added
Supplemental Operating Agreement	11/30/62	Acreage & Dakota well obligation added
No. 13	4/4/73	Costs under O/A changed--PC/CH wells
No. 14 (w/Amoco)	11/15/74	Costs under O/A changed--PC wells
No. 15 (w/Amoco)	3/13/75	Costs under O/A changed--MV wells
No. 16	4/3/75	Costs under O/A changed--PC, CH, PC/CH, MV wells
No. 17	4/19/76	Pay costs of wells (not carried)
No. 18	4/19/76	Pay costs of wells (not carried)
No. 19	5/20/76	Costs under O/A changed--Tertiary wells
No. 20	10/28/76	Pay costs of wells (not carried)
No. 21	11/16/76	Pay costs of wells (not carried)
No. 22	3/16/77	Pay costs of wells (not carried)
No. 23	1/23/78	Pay costs of wells (not carried)
No. 24A (w/Amoco)	9/2/87	Non-consent - Atlantic D Com E #6 R
No. 24B (w/Potenziani)	9/2/87	Non-consent - Atlantic D Com E #6 R
No. 25 (w/Amoco)	11/3/87	Recoup full well cost