

BURLINGTON RESOURCES

SAN JUAN DIVISION

May 18, 1999

GLA-46 Working Interest Owners
(detailed on attached sheet)

RE: Proposed Operating Agreement
Dated February 1, 1999
San Juan County, New Mexico

Ladies and Gentlemen:

Enclosed for your review and execution is a new Joint Operating Agreement dated February 1, 1999 which is intended to replace the original Farmout Agreement Contract dated November 27, 1951 by and between Brookhaven Oil Company and San Juan Production Company. Said Contract and amendments thereto, are hereinafter referred to as "Agreement". Burlington feels the Agreement is inadequate in terms of cost allocations between parties, the contractual right to develop and does not provide for a mutually agreeable solution for development of new wells. Burlington, as Operator under the Agreement, is desirous of drilling five (5) Mesaverde infill wells involving lands subject to the Agreement.

As you are aware, Burlington believes that this Agreement provides for the drilling of eighteen (18) Mesaverde wells, four per year, which obligation Burlington's predecessor long ago satisfied. Burlington's predecessor upon satisfaction of the earning provision of the Agreement, earned an assignment covering an undivided fifty percent interest in the contract lands as to all depths. In essence any new well proposed must be handled by amendment or by mutual agreement of the parties. We currently have five Mesaverde infill wells proposed to various Agreement owners who wish to be carried under the original earning provision (it is Burlington's position that this provision applies by mutual agreement only) and allows the non-operators to be carried by Burlington. Burlington would then retain (50%) of production and recovering 100% of the non-operators share of costs (based upon mutually acceptable authority for expenditure) out of 50% of the non-operators share of production without any penalty. Burlington is unwilling to accommodate the non-operators under the original earning provision due to simple economics. This new Operating Agreement allows for the future development of Agreement lands in an orderly fashion and on a fair and equitable basis.

It is our hope that the owners under the Agreement recognize the economic, mechanical and reservoir risks involved in drilling wells in the San Juan Basin and also recognize the value of developing these lands to add additional reserves to replace the old or depleting production. If, for some reason you decide not to pursue the development of these properties in an economic manner for all concerned parties please consider selling your interest to Burlington. Please let us know of your desire to sell and we will furnish you

GLA-46
May 18, 1999
Page 2.

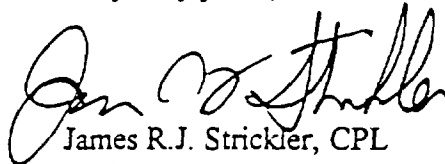
with a fair and reasonable offer. Absent your approval of the new Joint Operating Agreement, Burlington is left with two options on handling future wells proposed on these properties (1) cancel the projects; (2) Force Pool the interest at the New Mexico Oil & Gas Commission, which is a costly and time consuming process for all concerned.

For your information, please be advised that Burlington and Amoco Production Company have executed the proposed Joint Operating Agreement, which accounts for approximately 78% of the Agreement owners.

Please review the proposed Joint Operating Agreement fully and offer any comments or suggestions to me at your earliest convenience. If everything meets with your approval please sign and return the signature page to the undersigned within thirty (30) days of your receipt.

Thank you very much for your consideration and if you should have any questions please call me at (505) 326-9756.

Very truly yours,



James R.J. Strickler, CPL
Senior Staff Landman

JRS:dg
GLA-46 letter

WORKING INTEREST OWNERS
GLA-46

Amoco Production Company
P.O. Box 800
Denver, CO 80201

Energen Resources
Attn: Rich Corcoran
2198 Bloomfield Highway
Farmington, NM 87401

Westport Oil and Gas Company, Inc.
Attn: David Dix
410 Seventeenth Street, Suite 2300
Denver, CO 80202-4436

George William Umbach
2620 S. Maryland Pkwy. #496
Las Vegas, NV 89109

Robert Warren Umbach
P.O. Box 5310
Farmington, NM 87499

Lowell White Family Trust
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

Walter A. Steele
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

Estate of G. W. Hannett
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

T. G. Cornish
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

Patricia Hueter
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

Mary Emily Voller
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

A. T. Hannett
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

William C. Briggs
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

Herbert R. Briggs
c/o Nations Bank, N.A. Agent
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

F.A. & H.B. Cronican Rev. Trust
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

C. Fred Luthy Jr.
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

WWR Enterprises
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

Marcia Berger
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

Carolyn Sedberry
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

Cyren Inman Trust
c/o Nations Bank, N.A. Agent
Private Clients Group
Professional Services Division
Attn: Ed DiRe
P.O. Box 2546
Ft. Worth, TX 76113

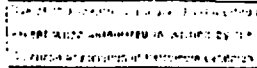
Roger B. Nielsen
6424 Belton
El Paso, TX 79912

Cheryl L. Potenziani
P.O. Box 36600, Station D
Albuquerque, NM 87176

Cross Timbers Oil Company
Attn: Mr. Win Ryan
810 Houston Street, Suite 2000
Ft. Worth, TX 76102-6298

A.A.P.L. FORM 610-1982

MODEL FORM OPERATING AGREEMENT



OPERATING AGREEMENT

DATED

FEBRUARY 1 , 19 99 ,

OPERATOR BURLINGTON RESOURCES OIL & GAS COMPANY

CONTRACT AREA ALL LANDS COVERED BY THAT CERTAIN OPERATING

AGREEMENT DATED NOVEMBER 27, 1951, AS AMENDED (GLA 46) BETWEEN

BROOKHAVEN OIL COMPANY AND SAN JUAN PRODUCTION COMPANY.

COUNTY ~~OR PARISH~~ OF SAN JUAN STATE OF NEW MEXICO