Chronology of Events
Brookhaven Com #8 (W/2 Mesaverde & NW/4 Chacra)
Brookhaven Com #8A (W/2 Mesaverde & SW/4 Chacra) W/2 Section 36, T27N, R8W San Juan County, New Mexico

DATE:	ICVONT:
July 30, 1998	Burlington mails letter with election ballot proposing the Brookhaven Com #8 as Mesaverde/Chacra new drill to all working interest owners in proposed well. Attached to proposal letter is Burlington's AFE and new Joint Operating Agreement dated July 29, 1998, covering proposed well.
August 4, 1998	Cheryl Potenziani elects to participate in the proposed well and signs the Joint Operating Agreement dated July 29, 1998.
August 14, 1998	NationsBank as agent for eight (8) working interest owners (see list of owners below) elects to be carried in the proposed well under the terms of GLA-46 agreement dated November 27, 1951.
August 24, 1998	Total Minatome Corporation elects to participate in the proposed well under the terms of GLA-46 agreement dated November 27, 1951.
August 26, 1998	Cross Timbers Oil Company elects to participate unconditionally in the proposed well and also returns executed signature page to Joint Operating Agreement dated July 29, 1998.
September 18, 1998	Burlington advises all working interest (less Cross Timbers and Cheryl Potenziani) owners that it is Burlington's position that GLA-46 does not apply to this well. In this letter Burlington set out two participation options under which it would be willing to drill the proposed well if all parties elect under an option provided.
November 16, 1998	Energen Resources (as successor to Total Minatome) elects to participate under Option 2 as provided in Burlington's September 18, 1998, letter. Energen's letter further conditions their election to reflect that the terms of GLA-46 are still in effect.
January 5, 1999	NationsBank as agent for eight (8) working interest owners elects to participate under Option 2 as provided in Burlington's September 18, 1998, letter.
May 18, 1999	Burlington mails out new Joint Operating Agreement dated February 1, 1999, to all GLA-46 working interest owners and covering all lands included in GLA-46.
August 25, 1999	Burlington advises all working interest owners that it is withdrawing its offer to drill and complete the Brookhaven Com #8 under the participation options provided for in our September 18, 1998, letter.
September 15, 1999	Burlington re-proposes the Brookhaven Com #8 to all working interest owners under the same AFE originally provided under cover letter dated July 30, 1998. Joint Operating Agreement dated February 1, 1999, is again provided (originally mailed to all owners under cover letter dated May 18, 1999) to all working interest owners.
September 15, 1999	Burlington proposes the Brookhaven Com #9 (well number changed at a later date to the 8A).
September 27, 1999	Cheryl Potenziani elects to participate unconditionally in the proposed Brookhaven Com 8 and Brookhaven Com 9.
October 11, 1999	Energen Resources elects to participate in the Brookhaven Com 8 and Brookhaven Com 9 under the terms of GLA-46 agreement dated November 27, 1951.
October 13, 1999	Burlington mails a letter to Energen Resources acknowledging receipt of Energen's letter dated October 11, 1999, and advising Energen that it remains Burlington's assertion that GLA-46 does not govern the the drilling of additional wells on the subject acreage.
October 14, 1999	Westport Oil and Gas Company, Inc. elects to participate in the Brookhaven Com 8 and Brookhaven Com 9 under the terms of GLA-46 agreement dated November 27, 1951.
October 19, 1999	Cross Timbers Oil Company, as agent for Merchant Resources #1 L.P., elects to participate unconditionally in the Brookhaven Com 8 and Brookhaven Com 9.
October 26, 1999	Burlington advises all working interest owners in the Brookhaven Com 9 that the name has been changed from the Brookhaven Com 9 to the Brookhaven Com 8A.
October 26, 1999	Bank of America as agent for eight (8) working interest owners (see list of owners below) elects to be carried in the Brookhaven Com 8A under the terms of GLA-46 agreement dated November 27, 1951.

#### NationsBank Group

F.A. & H.B. Cronican Revocable Trust Herbert R.Briggs William C. Briggs C. Fred Luthy, jr. WWR Enterprises Marcia Berger Carolyn Nielsen Sedberry Cyrene L. Inman

## BURLINGTON RESOURCES

SAN JUAN DIVISION

July 30, 1998

Working Interest Owners (see attached list)

RE:

1998 New Drill AFE Brookhaven Com #8 Well Sec. 36, T27N, R8W

San Juan County, New Mexico

Dear Interest Owner:

Burlington Resources Oil & Gas Company, as operator, recommends the development of the referenced Mesaverde/Chacra dual well during 1998 at a gross estimated AFE cost of \$427,630.

The Mesaverde formation will have a W/2 dedication of 320.00 gross acres and the Chacra will have a NW/4 dedication of 160.00 acres. The proposed JOA will cover both zones.

The Brookhaven Com #8 well is an offset follow-up well to the Brookhaven Com #7A Mesaverde/Chacra dual well located in the SE/4 of Section 36, T27N, R8W and drilled in 1996. The well will be dually completed in the Chacra and Mesaverde (including both the Point Lookout and Menefee intervals) formations.

Enclosed for your review and approval are the AFE's and a Joint Operating Agreement (JOA). Your ownership in each zone is detailed on the Exhibit "A" of the JOA. Please indicate your approval to participate by executing a copy of this letter, attached AFE and signature page to the JOA.

Communitization Agreements for each zone are being forwarded to Total Minatome under separate cover for their execution, as they are the only Record Title owner other than Burlington.

If you have any questions regarding this proposal, you may contact me at (505) 599-4010.

Shamon Nucholy Shannon Nichols Petroleum Landman

SN/cj NM-391-A0**00** 

The undersigned approves this development of the Brookhaven C	
Name:	
Title:	
Company:	 <u>_</u>

## Brookhaven Com #8 Well Mesaverde/Chacra dual

### **Working Interest Owners**

Burlington Resources Oil & Gas Company c/o Land Department P.O. Box 4289 Farmington, NM 87499-4289

Total Minatome Corporation P.O. Box 4326 Houston, TX 77210-4326

Cross Timbers Oil Company 810 Houston Street, Ste 2000 Fort Worth, TX 76102-6298

Carolyn Nielsen Sedberry c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546

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

Roger B. Nielsen 6424 Belton El Paso, TX 79912

C. Fred Luthy, Jr. c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546 Cyrene L. Inman c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546

F.A. & H.B. Cronican Revocable Trust c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546

William C. Briggs c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546

Herbert R. Briggs c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546

Marcia Berger c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546

WWR Enterprises, Inc. c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546 SAN JUAN DIVISION

July 30, 1998

Working Interest Owners (see attached list)

RE:

1998 New Drill AFE

Brookhaven Com #8 Well Sec. 36, T27N, R8W

San Juan County, New Mexico

#### Dear Interest Owner:

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Enclosed for your review and approval are the AFE's and a Joint Operating Agreement (JOA). Your ownership in each zone is detailed on the Exhibit "A" of the JOA. Please indicate your approval to participate by executing a copy of this letter, attached AFE and signature page to the JOA.

Communitization Agreements for each zone are being forwarded to Total Minatome under separate cover for their execution, as they are the only Record Title owner other than Burlington.

Sincerely,

Shamon Nichols

Shannon Nichols

If you have any questions regarding this proposal, you may contact me at (505) 599-4010.

SN/cj
NM-391-A000

The undersigned app oves this 4th day of liquit, 1998, the development of the E ookhaven Com #8 Mesaverde/dhacra dual well.

Name:

Title:

Con pany:

This agreement shall be blocking apon and shall issues to the bookin of the perion bereto and to their respective beins, deritegal representatives, successors and satisgus.  This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purp IN WITNESS WHEREOF, this agreement shall be effective as of _the _22th day of	1 2		RTICLE XVI.	
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69 Brookhaven Com #8
70 Mesaverde/Chacra

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AUG 20 1998

## MationsBank

August 14, 1998

Burlington Resources
Shannon Nichols
P.O. Box 4289
Farmington, New Mexico 87499-4289

RE:

Brookhaven Com #8 Well

Sec. 36,T27N,R8W

San Juan County, New Mexico Mesaverde/Chacra Dual Well

Dear Mr. Nichols,

NationsBank, N.A., as agent for the following Working Interest Owners, elects to be carried in the above well under the terms of the GLA-46 agreement Dated November 27, 1951. A portion of this agreement is enclosed.

F.A. & H.B. Cronican Rev. Tr. Herbert R. Briggs William C. Briggs C. Fred Luthy Jr. WWR Enterprises Marcia Berger Carolyn Sedberry

Cyrene Inman NationsBank, N.A. Trustee

Please provided us with copies of the drilling reports and payout statements at the above letterhead address.

If I can be of assistance you can reach me at 817 390-6762.

Yours truly,

Ed DiRe, Vice President

cc:

Cathy Rugen
Janet Cunningham
Shena Hutto

- c. Each of the parties reserves the right to receive in kind its respective share of oil, gas and/or other hydrocarbon substances, produced from said acreage, together with right, individually, to sell or direct the sale thereof for its benefit, and, in the event all parties here-to sell or dispose of their respective share of production to the same purchaser, each party hereto shall be entitled to receive directly from the purchaser thereof its respective share of the proceeds of sale of such production; subject, however, to repayment of drilling costs as provided herein. Any oil and/or gas used in drilling, operating or reworking wells on said acreage shall be considered as furnished equally by the parties hereto.
- d. Out of the proceeds of sale of the net working interest production from each well, Brookhaven shall pay to San Juan one-alf (1/2) of Brookhaven's share of such production (25% of net working interest) until Brookhaven has repaid to San Juan one-half (1/2) of the actual drilling costs of each such well, but production from one well shall not be used to repay drilling costs of another well. Brookhaven's share is further defined as follows:
  - 1. Brookhaven's obligations to pay drilling costs upon a Mesa Verde well out of production shall not exceed Twenty-two Thousand Five Hundred Dollars (\$22,500.00), or one-half (1/2) the estimated cost of Forty-five Thousand Dollars (\$45,000.00) per Mesa Verde well. The drilling costs of each well shall include drilling, installation of casing, shooting or acidizing, installation of field separator, pipe line connections and separator, lease tanks on oil, tubing, production head, lease production lines,

pumping equipment, if necessary, and all other equipment and labor necessary for a completed well ready to produce; but shall not include casing, which shall be furnished by San Juan without reimbursement from Brookhaven. The attached Exhibit "C" governs the accounting procedures to be followed by the parties in accounting for drilling and operating costs.

- 2. In the event any well be drilled upon said acreage to a greater or lesser depth than a Mesa Verde well, the drilling costs (except casing to be furnished by San Juan) to be paid out of production by Brookhaven shall be determined proportionately with the parties agreeing upon a maximum cost comparable to the maximum cost of a Mesa Verde well, as defined in Section 5dl above.
- e. San Juan agrees to maintain any producing well so as to obtain maximum production therefrom in accordance with the best recognized procedure in the industry. All costs of operating and reworking wells shall be paid equally by the parties; provided that San Juan shall consult with and obtain consent of Brookhaven before incurring any job expenditure in exc ss of Five Hundred Dollars (\$500.00).
- f. Except as herein expressly provided, San Juan shall pay all of the costs of drilling and equipping said wells without any liability or responsibility on the part of Brookhaven.
- 6. Abandonment of Wells. In the event San Juan desires to abandon any drilling or producing well, San Juan shall notify Brookhaven of such desire, and Brookhaven shall thereafter have a period of ten (10) days in which to take over said well and pay San Juan the salvage value

## TOTAL

AUG 27 1998

#### **TOTAL MINATOME CORPORATION**

Faxed to (505) 326-9833 on August 24, 1998 Original to follow in US Mail

Shannon Nichols
Burlington Resources
P.O. Box 4289
Farmington, NM 87499-4289

Re:

Brookhaven Com #8 AFE 5R79 & 5R80 Sec. 36, T27N-R8W Mesaverde/Chacra San Juan Co., NM

Dear Mr. Nichols,

Please be advised that TOTAL MINATOME CORPORATION (TMC) elects to participate in the above referenced Mesaverde/Chacra dual well subject to the terms and conditions of the November 27, 1995 JOA (GLA-46) between Brookhaven Oil Company and San Juan Production Company.

In addition we agree to participate only as to our interest. I believe the interest attributable to TMC includes the White and Steele interest and these interest should be treated separately.

If you have any questions concerning this letter, please contact Deborah J. Gilchrist at (713) 739-3148.

Sincerely,

TOTAL MINATOME CORPORATION

Pamela Styron

Rental Analyst

xc: L. Mason

D. Gilchrist

H. Oberreiner



August 26, 1998

AUG 3 1 1998

Burlington Resources Oil & Gas Company P.O. Box 4289
Farmington, NM 87499-4289
Attention: Shannon Nichols

RE: Brookhaven Com #8 Well

W/2 Section 36-27N-8W San Juan County, NM

#### Dear Shannon:

Cross Timbers Oil Company (CTOC) hereby elects to join in the drilling of the above captioned well. As we have discussed, CTOC request that the cost be properly allocated to the formations according to the interest owned in those formations. CTOC is executing your AFE for the above captioned well with the understanding that the actual charges will be properly allocated between the Mesaverde formation and the Chacra when the actual billing is prepared.

In this regard, I have enclosed a copy of your AFE's for the Mesaverde and Chacra formation and your letter dated July 30, 1998 that have been executed by Mr. Ed Jones on behalf of CTOC. I have also enclosed a copy of our well requirement list as well as a signature page to the JOA dated July 29, 1998. Please also be advised that Cross Timbers maintains its own operators extra expense insurance, therefore, we should not be billed for any coverage offered to the joint account.

Should you have any questions, or need anything further, please feel free to contact me at (817) 870-8454.

Sincerely,

CROSS TIMBERS OIL COMPANY

George A. Cox, CPL

Landman

**Enclosures** 

cc: Jerry Stadulis

Gary Markstead

Ed Jones
John Mustin

1 2		RTICLE XVI. SCELLANEOUS	
3 4 5	This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devising legal representatives, successors and assigns.		
6 7	·		
<b>8</b> 9	IN WITNESS WHEREOF, this agreement shall be effe	ctive as of the 29th day of July	19 98
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12 13			
14	OPERATOR:		
15 16	BURLINGTON	RESOURCES OIL & GAS COMPA	NY
17		FIA	
18 19	BY: John F. Zent,	, Attorney-in-Fact	
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## BURLINGTON RESOURCES

SAN JUAN DIVISION

September 18, 1998

Non-Operating Working Interest Owners (see attached list)

Re:

Brookhaven Com #8 Section 36, T27N, R8W San Juan County, NM

#### Gentlemen:

Under cover letter dated July 30, 1998, Burlington mailed our Authority for Expenditure and a modern form Joint Operating Agreement soliciting your approval and participation in the drilling of the referenced well as a dually completed Mesaverde/Chacra well. We have received a number of responses electing to participate under the terms and conditions of that certain Operating Agreement dated November 27, 1951 (GLA-46). It is Burlington's position that the provisions of GLA-46 do not apply to this well inasmuch as the drilling obligations, terms and conditions of GLA-46 were satisfied with the drilling of the initial eighteen (18) wells on GLA-46 lands as set out in the agreement.

It is our position that there are two options available for the drilling and development of the referenced well. Each option is identified below.

Option 1:

Enter into a modern form Joint Operating Agreement (JOA) and either participate

or non-consent under the terms of the JOA.

Option 2:

Burlington will voluntarily carry your drilling, completing and equipping costs in the referenced well. Burlington will recoup 100% of its costs associated with the carried interests with recoupment occurring from 100% of the revenue stream associated with the carried interests. Upon 1 ayout, each carried party will be credited with its full interest in the well and will be subject to its proportionate share of all lease operating expenses and charges to the joint account. Burlington will be authorized to charge overhead on a fixed rate basis as follows:

Drilling Well Rate: \$4,063.77 per month (prorated)

Producing Well Rate: \$474.13 per month

The expenditure limit without partner approval will be \$25,000.00.

It is Burlington's desire to drill this well if all parties can reach a mutually acceptable agreement. To drill this well, we must have fair and equitable terms for all parties participating in the well. Burlington is willing to drill the well if all parties agree to participate in the well either under Option 1 or 2 as set out above.

Brookhaven Com #8 September 18, 1998 Page 2

Burlington's preference would be for all parties to negotiate a fair and equitable modern form Joint Operating Agreement (JOA) and participate or non-consent under that JOA.

Thank you for your cooperation and consideration in this matter. Your prompt response to our equest would be greatly appreciated. Any questions may be directed to the undersigned at (505) 599-4010.

Shannon Nichols Landman

GLA-46 NM 391A

The undersigned herein agrees to:			
Option 1.	Participate in the well under the terms, conditions and elections of a modern form Joint Operating Agreement.		
Option 2.	Participate in the well under the terms of Option 2 as set out above.		
COMPANY:			
BY:			
TITLE:	·		
DATE:			

## Brookhaven Com #8 Well Mesaverde/Chacra dual

### Non-Operating Working Interest Owners

Total Minatome Corporation Attn: Deborah J. Gilchrist P.O. Box 4326 Houston, TX 77210-4326

Carolyn Nielsen Sedberry c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546

Roger B. Nielsen 6424 Belton El Paso, TX 79912

C. Fred Luthy, Jr. c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546

Cyrene L. Inman c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546

F.A. & H.B. Cronican Revocable Trust c/o NationsBank, N.A.
P.O. Box 2546
Fort Worth, TX 76113-2546

William C. Briggs c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546

Herbert R. Briggs c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546 Marcia Berger c/o NationsBank, N.A. P.O. Box 2546 Fort Worth, TX 76113-2546

WWR Enterprises, Inc. c/o NationsBank, N.A. P.O. Box 2546
Fort Worth, TX 76113-2546

Taurus Exploration USA, Inc. Attn: Mr. Richard Corcoran 2198 Bloomfield Highway Farmington, NM 87401



November 16, 1998

NU 1 9 1998

Burlington Resources
Attn: Shannon Nichols
3535 East 30<sup>th</sup> Street
Farmington, NM 87402-8801

RE: Conditional Letter of Acceptance

Brookhaven Com #8 Sec.36-T27N-R8W

San Juan County, New Mexico

#### Dear Shannon:

Reference is made to your letter dated September 18,1998 requesting Energen Resources Corporation support the drilling of the captioned well by electing one of two options specifically set out therein.

We have reviewed your proposal and are returning a copy of the same, which has been executed on behalf of Energen subject to the understanding that Energen's election is as to the Brookheven Com #8 well only. Further, Energen's election is done as an accommodation to Burlington Resources Corporation to allow the subject well to be drilled and that such election shall not be misconstrued as agreement, by Energen, that provisions of GLA-46 do not apply to the subject well. Rather, Energen specifically declares that GLA-46 will continue to apply to all future exploration or development efforts without limitation as to depth, interval or formation.

This election shall remain valid until March 31, 1999.

Thank you for your consideration in this matter. If there should be any questions, please contact me (325-6800)

Sincerely,

Rich Corcoran

Xc: Joe Niederhofer

John Zent

## BURLINGTON RESOURCES

SAN JUAN DIVISION

September 18, 1998

19/1998

Non-Operating Working Interest Owners (see attached list)

Re:

Brookhaven Com #8 Section 36, T27N, R8W San Juan County, NM

#### Gentlemen:

Under cover letter dated July 30, 1998, Burlington mailed our Authority for Expenditure and a modern form Joint Operating Agreement soliciting your approval and participation in the drilling of the referenced well as a dually completed Mesaverde/Chacra well. We have received a number of responses electing to participate under the terms and conditions of that certain Operating Agreement dated November 27, 1951 (GLA-46). It is Burlington's position that the provisions of GLA-46 do not apply to this well inasmuch as the drilling obligations, terms and conditions of GLA-46 were satisfied with the drilling of the initial eighteen (18) wells on GLA-46 lands as set out in the agreement.

It is our position that there are two options available for the drilling and development of the referenced well. Each option is identified below.

O; tion 1:

Enter into a modern form Joint Operating Agreement (JOA) and either participate or non-consent under the terms of the JOA.

O, tion 2:

Burlington will voluntarily carry your drilling, completing and equippir g costs in the reference d well. Burlington will recoup 100% of its costs associated with the carried interests with recoupment occurring from 100% of the revenue stream associated with the carried interests. Upon payout, each carried party will be credited with its full interest in the well and will be subject to its proportionate share of all lease operating expenses and charges to the joint account. Furlington will be authorized to charge overhead on a fixed rate basis as follows:

Drilling Well Rate: \$4,063.77 per month (prorated)

Producing Well Rate: \$474.13 per month

The expenditure limit without partner approval will be \$25,000.00.

It is Burlington's desire to drill this well if all parties can reach a mutually acceptable agreement. To drill this well, we must have fair and equitable terms for all parties participating in the well. Burlington is willing to drill the well if all parties agree to participate in the well either under Option 1 or 2 as set out above.

Brookhaven Com #8 September 18, 1998 Page 2

Burlington's preference would be for all parties to negotiate a fair and equitable modern form Joint Operating Agreement (JOA) and participate or non-consent under that JOA.

Thank you for your cooperation and consideration in this matter. Your prompt response to our request would be greatly appreciated. Any questions may be directed to the undersigned at (505) 599-4010.

S	ino	`et	٠ام·	v
Ю.	ш	ᄺ	CI	ν.

Shannon Nichols

Shannon Nichols Landman

GLA-46 NM 391A

The undersigned	herein	agrees	to:
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Option 1.	Participate in the well under the terms, conditions and elections of a modern form Joint Operating Agreement.
X_ Option 2.	Participate in the well under the terms of Option 2 as set out above.

COMPANY: Energen Resources Corporation

BY: \* Cichardo Corcoran

TITLE: DISTRICT LANDMAN

DATE: November 18, 1998

\* Executed on behalf of Energen Resources Corporation subject to that certain conditional Letter of Acceptance dated November 18, 1998, attached hereto and made a part hereof.

## MationsBank

January 5, 1999

Burlington Resources
Shannon Nichols
P.O. Box 4289
Farmington, New Mexico 87499-4289

RE:

Brookhaven Com #8 Well

Sec 36-27N-8W

San Juan County, New Mexico Mesaverde/Chacra Dual Well

Dear Mr. Nichols,

Under cover letter dated August 14, 1998, NationsBank, acting as Agent/Trustee, elected to be a carried interest owner in the above well under the terms of the GLA-46 Agreement (dtd. 11-27-51). NationsBank now agrees to participate in the development of the above well under Option two (2) of Burlington's Letter Ballot dated September 18, 1998. Enclosed please find our signed Ballots for the following accounts:

F.A. & H.B. Cronican Rev. Tr., NationsBank, N.A. Agent Herbert R. Briggs, NationsBank, N.A. Agent Williams C. Briggs, NationsBank, N.A. Agent C. Fred Luthy Jr., NationsBank, N.A. Agent WWR Enterprises, NationsBank, N.A. Agent Marcia Berger, NationsBank, N.A. Agent Carolyn Sedberr, NationsBank, N.A. Agent Cyrene Inman Trust, NationsBank, N.A. Trustee

Please furnish cories of the drilling reports and payout statements to the above letterhead address.

If I can be of further assistance you can reach me at 817-390-6762.

Yours truly,

Ed DiRe Vice President

Enclosure

Cc:

Cathy Rugen
Janet Cunningham
Shena Hutto

## 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 light 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 Tve (5) Mesaverde infill wells involving lands subject to the Agreement.

As you are aware, Burlington believes that this Agreement provides for the drilling of cighteen (18) Mesaverde wells, four per year, which obligation Burlington's predecessor leng 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 Agree nent 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-or erators 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 nonoperators share of production without any penalty. Burlington is unwilling to accommodate the non-operators under the original earning provision due to simple 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 Fank, N.A. Agent Private Clien's Group Professional Cervices 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

## BURLINGTON RESCURCES

SAN JUAN DIVISION

# Certified Mail Return Receipt Requested

August 25, 1999

Non-Operating Working Interest Owners (see attached list)

Re:

Brookhaven Com #8
Section 36, T27N, R8W
San Juan County, NM

#### Gentlemen:

Under cover letter dated July 30, 1998, Burlington mailed our Authority for Expenditure and a modern form Joint Operating Agreement soliciting your approval and participation in the drilling of the referenced well. Two parties executed our proposed Joint Operating Agreement and elected to join in the drilling of the well. All other parties declined to execute the Joint Operating Agreement.

In a second attempt to solicit partner participation in this well, Burlington mailed a letter dated September 18, 1998, requesting a participation election based on options outlined in that letter. In said letter, Burlington indicated its willingness to drill the referenced well if all parties elected to join in the well under the options provided for in the letter. We did not receive an election from all parties owning a working interest in the well. As such, this letter is to advise that Burlington hereby withdraws its offer to drill and complete the referenced well under the participation options outlined in our letter dated September 18, 1998.

In the near future, Burlington is planning to mail another Joint Operating Agreement covering the proration unit for this well and other lands previously subject to GLA-46. We respectfully request your review and execution of the new Joint Operating Agreement. Upon execution of the new Joint Operating Agreement, Burlington will move forward with its plans to drill the referenced well. Absent your execution of the new Joint Operating Agreement, Burlington will initiate force pooling procedures on this and other well proposals.

Any questions may be directed to the undersigned at (505) 599-4010.

Sincerely,

Shannon Nichols

Shormon Nuchols

Petroleum Landman

NM 391A Well File

## Brookhaven Com #8 Well Mesaverde/Chacra dual

### **Non-Operating Working Interest Owners**

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

Carolyn Nielsen Sedberry c/o Bank of America Attn: Mr. Ed DiRe P.O. Box 2546 Fort Worth, TX 76113-2546

Roger B. Nielsen 6424 Belton El Paso, TX 79912

C. Fred Luthy, Jr. c/o Bank of America Attn: Mr. Ed DiRe P.O. Box 2546 Fort Worth, TX 76113-2546

Cyrene L. Inman c/o Bank of America Attn: Mr. Ed DiRe P.O. Box 2546 Fort Worth, TX 76113-2546

F.A. & H.B. Cronican Revocable Trust c/o Bank of America Attn: Mr. Ed DiRe P.O. Box 2546 Fort Worth, TX 76113-2546

William C. Briggs c/o Bank of America Attn: Mr. Ed DiRe P.O. Box 2546 Fort Worth, TX 76113-2546 Herbert R. Briggs c/o Bank of America Attn: Mr. Ed DiRe P.O. Box 2546 Fort Worth, TX 76113-2546

Marcia Berger c/o Bank of America Attn: Mr. Ed DiRe P.O. Box 2546 Fort Worth, TX 76113-2546

WWR Enterprises, Inc. c/o Bank of America Attn: Mr. Ed DiRe P.O. Box 2546 Fort Worth, TX 76113-2546

Energen Resources, Inc. Attn: Mr. Richard Corcoran 2198 Bloomfield Highway Farmington, NM 87401

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

### 2 554 656 904

Do not use for International Mail (See reverse)

**Receipt for Certified Mail** No Insurance Coverage Provided.

**US Postal Service** 

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SENDER:  Complete items 1 and/or 2 for additional services.  Complete items 3, 4a, and 4b.  Print your name and address on the reverse of this form so card to you.  Attach this form to the front of the mailpiece, or on the back permit.  Write "Return Receipt Requested" on the mailpiece below a The Return Receipt will show to whom the article was delividelivered.	if space does not  1. Addressc e's Address en article number.  2. Restricted Delivery
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**US Postal Service Receipt for Certified Mail** 

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Cyrene L. Inman c/o Bank of America Attn: Mr. Ed DiRe P.O. Box 2546

Fort Worth, TX 76113-2546

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Brookhaven com #8

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#### **Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to

Marcia Berger

c/o Bank of America

Attn: Mr. Ed DiRe

P.O. Box 2546

Fort Worth, TX 76113-2546

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ADDRESS completed on	Roger B. Nielsen 1200 Danbury Drive Mansfield, TX 76063	7. Date of D	Type red Mail receipt for Merchandise	Certified (Insured COD
your BETURN	5. Received By: (Print Name)  6. Signature: Addressee or Agent)  X  PS Form 3811, December 1994	and fee i	8. Addressee's Address (Only if requested and fee is paid)  95-98-8-0229 Domestic Return Recei	

PBMS of U.S. POSTAGE

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San Juan Division 3535 East 30th St., P.O. Box 4289 Farmington, New Mexico 87499-4289

913 554 656

Roger B. Nielsen 6424 Belton El Paso, TX 79912

NIEL424 799122006 1898 08 09/10/99 FORWARD TIME EXP RTN 10 SEND NIELSEN 1200 DANBURY DR MANSFIELD TX 76063-3809

87439/4283

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6. Signature: (Addressee or Agent)
5. Received By: (Print Name)
۳a .
El Paso, TX 79912
6424 Belton
Roger B. Nielsen
3. Article Addressed to:
The Return Receipt will show to whom the article was delivered and the date delivered.
permit.  • Write "Return Receipt Requested" on the mailpiece below the article number.
card to you.  Attach this form to the front of the mailpiece, or on the back if space does not
■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this

Thank you for using Return Receipt Service.

Certified ☐ Insured

RETURN RECEIPT REQUESTED Domestic Return Receipt



SAN JUAN DIVISION

CERTIFIED MAIL-Return Receipt Requested

September 15, 1999

WORKING INTEREST OWNERS SEE BELOW TABLE

RE:

Sincerely,

SECOND REQUEST-NEW DRILL PROPOSAL

Brookhaven Com #8 (Mesaverde/Chacra Dual Completion) NE NW Sec. 36, T27N, R8W (W/2 Mesaverde Unit & NW/4 Chacra Unit)

San Juan County, New Mexico

#### Ladies and Gentlemen:

Burlington Resources Oil & Gas Company proposes the drilling and completion of the referenced Mesaverde/Chacra dual completion (proposed depth: 4,850'), which was originally proposed on July 30, 1998. This project has a total estimated cost of \$427,630. Each parties working interest in each proposed formation is identified in the table below.

Working Interest Owner	MV Ownership %	CH Ownership %
Burlington Resources Oil & Gas Company	63.427118	51.324453
Cross Timbers Oil Company	1.5625	3.125
Cheryl Potenziani	0.926703	1.323861
Energen Resources Corporation	15.049651	18.419144
Westport Oil & Gas Company	6.761437	8.275267
Carolyn Sedberry	1.578502	2.683575
Roger Nielsen	1.878502	2.685575
C. Fred Luthy Jr.	1.53198	2.647426
Cyrene L. Inman	1.53198	2.647426
FA & HB Cronican Rev Trust	1.0 52185	1.503122
William C. Briggs	0. 38940	1.341343
Herbert R. Briggs	0. 39562	1.34/232
Marcia Berger	0.539252	1.34 788
WWR Enterprises	0.! 39252	1.34 i 788

The blanket operating agreement dated February 1, 1999, propersed on May 18, 1999 is enclosed for your review and approval. Please let us know if you wish to limit this Operating Agreement to the subject drill block lands. A revised Exhibit "A" shall be forwarded to you upon request.

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Shan Petro	amin Nuchtz non Nichols leum Landman M-391A (Well file)		·	
	Agreed to and accepted this  We agree to bear our proportions completed Mesaverde/Chacra we	day of ate share of the actual costs to dril II.	, 1999. l and complete the Brookhaver	ı Com #8 as a dually
	Company:		•	
	Name:			
	Title:			



SAN JUAN DIVISION

#### **CERTIFIED MAIL-Return Receipt Requested**

September 15, 1999

WORKING INTEREST OWNERS
SEE BELOW TABLE

RE:

Brookhaven Com #9 (Mesaverde/Chacra Dual Completion)

NE SW Sec. 36, T27N, R8W (W/2 Mesaverde Unit & SW/4 Chacra Unit)

San Juan County, New Mexico

#### Ladies and Gentlemen:

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Westport Dil & Gas Company	6.761437	5.247607
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Cyrene L. Inman	1.853198	1.058970
FA & HB Cronican Rev Trust	1.052185	0.601249
William C. Briggs	0.938940	0.536537
Herbert R Briggs	0.939562	0.536893
Marcia B <sub>1</sub> rger	0.939252	0.536715
WWR Enterprises	0.939252	0.536715

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Sincer	y,
Shann	n Nichols
	m L: ndman 91A (Well file)
	Agreed to and accepted this day of, 1999.  We agree to bear our proportionate share of the actual costs to drill and complete the Brookhaven Com #9 as a dually completed Mesaverde/Chacra well.
	Company:
	Name:
	Title:

## BROOKHAVEN COM B #8 NEW DRILL WORKING INTEREST OWNERS

#### **NAME**

Burlington Resources Oil & Gas Company Attn: Shannon Nichols P.O. Box 4289 Farmington, NM 87499

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

Westport Oil & Gas Company Attn: Kent Davis 410 Seventeenth Street, Ste 2300 Denver, CO 80202-4436

DACRESA GROUP:
Marcia Berger
WWR Enterprises Inc.
Carolyn Nielsen Sedberry
Herbert R. Briggs
William C. Briggs
F. A. & H. B. Cronican Trust
Cyrene L. Inman
C. Fred Luthy, Jr.
C/o Bank of America
Attn: Ed Di Re
P.O. Box 2546
Fort Worth, TX 76113-2546

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

Roger B. Nielsen 1200 Danbury Dr. Mansfield, TX 76063

Cross Timbers Oil Company Attn: Vaughn Vennerberg II 810 Houston Street Suite 2000 Fort Worth, TX 76102-6298

## Proceipt for Certified Mail

surance Coverage Provided.

Do not use for International Mail (See reverse) Sent to

# Energen Resources MAQ, Inc. Attn: Rich Corcoran 2198 Bloomfield Highway Farmington, NM 87401

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[	Special Delivery Fee			-	
,	Restricted Delivery Fee				
۱۱	Return Receipt Showing to Whom & Date Delivered				
	Return Receipt Showing to Whom, Date, & Addressee's Address				
	TOTAL Postage & Fees	\$			
7	Postmark or Date 9-16-99 Brookhaven Com #8 Brookhaven Com #9 Brookhaven Com B #3B				

SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so to card to you. Attach this form to the front of the mailpiece, or on the back in permit. Write "Return Receipt Requested" on the mailpiece below the The Return Receipt will show to whom the article was delivered.	f space does not é article number.		
3. Article Addressed to:  Energen Resources MAQ, Inc. Attn: Rich Corcoran 2198 Bloomfield Highway Farmington, NM 87401	Z 55 4b. Service ☐ Register ☐ Express ☐ Return Re	4a. Article Number  Z 55+ (050 916  4b. Service Type  Registered  Express Mail Return Receipt for Merchandise	
5 Received By: (Print Name)  6. Signature (Addressee & Agent)  X  PS Form 3811, December 199		8. Addressee's Address (Only if reque and fee is paid)	

#### 2 554 656 918

**US Postal Service** 

# Receipt for Certified Mail No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to

Marcia Berger, et al

c/o Bank of America

Attn: Ed Di Re P.O. Box 25546

Fort Worth, TX 76113-2546

	Certified Fee	
April 1995	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt Showing to Whom & Date Delivered	
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is your RETURN ADDRESS completed on the reverse side?	Print your name and address on the reverse of this form so that we can return this card to you.      Attach this form to the front of the mailpiece, or on the back if space does not permit.      Write "Return Receipt Requested" on the mailpiece below the article number.      The Return Receipt will show to whom the article was delivered and the date delivered.		2. Restricter Consult postmas	s (for an ee's Address d Delivery
	3. Article Addressed to:  Marcia Berger, et al c/o Bank of America Attn: Ed Di Re P.O. Box 25546 Fort Worth, TX 761	☐ Express Mail ☐ In:		Certified Insured COD
	5. Received By: (Print Name)  8. Addressee and fee is  6. Signature: (Addressee of Agent)  PS Form 3811, December 1994		e's Address (Only s paid) Domestic Reti	, ,

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Certified Mail

verage Provided. Do not use for International Mail (See reverse) Sent to

Cross Timbers Oil Company Attn: Vaughn Vennerberg 810 Houston Street, Suite 2000 Fort Worth, TX 76102-6298

	Certilled Fee	
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	Restricted Delivery Fee	
April 1995	Return Receipt Showing to Whom & Date Delivered	
April	Return Receipt Showing to Whom, Date, & Addressee's Address	
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card to you.  Attach this form to the front of the mailpiece, or on the back in permit.  Write "Return Receipt Requested" on the mailpiece below the	Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date		elve the s (for an ee's Address d Delivery ter for fee.
3. Article Addressed to:  Cross Timbers Oil Company Attn: Vaughn Vennerberg 810 Houston Street, Suite 2000 Fort Worth, TX 76102-6298	4a. Article N Z 55 4b. Service Register Express Return Re Date of D	Y 050 93 Type ed Mail ceipt for Merchandise etivery	Certified Insured
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**US Postal Service** 

**Deceipt for Certified Mail** 

l'o Insurance Coverage Provided. Do not use for International Mail (See reverse)

Westport Oil & Gas Company Attn: Kent Davis 410 Seventeenth Street, Ste 2300 Denver, CO 80202-4436

Form <b>3800</b> , April 1995	Centilled ree	
	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt Showing to Whom & Date Delivered	
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your RETURN ADDRESS completed on the reverse side?	Complete items 1 and/or 2 for additional services.  Complete items 3, 4a, and 4b.  Print your name and address on the reverse of this form so that we can return this card to you.  Attach this form to the front of the mailpiece, or on the back if space does not permit.  Write "Return Receipt Requested" on the mailpiece below the article number.  The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee):  1.  Addressee's Address 2.  Restricted Delivery Consult postmaster for fee.	
	3. Article Addressed to: Westport Oil & Gas Company Attn: Kent Davis 410 Seventeenth Street, Ste 2300 Denver, CO 80202-4436	☐ Express Mail ☐ Insu		☐ COD
	5. Received By: (Print Name) 6. Signature: (Addressee or Agent)  X PS Form 3811, December 1994	8. Addressee's Address (Only if requeste and fee is paid)  102595-96-B-0229 Domestic Return Rece		*

### Z 554 656 920

# US Postal Service ceipt for Certified Mail

Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Roger B. Nielsen 1200 Danbury Dr. Mansfield, TX 76063

	Cennea ree	
	Special Delivery Fee	
	Restricted Delivery Fee	
April 1995	Return Receipt Showing to Whom & Date Delivered	
April	Return Receipt Showing to Whom, Date, & Addressee's Address	
3800	TOTAL Postage & Fees	\$
PS Form 3	Postmark or Date 9-16-99 Brookhaven Com #8 Brookhaven Com #9 Brookhaven Com B #3B	

the reverse side?	Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee):  1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.	
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your	x affruite			
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### Z 554 656 919

**US Postal Service** 

Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)
Sent to
Cheryl L. Potenziani

P.O. Box 36600, Station D Albuquerque, NM 87176

200	Postmark or Date 9-16-99 Brookhaven Com #8 Brookhaven Com #9 pokhaven Com B #3B	
	TOTAL Postage & Fees	\$
2	Return Receipt Showing to Whom, Date, & Addressee's Address	
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ADDITESS completed on the reverse side?	SENDER:  © Complete items 1 and/or 2 for additional services.  © Complete items 3, 4a, and 4b.  Print your name and address on the reverse of this form so that we card to you.  Attach this form to the front of the mailpiece, or on the back it space permit.  Write "Return Receipt Requested" on the mailpiece below the artice. The Return Receipt will show to whom the article was delivered and delivered.  3. Article Addressed to:  Cheryl L. Potenziani  P.O. Box 36600, Station D  Albuquerque, NM 87176	de number, de number, de number, de number, de number, de number, de number de number, de	Type  Type
your RETURN	5. Received By: (Print Name)		Andress (Only) requested
	6. Signature: (Andressed or Abent)		
1	PS Form <b>3811</b> , December 1994	2595- <b>98-B-0229</b>	Domestic Return Receipt



**CERTIFIED MAIL-Return Receipt Requested** 

September 15, 1999

WORKING INTEREST OWNERS SEE BELOW TABLE

RE:

SECOND REQUEST-NEW DRILL PROPOSAL

Brookhaven Com #8 (Mesaverde/Chacra Dual Completion)

NE NW Sec. 36, T27N, R8W (W/2 Mesaverde Unit & NW/4 Chacra Unit)

San Juan County, New Mexico

#### Ladies and Gentlemen:

Burlington Resources Oil & Gas Company proposes the drilling and completion of the referenced Mesaverde/Chacra dual completion (proposed depth: 4,850'), which was originally proposed on July 30, 1998. This project has a total estimated cost of \$427,630. Each parties working interest in each proposed formation is identified in the table below.

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Energen Re ources Corporation	15.049651	18.4191 <b>44</b>
Westport O ! & Gas Company	6.761437	8.275267
Carolyn Sec berry	1.878502	2.683575
Roger Nielsen	1.878502	2.683575
C. Fred Luthy Jr.	1.853198	2.647426
Cyrene L. Inman	1.853198	2.647426
FA & HB Cronican Rev Trust	1.052185	1.503122
William C. Briggs	0.938940	1.341343
Herbert R. Briggs	0.939562	1.342232
Marcia Berger	0.939252	1.341788
WWR Enterprises	0.939252	1.341788

The blanket operating agreement dated February 1, 1999, proposed on May 18, 1999 is enclosed for your review and approval. Please let us know if you wish to limit this Operating Agreement to the subject drill block lands. A revised Exhibit "A" shall be forwarded to you upon request.

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Shamm Nucle	· · · · · · · · · · · · · · · · · · ·		
Shannon Nichols		•	
Petroleum Landman xc: NM-391A (Well file)	1		
AA G HR LEG TO I	ear our pr por onate share of the actual costs to drill and consaverde/Chacra well.	, 1999. mplete the Brookha	ven Com / 8 as a dually
Company:	Zonal Postain		. 4. 16. 1
Title:			



#### **CERTIFIED MAIL-Return Receipt Requested**

September 15, 1999

WORKING INTEREST OWNERS
SEE BELOW TABLE

RE:

Brookhaven Com #9 (Mesaverde/Chacra Dual Completion)

NE SW Sec. 36, T27N, R8W (W/2 Mesaverde Unit & SW/4 Chacra Unit)

San Juan County, New Mexico

#### Ladies and Gentlemen:

Burlington Resources Oil & Gas Company proposes the drilling and completion of the referenced well as a Mesaverde/Chacra dual completion. This project has a total estimated cost of \$427,630. Each parties working interest in each proposed formation is identified in the table below.

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Westport Oil & Gas Company	6.761437	5.247607
Carolyn Sedberry	1.87: 502	1.073430
Roger Nielsen	1.878502	1.073430
C. Fred Luthy Jr.	1.853198	1.058971
Cyrene L. Juman	1.85: 198	1.058970
FA & HB Cronican Rev Trust	1.050 185	0.601249
William C. Briggs	0.93( 940	0.536537
Herbert R. Briggs	0.93' 562	0.536893
Marcia Berger	0.93: 252	0.536715
WWR Enterprises	0.939252	0.536715

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Sincerely	', 'O A
Stam	on Nulah
Shannon	
Petroleur	n Landman
	1A (Well file)
;	Agreed to and accepted this 28th day of <u>September</u> , 1999. We agree to bear our proportionate share of the actual fosts to drill and complete the Brookhaven Com #9 as a dually
	completed Mesaverde/Chacra well.
ı	Company:
]	Name: (Total) Total
	Title:



October 11, 1999

**CERTIFIED MAIL** 

Mr. James Strickler Burlington Resources PO Box 4289 Farmington, NM 87499-4289

OGT 1 3 1999

RE:

**Drilling AFEs** 

Brookhaven Com #9
Brookhaven Com #8
Brookhaven Com B #3B

San Juan County, New Mexico

#### Dear James:

Reference is made to three drilling proposals each dated September 15, 1999, which provide for the drilling of the Brookhaven Com #9, Brookhaven Com #8, and the Brookhaven Com B #3B wells.

Energen Resources Corporation (Energen) has tentatively scheduled a meeting with Burlington Resources for October 18, 1999 to discuss the status of GLA-46. Until an agreement that changes or eliminates the terms of GLA-46 has been reached, Energen will continue to honor the provisions of said agreement.

This is to confirm that Energen Resources Corporation hereby elects to join in drilling the three wells in question under the terms of GLA-46, dated November 27, 1951, as amended.

Thank you for your consideration in this matter. We look forward to resolving the issues surrounding GLA-46.

Sincerely,

Richard Corcoran
District Landman

RC/tm

#### CERTIFIED MAIL-Return Receipt Requested

September 15, 1999

WORKING INTEREST OWNERS SEE BELOW T. BLE

RE:

SECOI D REQUEST-NEW DRILL PROPOSAL

Brookh: ven Com #8 (Mesaverde/Chacra Dual Completion)

NE NW Sec. 36, T27N, R8W (W/2 Mesaverde Unit & NW/4 Chacra Unit)

San Juan County, New Mexico

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Westport Oil & Gas Company	6.761437	8.275267
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Roger Nielsen	1.878502	2.683575
C. Fred Luthy Jr.	1.853198	2.647426
Cyrene L. Inman	1.853198	2.647426
FA & HB Cronican Rev Trust	1.052185	1.503122
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Sincerely. Shamon Nu **Shannon Nichols** Petroleum Landman xc: NM-391A (Well file)

> Agreed to and accepted this 11th day of We agree to bear our proportionate share of the actual costs to drill and complete the Brookhaven Com #8 as a dually-

empleted Mesaverde/Chacra well.

Company: ENERGEN RESOURCES CORPORATION

Name: D. Niederhofer

<u> General Manager - San Juan Basin</u>

We agree to participate in drilling and completing the Brookhaven Com #8 well subject to the terms of that certain Operating Agreement dated November 27, 1951, as amended.



CERTIFIED MAIL-Return Receipt Requested

September 15, 1999

**WORKING INTEREST OWNERS** SEE BELOW TABLE

RE:

Brookhaven Com #9 (Mesaverde/Chacra Dual Completion)

NE SW Sec. 36, T27N, R8W (W/2 Mesaverde Unit & SW/4 Chacra Unit)

San Juan County, New Mexico

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Westport Oil & Gas Company	6.761437	5.247607
Carolyn Sedberry	1.878502	1.073430
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C. Fred Luthy Jr.	1.853198	1.058971
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WWR Enterprises	0.939252	0.536715

The blanket operating agreement dated February 1, 1999, proposed on May 18, 1999 is enclosed for your review and approval. Please let us know if you wish to limit this Operating Agreement to the subject drill block lands. A revised Exhibit "A" shall be forwarded to you upon request.

Please indicate your approval of the above well proposal by signing and returning a copy of this letter ballot, AFE, and one (1) executed signature page for the Operating Agreement dated February 1, 1999, on or September 30, 1999. If you should have any questions concerning our proposal, please call me at (505) 599-4010.

Sincerely, Stamon Nulla Shannon Nichols Petroleum Landman

xc: NM-391A (Well file)

1999. Agreed to and accepted this 11th day of October

-We agree to bear our proportionate share of the actual costs to drill and complete the Brookhaven Com #9 as a dually... completed Mesaverde/Chacra well.

ENERGEN RESOURCES CORPORATION Company:

Name:

Title:

Manager San Juan Basin We agree to participate in drilling and completing the Brookhaven Com #9 well subject to the terms of that certain Operating Agreement dated November 27, 1951, as amended.

October 13, 1999

HAND DELIVERED

Mr. Richard P. Corcoran Energen Resources Corporation 2198 Bloomfield Highway Farmington, NM 87401

Re:

Drilling AFE's Brookhaven Com #8

Brookhaven Com #9
Brookhaven Com."B" #3B

Dear Rich:

Burlington Oil & Gas Company ("Burlington") has received Energen Resources' ("Energen") transmittal letter of October 11, 1999, advising that Energen elects to "join" in the drilling of the captioned wells under the terms of GLA-46. As previously communicated, Burlington asserts that GLA-46 does not govern the drilling of additional new wells on the subject acreage. The terms of the GLA are so onerous, we would be forced to cancel the wells on economic grounds.

Burlington's meeting with Energen, currently scheduled for Tuesday, October 19, 1999, will be of benefit only if Energen acknowledges that the offered election actually kills the drilling of these three wells. Obviously, Burlington and Fnergen have much to discuss next week. However, to expedite a final resolution of the issues surrounding GLA-46, Burlington will immediately seek to force pool Energen's interest in the three captioned wells before the New Mexico Oil Conservation Division

Respectfully,

6hr F. Zent, Land Manager

xc:

**GLA-46** 

J. Strickler

J. Bemis

A. Alexander

410 Seventeenth Street #2300 Denver Colorado 80202-4436 Telephone: 303 573 5404 Fax: 303 573 5609

8 -53

October 14, 1999

Burlington Resources
P.O. Box 4289
Farmington, New Mexico 87449-4289
Attn: James R. J. Strickler, CPL

RE: AFE's

Brookhaven Com #8
Brookhaven Com B#3B
Brookhaven Com #9
San Juan County, New Mexico

Dear Mr. Strickler:

Westport Oil and Gas Company, Inc. (Westport) is in receipt of AFE's covering the drilling and completion of the three (3) referenced wells. Please be advised that Westport would participate in the drilling of these wells but we believe the operative agreement to be the GLA-46 agreement dated November 27, 1951 by and between Brookhaven Oil Company and San Juan Production Company. As you know the Farmout Agreement caps the amount of expenditures which can be billed to Westport.

Should you have a different interpretation of this agreement please let me know.

Very truly yours,

David R. Dix Land Manager

DRD/cac

cc: Paul Rote

Energen



October 19, 1999

Burlington Resources Oil & Gas Company P.O. Box 4289 Farmington, NM 87499-4289 Attention: James Strickler

Brookhaven Com #8 RE: W/2 Unit Mesv. NW/4 Unit Charca Section 36-27N-8W San Juan County, NM

#### Dear James:

Cross Timbers Oil Company, as agent for Merchant Resources #1 L.P. (Merchant) hereby elects to join in the drilling of the above captioned well. Enclosed please find a copy of your AFE and proposal letter that has been executed on behalf of Merchant.

Merchant has been forwarded your JOA for their review and possible execution. Should you have any questions, or need anything further, please feel free to contact me at (817) 885-2454.

Sincerely, \(\cdot\)

CROSS TIMBERS OIL COMPANY, AS

AGENT FOR MERCHANT RESOURCES #1 L.P.

George A. Cox, CPL

IJ

Landman

Enclosures

Robin Galvin - Merchant cc:

> Dave Schroeder Win Ryan

Kim Rhoads

§ (1) 



#### **CERTIFIED MAIL-Return Receipt Requested**

September 15, 1999

WORKING INTEREST OWNERS SEE BELOW TABLE

RE:

#### SECOND REQUEST-NEW DRILL PROPOSAL

Brookhaven Com #8 (Mesaverde/Chacra Dual Completion)
NE NW Sec. 36, T27N, R8W (W/2 Mesaverde Unit & NW/4 Chacra Unit)

San Juan County, New Mexico

#### Ladies and Gentlemen:

Burlington Resources Oil & Gas Con pany proposes the drilling and completion of the referenced Mesaverde/Chacra dual completion (proposed depth: 4,50°), which was originally proposed on July 30, 1998. This project has a total estimated cost of \$427,630. Each parties working interest in each proposed formation is identified in the table below.

Working I teres Owner	MV Ownership %	CH Ownership %
Burlington Resources Oil & Gas Company	63.427118	51.324453
Cross Timb rs Oi Company	1.5625	3.125
Cheryl Potenziani	0.9, 6703	1.323861
Energen Resources Corporation	15.049651	18.419144
Westport Oil & Gas Company	6.7( 1437	8.275267
Carolyn Sedberry	1.8' 8502	2.683575
Roger Nielsen	1.8' 8502	2.683575
C. Fred Luthy Jr.	1.8: 3198	2.647426
Cyrene L. Inman	1.8: 3198	2.647426
FA & HB Cronican Rev Trust	1.0: 2185	1.503122
William C. Briggs	0.9: 8940	1.341343
Herbert R. Briggs	0.9; 9562	1.342232
Marcia Berger	0.9: 9252	1.341788
WWR Enterprises	0.9: 9252	1.341788

The blanket operating agreement dated February 1, 1999, proposed on May 18, 1999 is enclosed for your review and approval. Please let us know if you wish to limit this Operating Agreement to the subject drill block lands. A revised Exhibit "A" shall be forwarded to you upon request.

Please indicate your approval of the above well proposal by signing and returning a copy of this letter ballot, AFE, and one (1) executed signature page for the Operating Agreement dated February 1, 1999, on or September 30, 1999. If you should have any questions concerning our proposal, please call me at (505) 599-4010.

Sincerely, · O \
Shamon Nucles
Shannon Nichols
Petroleum Landman
xc: NM-391A (Well file)

as agent

m Landman 91A (Well file)				
We agree to be	accepted this day of day of day of ear our proportionate share of the actual saverde/Chacra well.	Costs to drill and c	, 1999. omplete the Brookhaven C	om #8 as a dually
Company:		-		
Name:	By: Edular L. Elan, Fie	, <del>-</del>		
mt d	Cross Timbers Oil Company	- Up		

2 2 1999

October 19, 1999

Burlington Resources Oil & Gas Company P.O. Box 4289
Farmington, NM 87499-4289
Attention: James Strickler

RE:

Brookhaven Com #9 W/2 Unit Mesv.

SW/4 Unit Charca Section 36-27N-8W San Juan County, NM

### Dear James:

Cross Timbers Oil Company, as agent for Merchant Resources #1 L.P. (Merchant) hereby elects to join in the drilling of the above captioned well. Enclosed please find a copy of your AFE and proposal letter that has been executed on behalf of Merchant.

Merchant has been forwarded your JOA for their review and possible execution. Should you have any questions, or need anything further, please feel free to contact me at (817) 885-2454.

Sincerely,

CROSS TIMBERS OIL COMPANY, AS AGENT FOR MERCHANT RESOURCES #1 L.P.

George A. Cox, CPL

Landman

**Enclosures** 

cc:

Robin Galvin - Merchant

Dave Schroeder Win Ryan Kim Rhoads



#### **CERTIFIED MAIL-Return Receipt Requested**

September 15, 1999

WORKING INTEREST OWNERS SEE BELOW TABLE

RE:

Brookhaven Com #9 (Mesaverde/Chacra Dual Completion)

NE SW Sec. 36, T27N, R8W (W/2 Mesaverde Unit & SW/4 Chacra Unit)

San Juan County, New Mexico

#### Ladies and Gentlemen:

Burlington Resources Oil & Gas Company proposes the drilling and completion of the referenced well as a Mesaverde/Chacra dual completion. This project has a total estimated cost of \$427,630. Each parties working interest in each proposed formation is identified in the table below.

'Vorking Interest Owner	MV Ownership %	CH Ownership %
Turlington Resources Oil & Gas Company	63.427118	5.529781
Cross Timbers Oil Company	1.5625	0.00
Cheryl Potenziani	0.926703	(.529544
Thergen Resources Corporation	15.049651	1.680158
V. estport Oil & Gas Company	6.761437	:.247607
Carolyn Sedberry	1.878502	.073430
Γ oger Nielsen	1.878502	1.073430
C. Fred Luthy Jr.	1.853198	1.058971
Cyrene L. Inman	1.853198	1.058970
FA & HB Cronican Rev Trust	1.052185	0.601249
William C. Briggs	0.938940	0.536537
Herbert R. Briggs	0.939562	0.536893
Marcia Berger	0.939252	0.536715
WWR Enterprises	0.939252	0.536715

The blanket operating agreement dated February 1, 1999, proposed on May 18, 1999 is enclosed for your review and approval. Please let us know if you wish to limit this Operating Agreement to the subject drill block lands. A revised Exhibit "A" shall be forwarded to you upon request.

Please indicate your approval of the above well proposal by signing and returning a copy of this letter ballot, AFE, and one (1) executed signature page for the Operating Agreement dated February 1, 1999, on or September 30, 1999. If you should have any questions concerning our proposal, please call me at (505) 599-4010.

Sincerely, Shannan	Nichol
Shannon Ni	
Petroleum L	
xc: NM-391A (	(Well file)

as agent

# BURLINGTON RESOURCES

SAN JUAN DIVISION

October 26, 1999

WORKING INTEREST OWNERS
SEE ATTACHED

RE: Notice of Well Name Change

Brookhaven Com #8A (Mesaverde/Chacra Dual Completion)
NE SW Sec. 36, T27N, R8W (W/2 Mesaverde Unit & SW/4 Chacra Unit)

San Juan County, New Mexico

Originally named the Brookhaven Com #9

#### Ladies and Gentlemen:

By letter dated September 15, 1999, Burlington Resources Oil & Gas Company proposed the drilling and completion of the referenced well (identified under said letter as the Brookhaven Com #9) as a Mesaverde/Chacra dual completion. This letter shall serve as notice that the well name for Burlington's September 15, 1999, proposal has been changed from the Brookhaven Com #9 to the Brookhaven Com #8A. The name change has been done to comply with NMOCD naming convention. Except for the well name change, all other terms and conditions of Burlington's September 15, 1999, proposal remain unchanged.

When returning the September 15, 1999, letter indice ing your participation election in the well proposal, please simply mark through the incorrect well name and replace it with the correct well name. If you have already returned said letter indicating your election, be advised that we will note the correct well name on your election ballot.

Again, this letter shall serve as notice that the well name (Brookhaven Com #9) contained in our September 15, 1999, proposal has been changed to the Brookhaven Com #8A. Except for the well name change, all other terms and conditions of Burlington's September 15, 1999, proposal remain unchanged.

Any questions may be directed to the undersigned at 505 599-4010.

Sincerely.

Shannon Nichols Petroleum Landman

Shannon Willer

xc: NM-391A (Well file)

# BROOKHAVEN COM #8A NEW DRILL WORKING INTEREST OWNERS

#### **NAME**

Burlington Resources Oil & Gas Company Attn: Shannon Nichols P.O. Box 4289 Farmington, NM 87499

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

Westport Oil & Gas Company Attn: Kent Davis 410 Seventeenth Street, Ste 2300 Denver, CO 80202-4436

#### **DACRESA GROUP:**

Marcia Berger
WWR Enterprises Inc.
Carolyn Nielsen Sedberry
Herbert R. Briggs
William C. Briggs
F. A. & H. B. Cronican Trust
Cyrene L. Inman
C. Fred Luthy, Jr.
C/o Bank of America
Attn: Ed Di Re
P.O. Box 2546
Fort Worth, TX 76113-2546

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

Roger B. Nielsen 1200 Danbury Dr. Mansfield, TX 76063

Cross Timbers Oil Company Attn: Vaughn Vennerberg II 810 Houston Street Suite 2000 Fort Worth, TX 76102-6298

Bank of America Private Bank Oil and Gas Management TX1-497-04-07 PO Box 2546 Fort Worth, TX 76113-2546

Tel 817.390.6161 Fax 817.390.6494

October 26, 1999

Burlington Resources
San Juan Division
Mr. Shannon Nichols
P.O. Box 4289
Farmington, New Mexico 87499-4289

RE:

Brookhaven Com #8a (Mesaverde/Chacra Dual Completion)

NE SW Sec 36-27N-8W (W/2 Mesaverde Unit & SW/r Chacra Unit)

San Juan County, New Mexico

Originally named the Brookhave Com #9

Dear Mr. Nichols,

Bank of America, N.A., as agent/Trustee for the following Working Interest Owners, elects to be carried in the above well under the terms of the GLA-46 agreement Dated November 27, 1951.

F.A. & H.B. Cronican Rev. Tr.
Herbert R. Briggs
William C. Briggs
C. Fred Luthy Jr.
WWR Enterprises
Marcia Berger
Carolyn Sedberry
Cyrene Inman Bank of America, N.A., Trustee

Please provide us with copies of the drilling reports and payout statements at the above letterhead address.

If I can be of assistance you can reach me at 817 390-6762.

Yours truly.

Ed DiRe, Vice President

cc:

Cathy Rugen Janet Cunningham Shena Hutto