

El Paso NATURAL GAS
COMPANY

LAND DEPARTMENT

GLA DISTRIBUTION

P. O. BOX 1492
EL PASO, TEXAS 79978

PHONE: 915-543-2600

May 20, 1976

GLA-46

Amendment #19

Brookhaven Oil Company
P. O. Box 1267
Scottsdale, Arizona 85252

Dacressa Corporation
P. O. Box 1267
Scottsdale, Arizona 85252

Amoco Production Company
Security Life Building
Denver, Colorado 80202

Gentlemen:

On November 27, 1951, Brookhaven Oil Company and San Juan Production Company entered into an Operating Agreement pertaining to certain lands in San Juan County, New Mexico. Said Agreement provided that "In the event any well be drilled upon said acreage to a greater or lesser depth than a Mesaverde 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 Mesaverde well, as defined in Section 5d1 above."

The Agreement does not provide for an amount to be recovered from a well completed in the Tertiary Sands Formation and since the San Juan 32-9 Unit #84 well has been drilled and completed in this formation, it is the purpose of this letter to amend the Operating Agreement of November 27, 1951 to provide for an amount to be recovered from the Tertiary Sands Formation.

By this Letter Agreement, Brookhaven Oil Company, Dacressa Corporation, and Amoco Production Company, 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 follows:

Brookhaven, Dacressa, and Amoco's obligations to pay drilling costs out of production on a Tertiary Sands well shall not exceed Thirteen Thousand Two Hundred Fifty Dollars (\$13,250), or one-half (1/2) of the estimated cost of Twenty-Six Thousand Five Hundred Dollars (\$26,500) per Tertiary Sands well. The

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Brookhaven Oil Company
Dacressa Corporation
Amoco Production Company
Page Two

drilling costs of each such well shall include all costs provided for in the Operating Agreement dated November 27, 1951, but shall not include costs of casing.

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. Butcher
Assistant Vice President

AGREED TO AND ACCEPTED this

28th day of May, 1976.

BY: Brookhaven Oil Co
Charles B. Scott, Jr. President

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drilling costs of each such well shall include all costs provided for in the Operating Agreement dated November 27, 1951, but shall not include costs of casing.

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: *J. W. [Signature]*
Assistant Vice President

AGREED TO AND ACCEPTED this

28th day of May, 1976.

BY: *Dacrossa Corp*
by Thomas B. [Signature] Pres

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drilling costs of each such well shall include all costs provided for in the Operating Agreement dated November 27, 1951, but shall not include costs of casing.

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. Fitts
Assistant Vice President

AGREED TO AND ACCEPTED this

17th day of June, 1976.

AMOCO PRODUCTION COMPANY
BY: M. J. Hansen

IT'S ATTORNEY-IN-FACT



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