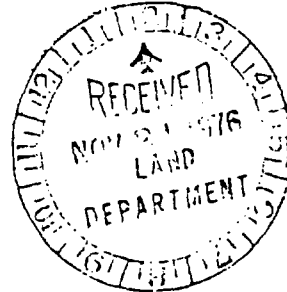


El Paso NATURAL GAS
COMPANY

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

November 16, 1976



LAND DEPARTMENT
GLA DISTRIBUTION

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

GLA-46
Amdt. #21

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, as amended, provided for the drilling of Pictured Cliffs wells by San Juan Production Company and the recovery of Brookhaven's share of the cost of drilling such wells subject to the limitations and in accordance with the provisions of Subparagraph 5.d of said Agreement, as amended.

By this letter, Brookhaven Oil Company, and El Paso Natural Gas Company, as successor in interest to San Juan Production Company, do hereby evidence the amendment of Subparagraph 5.d of the Operating Agreement dated November 27, 1951, as amended, to provide for the following:

1. Brookhaven, in consideration for the drilling of the following described well during the calendar year of 1976, agrees to promptly pay to El Paso upon receipt of an invoice, their share of the costs of drilling said well, in lieu of having those costs recovered out of production as provided for in Subparagraph 5.d of the Operating Agreement, as amended by letter agreement dated March 27, 1975.

000727

<u>Formation</u>	<u>Location</u>	<u>Ownership</u>
Pictured Cliffs	NW/4 Sec. 16 T-31-N, R-11-W	El Paso Natural Gas Co. 12.500000%
		Brookhaven Oil Co. 12.500000%
		Energy Reserves Group, Inc.* 50.000000%
		Gulf Oil Co. 25.000000%
		<u>100.000000%</u>

*Operator

This letter agreement extends only to the drilling of the above listed well. Upon receipt of payment of your share of the costs of the well, El Paso will release for payment to Brookhaven all of its proportionate share of the proceeds from production attributable to the subject well.

Please evidence your acceptance of the foregoing by signing and returning a copy of this letter to the undersigned.

Yours very truly,

ATTEST:

EL PASO NATURAL GAS COMPANY

BY: [Signature]
Assistant Secretary

BY: [Signature] dw
Assistant Vice President

AGREED TO AND ACCEPTED this

22 day of Nov, 1976.

BROOKHAVEN OIL COMPANY

BY: [Signature] Pres

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