

BURLINGTON RESOURCES

SAN JUAN DIVISION

December 14, 1998

WORKING INTEREST OWNERS
DETAILED ON ATTACHED SHEET

RE: New Drill Proposal
Brookhaven Com B 3B
Mesaverde New Drill
NESE Sec. 16 T31N, R11W (E/2 Unit)
San Juan County, New Mexico

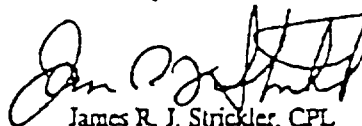
Ladies and Gentlemen:

Burlington Resources Oil & Gas Company proposes the drilling and completion of the above referenced Mesaverde well, located in the NESE of Sec. 16, T31N, R11W. This project will be performed at a total estimated cost of \$386,488.00 to be borne by the working interest owners detailed below:

Name	Working Interest	Cost Share of AFE
Burlington Resources	50.927120%	\$ 196,827
Energen Resources	35.872960%	\$ 138,645
Dacres Group	13.199920%	\$ 51,016
TOTAL	100.000000%	\$ 386,488

Please indicate your approval of the above well proposal by signing and returning a copy of this letter ballot and AFE on or before thirty (30) days from your receipt. If you should have any questions concerning land me at (505) 326-9756.

Sincerely,


James R. J. Strickler, CPL
Senior Staff Landman

JRS:dg
Newdrills'98
Enclosures
xc: NM-387A (Well File)

participate

Agreed to and accepted this 16th day of JANUARY, 1999.

We agree to bear our proportionate share of the actual costs to drill and complete the Mesaverde formation of the Brookhaven Com B #3B Well subject to the terms of the November 27, 1951 Operating Agreement and all applicable supplements and amendments.

Company: ENERGEN RESOURCES MAO, INC

Name: CHARLES E. SALTZER

Title: VICE PRESIDENT EXPLORATION

CEJ
1/6/99

BROOKHAVEN COM B 3B
NEW DRILL
WORKING INTEREST OWNERS

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

Marcia Berger
WWR Enterprises Inc.
Carolyn Nielson Sedberry
Herbert R. Briggs
William C. Briggs
Cronican FA & HB Trust
Cyrne L. Inman
C. Fred Luthy, Jr.
c/o NationsBank, N.A.
Trust Minerals
P.O. Box 2546
Fort Worth, TX 76113-2546

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

Roger B. Nielson
6424 Belton
El Paso, TX 79912

BURLINGTON RESOURCES

San Juan Division

Post Office Box 4289

Farmington, New Mexico, 87499

AUTHORITY FOR EXPENDITURE

AFE No.: _____ Property Number: _____ Date: 10/22/98
Lease/Well Name: Brookhaven Com B #3B DP Number: _____
Field Prospect: Blanco Mesaverde Region: Farmington
Location: Unit I, Section 16, T31N, R11W County: San Juan State: New Mexico
AFE Type: Developmental (01) Original ☒ Supplement _____ API Well Type _____
Operator: BURLINGTON RESOURCES
Objective Formation: Blanco Mesaverde Authorized Total Depth: 5600'
Project Description: Drill, complete, and facilitate a Mesaverde well.

Estimated Start Date: Jul-99 Prepared By: Kenneth M. Collins
Estimated Completion Date: Jul-99

GROSS WELL DATA

	Drilling		Workover/ Completion	Construction Facility	Total
Days:	Dry Hole	Suspended			
This AFE:		<u>7</u>	<u>5</u>	<u>2</u>	<u>14</u>
Prior AFE's:		<u>\$185,600</u>	<u>\$155,888</u>	<u>\$45,000</u>	<u>\$386,488</u>
Total Costs:	<u>\$0</u>	<u>\$185,600</u>	<u>\$155,888</u>	<u>\$45,000</u>	<u>\$386,488</u>

JOINT INTEREST OWNERS

Company:	Working Interest Percent	Dry Hole \$	Completed \$
BR Oil & Gas Co.:	<u>50.927123%</u>	<u>\$0</u>	<u>\$196,827</u>
TRUST	<u>0.000000%</u>	<u>\$0</u>	<u>\$0</u>
Others:	<u>49.072877%</u>	<u>\$0</u>	<u>\$189,661</u>
AFE TOTAL:	<u>100.000000%</u>	<u>\$0</u>	<u>\$386,488</u>

BURLINGTON RESOURCES APPROVAL

Recommended: Kenneth M. Collins Date: 10-22-98 Recommended: Jim Blackstone Date: 10/26/98
MV PUD Team MV PUD Team
Approved: David Cloud Date: 10/24/98 Approved: Jim Blackstone Date: 10-26-98
MV PUD Team MV PUD Team

PARTNER APPROVAL

Company Name: _____
Authorized By: _____ Date: _____
Title: _____

Burlington Resources
Facility Cost Estimate

Well Name: Brookhaven Com B #38
Location: Unit 1, Section 16, T31N, R11W
AFE Type: Developmental (01)
Formation: Blanco Mesaverde

Prepared By: BWF
Date: 10/22/98
Approved By: KHC
Date: 10-22-98

Intangible Costs

Estimated Days: 2.0		Mesaverde Cost	Total Estimated Cost
Account Number			
247			
2	Labor, Consultants, Roustabout	6,000	6,000
03	Company Vehicles	100	100
08	Location Cost	750	750
12	Overhead		0
17	Damages, Property Losses		0
20	Equip. Coating and Insulation	750	750
26	SWD Filtering		0
27	Separators	14,000	14,000
28	Gas Sweetening		0
29	Pumping Units		0
31	Prime Mover		0
32	Tanks	6,500	6,500
33	Metering Equipment		0
34	Flow Line		0
35	Compressors		0
36	Building		0
39	Flowlines, Piping, Valves & Fittings	5,300	5,300
43	Safety		0
44	Technical Contract Services		0
47	Rental Compressor & Maintenance		0
48	Rental Equipment		0
49	Cathodic Protection	6,000	6,000
50	Right Of Way		0
51	Minor Pipelines		0
53	Surface Pumps		0
54	Electrical Accessories		0
55	Miscellaneous-Facility Expense	800	800
57	Pulling Unit Cost @		0
60	Operator Owned Equip. / Facilities (District Tools)		0
62	Env. Compliance (Assessment)		0
63	Env. Compliance (Remediation)		0
65	Direct Labor	500	500
69	Benefits		0
70	Payroll Taxes and Insurance		0
72	Employee Expenses	300	300
73	Freight / Water Transportation	500	500
81	Tubing		0
82	Rods		0
83	Downhole Pumps		0
84	Alternative Artificial Lift Equip.		0
86	Convent Artificial Lift Wellhead Equip.	3,500	3,500
88	Communication Systems		0
96	Gas Dehydrator		0
Total Facilities Cost		45,000	45,000

**Burlington Resources
Cost Estimate**

Well Name: Brookhaven Com B #3B
 Location: Unit 1 Section 16 T31N R11W
 AFE Type: Oil-Development Drilling
 Formation: Blanco Mesa Verde
 Proposed TD: 5600'

Prepared By: Kurt A. Shipley
 Date: 11/18/97
 Approved By: _____
 Date: _____
 Int. TD: 3200'
 Cost/R: \$33.14

Intangible Costs

		Estimated Days: 7.0	Total Estimated Cost
Account Number			
248			
03	Location Cost		8,000
05	Move-In, Move-out		8,000
07	Rig Cost (7 days @ \$6,000/day)		42,500
08	Safety Equipment		0
10	Drilling Fluid (7 days @ \$1,600/day) + mud		14,900
16	Stimulation Fluids		6,000
17	Bits		11,000
18	Cementing		22,000
22	Coring and Analysis		0
23	Fuel		1,500
25	Rentals		2,000
26	Fishing		0
28	Other Rentals		1,000
29	Transportation		1,500
32	Directional Service		0
33	Inspection		0
34	Logging Services		0
36	Production Testing		0
37	Swabbing, Snubbing Coiled Tubing		0
39	Stimulation		0
43	Consultants (7 days @ \$500/day)		3,500
44	Technical Services		0
45	Roustabout Labor		4,500
46	Miscellaneous		1,000
49	Packer Rentals		0
53	Environmental Costs		1,000
54	Disposal Costs		1,000
60	District Tools		
72	Overhead (7 days @ \$150/day)		1,100
	Total Intangibles		130,500

Tangible Costs

80	Casing		44,900
	9-5/8" 32.3# WC-50	200' @ \$11.78/m	2,400
	7" 20.0# J-55	3200' @ \$9.31/m	29,800
	4-1/2" 10.5# J-55	2500' @ \$5.07/m	12,700
81	Tubing		0
84	Casing & Tubing Equipment		7,200
86	Wellhead Equipment		3,000
	Total Tangibles		65,100

Total Cost

195,600

*Assume 6% sales tax where appropriate

Burlington Resources
Cost Estimate

Well Name: Brookhaven Com B #38
Location: Unit J, Section 16, T31N, R11W
AFE Type: Developmental (01)
Formation: Blanco Mesaverde

Prepared By: KMC
Date: 10/22/98
Approved By: KML
Date: 10-22-98
2-3/8" Tbg: 5600'

Intangible Costs

Estimated Days: 5.0

Account
Number
249

Total
Estimated
Cost

03	Location Cost			4,000
05	Move-In, Move-out			5,000
07	Rig Cost	(5 days @ \$5,500/day)		27,500
08	Safety Equipment			100
10	Air Drilling Fluid	(5 days @ \$1,800/day)		9,000
16	Stimulation Fluids	(4400 Bbls KCL)		10,000
17	Bits			750
18	Cementing			0
22	Coring and Analysis			0
23	Fuel			1,500
25	Rentals (Subsurface)			1,500
26	Fishing			0
28	Other Rental (Surface)	(Twelve 400 bbl frac tanks / misc equip)		1,000
29	Transportation	(frac tanks, misc equip)		2,000
32	Directional Svc.			0
33	Inspection			750
34	Logging Services	(GR/CNL/CBL and perforating)		10,000
36	Production Testing			0
37	Swabbing, Snubbing, Coiled Tubing			0
39	Stimulation	(MV-2 Slickwater)		50,000
43	Consultants	(6 days @ \$450/day)		2,700
44	Technical Contract Svc.			400
45	Roustabout Labor			0
46	Miscellaneous			1,500
49	Packer Rental			0
53	Env. Cost			0
54	Disposal Cost			250
60	District Tools			0
68	Direct Labor			2,000
72	OH Rig Days - 249, \$134	(7 days @ \$134/day)		538
	Total Intangibles			130,888

Tangible Costs

80	Casing			0
81	Tubing	(5600 R of 2-3/8" 4.7# tubing)	17,700	17,700
84	Casing & Tubing Equip.	(1.81" Seat nipples / PO plug)	2,800	2,800
86	Wellhead Equipment		4,500	4,500
	Total Tangibles		25,000	25,000

Total Cost

25,000 155,888

ENERGEN RESOURCES MAQ, INC.

2 Houston Center, Suite 2200
909 Fannin - Houston, TX 77010
P. O. Box 4326 - Houston, TX 77210-4326
Main Phone: (713) 739-3000
Telecopier: (713) 739-3423

FAX COVER SHEET

Total number of pages including cover sheet: 9

To: Paul Sparks, Johnny Richardson

Company: Energex

Telecopier Number: 205 326-1855

From: Pam Syer

Comments: Rush!

If you experience difficulty receiving this fax, please call 713/739-

3295

ENERGEN RESOURCES MAQ, INC.

2 Houston Center, Suite 2200
909 Fannin - Houston, TX 77010
P. O. Box 4325 - Houston, TX 77210-4326
Main Phone: (713) 739-3000
Telecopier: (713) 739-3423

FAX COVER SHEET

Total number of pages including cover sheet: 9

To: Paul Spader, Johnny Richman

Company: Emergent

Telecopier Number: 205 326-1858

From: David Styer

Comments: Bush!

If you experience difficulty receiving this fax, please call 713/739-3265

ILLEGIBLE

TRANSMISSION REPORT

MENT WAS SENT
(REDUCED) SAMPLE ABOVE

```

** COUNT **
PAGES SENT      :    09
PAGES STORED    :    09

```