



Southern

Rockies

Business

Unit

February 14, 1995

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

RECEIVED FEB 16 1995

Re: Pictured Cliffs Well Proposal
Burnham Gas Com /A/ #1
NW/4 of Section 12-T29N-R13W
San Juan County, New Mexico

WORKING INTEREST OWNERS - ADDRESSEE LIST ATTACHED

Gentlemen:

Amoco Production Company is proposing to drill a Pictured Cliffs well on the captioned acreage. Enclosed for your review is an AFE outlining the estimated cost of the project. Also enclosed is an Operating Agreement which we are proposing to use to govern the operations of this well. Exhibit "A" of the Operating Agreement sets forth what our records indicate your interest to be in the Pictured Cliffs formation.

Please indicate your approval to join in this project by signing both the AFE and Operating Agreement and returning both to my attention as soon as possible. Because we must drill this well as a "package" with 5 other PC wells in order for it to be economic, we will proceed to initiate force-pooling measures to ensure the timely consolidation of all interests. If you have any questions, please feel free to contact me at (303) 830-4844.

Yours very truly,

Julie Talbot Jenkins
Senior Land Negotiator

JAT/ms
encl.

ADDRESSEE LIST
Burnham Gas Com /A/ #1

Rosalind Redfern
P. O. Box 2127
Midland, TX 79702

The Estate of John J. Redfern, Jr.
c/o John J. Redfern III, Independent Executor
P. O. Box 46
Midland, TX 79702

Flag-Redfern Oil Company
P. O. Box 11050
Midland, TX 79702

Robert Allen Markham
1500 Broadway, #1212
Lubbock, TX 79401

Manon Markham McMullen
2200 Berkeley
Wichita Falls, TX 76308

Richardson Production Company
1700 Lincoln, Suite 1700
Denver, CO 80203

Estate of John J. Christmann, deceased
c/o Christmann Mineral Company
1500 Broadway, Suite 800
Lubbock, TX 79407

Drilling Authorization

Property - Burnham Gas Com /A/, Well# 1

SAN JUAN County, NEW MEXICO

Property FLAC - 189552

Well FLAC -
Well Type - Gas

Operating Field -

Amoco Production Company

Operator: AMOCO PRODUCTION COMPANY
API#:

Operations Center: SAN JUAN OC
AMOCO's Interest: 0.8338000

LPN#: 687773---
Contract#: 000000

Targets - Total Depth: 1581

Horizon Reg. Field
PC

Target Depth
1288

Completion: Single

Surface Location: 1450' PSL x 1520' FWL sec. 12 - T29N - R13W

Bottom Hole Location: Same

Cost Summary (Development)

	Gross Dry Hole	Gross Completion
Drilling Intangibles		
Drilling Cost:	\$36,000	\$36,000
Day Work:	\$2,160	\$4,260
Location:	\$5,000	\$5,000
Survey:	\$5,000	\$7,000
Mud:	\$7,000	\$7,000
Stimulation:	\$0	\$43,000
Other:	\$13,000	\$20,400
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Total Intangible:	\$68,160	\$122,660
Well Equipment - Tangibles		
Casing:	\$8,500	\$8,500
Tubing:	\$0	\$4,600
Wellhead:	\$1,500	\$2,500
Other:	\$0	\$0
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Total Tangible:	\$10,000	\$15,600
Contingency:	\$12,000	\$28,000
Associated Production Facility:		\$50,000
Direct Production Facility:		\$0
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Total This Request:	\$90,160	\$216,260
Previous Estimate:	\$0	\$0
Total to Date Estimate:	\$90,160	\$216,260

Notice to Non-Operator: Cost shown on this form are estimates only. Non-Operators should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.

Non-Operator: _____

By: _____ Date: _____

<p>Contacts:</p> <p>Technical GREG E GROTXE P O BOX 800 DENVER, CO, 80201-0800 303-830-4079 303-830-4777 FAX</p>	<p>Business Julie A Jenkins P O BOX 800 DENVER, CO, 80201-0800 (303) 830-4844 (303) 830-4777 FAX</p>
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