

State #5

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SUPPLEMENT TO OPERATING AGREEMENT

This Agreement, made and entered into this 25th day of November, 1953, by and between BROOKHAVEN OIL COMPANY, a Delaware corporation (hereinafter referred to as "Brookhaven") whose address is First National Bank Building, Albuquerque, New Mexico, and DACRESA CORPORATION, a New Mexico corporation (hereinafter referred to as "Dacresa") whose address is First National Bank Building, Albuquerque, New Mexico, and EL PASO NATURAL GAS COMPANY, a Delaware corporation (hereinafter referred to as "El Paso") whose address is 1010 Bassett Tower, El Paso, Texas

W I T N E S S E T H:

WHEREAS, by written Agreement dated November 27, 1951, Brookhaven entered an Operating Agreement with San Juan Production Company and the interest of San Juan Production Company has been assigned to El Paso and El Paso has assumed the obligations of San Juan Production Company; and

WHEREAS, by written Agreement dated May 24, 1952, Brookhaven and El Paso supplemented the Operating Agreement of November 27, 1951, and and El Paso

WHEREAS, Brookhaven has assigned to Dacresa/certain leasehold interests in oil and gas leases subject to the Supplemental Agreement of May 24, 1952, described as follows:

1. Lease No. B-11125-39 from the State of New Mexico, dated March 21, 1944, in so far as it covers the following described property in San Juan County, New Mexico:

Township 27 North, Range 8 West, N.M.P.M.
Section 36: NW/4 NW/4
containing 40.00 acres, more or less;

subject to an outstanding overriding royalty interest of 3% reserved or assigned to William Hardy.

2. Lease No. B-11125-40 from the State of New Mexico, dated March 21, 1944, in so far as it covers the following described property in San Juan County, New Mexico

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Township 27 North, Range 8 West, N.M.P.M.
Section 36: NW/4 SW/4
containing 40.00 acres, more or less;

subject to an outstanding overriding royalty interest
of 3% reserved or assigned to Joseph A. Hayes and Mary
A. F. Hayes.

3. Lease No. B-11125-41 from the State of New Mexico, dated
March 21, 1944, in so far as it covers the following
described property in San Juan County, New Mexico:

Township 27 North, Range 8 West, N.M.P.M.
Section 36: NW/4 SE/4
containing 40.00 acres, more or less;

subject to an outstanding overriding royalty interest
of 3% reserved or assigned to Lillian Pirtle and Norma
Pirtle Willoughby.

4. Lease No. E-6001 from the State of New Mexico, dated
February 11, 1952, in so far as it covers the following
described property in San Juan County, New Mexico:

Township 27 North, Range 8 West, N.M.P.M.
Section 36: SE/4 NW/4
containing 40.00 acres, more or less.

5. Lease No. B-11017-19 from the State of New Mexico, dated
February 18, 1944, in so far as it covers the following
described property in San Juan County, New Mexico:

Township 31 North, Range 11 West, N.M.P.M.
Section 16: SW/4 SE/4
containing 40.00 acres, more or less;

subject to an outstanding overriding royalty interest
of 3% reserved or assigned to Anton E. Jensen.

6. Lease No. B-11017-22 from the State of New Mexico, dated
February 18, 1944, in so far as it covers the following
described property in San Juan County, New Mexico:

Township 31 North, Range 11 West, N.M.P.M.
Section 16: NE/4 NE/4; NE/4 SE/4
containing 80.00 acres, more or less;

subject to an outstanding overriding royalty interest
of 3% reserved or assigned to John A. Owings.

and,

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WHEREAS, the parties desire to subject the above described leases and El Paso now recorded in the name of Dacresa to the terms and conditions of the Operating Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which is hereby acknowledged, it is agreed by and between Brookhaven, Dacresa and El Paso as follows:

1. The Operating Agreement above described is hereby amended and supplemented to include Dacresa's interest in each of the above described leases and each of the above described leases is recommitted and subjected to the terms of said Operating Agreement by Dacresa.
2. Dacresa hereby acknowledges El Paso's operating rights as provided by said Operating Agreement in and to each of the above described leases and designates El Paso as Operator thereof.
3. El Paso hereby assumes the obligations prescribed by the Operating Agreement as to each of the above described leases.
4. Except as hereby modified and supplemented, the Operating Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first hereinabove written.

ATTEST:

Margaret H. Self
Secretary

BROOKHAVEN OIL COMPANY

By Chas B Scott
President

DACRESA CORPORATION

ATTEST:

Margaret H. Self
asst. Secretary

By Thomas B Scott
President