

Mr. A. L. Hill

August 6, 1962

Sam Smith

Land Department

In Re: Brookhaven Farmout Agreement
GLA-46

Briefly, the above Farmout Agreement had the following to say about cost:

1. Section 5-d-2 provides that any well drilled to a depth greater than the Mesaverde shall be at the cost determined by the parties.
2. Section 5-d-1 provides for the cost allocation for a Mesaverde well and requires that El Paso furnish all casing without reimbursement from Brookhaven.
3. By Amendment dated November 20, 1953, a maximum was provided for Brookhaven's share of costs for a Pictured Cliffs well which also provided that El Paso would furnish casing without cost to Brookhaven.

Since the Company has a Dakota well on its program involving Brookhaven acreage, the Farmout Agreement needs to be amended to cover cost of a well drilled below the Mesaverde Formation.

I would like to discuss with you what you feel the Company would be willing to work out with Brookhaven.

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attachments

✓ GLA 46

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