

El Paso Natural Gas Company

El Paso, Texas

September 27, 1962

Mr. Thomas B. Scott,
President
Brookhaven Oil Company
P. O. Box 1267
Scottsdale, Arizona

Re: Farmout Agreement dated
November 27, 1951

Dear Mr. Scott:

El Paso Natural Gas Company would like to schedule the drilling of a Dakota well in the E/2 of Section 16, Township 31 North, Range 11 West, N.M.P.M., San Juan County, New Mexico. However, before we can proceed with any Dakota development on acreage subject to the captioned agreement, we will have to reach an agreement on the allocation of costs as required by Section 5-d (2) of Operating Agreement dated November 27, 1951.

I will be most happy to meet with you at your convenience in order to discuss this situation and, therefore, request that you advise when would be most convenient for you.

Very truly yours,



Harry Gevertz
Regional Landman
Land Department

HG:js