BURLINGTON
RESOURCES

SAN JUAN DIVISION

September 9, 1999

VIA FAX-205-326-2738

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

RE. Proposed Operating Agreement
dated February 1, 1999
GLA-46
San Juan County, New Mexico

Dear Mr Corcoran.

Please find enclosed a spreadsheet outlining eight (8) well proposals or re-stimulation projects involving GLA-46 lands. Energen's share of these projects amounts to $269,002.00, with a Net Reserve add of 722,000 mcf at an enviable cost to find of $0.37 per mcf. Burlington encourages Energen's joinder of the previously submitted well Afe's and execution of the proposed operating agreement to allow development of these lands. If we don't hear positively from Energen by September 25, 1999, we will initiate force pooling of your interest before the NMOCD in the aforementioned wells. As we discussed on the phone, it makes good business sense to enter into a modern operating agreement to orderly develop these lands. Burlington is also prepared to make you a cash offer to purchase your GLA interest as another alternative.

Please let us hear from you soon. The proposed JOA was forwarded to you on May 18, 1999.

If you should have any questions concerning the enclosed material, please call me at (505) 326-9756.

Sincerely,

James R.J. Strickler, CPL
Senior Staff Landman

JRS:dg
GLA-46 Letter

Proposal Date	Well Name	Location / Formation	Gross Net Reserves MMCFE	Gross AFE	Energen/ Westport	Energen 69% Share of AFE	Westport 31% Share of AFE
7/30/98	Brookhaven Com #8 New Drill	NW/4 36, T27N R8W Chacra Formation	1,130/ 270	$427,630	26.69% CH 21.81% MV	$70,759.00	$31,790.00
	New Drill	W/2 36, T27N, R8W Mesaverde Formation					
Pending Not Formerly Proposed	Brookhaven Com #9 New Drill	NW/4 36, T27N R8W Chacra Formation	1,130/ 270	$427,630	26.69% CH 21.81% MV	$70,759.00	$31,790.00
	New Drill	W/2 36, T27N, R8W Mesaverde Formation					
12/14/98	Brookhaven Com B #3B New Drill	E/2 16, T31N, R11W Mesaverde Formation	1,250/448	$386,488	35.87%	$95,657.00	$42,976.00
12/30/98	Brookhaven Com C #10	NW/4 23, T31N, R10W PC Restimulation	1,122/48	$89,530	4.30%	$2,654.00	$1,193.00
12/30/98	Brookhaven Com M #15	SW/4 16, T31N, R10W PC Restimulation	1,122/48	$89,530	4.30%	$2,654.00	$1,193.00
2/5/99	Brookhaven Com K #13R New Drill	NE/4 16, T31N, R10W PC Formation	1,122/96	$163,510	8.54%	$9,635.00	$4,329.00
2/5/99	Atlantic Com D #11R New Drill	NE/4 23, T31N, R10W PC Formation	1,122/51	$173,860	4.51%	$5,410.00	$2,431.00
2/24/99	Kelly A #5R New Drill	NW/4 15, T31N, R10W PC Formation	1,122/45	$413,650	4.02%	$11,474.00	$5,155.00
		Total 8 Wells	9,120/1276	$2,171,828		$269,002	$120,857

Energen Cost Share of Afe's $269,002 divided by Net Reserves 722 Mcf = $0.37 Cost per MCF
722 (880 MMCF Gross reserves X 82% NRI)=722 Net MMCF

Westport Cost Share of Afe's $120,857divided by 325 Net Reserves = $0.37 Cost per MCF
(396 Gross reserves X 82% NRI)= 325 Net MMCF