

# *El Paso Natural Gas Company*

*El Paso, Texas* 79978

April 4, 1973

Brookhaven Oil Company  
Post Office Box 1267  
Scottsdale, Arizona 85252

Dacressa Corporation  
Post Office Box 1267  
Scottsdale, Arizona 85252

Amoco Production Company  
Security Life Building  
Denver, Colorado 80202

Gentlemen:

On November 27, 1951, Brookhaven Oil Company and San Juan Production Company entered into an Operating Agreement pertaining to certain lands in San Juan County, New Mexico. Said agreement provided for the drilling of Mesaverde wells by San Juan Production Company and the recovery of one-half (1/2) of the cost of drilling such wells subject to the limitations and in accordance with the provisions of sub-paragraph 5.d(1) of such agreement. By Letter Agreement dated November 20, 1953, the Operating Agreement was amended to provide for a recovery formula for wells drilled to the Pictured Cliffs formation.

By this Letter Agreement Brookhaven, Dacressa and Amoco, as successors in interest to Brookhaven Oil Company, and El Paso Natural Gas Company, as successor in interest to San Juan Production Company, do hereby evidence the Amendment of the Operating Agreement of November 27, 1951, as heretofore amended and supplemented, as follows:

By adding the following language to said agreement immediately following the first sentence of sub-paragraph 5.d(1):

"Brookhaven et al's obligation to pay drilling costs upon a dual Pictured Cliffs-Chacra well out of production shall not exceed \$19,170.00 or one-half (1/2) the estimated cost of \$38,340.00 for each dual Pictured Cliffs-Chacra well. Brookhaven et al's obligation to pay drilling costs upon a Chacra well out of production shall not exceed \$14,275.00 or one-half (1/2) the estimated cost of \$28,550.00 for each Chacra well."

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Dacressa Corporation  
Amoco Production Company  
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Please evidence your acceptance of the foregoing by returning a signed copy of this Letter Agreement to the undersigned.

Yours very truly,

EL PASO NATURAL GAS COMPANY

BY: \_\_\_\_\_

*T.W. Butcher*  
Attorney-in-Fact

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AGREED TO AND ACCEPTED:

BROOKHAVEN OIL COMPANY

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

*4/9/73*

DACRESSA CORPORATION

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

*4/9/73*

AMOCO PRODUCTION COMPANY

BY: \_\_\_\_\_

DATE: \_\_\_\_\_