

EL PASO NATURAL GAS COMPANY

Memorandum

<p>From: Mr. D. N. Canfield Don Wadsworth</p>	<p>Date: March 4, 1976 Place: Land Department Energy Resource Development</p>
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By telephone on March 3, 1976, Mr. Tom Scott of Brookhaven Oil Company advised that he would be willing to amend our Farmout Agreement dated November 27, 1951 (GLA-46) to provide that he would pay his share of the costs in the drilling of Pictured Cliffs wells. In consideration for this, El Paso would schedule ten (10) Pictured Cliffs wells to be drilled on Farmout acreage before the end of the year. Mr. Scott is confirming this proposal in writing.

Currently our Farmout, as amended, reads that El Paso will pay all of Brookhaven and Amoco's share of drilling costs on wells drilled on Farmout acreage and recovers Brookhaven and Amoco's share of drilling costs out of production, not to exceed \$16,500.00 or one-half of \$33,000.00. It is doubtful that Amoco would also agree to the amendment as set out by Scott, as they have already refused to join in the drilling of two (2) Mesaverde infill wells due to lack of budgeted funds.

If Scott's proposal is accepted, Farmington has selected the ten (10) locations listed on the attached sheet to be drilled.

Don Wadsworth

DW:nm
Attachment

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