

# BURLINGTON RESOURCES

SAN JUAN DIVISION

CERTIFIED MAIL-Return Receipt Requested

September 15, 1999

WORKING INTEREST OWNERS  
SEE BELOW TABLE

RE: **SECOND REQUEST-NEW DRILL PROPOSAL**  
Brookhaven Com #8 (Mesaverde/Chacra Dual Completion)  
NE NW Sec. 36, T27N, R3W (W/2 Mesaverde Unit & NW/4 Chacra Unit)  
San Juan County, New Mexico

Ladies and Gentlemen:

Burlington Resources Oil & Gas Company proposes the drilling and completion of the referenced Mesaverde/Chacra dual completion (proposed depth: 4,850'), which was originally proposed on July 30, 1998. This project has a total estimated cost of \$427,630. Each parties working interest in each proposed formation is identified in the table below.

Working Interest Owner	MV Ownership %	CH Ownership %
Burlington Resources Oil & Gas Company	63.427118	51.324453
Cross Timbers Oil Company	1.5625	3.125
Chervi Potenziani	0.926703	1.323861
Energen Resources Corporation	15.049651	18.419144
Westport Oil & Gas Company	6.761437	8.275267
Carolyn Sedberry	1.878502	2.633575
Roger Nielsen	1.878502	2.633575
C. Fred Luthv Jr.	1.853198	2.647426
Cyrene L. Inman	1.853198	2.647426
FA & HB Cronican Rev Trust	1.052185	1.503122
William C. Briggs	0.938940	1.341343
Herbert R. Briggs	0.939562	1.342232
Marcia Berger	0.939252	1.341783
WWR Enterprises	0.939252	1.341783

The blanket operating agreement dated February 1, 1999, proposed on May 18, 1999 is enclosed for your review and approval. Please let us know if you wish to limit this Operating Agreement to the subject drill block lands. A revised Exhibit "A" shall be forwarded to you upon request.

Please indicate your approval of the above well proposal by signing and returning a copy of this letter ballot, AFE, and one (1) executed signature page for the Operating Agreement dated February 1, 1999, on or September 30, 1999. If you should have any questions concerning our proposal, please call me at (505) 599-4010.

Sincerely,

*Shannon Nichols*

Shannon Nichols  
Petroleum Landman  
cc: NM-391A (Well file)

Agreed to and accepted this 11th day of October, 1999.

~~We agree to bear our proportionate share of the actual costs to drill and complete the Brookhaven Com #8 as a dualy-completed Mesaverde/Chacra well.~~

Company: ENERGEN RESOURCES CORPORATION

Name:

Lee D. Niederhofer

Title:

General Manager - San Juan Basin

We agree to participate in drilling and completing the Brookhaven Com #8 well subject to the terms of that certain Operating Agreement dated November 27, 1951, as amended.