

# BURLINGTON RESOURCES

SAN JUAN DIVISION

CERTIFIED MAIL-Return Receipt Requested

September 15, 1999

WORKING INTEREST OWNERS  
ON ATTACHED SHEET

RE: SECOND REQUEST-NEW DRILL PROPOSAL  
Brookhaven Com B #3B (Mesaverde)  
NE SE Sec. 16, T31N, R11W (E/2 Unit)  
San Juan County, New Mexico

Ladies and Gentlemen:

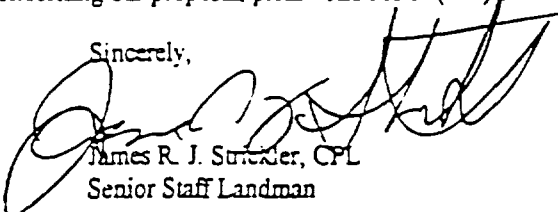
Burlington Resources Oil & Gas Company proposes the drilling and completion of the referenced Mesaverde well (proposed depth: 5,600'), which was originally proposed on December 14, 1998. This project has a total estimated cost of \$386,488.00 to be borne by the working interest owners detailed below:

<u>Name</u>	<u>Working Interest</u>	<u>Cost Share of AFE</u>
Burlington Resources	50.927120%	\$196,827
Energen Resources	24.752346%	\$95,665
Dacres Group c/o Bank of America	10.394707%	\$40,174
Westport Oil & Gas Company	11.120620%	\$42,980
Cheryl L. Potenziani	.926702%	\$3,582
Roger B. Nielsen	1.878502%	\$7,260
Total:	100.000000%	\$386,488

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 before September 30, 1999. If you should have any questions concerning our proposal, please call me at (505) 326-9756.

Sincerely,

  
James R. J. Strickler, CPL  
Senior Staff Landman

JRS/cl

Enclosures

cc: NM-387A (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 Mesaverde formation in the Brookhaven Com B #3B well.~~

Company: ENERGEN RESOURCES CORPORATION

Name: 

Joe D. Niederhofer

Title: General Manager - San Juan Basin

We agree to participate in drilling and completing the Brookhaven Com B #3B well subject to the terms of that certain Operating Agreement dated November 27, 1951, as amended.