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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE
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September 27, 2007

Armstrong Energy Corporation
P.O. Box 1973
Roswell, New Mexico 88202-1973

Attn: Mr. Brian Carlozzi

Re: Resignation/Designation of Successor Unit Operator
Z-28 Unit
Chaves County, New Mexico

Dear Mr. Carlozzi:

We are in receipt of your resignation/designation of successor unit operator, wherein Elk Oil Company has resigned as unit operator of the Z-28 Unit and designated Armstrong Energy Corporation as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of Elk Oil Company and the designation of Armstrong Energy Corporation as the successor unit operator of this unit. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

This change in operators is effective September 01, 2006. In accordance with this approval, Armstrong Energy Corporation is now responsible for all operations and the reporting of all production from this unit.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil/Gas and Minerals Division
PL/JB/jm
xc: Reader File
OCD-Santa Fe, Attn: Mr. David Catanach
TRD-Attn: Mr. Valdean Severson

-State Land Office Beneficiaries -

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