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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

RECEIVED

COMMISSIONER'S OFFICE

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www.nmpubliclands.org

August 2, 2007

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

Attn: Mr. Robert G. Armstrong

Re: 2006 Plan of Development
Northeast Kemnitz Unit
Lea County, New Mexico

Dear Mr. Armstrong:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you at a later date regarding these possibilities.

Our records reflect that Elk Oil Company is still the operator of record for this unit. Pursuant to articles 4 & 5 of the Northeast Kemnitz Unit please submit a resignation from Elk Oil Company and the designation of Armstrong Energy as the successor unit operator for this unit.

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

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director

Oil, Gas and Minerals Division

PL/JB/jm

xc: Reader File

OCD

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