

El Paso
Exploration Company

P. O. BOX 4289
FARMINGTON, NEW MEXICO 87499-4289
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July 19, 1985

Lear Petroleum Exploration, Inc.
Attention: Mr. Don W. Moore
Vice-President
Drilling & Production
950 One Energy Square
4925 Greenville Avenue
Dallas, Texas 75206

Re: Scott #2
NE/4 Section 31, T32N, R10W
San Juan County, New Mexico

Gentlemen:

We have received your response dated July 3, 1985 to our request that Lear Petroleum pay its proportionate share of the cost to drill and complete the referenced well. We are not clear as to the intent of your response and ask that you clarify as to whether or not Lear is willing, for this well only, to set aside the provisions of the Farmout Agreement dated November 27, 1985 and pay its proportionate share of this well.

Please clarify this at your earliest convenience.

Very truly yours,



David M. Poage
Senior Staff Landman

DMP:gm
NM-375
Document 0138L