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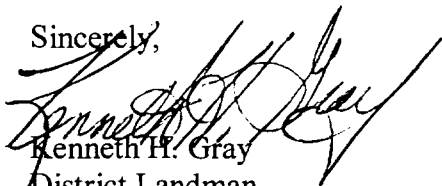
David H. Arrington
David H. Arrington Oil & Gas, Inc.
214 West Texas, Suite 400
Midland, Texas 79702

Gentlemen:

Subject: Disco Midge Well No. 1
Section 35, T-15-S, R-35-E
Lea County, New Mexico
Case No. 12602, Order R-11568

Enclosed is Energen check # 62048 in the amount of \$282,429.60 (\$1,373,021.00 x 20.56994%) for Energen Resources Corporation's share of estimated well costs pursuant to decretal paragraph 8 of order No. R-11568. Energen tenders its share of well costs without prejudice to any rights, claims or defenses which it may assert in the de novo proceeding presently pending before the New Mexico Oil Conservation Commission in connection with the above-referenced matter.

Sincerely,


Kenneth H. Gray
District Landman
ARR-DISCO MIDGE NO. 1

KHG/pkr

Enclosure

cc: State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attn: Ms. Lori Wrotenbery, Director