ARCO Oil and C mpany Central E.strict Post Office Box 1610 Midland. Texas 79702 Telephone 915 688 5200



December 23, 1987

Mitchell Energy Corporation 1000 Briercroft Savings Building 200 North Lorraine Midland, Texas 79701

Attn: Mr. Larry Cunningham

Re: Lease Agreement Erwin #1 NW/4 of Section 3 T-15-S, R-35-E, NMPM Lea County, New Mexico S-NM-7003

Gentlemen:

Enclosed please find three copies of a lease agreement covering the captioned lands. If Mitchell is agreeable with its terms please execute and return two copies to my attention at the above address.

Very truly yours,

- G. Burlos

Rita A. Buress Landman

RAB:sam:21