

LETTER OF AGREEMENT

BETWEEN LAND OWNER
BOBBY LEWIS
AND
RELIANCE OPERATING COMPANY

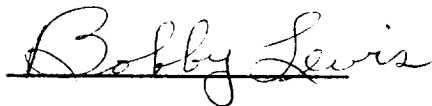
FEDERAL D-3
1120' FSL & 1420' FEL
Section 31, T-9S, R-36E
Lea County, New Mexico

TO WHOM IT CONCERNS:

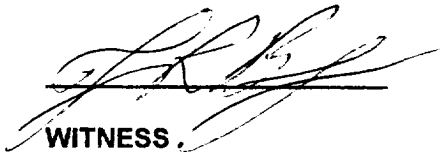
An agreement has been reached between Land owner; BOBBY LEWIS as agent and Attorney-in-fact for Robert D. Lewis and RELIANCE OPERATING COMPANY in the matter of damages, roads, location and restoration concerning the drilling, completion and production of the Federal D-3 well, located at 1120' FSL and 1420' FEL on Section 31, Township, 9 South, Range 36 East.

This has been worked out to the satisfaction of both parties on this 27 day of May, 1997, as attested to by the parties signed below.

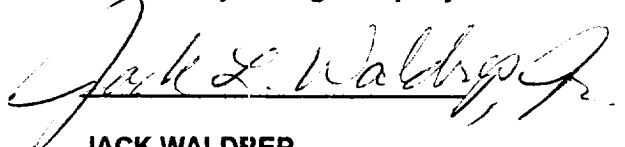
Land Owner




BOBBY LEWIS as agent and
Attorney-in-fact for Robert D. Lewis


WITNESS

Reliance Operating Company



JACK WALDREP
Agent


WITNESS