

*Armstrong*  
ENERGY CORPORATION

1000 SUNWEST CENTRE

P. O. Box 1973  
ROSWELL, NEW MEXICO 88201  
505/623-8726

February 12, 1993

Oil Conservation Division  
District I  
P.O. Box 1980  
Hobbs, New Mexico 88240

ATTN: Mr. Jerry Sexton, Supervisor

Re: Mobil Lea State #1  
1980' FWL, 1800' FSL,  
Section 2, T-20S, R-34E  
Lea County, New Mexico

Dear Mr. Sexton:


I am writing this letter as a result of our conversation yesterday at your office. This letter will confirm our oral agreement to produce this well at a rate of 200 barrels of oil per day until we have received a ruling on a requested allowable increase in an upcoming DeNovo hearing.

It is understood by Armstrong Energy Corporation that should our request be denied, that we will be required to produce this well at a rate of 53 BOPD until allowable requirements are satisfied.

If this letter does not correctly set forth the terms of our agreement, please let me know as soon as possible.

Sincerely,

ARMSTRONG ENERGY CORPORATION

  
Thomas K. Scroggin  
Operations Supervisor

TKS:sf

*application denied see order R-9842  
will ask for DeNovo hearing*