State of New Mexico Energy, Minerals and Natural Resources Department

Jami Bailey Division Director

Oil Conservation Division

Susana Martinez Governor

David Martin Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary

June 16, 2014

Sherri DeWalt LRE Operating, LLC 1111 Bagby Street Suite 4600 Houston, TX 77002

Re: \$14,917 One-Well Plugging Bond LRE Operating, LLC, Principal U.S. Specialty Insurance Company, Surety API 30-015-30907 No Bluff State Com #001 660' FNL and 860' FWL Section 36, Township 17 South, Range 27 East Eddy County, NM Bond No. B008750

Dear Ms. DeWalt:

The New Mexico Oil Conservation Division hereby approves the above-captioned one-well plugging bond with attached Surety Rider No. 1 dated June 12, 2014.

Sincerely,

DENISE GALLEGOS

Bond Administrator

NM OIL CONSERVATION ARTESIA DISTRICT

JUN 1 9 2014

RECEIVED

cc:

Oil Conservation Division – Artesia District

U.S. Specialty Insurance Company 13403 Northwest Freeway Houston, TX 77040 Attn: Michele K. Tyson

