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PATRICK H. LYONS
COMMISSIONER

2008 MAR 6 PM 2:00 State of New Mexico

Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

March 3, 2008

Lime Rock Resources
Heritage Plaza 1111 Bagby Street
Suite 4600
Houston, Texas 77002

Attention: Ms. Debra D. Sandefer

Re: Voluntary Termination
Dempster State Unit
Lea County, New Mexico

Dear Mr. Sandefer:

Your letter of February 25, 2008 has been received by this office. Your letter requests the voluntary termination of the Dempster State Unit Agreement. Enclosed with your letter of February 25, 2008 are ratifications of over 75% of the working interest owners requesting the unit termination.

Pursuant to Article 17 of the Dempster State Unit Agreement, please be advised that this office has terminated the Dempster State Unit Agreement effective March 3, 2008.

Please notify all interested parties of this action.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil, Gas & Minerals Division
PL/JB/pm

pc: Reader File
NMOCD Attention: Mr. Ed Martin
TRD-Attention: Mr. Valdean Severson
RMD-Attn: Mr. Kurt McFall

TP 1000

-State Land Office Beneficiaries -

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