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PATRICK H. LYONS  
COMMISSIONER

*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

December 4, 2007

Beach Exploration, Inc.  
800 N. Marienfeld, Suite 200  
Midland, Texas 79701-3382

Attention: Ms. Julie Beach LeMond

Re: Final Approval  
Eastland Queen Unit  
Eddy County, New Mexico

13972  
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Dear Ms. LeMond:

This office is in receipt of your letter of November 30, 2007, requesting final approval to the Eastland Queen Unit Agreement, Eddy County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Eastland Queen Unit Agreement, Eddy County, New Mexico. Also, approved on this date, is your initial plan of operation for the above mentioned unit area. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Final approval is given with the condition that no more than 2.7 million barrels of fresh water makeup will be used in the Waterflood. Within four years Beach Exploration Inc. must submit, for the Commissioners review, the fresh water requirements for this unit. A review of the unit's fresh water requirement will continue to be submitted for the Commissioner's review every three years thereafter.

Enclosed are (5) Certificates of Approval.

Your \$90.00 Filing fee has been received.

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: *John H. Benislov*  
JAMI BAILEY, Director

Oil, Gas and Minerals Division

(505) 827-5744

PL/JB/pm

pc: Reader File

OCD-Attention: Ed Martin

-State Land Office Beneficiaries -

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