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January 24, 2008

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

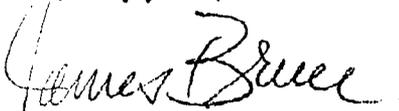
Ladies and gentlemen:

Enclosed is a copy of an amended application to institute a waterflood project, *etc.*, filed with the New Mexico Oil Conservation Division by Cambrian Management, Ltd., regarding a federal lease covering the S½ of Section 7 and all of Section 18, Township 8 South, Range 33 East, N.M.P.M., Chaves County, New Mexico (Case No. 14,068). The amended application requests qualification of the waterflood project for the recovered oil tax rate.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, February 21, 2007, at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an offset interest owner, you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date.

You are required to notify (in writing) the Division, and the undersigned, by Thursday, February 14, 2007 if you intend to participate at the hearing.

Very truly yours,



James Bruce

Attorney for Cambrian Management, Ltd.

EXHIBIT A

EXHIBIT A

Bureau of Land Management
2909 West Second Street
Roswell, New Mexico 88201

Dwight A. Tipton
P.O. Box 1025
Lovington, New Mexico 88260

Oil Conservation Division
1625 North French
Hobbs, New Mexico 88240

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 Restricted Delivery Fee (Endorsement Required) **\$0.00**
 Total Postage & Fees \$ **\$6.28**

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 2909 West Second Street
 Roswell, New Mexico 88201

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 2909 West Second Street
 Roswell, New Mexico 88201

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1. Article Addressed to:
 Bureau of Land Management
 2909 West Second Street
 Roswell, New Mexico 88201

2. Article Number (Transfer from service label) **7006 3450 0001 4317 3352**

PS Form 3811, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* Agent Addressee

B. Received by (Printed Name) *CH HINES* C. Date of Delivery *1/24/08*

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

7006 3450 0001 4317 3352

PS Form 3811, February 2004

102595-02-M-1540

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Postage	\$ 1.48	0506
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Return Receipt Fee (Endorsement Required)	\$2.15	0008
Restricted Delivery Fee (Endorsement Required)	\$0.00	
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Here

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Oil Conservation Division
1625 North French
Hobbs, New Mexico 88240

PS Form 3800, August 2006 See Reverse for Instructions

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SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
 Oil Conservation Division
 1625 North French
 Hobbs, New Mexico 88240

2. Article Number
 (Transfer from services 4) 7006 3450 0001 4317 3376
 PS Form 3811, February 2004 Domestic Return Receipt *Cambrian*

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 B. Received by (Printed Name) Address
 C. Date of Delivery 1-28-08
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 4. Restricted Delivery? (Extra Fee) Yes

102595-02-M-1540