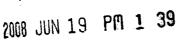
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PATRICK H. LYONS COMMISSIONER

State of New Mexico Commissioner of Public Lands 310 OLD SANTA FE TRAIL

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

June 16, 2008

LCX Energy, LLC 110 North Marienfeld, Suite 200 Midland, Texas 79701

Attn: Ms. Carole J. Cone

Termination of Collins Ranch State Exploratory Unit

Effective October 20, 2007 Eddy County, New Mexico

Dear Ms. Cone:

Re:

Please be advised that pursuant Article 8 of the Collins Ranch State Exploratory unit and our certified notice of termination letter mailed to you on May 13, 2008, the Collins Ranch State Exploratory Unit Agreement has been terminated effective October 20, 2007.

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 and Minerals Division

PL/JB/pm

cc:

Reader File

OCD-Santa Fe Attention: Mr. Ed Martin

TRD-Santa Fe Attention: Mr. Valdean Severson

RMD-Attention: Mr. Kurt McFall

-State Land Office Beneficiaries -