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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

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

November 28, 2007

Stonebridge Energy, LLC
14275 Midway Road, Suite 220
Addison, TX 75001

Attn: Mr. Larry Hunnicutt

Re: Final Approval
Hueco South Unit
Hidalgo County, New Mexico

14022

Dear Mr. Hunnicutt:

This office is in receipt of your letter of November 15, 2007, wherein on behalf of Dan A. Hughes Company, L.P. you have requested final approval to the Hueco South Unit Agreement, Hidalgo County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Hueco South Unit Agreement, Hidalgo County, New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

It is our understanding that Tract Nos. 106, 107, 108, 111, 113, 114, 117, and 119 are not committed to the unit agreement at this time.

Enclosed are (5) Certificates of Approval.

Your \$4,320.00 filing fee has been received.

Please notify this office when the initial well has been spudded and also submit continuous daily drilling reports until the initial well is completed.

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
(505) 827-5744
PL/JB/pm

pc: Reader File,
OCD-Santa Fe, Attn: Mr. Ed Martin
TRD-Attn: Mr. Valdean Severson
RMD-Attn: Mr. Kurt McFall

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University