State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John H. Bemis Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey, Division Director Oil Conservation Division



May 22, 2012

Rice Environmental Consulting and Safety 122 W. Taylor Street Hobbs, NM 88240 HOBBS OCD

MAY 29 2012

Re:

State of New Mexico

Contract No. 11-521-005355AB Purchase Order 52100-0000033597

Plugging of 1 Well in Lea County, New Mexico

Gulf State No. 3 - 30-025-07270

formerly operated by Xeric Oil & Gas Corporation

LEXON INSURANCE COMPANY

LABOR AND MATERIAL PAYMENT BOND NO. 1062092

RECEIVED

Dear Sir:

We are in receipt of Subcontractor/Supplier Waiver of Final Liens on the above referenced contract and therefore release the above-referenced Labor and Material Payment Bond.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks

Assistant General Counsel

Accepted for Record Only

ECG 6-7-2012

cc. E L Gonzales - OCD Hobbs

David K Broth

Lexon Insurance Company 10002 Shelbyville Rd., Suite 100 Louisville, KY 40223