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

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 PERFORMANCE BOND NO. 1062092

Dear Sir:

The referenced contract having been fully performed in accordance with its terms, the referenced performance bond furnished by you is hereby released.

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

Very truly yours, Divid K. Bush.

David K. Brooks

Assistant General Counsel

E L Gonzales - OCD Hobbs cc.

> Lexon Insurance Company . 10002 Shelbyville Rd., Suite 100

Louisville, KY 40223

Accepted for Record Only
ELG 6-7-Z0/Z