



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

November 3, 2010

Mr. Michael J. Mauceli
Manager
Reef Oil & Gas Partners GP, LLC
1901 N. Central Expressway – Suite 300
Richardson, Texas 75080

**Re: Reef Oil & Gas Income and Development Fund III, L.P.
Registration Statement on Form 10
Filed January 11, 2010
Response Letter Dated November 27, 2009
Response Letter Dated January 11, 2010
Form 10-K for Fiscal Year Ended December 31, 2009
Filed April 2, 2010
Response Letter Dated September 17, 2010
File No. 0-53759**

Dear Mr. Mauceli:

We have completed our review of your Form 10 and related filings and have no further comments at this time.

Sincerely,

Mark C. Shannon
Branch Chief