NADEL AND GUSSMAN PERMIAN, L.L.C.

601 N. Marienfeld, Suite #508 Midland, Texas 79701 (915) 682-4429 Fax (915) 682-4325

December 15, 2005

Mr. Tim Gum
District 2 Supervisor
New Mexico Oil and gas Division
1301 West Grand
Artesia, NM 88210

RE: Mercury Fee # 1 1650 FSL 990 FEL UL I Sec. 19 T23S R 28E

Dear Mr. Gum,

Please find attached a waiver from C. W. Trainer pursuant to NMOCD rule 19.15.3.104. E (2) (b). The waiver states that C. W. Trainer does not object to Nadel and Gussman operating the Mercury Fee #1. The Mercury FEE #1 is located in the SE ¼ of section 19 T23S, R28E. C. W. Trainer operates the Guitar Estate Com #1. The Guitar Estate #1 is located in the NE ¼ of section 19 and shares the E -320 with Mercury Fee...

Sincerely,

Kem E. McCready Operations Manager

Vem E. mc Greate

NADEL AND GUSSMAN PERMIAN, L.L.C. 601 N. Marienfeld, Suite 508 Midland, TX 79701 (432) 682-4429 (Office) (432) 682-4325 (Fax)

08/05/05

To: C. W. Trainer Attn: Mr. Donnie Michael P.O. Box 754 Midland, TX 79702

Re: Mercury Fee #1 1,650' FSL & 990' FEL Unit Letter I, Sec. 19-T23S-R28E Eddy, NM

Dear Mr. Michael,

Attached you will find an approved copy for the Application for Permit to Drill for the Mercury Fee #1 and a signed C-102 w/ the dedicated 160 acres. This is a waver allowing you within a 20 day period to contest the increased density of the Loving Morrow North Sands. Please indicate your waver to any objection to our Morrow increase density application.

Please contact me if you have any additional questions.

Sincerely,

Josh Fernau Staff Engineer

____I object
____I do not object

Signature

State of Texas
County of Midland

The foregoing instrument was acknowledged before me this <u>15th</u> day of <u>December</u> 2005, by C W Trainer,

16/ hains

My Commission Expires

Notary Public

