

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

jamesbruc@aol.com

2004 AUG 24 PM 3 14

August 24, 2004

Michael E. Stogner  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Case 13309/Application of Nadel and Gussman Permian,  
L.L.C. for compulsory pooling

Dear Mr. Stogner:

Enclosed is a letter from the BLM to the applicant, regarding forming a W $\frac{1}{2}$  well unit. (The N $\frac{1}{2}$  is a single federal lease).

Very truly yours,

  
James Bruce

Attorney for Nadel and Gussman Permian, L.L.C.

AUG 24 2004

**United States Department of the Interior**

BUREAU OF LAND MANAGEMENT  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201

IN REPLY REFER TO:  
NMNM-27634  
3160 (06300)

AUG 23 2004

Nadel & Gussman Permian, L.L.C.  
Attn: Sam H. Jolliffe IV  
601 Marienfeld, Suite 508  
Midland, Texas 79701

Gentlemen:

Pursuant to your letter dated July 29, 2004, this office is in agreement with your company that a  $W\frac{1}{2}$  spacing is necessary for the development of the Montoya Formation in Section 23, T. 7 S., R. 26 E., NMPM, Lea County, New Mexico. The geologic summary, and the accompanying structure and isopach maps depict the Montoya play as trending north-south. This is in agreement with the few other productive Montoya plays which are also associated with north south trending faulted anticlines. Therefore, this office does not object to the establishment of  $W\frac{1}{2}$  spacing for the drilling of the Quick Draw Federal No. 1 well.

If you have any questions please call John S. Simtz at (505) 627-0288 or the Division of Land and Minerals at (505) 627-0272.

Sincerely,

Larry D. Bray  
Assistant Field Office Manager,  
Lands and Minerals