

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

January 18, 2011

Mary Louise Hubbart
840 Cleveland Road
Bogart, Georgia 30622

Via Certified Mail, Return Receipt Requested

Re: Long Branch #1-H, SHL: 330' FNL & 990' FWL, BHL: 330' FSL & 990' FWL,
Long Branch #2-H, SHL: 330' FNL & 2310' FWL, BHL: 330' FSL & 2310' FWL
Long Branch #3-H, SHL: 330' FNL & 1650' FEL, BHL: 330' FSL & 1650' FEL
Long Branch #4-H, SHL: 330' FNL & 330' FEL, BHL: 330' FSL & 330' FEL
Section 7, T-19-S, R-26-E
Eddy County, New Mexico

Dear Ms. Hubbart:

Nadel and Gussman Permian, L.L.C. ("NGP"), as an owner of interest in Section 7, T-19-S, R-26-E, Eddy County, New Mexico, hereby proposes to drill and operate the above captioned wells at the referenced locations to depths to adequately evaluate the Yeso Formation.

Regarding the above, enclosed for your signature is an AFE for each well proposed, including a copy of each for your records.

Our inspection of public records indicates that you own an approximate 1/210th Leasehold Interest in the N/2 and E/2 SE/4 of the captioned Section 7.

In the event that you elect to participate in the captioned proposed wells, please execute one copy of each AFE and return to the undersigned. Upon receipt of the executed AFE's, I will forward our proposed Operating Agreement naming NGP as operator for your signature.

In the event you elect not to participate in the captioned wells, NGP would like to negotiate an Oil & Gas Lease of your interest.

Should you have any questions regarding the above, please call me at the above captioned telephone number.

Sincerely,


Emerald Johnson
Landman

Before the Oil Conservation Division
Case 14624
Hearing November 10, 2011
Nadel and Gussman Permian
Exhibit No. 7