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

Brian Scott Manning P.O. Box 52012 Irvine, CA 92619 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 Mr. Manning:

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 Leaschold 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 John Landman

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