

NADEL AND GUSSMAN PERMIAN, L.L.C.
601 N. Marienfeld, Suite 508
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April 23, 2007

Via Certified Mail

Estate of Robert J. Jones
Route 1, Box 29
Central City, Nebraska 68826
Attn: Mr. Larry A. Jones

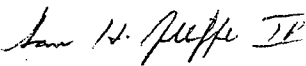
Re: Chronos Fee #1
W/2 Section 20, T-23-S, R-28-E
Eddy County, New Mexico

Gentlemen:

Nadel and Gussman Permian, LLC ("NGP"), as majority working interest owner under the captioned acreage, hereby proposes the drilling of the Chronos Fee #1 at a legal location in the NW/4 Section 20, T-23-S, R-28-E, Eddy County, New Mexico. Said well will be drilled to test the Morrow Formation at an approximate depth of 12,600 feet. The W/2 Section 20 will be the designated spacing unit for the well. As an unleased mineral owner, you have the opportunity to participate in the drilling of this well. An AFE is enclosed for evaluation. If you elect to participate, please return a copy of an executed AFE to our office. We will also attempt to enter into a mutually acceptable Joint Operating Agreement. If you elect not to participate, NGP will consider a farm-in of your interest, or an oil and gas lease on your minerals on terms acceptable to NGP. We plan to spud the well within 30 days, so your prompt response will be greatly appreciated.

Please advise if you have any questions. Thank you for your attention to this matter.

Sincerely,


Sam H. Jolliffe IV
Land Manager

Oil Conservation Commission
Case No. _____
Exhibit No. 3