

NADEL AND GUSSMAN PERMIAN, L.L.C.

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Midland, Texas 79701

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February 11, 2005

Mr. Bryan Arrant
District 2 Geologist
New Mexico Oil and gas Division
1301 West Grand
Artesia, NM 88210

RE: Dulce Amor #1 Recompletion**900 FNL 1980 FEL****UL H Sec. 4 T18S R 26E****Rule 118 H₂S Exposure**

30-015-32925

Dear Mr. Arrant,

Nadel and Gussman Permian has evaluated this well and we do not expect to encounter hydrogen sulfide in excess of 100 ppm. We originally drilled this well to the Morrow and did not encounter any H₂S when we drilled through our targeted recompletion zone @ 6872' - 6896'.

While drilling the Dulce Amor #1 we employed a third party hydrogen sulfide monitoring system which did register any H₂S in the targeted recompletion interval...

Please contact me if you have any additional questions.

Sincerely,

Kem E. McCreedy
Kem E. McCreedy
Operations Engineer