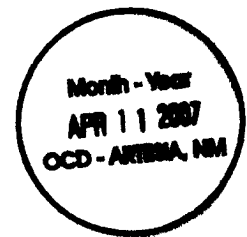


Mr. Kern McCready
Operations Engineer
NADEL AND GUSSMAN PERMIAN, LLC
601 N. Marienfeld
Suite 508
Midland, TX 79701



8 April 2007

Mr. Mike Bratcher
OIL CONSERVATION DIVISION
1301 West Grand Avenue
Artesia, NM 88210

Re: Dinero State No. 5 Final Notification of Site Damage Completion
API No. 30-015-34492 (U/L G S16 T22S, R28E, 1980 FNL, 1980 FEL)

Dear Mr. Bratcher:

Nadel & Gussman Permian, LLC (NGP) herewith notifies the Eddy County, New Mexico, Oil Conservation Division (NMOCD) that as of 21 February 2007 all remediation work has been completed on the Dinero State No. 5 location, including the site damage incurred due to a series of storms loading the watershed and subsequently washing over the pad and reclaimed pit areas. (Refer to 25 August and 25 October 2006 letters.)

NGP has installed a diversion drainage ditch bordering the location, preventing watershed drainage buildup around the pad and reclaimed pit areas and eliminating the possibility of future washouts or threats to the integrity of the Dinero location.

Should you have further questions please call 432-682-4429 (office) or 432-425-6347 (cell).

Thank you for your consideration.

Sincerely,


Kern McCready
Operations Engineer

Accepted for record
NMOCD