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March 1, 2007

30-015-34850

New Mexico Oil Conservation Division
1301 Grand Avenue
Artesia, New Mexico 88210
Attn: Mr. Byran Arrant

Re: H2S Rule 118 Contingency Plan.
Gissler A #27H, Unit I, 2310' FSL, 480' FEL
SEC.14, T17S, R30E- Eddy County, New Mexico

Dear Mr. Arrant:

Please accept this letter as our notice we do not believe the referenced plan is required for the referenced well. We have calculated the hazard volume as follows: highest H2S quantity 10,000 PPM, and using a production rate of 255 MCFGPD the 100 PPM radius is 181' and the 500 PPM radius is 83'. This footage does not get off our well locations.

Please contact our Mr. Sterling Randolph or the undersigned if you require additional information.

Yours truly,

James H. Arline
Materials Coordinator