

COPY

M&G Drilling Company, Inc.
P. O. BOX 5940
FARMINGTON, NM 87499-5940

FAX NO.
(505) 325-6270

OFFICE NO.
(505) 325-6779

July 20, 2007

RCVD NOV 7 '07

OIL CONS. DIV.

DIST. 3

Mr. Will Jones
New Mexico Oil Conservation Commission
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

30-045-22485
30-045-32730

Re: Surface Commingling Applications

Dear Mr. Jones:

M&G Drilling Company Inc. ("MGD") has submitted Surface Commingling Applications for the Graham 3 & Graham 100.

Per your request, this letter confirms that MGD has 100% working interest ownership of oil, natural gas and associated liquid hydrocarbons on all wells listed above.

If you have any questions or need additional information please contact me at (505) 325-6779.

Sincerely,



Pat Gottlieb
Vice President