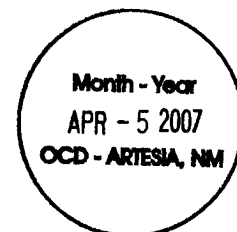




March 29, 2007



New Mexico Energy, Minerals and  
Natural Resources Department  
Oil Conservation Division  
1301 W. Grand  
Artesia, New Mexico 88210

**RE: PIT CLOSURE  
MUSTANG FED COM #1  
SECTION 21, T18S, R29E  
EDDY CO., NM.**

30-015-34475

Dear Sir:

In response to your Letter of Violation #024007 dated March 1, 2007, please be advised we received approval to close the reserve pit for the referenced well (see attached Form C-144). We have initiated closure operations and are actively closing the reserve pit as proposed.

Very truly yours,

**MURCHISON OIL & GAS, INC.**

Michael S. Daugherty  
Vice President Operations

MSD/ct/MustangFC#1-OCD-ResPitClosure

Encl.