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FAX COVER SHEET

DELIVER TO: Michael E. Stogner
COMPANY: Oil Conservation Division
CITY: Santa Fe, New Mexico
FAX NUMBER: (505) 476-3462
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DATE SENT: 7/21/03
MEMO:

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July 21, 2003

Via Fax

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

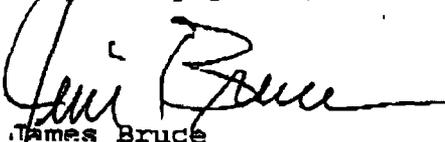
Re: Application of Nadel and Gussman Permian, L.L.C. for an
unorthodox oil well location:

<u>Well:</u>	Tucker Fee Well No. 1Y
<u>Location:</u>	1600 feet FSL & 2300 feet FEL
<u>Well Unit:</u>	NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 28, Township 21 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

Dear Mr. Stogner:

In response to your e-mail of July 17th: The initial wellbore was lost at about 500 feet, the rig was skidded 50 feet south, and the well was re-commenced. The rig was moved to the south, rather than to the north or east, in order to use the existing well pad. Due to the well pad's shape, no additional surface disturbance was needed if the rig was moved south. Moving in any other direction would have required the wellsite to be expanded somewhat. In addition, there is a slope or small rise to the north, and moving the rig in that direction would have required cutting slightly into the slope. I hope this answers your question.

Very truly yours,



James Bruce

Attorney for Nadel and Gussman Permian, L.L.C.