NADEL AND GUSSMAN PERMIAN, L.L.C. 601 N. Marienfeld, Suite 508 Midland, TX 79701 Office: (432) 682-4429 Fax: (432) 682-4325

March 30, 2011

Via Certified Mail, Return Receipt Requested

Patsy Madden Carmoney 7411 16th MNR Vero Beach, FL 32966

Re: Long Branch #1-H, SHL: 330' FNL & 990' FWL, BHL: 330' FSL & 990' FWL Long Branch #2-H, SHL: 330' FNL & 2310' FWL, BHL: 330' FSL & 2310' FWL Long Branch #3-H, SHL: 330' FNL & 1650' FEL, BHL: 330' FSL & 1650' FEL Long Branch #4-H, SHL: 330' FNL & 330' FEL, BHL: 330' FSL & 330' FEL Section 7, T-19-S, R-26-E Eddy County, New Mexico

Dear Ms. Carmoney:

Nadel and Gussman Permian, L.L.C. ("NGP"), as an owner of interest in Section 7, T-19-S, R-26-E, Eddy County, New Mexico, hereby proposes to drill and operate the above captioned wells at the referenced locations to depths to adequately evaluate the Yeso Formation.

Regarding the above, enclosed for your signature is an AFE for each well proposed, including a copy of each for your records.

Our inspection of public records indicates that you own an approximate $2/105^{th}$ Leasehold Interest in the N/2 and E/2 SE/4 of the captioned Section 7.

In the event that you elect to participate in the captioned proposed wells, please execute one copy of each AFE and return to the undersigned. Upon receipt of the executed AFE's, I will forward our proposed Operating Agreement naming NGP as operator for your signature.

In the event you elect not to participate in the captioned wells, NGP would like to negotiate a Term Assignment of your interest.

Should you have any questions regarding the above, please call me at the above captioned telephone number.

Sincerely, Emerald Johnson Landman

Before the Oil Conservation Division Hearing November 10, 2011 Hearing November 10, 2011 nearing November 10, 4011 nearing November 10, 4011 Nadel and Gussman / / Nadel E-1-1-14 N/