

Mr. Kem McCready
Operations Manager
NADEL AND GUSSMAN PERMIAN, LLC
601 N. Marienfeld
Suite 508
Midland, TX 79701

MAR 05 2008
OCD-ARTESIA

4 March 2008

Mr. Mike Bratcher
OIL CONSERVATION DIVISION
1301 West Grand Avenue
Artesia, NM 88210

Re: Manco Federal No. 1 API No. 30-015-35553
U/L D S26 T21S, R21E, 660' FNL, 1240' FWL Eddy County, New Mexico

Dear Mr. Bratcher:

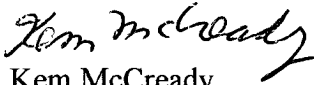
Nadel & Gussman Permian, LLC (NGP) applied for permits to close the Manco Federal No. 1 (Manco) drilling pit on 26 October 2007 with the intention of initiating closure on 1 November with completion expected by 9 November 2007. Following this action, NGP made the decision to re-enter the Manco as soon as possible in 2008.

Consequently, NGP herewith requests an extension on closure of this drilling pit for 6 months (until 4 August 2008) in order to re-enter the well. In making this determination, NGP requests that possible consideration be given to the fact that groundwater is present approximately 1,000' to 1,400' deep in this area, based on information from the rancher's wells. Secondly, NGP drilled a borehole to 70' adjacent to the drilling pit on the Manco finding only solid rock, which was then given to the NMOCD.

Therefore (1) since the possibility of groundwater contamination from this pit will likely never occur and (2) the current 20 ml HDPE liner shows no evidence leaks exist, might NMOCD strongly consider our request to be a very "safe" request from an environmental and human health perspective and allow leniency in this case due to the above justifiable conditions and the need for NGP to re-enter this well.

Should you have questions please call 432-425-6347(cell) or 432-682-4429 (office).

Sincerely,


Kem McCready
Operationd manager

Extension Approved To

AUG 04 2008

Signed By

