

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District Carlsbad Field Office 620 E. Greene

Carlsbad, New Mexico 88220-6292 www.blm.gov/nm/st/en.html

IN REPLY REFER NM105352 3105.2 NM (P0220)



Nadel and Gussman Permian LLC 601 North Marienfeld, Suite 508 Midland, Texas 79701

Re: Amendment to Communitization Agreement NMNM105352 Kyle 34 Federal #1 N/2 sec. 34, T. 24 S., R. 28 E. Eddy County, New Mexico

Gentlemen:

Your letter of April 20, 2010 requests that Communitization Agreement NM105352 that covers the N/2, sec. 34, T. 24 S., R. 28 E., Eddy County, New Mexico, be amended to include the Upper Penn formation.

The agreement presently covers the Wolfcamp, Strawn, and Atoka formations. The Communitization Agreement is being amended to include the Upper Penn formation. Approval is based on statewide rules.

Please furnish all interested principals with appropriate evidence of this amendment.

If you have any questions regarding this approval, please contact Wesley Ingram, Supervisory Petroleum Engineer at (575) 234-5982.

Sincerely,

Don Peterson

Assistant Field Manager, Lands and Minerals

MMS, Denver (357B-1, A. Contreraz/Stacey Kaiser) New Mexico Taxation & Revenue Dept. NMOCD - Artesia NM (9210) NM (P0220)