

NADEL AND GUSSMAN PERMIAN, L.L.C.

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February 25, 2008

Mr. Buddy Hill
Compliance Officer
New Mexico Oil and gas Division
1625 N. French Drive
Hobbs, NM 88240

RE: New Mexico BM State No. 003
UL P Sec. 2 T25S R 37E
API 30-025-11408
Letter of Violation iLWH0734149590

Dear Mr. Hill

We have picked up and removed the junk pipe, conduit and sill boards as specified in your letter of 12/10/07. We therefore request that the NMOCD conduct a follow up inspection and release our bonding requirement.

We plugged this well last October but because it had been shut in for more than two years prior to plugging we are required to secure an additional single well bond as per the new rule 40. Since this well is plugged we would like to get it off the additional bonding list as soon as possible so we do not have to secure additional bonding for it.

Sincerely,

Kem E. McCready
NM Operations Manager

OK!
12-18-07
[Signature]