

NADEL AND GUSSMAN PERMIAN, L.L.C.
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May 29, 1998

NEW MEXICO OIL CONSERVATION DIVISION
1000 West Broadway
P.O. Box 1980
Hobbs, New Mexico 88240

Attn: Mr. Chris Williams
District Supervisor

Re: Big Lucky Lake Fed Com #1
SW/4SE/4 Section 30, T-15-S, R-30-E, NMPM
Chaves County, New Mexico

Dear Mr. Williams:

Nadel and Gussman Permian, LLC ("NGP") operates the captioned Morrow well, which is currently shut-in. Said well lies in the same quarter section with another NGP operated well, the Big Lucky Lake Fed Com #2 which is an active Morrow well currently producing 150 to 200 mcf per day. The BLLFC #1 is located 660' FSL & 1,980' FEL Section 30, while the BLLFC #2 is located 1,980' FSL & 660' FEL Section 30. NGP desires to restore the BLLFC #1 to production, but will probably need to have a NMOCD Hearing in Santa Fe to do so. At said Hearing, NGP will request to produce both wells under a shared allowable. We expect that the BLLFC #1 will produce approximately 150 to 250 mcf per day. Therefore, the shared allowable would probably not exceed 500 mcf per day. The two wells would be metered separately.

Before we commence the procedures for a Hearing Application, we would like to test the BLLFC #1 to see if it will still actually flow, and at what rates the well will flow. If said well does not appear it will establish adequate production, we feel it will not be in NGP's, or the NMOCD's best interests of time to follow through with the Application procedures. Therefore, we respectfully request that your District Office grant us some type of "administrative relief period", of not less than sixty days, in which to temporarily reestablish production in order to conduct the appropriate tests to see how the well will perform.

Please advise at your earliest convenience as to whether or not we may be granted a relief period in order to conduct said tests. Please let me if you have any questions or need further information concerning this request. Thank you in advance for your time and assistance in this matter.

Yours very truly,


Sam H. Jolliffe IV
Land Manager