

|                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                       |                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Submit To Appropriate District Office<br>State Lease - 6 copies<br>Fee Lease - 5 copies<br>District I<br>1625 N. French Dr., Hobbs, NM 88240<br>District II<br>1301 W. Grand Avenue, Artesia, NM 88210<br>District III<br>1000 Rio Brazos Rd., Aztec, NM 87410<br>District IV<br>1220 S. St. Francis Dr., Santa Fe, NM 87505 | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><br><b>Oil Conservation Division</b><br><b>1220 South St. Francis Dr.</b><br><b>Santa Fe, NM 87505</b> | <b>Form C-105</b><br>Revised June 10, 2003<br><br>WELL API NO.<br>30-015-34139<br>5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/><br>State Oil & Gas Lease No. |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| 1a. Type of Well:<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____<br><br>b. Type of Completion:<br>NEW <input type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/><br>WELL OVER BACK RESVR. <input type="checkbox"/> OTHER _____<br><br>2. Name of Operator<br>Nadel and Gussman Permian, LLC<br><br>3. Address of Operator<br>601 N. Marienfeld, Suite 508<br>Midland, TX 79701 | 7. Lease Name or Unit Agreement Name<br><br>Dinero "16" State<br><br>8. Well No.<br>4<br><br>9. Pool name or Wildcat<br>Wildcat Granite |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                   |                                   |                                              |                                                    |                                       |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------|----------------------------------------------------|---------------------------------------|--|
| 4. Well Location<br><br>Unit Letter <u>N</u> : <u>1310'</u> Feet From The <u>South</u> Line and <u>1980'</u> Feet From The <u>West</u> Line<br><br>Section <u>16</u> Township <u>22S</u> Range <u>28E</u> NMPM County <u>Eddy</u> |                                   |                                              |                                                    |                                       |  |
| 10. Date Spudded<br>06/17/05                                                                                                                                                                                                      | 11. Date T.D. Reached<br>07/19/05 | 12. Date Compl. (Ready to Prod.)<br>10/07/05 | 13. Elevations (DF& RKB, RT, GR, etc.)<br>3102' KB | 14. Elev. Casinghead                  |  |
| 15. Total Depth<br>12560'                                                                                                                                                                                                         | 16. Plug Back T.D.<br>12463'      | 17. If Multiple Compl. How Many Zones?       | 18. Intervals Drilled By<br>Rotary Tools 100%      | Cable Tools                           |  |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name<br>12172'-12192' Morrow                                                                                                                                         |                                   |                                              |                                                    | 20. Was Directional Survey Made<br>No |  |
| 21. Type Electric and Other Logs Run<br>DDL, MGRD, SDL, DSN                                                                                                                                                                       |                                   |                                              |                                                    | 22. Was Well Cored<br>No              |  |

| 23. CASING RECORD (Report all strings set in well) |                |           |           |                  |               |
|----------------------------------------------------|----------------|-----------|-----------|------------------|---------------|
| CASING SIZE                                        | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
| 13-3/8"                                            | 48#, H-40      | 301'      | 17-1/2"   | 463 sxs circ     |               |
| 9-5/8"                                             | 40#, N80/P110  | 4535'     | 12-1/4"   | 1546 sxs circ    |               |
| 5-1/2"                                             | 17#, P110      | 12573'    | 8-3/4"    | 654 sxs circ     |               |
|                                                    |                |           |           |                  |               |
|                                                    |                |           |           |                  |               |
|                                                    |                |           |           |                  |               |

| 24. LINER RECORD |     |        |              | 25. TUBING RECORD |       |           |            |
|------------------|-----|--------|--------------|-------------------|-------|-----------|------------|
| SIZE             | TOP | BOTTOM | SACKS CEMENT | SCREEN            | SIZE  | DEPTH SET | PACKER SET |
|                  |     |        |              |                   | 2 7/8 | 12, 117   | 12, 103    |
|                  |     |        |              |                   |       |           |            |
|                  |     |        |              |                   |       |           |            |

|                                                                                                                       |                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 26. Perforation record (interval, size, and number)<br><br>12362'-12374' 6 spf 72 holes<br>12172'-12192' natural comp | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.<br>DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED<br>12362'-12374'      2% KCL 200 bbls<br>Frac N2 CO2 924 Ac 71/29 meth<br>Total fluid 72 bbls 18/40 31500# |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| 28. PRODUCTION                    |                       |                                                                                |                        |                |                                             |                             |                 |
|-----------------------------------|-----------------------|--------------------------------------------------------------------------------|------------------------|----------------|---------------------------------------------|-----------------------------|-----------------|
| Date First Production<br>10/07/05 |                       | Production Method (Flowing, gas lift, pumping - Size and type pump)<br>Flowing |                        |                | Well Status (Prod. or Shut-in)<br>Producing |                             |                 |
| Date of Test<br>10/11/05          | Hours Tested<br>24hrs | Choke Size<br>16/64                                                            | Prod'n For Test Period | Oil - Bbl<br>0 | Gas - MCF<br>2280                           | Water - Bbl.<br>0           | Gas - Oil Ratio |
| Flow Tubing Press.<br>800         | Casing Pressure<br>0  | Calculated 24-Hour Rate                                                        | Oil - Bbl.             | Gas - MCF      | Water - Bbl.                                | Oil Gravity - API - (Corr.) |                 |

|                                                                           |                                           |
|---------------------------------------------------------------------------|-------------------------------------------|
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)<br><u>Sold</u> | Test Witnessed By<br><u>Lee Ledbetter</u> |
|---------------------------------------------------------------------------|-------------------------------------------|

|                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------|
| 30. List Attachments<br><u>Well bore schematic deviation report, logs</u>                                                              |
| 31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief |

|                                  |                                  |                                 |                      |
|----------------------------------|----------------------------------|---------------------------------|----------------------|
| Signature <u>Kem E. McCready</u> | Printed Name <u>Kem McCready</u> | Title <u>Operations Manager</u> | Date <u>12/12/05</u> |
|----------------------------------|----------------------------------|---------------------------------|----------------------|

## INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

### INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico |                        | Northwestern New Mexico |                 |
|-------------------------|------------------------|-------------------------|-----------------|
| T. Anhy                 | T. Canyon 10674'       | T. Ojo Alamo            | T. Penn. "B"    |
| T. Salt                 | T. Strawn 10823'       | T. Kirtland-Fruitland   | T. Penn. "C"    |
| B. Salt                 | T. Atoka L. 11019'     | T. Pictured Cliffs      | T. Penn. "D"    |
| T. Yates                | T. Morrow 11342'       | T. Cliff House          | T. Leadville    |
| T. 7 Rivers             | T. Morrow C. 11831'    | T. Menefec              | T. Madison      |
| T. Queen                | T. Morrow 12221'       | T. Point Lookout        | T. Elbert       |
| T. Grayburg             | T. Montoya             | T. Mancos               | T. McCracken    |
| T. San Andres           | T. Simpson             | T. Gallup               | T. Ignacio Otze |
| T. Glorieta             | T. McKee               | Base Greenhorn          | T. Granite      |
| T. Paddock              | T. Ellenburger         | T. Dakota               | T.              |
| T. Blinberry            | T. Gr. Wash            | T. Morrison             | T.              |
| T. Tubb                 | T. Delaware Sand 2520' | T. Todilto              | T.              |
| T. Drinkard             | T. Bone Springs 5991'  | T. Entrada              | T.              |
| T. Abo                  | T. Cherry Canyon 3263' | T. Wingate              | T.              |
| T. Wolfcamp 9478'       | T. Brushy Canyon 3932' | T. Chinle               | T.              |
| T. Penn                 | T. Atoka C. 11233'     | T. Permian              | T.              |
| T. Cisco (Bough C)      | T.                     | T. Penn. "A"            | T.              |

**OIL OR GAS SANDS  
OR ZONES**

No. 1, from.....to.....

No. 3, from.....to.....

No. 2, from.....to.....

No. 4, from.....to.....

### IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from.....to.....feet.....

### LITHOLOGY RECORD (Attach additional sheet if necessary)

| From   | To     | Thickness<br>In Feet | Lithology      | From | To | Thickness<br>In Feet | Lithology |
|--------|--------|----------------------|----------------|------|----|----------------------|-----------|
| 3000'  | 3440'  | 440'                 | DM, SS, SH     |      |    |                      |           |
| 3440'  | 6000'  | 2560'                | LS, SS, SH     |      |    |                      |           |
| 6000'  | 7050'  | 1050'                | SH, LM         |      |    |                      |           |
| 7050'  | 7900'  | 850'                 | SS, LM, SH     |      |    |                      |           |
| 7900'  | 9000'  | 1100'                | LM, SH         |      |    |                      |           |
| 9000'  | 9440'  | 440'                 | SS, LM, SH     |      |    |                      |           |
| 9440'  | 11290' | 1850'                | LM, SH         |      |    |                      |           |
| 11290' | 12560' | 1270'                | LM, SH, CH, SS |      |    |                      |           |

# NADEL AND GUSSMAN PERMIAN

## Dinero 16 State #4

1,310' FSL, 1,980' FWL Sec 16, 22S, 28E, Eddy County, NM  
API # 30 - 015 - 34139-0

Elev: 3083', KB: 19' AG

Current

13-3/8", 48#, H-40 @ 301'  
350 sx, cement circulated 113 sxs  
17-1/2" hole

9-5/8", 40#, N-80 LTC @ 4519'  
1400 sxs, cement ; circ 146 sx  
12-1/4" hole

5-1/2", 17#, P-110 @ 12,560'  
Lead slurry 254 sxs 35/65 Poz  
Tail slurry 400 sxs PVL  
7-7/8" hole

Tubing Details  
391 jts 2-7" EUE 6.5 8-rd L-80  
**Arrow set PK @ 12,103'**  
**w\ 2.25 F on\off tool**  
Tail pipe  
6' 2-7/8" sub  
2.25 F nipple  
6' 2-7/8" sub  
2.31 R nipple w\ 2.25 no go  
EOT @ 12,117'

Morrow Perfs

Cope Blue  
12,172' - 12,192'  
3 spf 60 holes

Comp BP @ 12,300' 10/01/05

Brown  
12,362' - 12,374'  
6 spf 72 holes

**PBTD @ 12,476'**  
**TD @ 12,560' SLD 12,545 WLM**

OPERATOR Nadel & Gussman  
WELL/LEASE Dinero St. #4  
COUNTY Eddy, NM

511-5050

STATE OF NEW MEXICO  
DEVIATION REPORT

|       |       |        |       |
|-------|-------|--------|-------|
| 140   | 1/2   | 5,705  | 1     |
| 291   | 1/2   | 6,175  | 1/2   |
| 608   | 1/2   | 6,586  | 1     |
| 1,023 | 1/2   | 7,059  | 1     |
| 1,306 | 1/2   | 7,528  | 2     |
| 1,693 | 2     | 7,623  | 2     |
| 1,819 | 2     | 7,875  | 2     |
| 1,945 | 2 1/2 | 8,287  | 1 3/4 |
| 2,135 | 3     | 8,695  | 1     |
| 2,167 | 3 1/2 | 9,136  | 1     |
| 2,198 | 2 3/4 | 9,609  | 1     |
| 2,293 | 3 1/4 | 10,082 | 1     |
| 2,356 | 3     | 10,525 | 1     |
| 2,388 | 3     | 10,997 | 1     |
| 2,419 | 2 1/2 | 11,465 | 2     |
| 2,481 | 1 1/2 | 11,559 | 1 1/2 |
| 2,545 | 2     | 11,936 | 1     |
| 2,608 | 1 1/2 | 12,249 | 1     |
| 2,733 | 2     | 12,560 | 1     |
| 3,049 | 1 1/2 |        |       |
| 3,175 | 1 1/2 |        |       |
| 3,332 | 1 1/2 |        |       |
| 3,489 | 1     |        |       |
| 3,678 | 1     |        |       |
| 3,867 | 1     |        |       |
| 4,056 | 1/2   |        |       |
| 4,214 | 1/2   |        |       |
| 4,487 | 1/2   |        |       |
| 4,465 | 1/4   |        |       |
| 4,859 | 1     |        |       |
| 5,232 | 1     |        |       |

BY: Steve Moore

STATE OF TEXAS  
COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on July 28, 2005, by Steve Moore on behalf of Patterson - UTI Drilling Company, LP, LLLP.

J Robertson  
Notary Public for Midland County, Texas  
My Commission Expires: 8/23/07

