

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|---|--|---|
| ¹ Operator name and Address Nadel and Gussman Permian, LLC 601 N. Marienfeld, Suite 508 Midland, TX 79701 | | ² OGRID Number 155615 |
| ⁴ API Number 30 - 015-34241 | | ³ Reason for Filing Code/ Effective Date NW |
| ⁵ Pool Name Loving North Adoka <i>Merrow</i> | ⁶ Pool Code 80694 80695 | |
| ⁷ Property Code 34977 | ⁸ Property Name Mercury Fee | ⁹ Well Number 1 |

II. ¹⁰ Surface Location

| Ul or lot no. | Section | Township | Range | Lot.Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| I | 19 | 23S | 28E | | 1650' | South | 990' | East | Eddy |

¹¹ Bottom Hole Location

| UL or lot no | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------------------|--|---|-----------------------------------|------------------------------------|-------------------------------------|------------------|---------------|----------------|--------|
| Same | | | | | | | | | |
| ¹² Lse Code P | ¹³ Producing Method Code F | ¹⁴ Gas Connection Date 10/15/05 | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date | | | | |

III. Oil and Gas Transporters

| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ POD | ²¹ O/G | ²² POD ULSTR Location and Description |
|---------------------------------|--|-------------------|-------------------|--|
| 7057 | Gulfterra | | | |
| | | | | |
| | | | | RECEIVED |
| | | | | DEC 14 2005 |
| | | | | UUD-ARTESIA |
| | | | | |
| | | | | |

IV. Produced Water

| | |
|-------------------|--|
| ²³ POD | ²⁴ POD ULSTR Location and Description |
|-------------------|--|

V. Well Completion Data

| | | | | | |
|-------------------------------------|--------------------------------------|----------------------------|------------------------------|---|-----------------------|
| ²⁵ Spud Date 08/02/05 | ²⁶ Ready Date 10/15/05 | ²⁷ TD 12730' | ²⁸ PBTD 12634' | ²⁹ Perforations 12382'-12394' | ³⁰ DHC, MC |
| ³¹ Hole Size | ³² Casing & Tubing Size | ³³ Depth Set | ³⁴ Sacks Cement | | |
| 17-1/2" | 13-3/8", 48# H-40 | 420' | 400 sxs cmt. Circ | | |
| 12-1/4" | 9-5/8", 40# N-80/P110 | 6100' | 1800 sxs cmt. Circ | | |
| 8-3/4" | 5-1/2", 17#, P-110, Q125 | 12730' | 1322 sxs cmt @ 6660' | | |
| | 2-7/8", 6.5#, L80 | 12738' | | | |

VI. Well Test Data

| | | | | | |
|-----------------------------------|---|-------------------------------------|-------------------------------------|------------------------------------|--------------------------------------|
| ³⁵ Date New Oil | ³⁶ Gas Delivery Date 10/15/05 | ³⁷ Test Date 10/17/05 | ³⁸ Test Length 24 hrs | ³⁹ Tbg. Pressure 725 | ⁴⁰ Csg. Pressure 0 |
| ⁴¹ Choke Size 16/64 | ⁴² Oil 0 | ⁴³ Water 0 | ⁴⁴ Gas 1109 | ⁴⁵ AOF | ⁴⁶ Test Method Flowing |

| | |
|--|--|
| ⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Kem McCready</i> | OIL CONSERVATION DIVISION <i>Jim W. Green</i> Approved by: <i>District II Supervisor</i> |
| Printed name: Kem McCready | Title: |
| Title: Operations Manager | Approval Date: DEC 15 2005 |
| E-mail Address: kemm@naguss.com | |
| Date: 12/12/05 | Phone: 432-382-4429 |