

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies 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 and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003
		WELL API NO. 30-013-34241
		5. Indicate Type of Lease STATE ☐ FEE ☒
		State Oil & Gas Lease No.
WELL COMPLETION OR RECOMPLETION REPORT AND LOG		
1a. Type of Well: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____		7. Lease Name or Unit Agreement Name Mercury Fee RECEIVED
b. Type of Completion: NEW ☐ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. WELL OVER ☐ BACK RESVR. ☐ OTHER		
2. Name of Operator Nadel and Gussman Permian, LLC		8. Well No. 1
3. Address of Operator 601 N. Marienfeld, Suite 508 Midland, TX 79701		9. Pool name or Wildcat Loving North <i>Morrow</i>
4. Well Location Unit Letter _____ I _____ 1650' _____ Feet From The _____ South _____ Line and _____ 990' _____ Feet From The _____ East _____ Line Section 19 Township 23S Range 28E NMPM County Eddy		
10. Date Spudded 08/02/05	11. Date T.D. Reached 09/07/05	12. Date Compl. (Ready to Prod.) 10/15/05
13. Elevations (DF& RKB, RT, GR, etc.) 3089' KB		14. Elev. Casinghead
15. Total Depth 12730'	16. Plug Back T.D. 12634'	17. If Multiple Compl. How Many Zones?
18. Intervals Drilled By		Rotary Tools 100%
19. Producing Interval(s), of this completion - Top, Bottom, Name 12382'-12394' Morrow		20. Was Directional Survey Made No
21. Type Electric and Other Logs Run DDL, MGRD, SDL, DSN		22. Was Well Cored No
23. CASING RECORD (Report all strings set in well)		
CASING SIZE	WEIGHT LB./FT.	DEPTH SET
13 3/8"	48#, H-40	420'
9 5/8"	40#, N-80/P110	6100'
5 1/2"	17#, HCP-110	12730'-11428'
	SP-110	1410'-11319'
	Q-125	Surf-1410'
24. LINER RECORD		25. TUBING RECORD
SIZE	TOP	SIZE
	BOTTOM	DEPTH SET
	SACKS CEMENT	PACKER SET
	SCREEN	
		2-7/8"
		12378'
		12268'
26. Perforation record (interval, size, and number) 12382'-12394' 12' 6 spf 60 deg phasing 72 holes		27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
		DEPTH INTERVAL
		AMOUNT AND KIND MATERIAL USED
		12382'-12394'
		1200gal 7.5% HCL 300 gal meth
		30000 SCF N2
28. PRODUCTION		
Date First Production 10/15/05		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing
		Well Status (Prod. or Shut-in) Producing
Date of Test 10/14/05	Hours Tested 24 hrs	Choke Size 16/64
Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 1109
	Water - Bbl. 0	Gas - Oil Ratio
Flow Tubing Press. 725	Casing Pressure 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.) Sold		Test Witnessed By Lee Ledbetter
30. List Attachments Well bore schematic, deviation report, set of logs		
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief		
Signature <i>Kem McCreedy</i> E-mail Address kemm@naguss.com		Printed Name Kem McCreedy Title Operations Manager Date 12/12/05

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 10383'	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn 10850'	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. AtokaL. 11093'	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Morrow 11463'	T. Cliff House	T. Leadville
T. 7 Rivers	T. MorrowC. 12048'	T. Menefee	T. Madison
T. Queen	T. Morrow 12384'	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand 2461'	T. Todilto	T.
T. Drinkard	T. Bone Springs 6106'	T. Entrada	T.
T. Abo	T. Cherry Canyon 3251'	T. Wingate	T.
T. Wolfcamp 9270'	T. Brushy Canyon 3812'	T. Chinle	T.
T. Penn	T. Atoka C. 11356'	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
 No. 2, from.....to.....
 No. 3, 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 In Feet	Lithology	From	To	Thickness In Feet	Lithology
2900'	6106'	3206'	SS, SH, LM				
6106'	6860'	754'	SH, LM				
6860'	7800'	940'	SH, LM, SS				
7800'	8900'	1100'	SH, LM				
8900'	9250'	350'	SH, LM, SS				
9250'	11360'	2110'	SH, LM				
1360'	12730'	1370'	SH, LM, CH				

NADEL AND GUSSMAN PERMIAN

Mercury Fee #1

1,650' FSL, 990' FEL Sec 19, 23S, 28E, Eddy County, NM
API # 30 - 015 - 34241-0

Elev: 3070', KB: 19' AGI

Current

13-3/8", 48#, H-40 @ 420'
400 sx, cement circulated 56 sxs
17-1/2" hole

9-5/8", 40#, N-80 LTC @ 6100'
1600 sxs, cement ; TOC @ 85' TS
Top off w\ ready mix
12-1/4" hole

TOC @ 6,666' CBL
EM Hobbs 10/08/05

5-1/2", 17#, HCP-110, SP110; Q125
Q-125 0' - 1410'
SP-110 1410' - 11,428'
HCP-110 11,428' - 12,728'
Lead slurry 457sxs 35/65 Poz
Tail slurry 865 sxs PVL
7-7/8" hole

PBTD @ 12,645' SLM 12,634' WLM
TD @ 12,730' SLD 12,728' WLM

Tubing Detail			
OD	ID	Depth	Descrip
3.688	2.441	31.87	1 jt 2-7/8" 6.5# N80 EUE 8rd
3.688	2.441	52.18	3 subs 10.10; 4.25'; 6.00'
3.688	2.441	12184.28	382 jts 6.5 ppf N80 8rd
3.688	2.441	12190.36	6' N80 EUE 8rd sub
3.688	2.441	12253.85	2 jts 2-7/8" 6.5# N80 EUE 8rd
4.5	2.25F	12255.69	4-1/2" x 2-7/8" 2.25F modL-10 on/off tool
4.6	2.395	12263.51	460-237 Hornet pkr 2-7/8" B x P
3.688	2.441	12273.58	2-7/8" 6.5 sub
3.688	2.25F	12274.61	F profile nipple 2-7/8 B x P
3.688	2.441	12280.82	2-7/8" 6' sub
3.688	2.25F	12281.85	F profile nip 2-7/8" B x P
3.688	2.441	12345.32	2 jts 2-7/8" 6.5# N80 EUE 8rd
3.688	2.440	12346.27	Ported underbalanced sub
3.688	2.441	12378.01	1 jt 2-7/8" 6.5# N80 EUE 8rd
EOT @ 12,378'			

FISH IN HOLE			
OD	ID	Length	
3.688	1.500	1.19	mech firing head w\ auto rel
3.375		2.80	Blank gun
3.375		12.00	fired gun
3.375		0.77	Bull plug
2		5.55	Propellant sleeve
			22.31' Total length

Morrow Perfs

12,382' - 12,394'
6 spf 72 holes

OPERATOR Nadel & Gussman
WELL/LEASE Mercury Fee #1
COUNTY Eddy, NM

511-5051

STATE OF NEW MEXICO
DEVIATION REPORT

167	1/4	7,030	1/2
370	1/4	7,439	1/2
856	1/2	7,784	1/2
1,045	1	8,192	1/2
1,516	1	8,570	1
1,706	1	9,043	1/2
1,895	1	9,516	1/2
2,021	1	9,957	1/2
2,179	1	10,430	1/2
2,234	3/4	10,839	1/2
2,524	1	11,260	1 1/4
2,682	1	11,496	1/2
2,871	1	11,871	1 1/2
3,058	1/2	12,248	1
3,436	1	12,730	1 1/2
3,656	1/2		
4,066	1		
4,255	1		
4,666	1		
4,908	3/4		
5,139	1		
5,576	1		
5,734	1		
6,064	1 1/4		
6,399	1		
6,777	1/2		

BY: _____

STATE OF TEXAS
COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on September 19, 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

