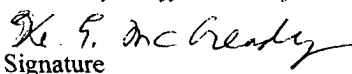


Submit to Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505		<b>State of New Mexico</b> <b>Energy, Minerals and Natural Resources</b>  <b>Oil Conservation Division</b> <b>1220 South St. Francis Dr.</b> <b>Santa Fe, NM 87505</b>		<b>Form C-105</b> Revised June 10, 2003	
		WELL API NO. 30-015-34572		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
		State Oil & Gas Lease No.			
<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>					
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>  b. Type of Completion: NEW <input type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR. <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>				7. Lease Name or Unit Agreement Name  Hermes Fee	
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; Morrow North (Gas)	
4. Well Location  Unit Letter <u>  H  </u> : <u>  660  </u> Feet From The <u>  North  </u> Line and <u>  1980'  </u> Feet From The <u>  East  </u> Line  Section <u>  30  </u> Township <u>  23S  </u> Range <u>  28E  </u> NMPM County <u>  Eddy  </u>					
10. Date Spudded 2/25/06		11. Date T.D. Reached 4/7/06		12. Date Compl. (Ready to Prod.) 7/6/06	
13. Elevations (DF& RKB, RT, GR, etc.) 3102' KB		14. Elev. Casinghead		15. Total Depth 12840'	
16. Plug Back T.D. 12603'		17. If Multiple Compl. How Many Zones?		18. Intervals Drilled By Rotary Tools 100% Cable Tools	
19. Producing Interval(s), of this completion - Top, Bottom, Name 12304'-12312' Morrow					20. Was Directional Survey Made No
21. Type Electric and Other Logs Run MGRD, SDL/DSN					22. Was Well Cored No
<b>23. CASING RECORD (Report all strings set in well)</b>					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	48#, H-40	460'	17 1/2"	400 sxs circ	
9 5/8"	40#, N-80/P110	6250'	12 1/4"	1685 sxs circ	
5 1/2"	17#, P110/20#, P110	12840'-11005'	7-7/8"	1100 sxs circ	
<b>24. LINER RECORD</b>					
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	
<b>25. TUBING RECORD</b>					
SIZE	DEPTH SET	PACKER SET			
2-7/8"	12040'	12230'			
26. Perforation record (interval, size, and number)  See attached C-103					
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED					
<b>28. PRODUCTION</b>					
Date First Production 7/6/06		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing		Well Status (Prod. or Shut-in) Producing	
Date of Test 7/15/06	Hours Tested 24 hrs	Choke Size 14/64	Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 286
Water - Bbl. 6	Gas - Oil Ratio				
Flow Tubing Press. 500	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 		Printed Name Kemm McCreedy		Title Operations Manager	
E-mail Address kemm@naguss.com		Date 9/18/06			

# 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 10435'	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn 10972'	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. AtokaL. 11177'	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Morrow 11553'	T. Cliff House	T. Leadville
T. 7 Rivers	T. MorrowC. 12218'	T. Menefee	T. Madison
T. Queen	T. Morrow 12529'	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 2478'	T. Todilto	T.
T. Drinkard	T. Bone Springs 5992'	T. Entrada	T.
T. Abo	T. Cherry Canyon 3228'	T. Wingate	T.
T. Wolfcamp 9262'	T. Brushy Canyon 3799'	T. Chinle	T.
T. Penn	T. Atoka C. 11427'	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'	3700'	800'	SS, SH, LM				
3700'	4000'	300'	SS, SH				
4000'	5730'	1730'	SS, SH, LM				
5730'	5790'	60'	SS				
5790'	5930'	140'	SS, SH				
5930'	5982'	52'	SDS, SH, LM				
5982'	6860'	878'	SH, LM				
6860'	7120'	260'	SS, SH, LM				
7120'	7530'	410'	SH, LM				
7530'	11770'	4240'	SS, SH, LM				
11770'	12840'	1070'	SS, SH, LM, CH				