Form 3160-5 (June 1990)

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31 1993

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5. Lease Designation and Serial No. NM-25953

SUNDRY NOTICES AND REPORTS ON WELLS NM 88210-2834

Do not use this form for proposals to drill or to deepen or reenance and additional services.

88210-2834 6. If Indian, Allottee or Tribe Name Use "APPLICATION FOR PERMIT-" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 26599 1. Type of Well Gas Well 8. Well Name and No. Well Other 2. Name of Operator Kyle 34 Fed No. 1 Nadel and Gussman Permian, L.L.C. 9. API Well No. 3. Address and Telephone No. 30-015-31311 601 N. Marienfeld, Suite 508, Midland, TX 79701 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Salt Draw; Atoka 660' FNL & 860' FEL, unit letter A 11. County or Parish, State Sec. 34 - T24S - R28E Eddy Co., NM 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Other Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 13. Describe Proposed or Completed Operations (Clearly state all pertinet details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markders and zones pertinent to this work.)* Notice of spudding well and setting surface casing. 09-29-00 Moved Patterson Rig No. 47 onto location. Notified BLM of approximate spud time. 10-02-00 Spud well at 4:00 pm CST on 10-1-00. Drilled 17-1/2" surface hole to 405'. Ran 13-3/8", 54.5# 3-55 casing to 322'. Tagged up on ledge and could not go deeper. 10-03-00 LD casing and picked up collars, reamer and bit. Washed and reamed hole to 405'. LD collars and bit. Picked up casing, ran in hole and set at 399'. Circulated hole and rigged up BJ services. Pumped 145 sx 35:65 Poz w/ 2% CaCl, 5% kaolinite and 6% gel. Tailed in with 340 sx "C" neat w/ 2% CaCl. Plug down at 8:30 PM. Circulated 29 sx cement and the job was witnessed by the BLM. RD cementers. WOC 12 hours, 10-04-00 Cut off casing, weld on A section and tested weld - OK. NU annular BOP and welded flowline. PU 12 1/4" bit and BHA. Tagged cement plug at 356' and drilled cement to 405'. Drilled new hole to 630'. Picked up 5 more DCs and resumed drilling new hole. foregoing is true and correct R. McNaughton - Operations Engine 10/09/00 (This space for Federal or State office use) Approved by ______ Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent

statements or representations as to any matter within its jurisdiction.

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