

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised August 1, 2011

HOBBS OGD
 MAY 08 2014

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. 30-025-38954
2. Name of Operator NADEL AND GUSSMAN PERMIAN LLC		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator 601 N. MARIENFELD, SUITE 508, MIDLAND, TEXAS 79701		6. State Oil & Gas Lease No. 37182
4. Well Location Unit Letter P : 660 feet from the SOUTH line and 990 feet from the EAST line Section 10 Township 16S Range 33E NMPM LEA County		7. Lease Name or Unit Agreement Name CEBO STATE
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4,201' - GR		8. Well Number 001
		9. OGRID Number 155615
		10. Pool name or Wildcat WEST HUME; GRAYBURG-QUEEN

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 1) TAG EXISTING 4-1/2" CIBP @ 3,839'; PUMP 25 SXS. CMT. @ 3,839'-3,595' (T/QN.); CIRC. WELL W/ PXA MUD.
- 2) PUMP 25 SXS. CMT. @ 2,810'-2,690' (T/YATES, B/SALT); WOC X TAG CMT. PLUG.
- 3) PUMP 60 SXS. CMT. @ 1,950'-1,460' (T/SALT, 8-5/8" CSG.SHOE, T/ANHY.); WOC X TAG CMT. PLUG.
- 4) MIX X CIRC. TO SURF. 25 SXS. CMT. @ 200'-3'.
- 5) DIG OUT X CUT OFF WELLHEAD 3' B.G.L.; WELD ON STEEL PLATE TO CSGS. X INSTALL DRY HOLE MARKER.

DURING THIS PROCEDURE WE PLAN TO USE THE CLOSED-LOOP SYSTEM WITH A STEEL TANK AND HAUL CONTENTS TO THE REQUIRED DISPOSAL, PER OCD RULE 19.15.17.

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE David A. Eyer TITLE: AGENT DATE: 05/06/14

Type or print name: DAVID A. EYLER E-mail address: DEYLER@MILAGRO-RES.COM PHONE: 432.687.3033
 For State Use Only

APPROVED BY: Maley Brown TITLE: Dist. Supervisor DATE: 5/8/2014
 Conditions of Approval (if any)

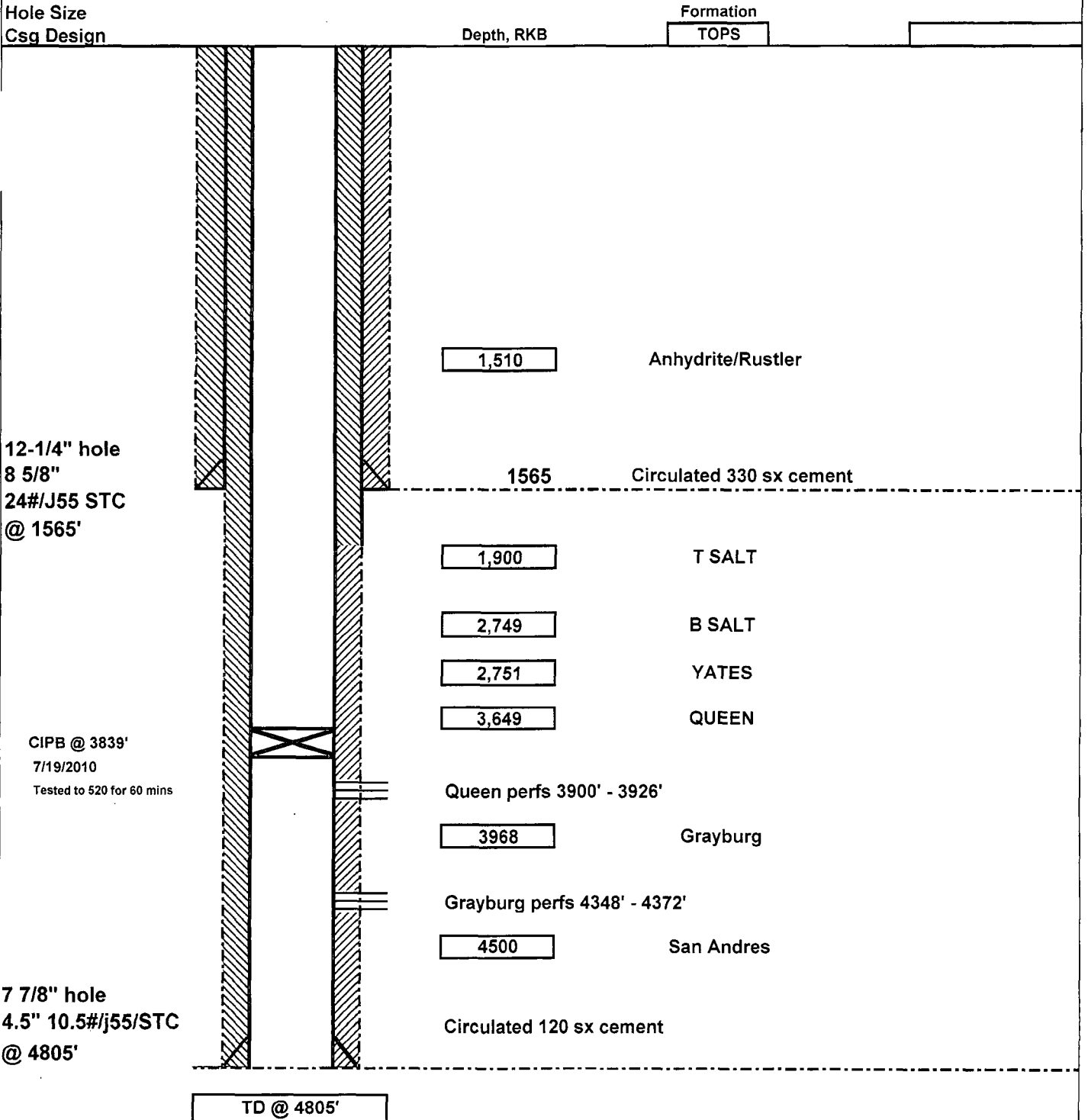
MAY 12 2014

Nadel & Gussman Permian, L.L.C.

LEASE:	Cebo State
FIELD:	Hume queen West
LOCATION:	660' FSL 990' FEL _v /LP
SPUD DATE:	7/12/2008
CONTRACTOR:	

WELL NO.:	1	API 30-025-38954
COUNTY:	Lea	New Mexico
LEGAL:	Sec. 10 16s 33e	4202
DRAWN BY:		4220
DATE:	1/14/2014	18

Cebo State #1

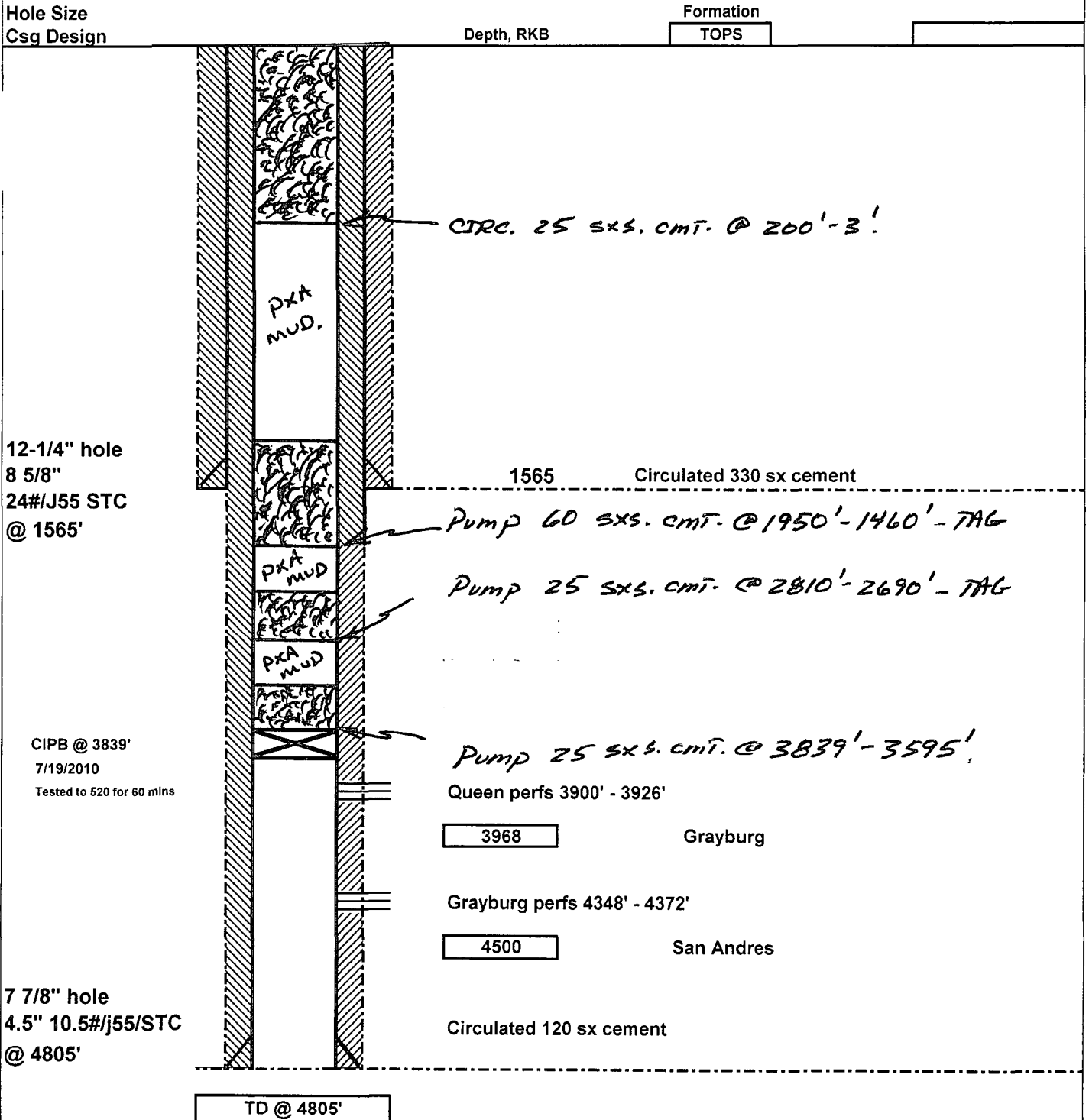


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DAG 05/06/14