

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-103  
 August 1, 2011  
 Permit 140653

WELL API NUMBER 30-015-39345
5. Indicate Type of Lease S
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name MACHO GRANDE STATE
8. Well Number 001H
9. OGRID Number 155615
10. Pool name or Wildcat

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: O

2. Name of Operator  
NADEL AND GUSSMAN PERMIAN, LLC

3. Address of Operator  
601 N MARIENFELD , SUITE 508 , MIDLAND , TX 79701

4. Well Location  
 Unit Letter A : 330 feet from the N line and 330 feet from the E line  
 Section 32 Township 23S Range 29E NMPM Eddy County

11. Elevation (Show whether DR, KB, BT, GR, etc.)  
3022 GR

Pit or Below-grade Tank Application  or Closure

Pit Type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

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

<b>NOTICE OF INTENTION TO:</b>	<b>SUBSEQUENT REPORT OF:</b>
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTER CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
Other: _____	Other: <b>Spud</b> <input checked="" type="checkbox"/>

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

10/27/2011 Spudded well.  
 SPUD WELL AT 4:30 AM 10/27/11. 17.5" HOLE. PATTERSON-UTI RIG 74.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit  or an (attached) alternative OCD-approved plan .

SIGNATURE Electronically Signed TITLE General Manager DATE 1/10/2012

Type or print name Scott Germann E-mail address scottg@naguss.com Telephone No. 432-682-4429

For State Use Only:  
 APPROVED BY: Randy Dade TITLE District Supervisor DATE 1/12/2012