

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

NADEL AND GUSSMAN PERMIAN, LLC

3a. Address

601 N. MARIENFELD MIDLAND, TX 70701 Suite 508

3b. Phone No. (include area code)

(432) 682-4429

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)

Surface: UL N Sec. 30 T20S R23E 660' FSL & 2,280' FWL

BH: UL N Sec. 30 T20S R23E 660' FSL & 1,980' FWL

5. Lease Serial No.

NM 93460

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Josey Federal #3

9. API Well No.

30-015-34513

10. Field and Pool, or Exploratory Area

Chester

11. County or Parish, State

Eddy County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other CMT PROD. CSG |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

02/17/06 RU Casing Crew / Safety Meeting. Run 83 jts 5 1/2" 17# N80 LTC Casing.

02/18/06 Depth 8670' TD Run 5 1/2" 17# N80 LTC Casing, Total 190 jts, FC @ 8574' set @ 8668' Install Cmt head / Circ iron - wash 40' to bottom. Circulate twice the csg capacity [405 Bbls]. RU Schlumberger / Safety Meeting. Pumped 20 Bbl Mud wash, Lead: 773 sks [341 Bbls] 50 / 50 POZ / C w/ 10% D20, 3% D44 (BWOW), 0.2% D65, 0.2% D167, 0.25 pps D25, 0.1% D134, 0.2% d46 @ 11.8 ppg 2.48 cuft/sk yield. Tail: 766 sks [192 Bbls] PVL w/ 2% D44 (bwow), 0.2% D65, 0.2% D167, 0.2% D46, 0.4% D13 @ 13.0 ppg / 1.41 cuft/sk yield. Displaced w/ 199 Bbls FW. Bumped Plug w/ 1810 psi check float OK. Circulated 3 Bbls [8 sks] cmt to surface. ND BOP. Set slips w/ 125,000# tension. Cut csg & install 11" 3M X 7 1/16" 5M Tbg Head - test casing 1500 psi. high and 250 low for 30. min each.

ACCEPTED FOR RECORD

FEB 28 2006

GARY GOURLEY

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

JOSH FERNAU

Title STAFF ENGINEER

Signature

Date 02/21/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

Name
(Printed/Typed)

Title

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Date

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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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