

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NM NM 98795 & NM NM 96814
6. If Indian, Allottee or Tribe Name

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)
UL I Sec. 26 T20S R23E 1,980' FSL & 660' FEL

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

8. Well Name and No.

Callahan Federal #1

9. API Well No.

30-015-34739

10. Field and Pool, or Exploratory Area

Wildcat B Morrow

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 type="checkbox"/> Other <u>Plug Well and Skid Rig</u>
	<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.)

06/03/06 - POOH and LD 6" DC's and RT tool EODP @ 256' hole depth 1,413' Stuck pipe below 256' not recoverable (Plugging Procedure approved by Gene Hunt / David Glass Verbal). RU Schlumberger and pump 50 sx of Class C cmt (12 bbl) w/ 5% CACL2, 2 ppg cement @ 14.8 ppg w/ 1.34 cfps Yield WOC 2.5 hrs. RIH Tag @ 190'. PU EODP @ 158'. Pump 300 sx "C" cmt (70 bbl) w/ 1 ppg cemnet (first 25 bbl) @ 14.8 ppg 1.34 cfps yield POOH fluid level @ 100' Trace of cmt on pipe @ 115' WOC.

06/04/06 - Tag TOC @ 115' pumped plugs #3, #4, #5, #6 w/ 50 sx (12 bbls) Class C + 5% CACL2, 2 PPB cemnet @ 14.8 ppg 1.34 cfps yield on each plug. Pumped 60 bbls of 20# LCM pill ahead of plug #4. Tag TOC @ 63' after plug #6. Pumped plug #7 and #8 w/ 75 sx (19 bbls) Class C + 5% CACL2, 2 PPB cemnet @ 14.8 ppg 1.34 CFPS yield f/ each plug. Pumped 100 bbls 20# LCM pill ahead of plug #7. Circ. 3bbls (13 sx) cmt to pits. RD Schlumberger.

Rig down skid rig 15' to working pits. Survey plats to follow. Alter casing design to follow.

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

JOSH FERNAU

Title STAFF ENGINEER

Signature

Date 06/06/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature) DAVID B. GLASS

Name
(Printed/Typed)

Office

Date

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.

JUN 07 2006

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.

(Continued on next page)