

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Lordsburg, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-015-35569
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Cronos Fee
8. Well Number 1
9. OGRID Number 155615
10. Pool name or Wildcat Loving Morrow

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 ☐ Gas Well ☒ Other

2. Name of Operator
Nadel and Gussman Permian, LLC

3. Address of Operator
601 N. Marienfeld, Suite 508
Midland, TX 797001

4. Well Location

Unit Letter E : 1950 feet from the North line and 660 feet from the West line
Section 20 Township 23S Range 28E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,059' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Reserve Depth to Groundwater 100' + Distance from nearest fresh water well >1000' Distance from nearest surface water <200'

Pit Liner Thickness: 20 mil Below-Grade Tank: Volume bbls; Construction Material

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☒

OTHER: ☐

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.

06/14/07 Drilling Consultant called Bryan Arrant (NMOCD) at 6:00 AM MST and left notification message of plans to spud well in several hours. Spudded well @ 9:30 AM CST and drilled 17 1/2" hole from 0' to 400'. Survey @ 150' = 1.0 deg. Circ and POOH to run casing. Drilling Consultant called Bryan Arrant (NMOCD) at 19:30 AM CST and left notification message of plans to cement in several hours. Ran 3 jts of 13-3/8" / 54.5# / K-55 / STC and 7 jts of 13-3/8" / 48# / H-40 / STC casing to 400'.

Cemented 13-3/8" casing, with 225 sxs 35/65/6 Poz Class C lead (12.7ppg, 1.875 CuFt/sk) and 200 sxs Class C tail (14.8 ppg, 1.345 CuFt/sk). Displaced with 56 bbls FW, circulated cement to surface and an estimated 100 sx to the pits. Bumped plug, floats held. Wait on cement for 4 hrs. Cut off and weld on 13-3/8" well head.

06/15/07 Nipple up BOPs and test to 1000 psi. Picked up 12.25 bit and BHA while WOC for 18 hr from completion of cement job. Drilled out float equipment and formation to 900'. Surveys @ 619' = 1.75 deg. and 713' = 1.0 degree.

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 Terry West TITLE Drilling Operations Engineer DATE 6/19/07

Type or print name Terry West E-mail address: terryw@naguss.com Telephone No. (432) 682-4429
For State Use Only

APPROVED BY: FOR RECORDS ONLY TITLE DATE JUN 22 2007
Conditions of Approval (if any):