

Submit 1 Copy 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., Aztec, 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
October 13, 2009

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

WELL API NO. 30-15-35569
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. 36498

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.)		7. Lease Name or Unit Agreement Name Cronos Fee
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	RECEIVED JUL 30 2010 NMOCD ARTESIA	8. Well Number 1
2. Name of Operator NADEL AND GUSSMAN PERMIAN LLC		9. OGRID Number 155615
3. Address of Operator 601 NORTH MARIENFELD, SUITE 508, MIDLAND, TX 79701		10. Pool name or Wildcat <i>Leaving; Up Per Penn (Gas)</i> UNDESIGNATED CISCO
4. Well Location Unit Letter <u>E</u> : <u>1950</u> feet from the <u>NORTH</u> line and <u>660</u> feet from the <u>EDDY</u> line Section <u>20</u> Township <u>23 S</u> Range <u>28 E</u> NMPM <u>EDDY</u> County		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3059 GL		

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: RECOMPLETION <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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

04/12-13/10 Miru equipment pull tubing
04/14/15/10 Sect cibp @ 11,850' and cap w/ 35' cmt
04/15/10 Pressure test csg to 7000 psi. Perforate Cisco from 10,666 to 10,782 OA 49 holes total. Set pkr on tbg @ 10,599'.
04/16/10 Breakdown perfs w/ 2000 gals of 15 % HCl.
04/17-19/10 Swab and flow test zone. Release pkr and toh
04/22/10 Frac perfs w/ 255,000 gals of gel, 110,483 lbs of 100 mesh and 222,984 lbs of 20/40 isp
04/23-26 Flow back and recover load.
04/29-30/10 run production equipment
05/01-03/10 Flow to frac tank to clean up
05/04/10 Start selling

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 Kem E. McCready TITLE NM Operations Mgr DATE 07/27/10

Type or print name Kem E. McCready E-mail address: kemm@naguss.com PHONE: 432-682-4429

For State Use Only

APPROVED BY: Jaques R TITLE Geologist DATE 7/3/2010

Conditions of Approval (if any):