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HOBBSUCD

Submit One 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

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

Form C-103
 January 20, 2011

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.)		WELL API NO. 30 - 025 - 36285
1. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Nadel & Gussman Permian, LLC		6. State Oil & Gas Lease No. 32346
3. Address of Operator 601 N. Marienfeld, Suite 508, Midland, TX 79701		7. Lease Name or Unit Agreement Name Loco Ocho State
4. Well Location Unit Letter <u>N</u> : 660 feet from the <u>SOUTH</u> line and 1980 feet from the <u>WEST</u> line Section <u>33</u> Township <u>16S</u> Range <u>35E</u> NMPM County <u>LEA</u>		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3149' GL, 3166' KB		9. OGRID Number 155615
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> <input type="checkbox"/> Location is ready for OCD inspection after P&A

Please see attached procedure, pre/post P&A wellbore diagrams, and C-144 CLEZ.

The Oil Conservation Division Must be notified
 24 hours prior to the beginning of plugging operations.

SIGNATURE Chris Marquez TITLE Drilling Engineer DATE 4-19-2011
 TYPE OR PRINT NAME Chris Marquez E-MAIL: cmarquez@naguss.com PHONE: 432-682-4429
 For State Use Only
 APPROVED BY: [Signature] TITLE STAFF MGR DATE 4-27-2011
 Conditions of Approval (if any):

Nadel And Gussman Permian, LLC

LOCO OCHO STATE NO. 1 SHOE BAR MORROW FIELD

660' FSL & 1980' FWL, UNIT LETTER N, SECTION 33, T16S, R35E, LEA COUNTY, NEW MEXICO

API #: 30 - 025 - 36285

GL: 3991', KB +17'

P&A Procedure

LOCATION INFORMATION:

From Lovington, NM, go west 7 mi on highway 82 to intersection of state highway 238 (Buckeye highway). Travel south for 4.7 miles to the Wasserhund Water Station at mile marker 14. At the water station turn east (left) and travel 2.4 miles the location which is located on the north (left) side of the road.

PROCEDURE OBJECTIVES:

Perform recommended procedure to plug and abandon well.

See wellbore sketch for well details.

EHS INSTRUCTIONS:

All personnel on location must wear an approved hard hat, steel-toed shoes and eye protection at all times as well as observing "No Smoking" restrictions. Smoking allowed in designated areas only.

WELL DATA

Top flange 7 - 1/16", 5000 psi

CASING RECORD:

Size	Weight (ppf)	Grade	Top	Depth	CMT (SKS)	TOC
13 3/8"	48	H40	0	432	365	0
8 5/8"	32	J55/N80	0	4,985	1,600	0
5 1/2"	17	P110	0	12,900	1,001	6,850
5 1/2"	20	P110	12,000	12,985		

TUBING RECORD:

No Tubing in the wellbore.

PROCEDURE:

1. TIH open ended, tag trouble spot at 5,461'.
2. Pick up and spot cement to 4,700'. WOC 4 hours and tag.

3. 3. Circulate with mud laden fluid (displace hole).

PERF 5035' 5Q 35.5 x CMT WOC-TAG (4910')

4. TIH with wireline to 2,925' and perf. (Perf 1' at 4 spf)
5. TIH, open ended, to 2,925' & squeeze with 35 sxs. WOC 4 hours and tag.
6. TIH with wireline to 1,850' and perf. (Perf 1' at 4 spf)
7. TIH, open ended, to 1,850' & Squeeze with 35 sxs. WOC 4 hours and tag.
8. Circulate with mud laden fluid (displace hole).
9. TIH with wireline to 485' and perf. (Perf 1' at 4 spf).
10. Circulate cement to surface up back side and fill 5 1/2" casing to surface.
11. Make sure cement does not fall back.

LOCO OCHO STATE NO. 1 SHOE BAR MORROW FIELD
660' FSL & 1980' FWL, UNIT LETTER N, SECTION 33, T16S, R35E, LEA COUNTY, NEW MEXICO
API No. 30-025-36285

GL: 3991' KB +17'

12. If cement falls back, call NGP office, will likely use redi-mix to fill to surface.
13. Cut off and call E.L. Gonzalez for marker.

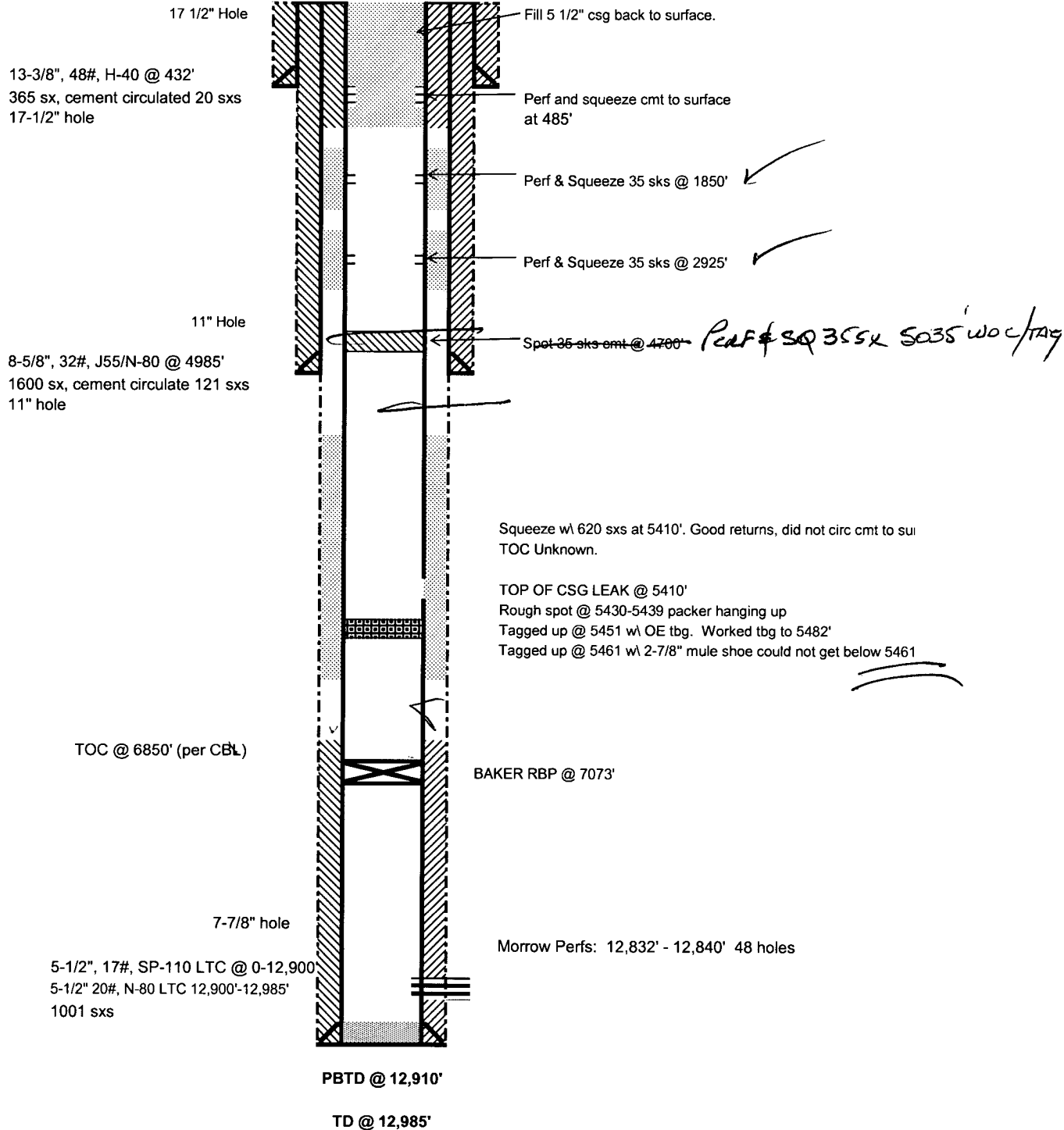
NADEL AND GUSSMAN PERMIAN

Loco Ocho State No. 1

1980' FWL, 990' FSL, Unit N Sec 33, 16S, 35E, Lea County, NM
API # 30 - 025 - 36285-00

Elev: 3149', KB: 3166'

Proposed, After P&A Wellbore



NADEL AND GUSSMAN PERMIAN

Loco Ocho State No. 1

1980' FWL, 990' FSL, UL N, Sec 33, 16S, 35E, Lea County, NM
API # 30 - 025 - 36285-00

Elev: 3149', KB: 3166'

Current 03/29/10

