District I Form C-103 State of New Mexico 1625 N. French Dr., Hobbs, NM 88240 August 1, 2011 Phone:(575) 393-6161 Fax:(575) 393-0720 Energy, Minerals and Natural District II Permit 139705 811 S. First St., Artesia, NM 88210 Resources WELL API NUMBER Phone:(575) 748-1283 Fax:(575) 748-9720 District III 30-015-38519 Oil Conservation Division 1000 Rio Brazos Rd., Aztec, NM 87410 5. Indicate Type of Lease Phone:(505) 334-6178 Fax:(505) 334-6170 1220 S. St Francis Dr. District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462 6. State Oil & Gas Lease No. 7. Lease Name or Unit Agreement Name SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO LONG BRANCH A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH 8. Well Number PROPOSALS.) 002 Type of Well: O 9. OGRID Number 2. Name of Operator NADEL AND GUSSMAN PERMIAN, LLC 155615 10. Pool name or Wildcat 601 N MARIENFELD, SUITE 508, MIDLAND, TX 79701 4. Well Location Unit Letter 330 feet from the N line and 2310 feet from the 19S 26E NMPM Eddy Township Range County 11. Elevation (Show whether DR, KB, BT, GR, etc.) 3372 GR Pit or Below-grade Tank Application or Closure Depth to Groundwater____ Distance from nearest fresh water well_ Distance from nearest surface water____ mil bbls; Construction Material_ Pit Liner Thickness: Below-Grade Tank: Volume____ 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK | PLUG AND ABANDON | REMEDIAL WORK ALTER CASING COMMENCE DRILLING OPNS. PLUG AND ABANDON TEMPORARILY ABANDON CHANGE OF PLANS PULL OR ALTER CASING | MULTIPLE COMPL | CASING/CEMENT JOB Other: Other: Drilling/Cement X 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. TD 12.25" hole at 1005'. Run 26 joints of 9 5/8" 36#/ J55 casing and set at 1005'. Lead cement with 100 sacks class "C" + 10% W-60 +1% Cacl2 + 5# Gilsonite +.25%R-38. Middle cement with 300 sacks 35/65C +6%Gel +1% Cacl2 +5# Starseal + .25% R-38. Tail cement with 200 sacks class "C" + 2% CaCL2 +.25% R-38. Circulate 93 sacks.11/1/2011 Spudded well. Casing and Cement Program Weight Grade Hole Csg Est Dpth Pres Pres Open Date String Sacks Yield Class Size Size TOC Set Dpth Held Type

12.25 9.625

38

0 1005

E-mail address scottg@naguss.com

TITLE District Supervisor

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 Γ , a general permit Γ or an (attached) alternative OCD-approved plan Γ .

SIGNATURE Electronically Signed TITLE General Manager DATE 11/7/2011

600

Telephone No. 432-682-4429

DATE 11/8/2011 12:35:07 PM

Surf

For State Use Only:

Type or print name Scott Germann

APPROVED BY: Randy Dade