N.M. Oil Cons. DIV-Dist. 2

(April 2004)

1301 W. Grand Avenusorm Approved OMB No. 1004-0137 Form 3160-5 UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT TIOSIA, NIVI Expires: March 31, 2007 5. Lease Serial No. NM 93460 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE- Other instructions on reverse side, 7. If Unit or CA/Agreement, Name and/or No. 1. Type of Well | I Oil Well Gas Well 8. Well Name and No. SEP 1 6 2004 Josev Federal #1 2. Name of Operator Nadel & Gussman Permian, LLC. **QQD:ARTEQIA** 9. API Well No. 30-015-33594 3a. Address 3b. Phone No. (include area code) 601 N. Marienfeld Suite 508 Midland, Tx 79701 432-682-4429 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State UL P Sec. 30 T20S R23E 780' FSL & 810' FEL **Eddy County, NM** 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Production (Start/Resume) Water Shut-Off Deepen Notice of Intent Well Integrity Alter Casing Reclamation Other "Spudder Rig" Casing Repair New Construction Recomplete _ Subsequent Report Change Plans Temporarily Abandon Plug and Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 13. 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 recomplete 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 recompletion 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.) 8/27/04 MIRU "Spudder Rig" Drilled to 10' w/ 12-1/4" bit. ACCEPTED FOR RECORD SEP 1 3 2004 LES BABYAK PETROLEUM ENGINEER 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Josh Fernan Title Staff Engineer Signature 09/10/04 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Title 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 Office

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.

which would entitle the applicant to conduct operations thereon.