

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., 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
 May 27, 2004

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

WELL API NO.
 (30-015-34572)

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

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 79701

4. Well Location
 Unit Letter B : 660' feet from the North line and 1,800' feet from the East line
 Section 30 Township 23S Range 28E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3,083'

Pit or Below-grade Tank Application or Closure

Pit type Reserve Depth to Groundwater 50' or more Distance from nearest fresh water well 200' or more Distance from nearest surface water 1,000'

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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input checked="" type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <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"/>	
OTHER: <input type="checkbox"/>		OTHER: <input 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Change Casing Depth: The originally intermediate casing depth was 5,000'. Nadel and Gussman are asking to set the intermediate at 6,250'. I have enclosed New Wellbore schematic for the revision. Nothing else has changed within the permit itself. Thank you for your time.

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 [Signature] TITLE Staff Engineer DATE 02/21/06

Type or print name E-mail address: Telephone No.

FOR STATE USE ONLY **FOR RECORDS ONLY** **MAR 01 2006**

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

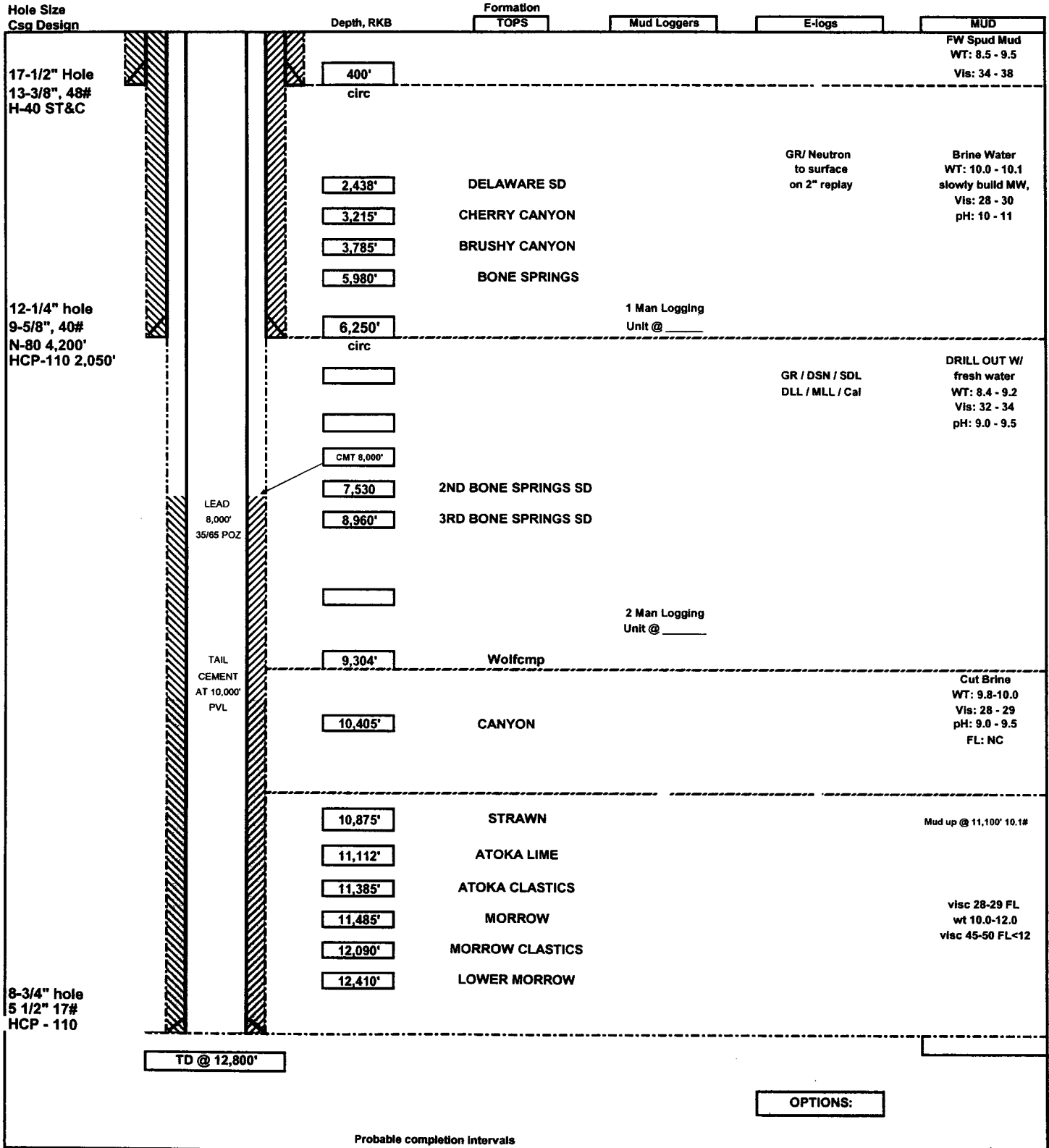
Nadel & Gussman Permian, L.L.C.

LEASE: **Hermes Fee**
 FIELD: **Loving Morrow**
 LOCATION: **660' FNL 1,800' FEL**
 SPUD DATE: **2/26/2006**
 CONTRACTOR: **Patterson Drilling Rig 511**

WELL NO.: **1**
 COUNTY: **Eddy**
 LEGAL: **UL B Sec. 30 T 23 S R 28 E**
 DRAWN BY: **Josh Fernau**
 DATE: **2/21/2006**

API #: **30-015-34572**
 STATE: **New Mexico**
 GL: **3095**
 DF: **3114**
 KB: **19**

Hermes Fee Well No. 1



Probable completion intervals

OPTIONS: