

**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  
May 27, 2004

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-015-34572
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Nadel and Gussman Permian, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 601 N. Marienfeld Suite 508 Midland, TX 79701		7. Lease Name or Unit Agreement Name Hermes Fee
4. Well Location Unit Letter <u>B</u> : <u>660'</u> feet from the <u>North</u> line and <u>1,800'</u> feet from the <u>East</u> line Section <u>30</u> Township <u>23S</u> Range <u>28E</u> NMPM County <u>Eddy</u>		8. Well Number #1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,083'		9. OGRID Number 155615
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Loving; Morrow, North
Pit type <u>Reserve</u> Depth to Groundwater <u>50'</u> or more Distance from nearest fresh water well <u>200'</u> or more Distance from nearest surface water <u>1,000'</u> Pit Liner Thickness: <u>20</u> mil Below-Grade Tank: Volume <u>        </u> bbls; Construction Material <u>        </u>		

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

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input 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"/>		<b>SUBSEQUENT REPORT OF:</b> 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 checked="" type="checkbox"/> OTHER: <input type="checkbox"/>	
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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.

02/26/06 Pull up BHA, weld conductor and mix spud mud. Spud @ 7:30a.m. Drilling 17 1/2" hole from 40' to 460' w/ all WOB and 80-90 RPM circ drop totoco and POOH to run CSG. Run 11 jt 13 3/8" H-40 48# casing set @ 460'. Circ. w/ csg on bottom R/U Schlumberger and cement w/ 200 sx lead 35/65 poz and 200 sx tail class C Plug down @ 10:50 pm circ. 56 sx to surface. Waite on CMT for 18 hrs.

02/27/06 Finished welding on wellhead and nipple up stack. Tested BOP with rig pumps for 30 minutes 1,000 psi High and 250 psi low. TIH and tag cement @ 403'. Drilled out cement and shoe. Tested casing for 30 minutes 1,000 psi High and 250 psi low. Dilled out remainder of cement and started drilling new hole. Drilled 12.25 hole with Hughes GX-28, 55k WOB and 90-110 RPM.

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 NMOCDD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE Staff Engineer DATE 02/28/06

Type or print name For State Use Only E-mail address:          Telephone No.         

FOR RECORDS ONLY

APPROVED BY:          TITLE          DATE MAR 02 2006

Conditions of Approval (if any):