

Submit To: Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, 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-105 Revised June 10, 2003 WELL API NO. 30-015-35569 5. Indicate Type of Lease STATE ☐ FEE ☒ State Oil & Gas Lease No.								
WELL COMPLETION OR RECOMPLETION REPORT AND LOG										
1a. Type of Well: OIL WELL ☐ GAS WELL ☐ DRY ☐ OTHER ☐ b. Type of Completion: NEW ☐ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. ☐ WELL OVER ☐ BACK RESVR. ☐ OTHER ☐		7. Lease Name or Unit Agreement Name CRONOS FEE DEC 20 2007								
2. Name of Operator NADEL AND GUSSMAN PERMIAN, LLC		8. Well No. 1 OCD-ARTESIA								
3. Address of Operator 601 N. MARIENFELD, STE 508 MIDLAND, TX 79701		9. Pool name or Wildcat LOVING MORROW , New h								
4. Well Location Unit Letter <u> E </u> : <u> 1950' </u> Feet From The <u> NORTH </u> Line and <u> 660' </u> Feet From The <u> </u> WEST <u> </u> Line Section <u> 20 </u> Township <u> 23S </u> Range <u> 28E </u> NMPM <u> EDDY </u> County <u> </u>										
10. Date Spudded 6/13/07	11. Date T.D. Reached 7/19/07	12. Date Compl. (Ready to Prod.) 11/9/07								
13. Elevations (DF& RKB, RT, GR, etc.) 3,059' GR										
14. Elev. Casinghead 	15. Total Depth 12,650'									
16. Plug Back T.D. 12,460'	17. If Multiple Compl. How Many Zones?									
18. Intervals Drilled By		Rotary Tools 0-12,650 Cable Tools								
19. Producing Interval(s), of this completion - Top, Bottom, Name		20. Was Directional Survey Made								
21. Type Electric and Other Logs Run		22. Was Well Cored								
23. CASING RECORD (Report all strings set in well)										
CASING SIZE	WEIGHT LB./FT.	DEPTH SET								
13-3/8"	48#, H-40	400'								
9-5/8"	40#, N-80	6,000'								
5-1/2"	17#, P110 LTC	1,207 SXS								
		TOC 7,650 CBL								
24. LINER RECORD										
SIZE	TOP	BOTTOM								
SACKS CEMENT		SCREEN								
25. TUBING RECORD										
SIZE	DEPTH SET	PACKER SET								
2-7/8	11,903	11,883								
26. Perforation record (interval, size, and number) 11,960 - 11,970', 6 spf, 60 holes 12,370 - 12,380', 6 spf, 60 holes 12,400 - 12,420', 6 spf, 120 holes 12,500 - 12,516', 6 spf, 96 holes										
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table style="width:100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">DEPTH INTERVAL</th> <th style="text-align: left;">AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>12,500' - 12,516'</td> <td>1,600 gals 7.5% HCL</td> </tr> <tr> <td>12,370' - 12,420'</td> <td>4,000 gals 7.5% HCL</td> </tr> <tr> <td>11,960' - 11,990'</td> <td>none</td> </tr> </table>			DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	12,500' - 12,516'	1,600 gals 7.5% HCL	12,370' - 12,420'	4,000 gals 7.5% HCL	11,960' - 11,990'	none
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED									
12,500' - 12,516'	1,600 gals 7.5% HCL									
12,370' - 12,420'	4,000 gals 7.5% HCL									
11,960' - 11,990'	none									
28. PRODUCTION										
Date First Production 11/10/07	Production Method (Flowing, gas lift, pumping - Size and type pump) FLOWING									
Well Status (Prod. or Shut-in) PRODUCING										
Date of Test 12/10/07	Hours Tested 24	Choke Size 8/64								
Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 887								
Flow Tubing Press. 1,600	Casing Pressure 0	Calculated 24-Hour Rate								
Oil - Bbl.		Gas - MCF								
Water - Bbl.		Oil Gravity - API - (Corr.)								
29. Disposition of Gas (Sold, used for fuel, vented, etc.) SOLD		Test Witnessed By LEE LEDBETTER								
30. List Attachments										
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:30%;">Signature <i>Kem McCready</i></td> <td style="width:20%;">Printed Name Kem McCready</td> <td style="width:30%;">Title Operations Engineer</td> <td style="width:20%;">Date 12/18/07</td> </tr> </table>			Signature <i>Kem McCready</i>	Printed Name Kem McCready	Title Operations Engineer	Date 12/18/07				
Signature <i>Kem McCready</i>	Printed Name Kem McCready	Title Operations Engineer	Date 12/18/07							
E-mail Address kemm@naguss.com										

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico			Northwestern New Mexico	
T. Anhy	T. Canyon	10402	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	10840	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	11083	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Morrow	11446	T. Cliff House	T. Leadville
T. 7 Rivers	T. Middle Morrow	12082	T. Menefee	T. Madison
T. Queen	T. Lower Morrow	12370	T. Point Lookout	T. Elbert
T. Grayburg	T. Barnett	12577	T. Mancos	T. McCracken
T. San Andres	T. Simpson		T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee		Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger		T. Dakota	T.
T. Blinebry	T. Delaware Sand	2497	T. Morrison	T.
T. Tubb	T. Cherry Canyon	3238	T. Todilto	T.
T. Drinkard	T. Brushy Canyon	3905	T. Entrada	T.
T. Abo	T. Bone Spring	5955	T. Wingate	T.
T. Wolfcamp 9272	T. 2 nd Bone Spring	7704	T. Chinle	T.
T. Penn	T. 3 rd Bone Spring	8935	T. Permian	T.
T. Cisco 10200	T.		T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
 No. 2, from.....to.....
 No. 3, from.....to.....
 No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
2400	2430	30	S, ANHY, LM				
2430	2468	38	ANHY, LM, SS				
2468	2520	52	ANHY, LM, SS, SH				
2520	5990	3470	LM, SS, SH				
5990	6920	930	LM, SH				
6920	7210	290	LM, SH, SS				
7210	8870	1660	LM, SH				
8870	9300	430	LM, SH, SS				
9300	11560	2260	LM, SH				
11560	12650	1090	LM, SH, SS				

NADEL AND GUSSMAN PERMIAN

SHL '1950' FNL, 660' FWL	CRONOS FEE #1 API # 30 - 015 - 35569-0	UL E Sec 20, 238, 28E, Eddy County, NM
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Elev: 3059', KB: 19 AGL'

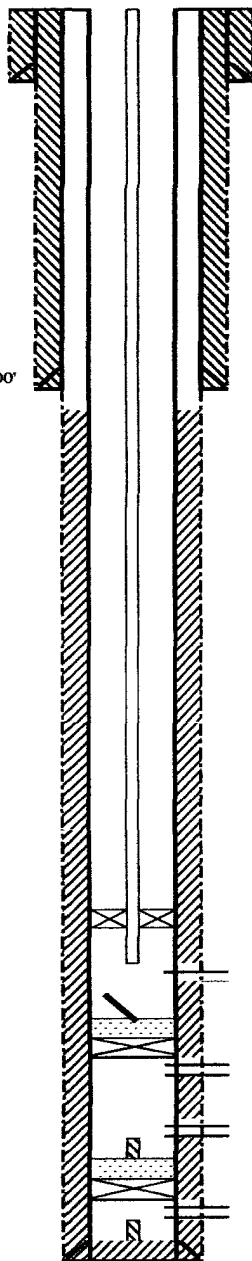
Current

13-3/8" 48# H-40 STC @ 400'
Cmt 225 sxs circ
17-1/2" hole

9-5/8", 40#, N80 & P110 LTC @ 6000'
1725 sxs, circ 368 sxs

12-1/2" hole

5-1/2", 17#, P110 LTC
1207 sxs
8-3/4" hole



PBTD @ 12,635' SLM
TD @ 12,650'

TBC Detail	ID	OD	Length	Depth
None				
1 ft 2-7/8" tbg	2.441	3.668	31.00	31.00
1 2-7/8" pup ft	2.441	3.668	4"	35.00
384 ft 2-7/8" tbg	2.441	3.668	11844.00	11879.00
2.25 F on - off tool	2.250	4.000	8'	11885.00
Baker Hornet 10K pkr	2.470	4.625	6'	11891.00
1 6" 2-7/8" sub	2.441	3.668	4.00	11895.00
2.25 FN nipple	2.250	3.668	1.50	11896.50
1 6" 2-7/8" sub	2.441	3.668	4.00	11900.50
2.25 ft nipple	2.197	3.668	1.50	11902.00
VALREG	2.441	3.668	1.00	11903.00

DEC 20 2007
OCD-ARTESIA

Baker Hornet pkr @ 11,883'
EOT @ 11,903

Morrow 11,960'-11,970'
6 spf 60 holes

Gun Bar on btm TOF 12,309'
CIBP @ 12,495 cap w\ 35' cmt
PBTD 12,315'

Morrow Yellow 12,370'-12,380'
6 spf 60 holes

Morrow Red 12,400'-12,420
6 spf 120 holes

TCP Fish TOF @ 12,463
CIBP @ 12,495 cap w\ 10' cmt
Morrow Brown 12,500'-12,516
6 spf 96 holes

TCP Fish on btm

OPERATOR NADEL & GUSSMAN PERMIAN, L.L.C.
WELL/LEASE CRONOS FEE #1
COUNTY EDDY

STATE OF NEW MEXICO
DEVIATION REPORT

138	1.00	8,598	0.50
376	1.00	9,010	1.00
619	1.75	9,391	1.00
713	1.00	9,867	1.50
997	1.25	10,248	1.00
1,246	1.50	10,623	1.25
1,564	2.00	11,067	1.25
1,818	1.00	11,480	1.00
2,102	3.00	11,676	1.25
2,179	3.00	12,143	1.25
2,356	2.50	12,495	0.75
2,482	2.25	12,650	1.00
2,610	1.75		
2,864	1.75		
3,244	1.00		
3,722	0.50		
4,199	0.75		
4,675	0.50		
5,087	0.50		
5,348	1.25		
5,843	1.75		
6,039	1.50		
6,473	1.50		
6,885	2.75		
7,075	2.50		
7,298	2.75		
7,488	3.25		
7,774	3.00		
7,868	3.00		
7,995	2.50		
8,217	1.50		

BY: Steve Moore

The foregoing instrument was acknowledged before me on
Moore on behalf of Patterson-UTI Drilling Company LLC.

Joni D. Hodges
Notary Public for Midland County, Texas
My Commission Expires: 4/11/11

