

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
Budget Bureau No. 1004-0135
March 31, 1993

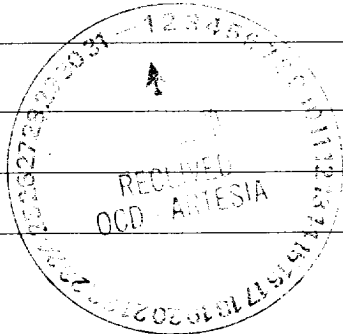
CISF

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other
 2. Name of Operator
 Nadel and Gussman Permian
 3. Address and Telephone No.
 601 N Marienfeld, Suite 508, Midland, Texas 79701
 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 1175' FSL, 430' FWL
 Unit M, Sec 35, T17S, R30E



5. Lease Designation and Serial No.
 NM 0558580
 6. If Indian, Allottee or Tribe Name
 7. If Unit or CA, Agreement Designation
 8. Well Name and No.
 Atalaya Federal #3
 9. API Well No.
 30 - 015 - 31063
 10. Field and Pool, or Exploratory Area
 Grayburg Jackson
 11. County or Parish, State
 Eddy Co., NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>add Loco Hills pay</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

9-11-00 to 9-14-00:

- MIRU X-Perf rig. Pulled pump and rods. NU BOP and pulled tubing.
- Set CIBP @ 3570' w/ no cement. Perforated the Loco Hills zone from 2997' - 3028' and 3092' - 3106' @ 2 SPF: 94 holes.
- TIH w/ packer and set at 2900'. Acidized new perfs with 1500 gallons 7.5% MSR acid and 200 ball sealers. Swabbed load back.
- Pumped 8000 gal mini-frac with Aquatrol-I at 15 BPM.
- Fractured Loco Hills with 30,000 gallons 30# X-L gel, 70,000# 16/30 Ottawa and 30,000# CR-400 resin coated sand at 15 BPM.
- Flushed to top perf and SI for ISIP and to break gel. Flowed back to the pit. Max pressure was 4100 psi and ISIP was 1600 psi.
- Force-closed the fracture and flowed about 4000# of sand out of the tubing and into the pit.
- Opened up well to the pit until it died. Released packer and POH.
- TIH w/ bailer to check for sand- casing was clean. POH and LD.
- TIH w/ production tubing. ND BOP. Ran rods and pump and put on production.
- Will knock bridge plug loose and commingle Loco Hills with San Andres. Waiting on BLM right-of-way for the permanent power line.

10/13/00 test: Pumped 32 bopd, 10 mcfpd and 212 bwpd (Loco Hills only).

14. I hereby certify that the foregoing is true and correct

Signed [Signature] Title R. McNaughton - Operations Engineer Date 10/25/00
 (This space is for the signature of the operator) ORIG. SGD. GARY GOURLEY
 Approved by _____ Title PETROLEUM ENGINEER Date OCT 31 2000
 Conditions of approval, if any: _____

RADEL AND GUSSMAN PERMIAN

Atalaya Federal #3

1175' FSL, 430' FWL, Unit M, Sec 35, 17S, 30E, Eddy County, NM

API# 30 - 015 - 31063

Elev: 3598', KB = 3604'

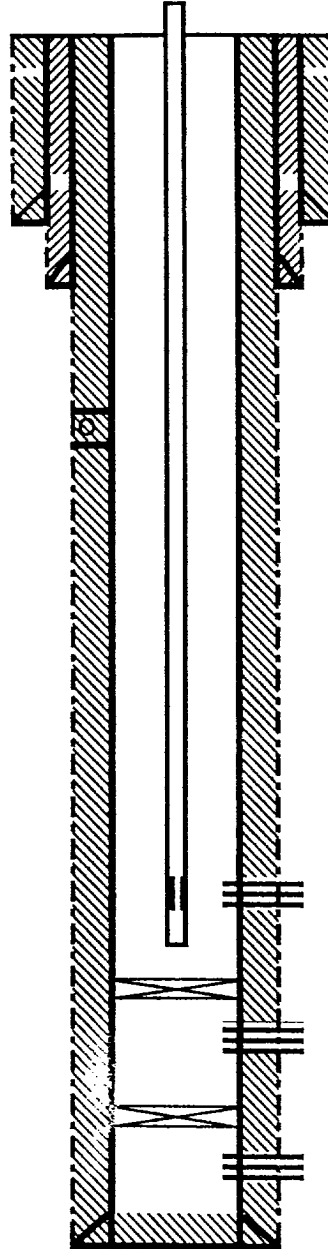
Current Status - Pumping

8-5/8", 24#, J-55 @ 420'
220 sx, DNC, TOC @ 100'
150 sx through 1", circulated
12-1/4" hole

7", 28#, K-55 Liner @ 700'
55 sx "C" plus 30 sx "C" from top

DV Tool at 1000'
300 sx, cement circulated

4-1/2", 11.6#, J-55 @ 4000'
475 sx, cement circulated to DV
6-1/8" hole



2-3/8", 4.7# tubing, SN @ 3090'

Loco Hills Perfs: 2997' - 3106'

@ 2 SPF, 94 holes, 1500 7.5%, 38/100 frac

CIBP @ 3580', no cement

U San Andres Perfs: 3620' - 3700'

@ 4 SPF, 42'-168 holes

CIBP @ 3810', no cement

L San Andres Perfs: 3848' - 3866'

@ 4 SPF, 19'-76 holes

PBTB @ 3580'

TD @ 4000'