

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural**  
**Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-103  
August 1, 2011  
Permit 139524

|                                                                                                                                                                                                                                                                                                                                         |  |                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)                                                                                                                           |  | WELL API NUMBER<br>30-015-39345                            |
| 1. Type of Well: O                                                                                                                                                                                                                                                                                                                      |  | 5. Indicate Type of Lease<br>S                             |
| 2. Name of Operator<br>NADEL AND GUSSMAN PERMIAN, LLC                                                                                                                                                                                                                                                                                   |  | 6. State Oil & Gas Lease No.                               |
| 3. Address of Operator<br>601 N MARIENFELD, SUITE 508, MIDLAND, TX 79701                                                                                                                                                                                                                                                                |  | 7. Lease Name or Unit Agreement Name<br>MACHO GRANDE STATE |
| 4. Well Location<br>Unit Letter <u>A</u> : <u>330</u> feet from the <u>N</u> line and <u>330</u> feet from the <u>E</u> line<br>Section <u>32</u> Township <u>23S</u> Range <u>29E</u> NMPM <u>Eddy</u> County                                                                                                                          |  | 8. Well Number<br>001H                                     |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>3022 GR                                                                                                                                                                                                                                                                            |  | 9. OGRID Number<br>155615                                  |
| 10. Pool name or Wildcat                                                                                                                                                                                                                                                                                                                |  |                                                            |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>Pit Liner Thickness: _____ 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 ☐ PLUG AND ABANDON ☐  
 TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐  
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
 Other: \_\_\_\_\_

**SUBSEQUENT REPORT OF:**

REMEDIAL WORK ☐ ALTER CASING ☐  
 COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐  
 CASING/CEMENT JOB ☐  
 Other: **Drilling/Cement** ☒

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.  
 TD 8 3/4" hole at 7995'. Run 213 joints of 7" 26# P 110 casing and set at 7995'. Lead cement with 650 sacks 50/50 "C" 10%Gel+.15% C-20+3#Starseal+.3%C-12+.25%R-38+3%Salt (Circulated 28 sacks). Tail cement with 250 sacks class "C" Starbond+.5%FL-10+2%C-20+3#Gilsonite+.25%R-38+3%Salt.

**Casing and Cement Program**

| Date | String | Fluid Type | Hole Size | Csg Size | Weight lb/ft | Grade | Est TOC | Dpth Set | Sacks | Yield | Class | 1" Dpth | Pres Held | Pres Drop | Open Hole |
|------|--------|------------|-----------|----------|--------------|-------|---------|----------|-------|-------|-------|---------|-----------|-----------|-----------|
|      | Prod   |            | 8.75      | 7        | 26           |       | 0       | 7995     | 900   |       |       |         |           |           |           |

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 Electronically Signed \_\_\_\_\_ TITLE General Manager DATE 11/16/2011  
 Type or print name Scott Germann E-mail address scottg@naguss.com Telephone No. 432-682-4429

**For State Use Only:**

APPROVED BY: Randy Dade TITLE District Supervisor DATE 11/17/2011 3:39:51 PM