Form 3160-5 (September 2001)

UNITED STATES M. Oil Cons. DIV-Dist. 2

DEPARTMENT OF THE INTERPORTY. Grand Avenue BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS NO 88210

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals

5. Lease Serial No.
NM NM 28641
6. If Indian, Allottee or Tribe Name

| apandoned we | 911. USB FOITH 3 100-3 (APD) | ioi sucii proposais | • | | |
|---|---|--|---|--|---|
| SUBMIT IN TR | IPLICATE - Other instru | ctions on reverse | side | 7. If Unit or CA | /Agreement, Name and/or No. |
| 1. Type of Well Oil Well Gas Well 2. Name of Operator Nadel and Gussman Permian, L. 3a. Address 601 N. Marienfeld, Suite 508 4. Location of Well (Footage, Sec., UL O 685' Foll, 2140 FEL, Sec Eddy Co. | L. C. T, R., M., or Survey Description) | 3b. Phone No. (include) 432-682-4429 | RECEIVED OCT 2.2 7004 Glacode TEGIA | 33572 8. Well Name: Big Apple Fee 9. API Well N 30-015-22304 10. Field and Pe Carlsbad, Mo 11. County or P | deral #1 o. 5 3330 4 ool, or Exploratory Area orrow South |
| | | | | Eddy Co., NN | |
| 12. CHECK AP | PROPRIATE BOX(ES) TO | INDICATE NATUR | E OF NOTICE, RE | PORT, OR O | THER DATA |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
| □ Notice of Intent □ Subsequent Report □ Final Abandonment Notice | Acidize Alter Casing Casing Repair Change Plans Convert to Injection | Deepen Fracture Treat New Construction Plug and Abandon Plug Back | Production (Start/ Reclamation Recomplete Temporarily Aba Water Disposal | | Water Shut-Off Well Integrity Other |
| Attach the Bond under which the following completion of the inv | ctionally or recomplete horizontally he work will be performed or prov rolved operations. If the operation is nal Abandonment Notices shall be | y, give subsurface location ide the Bond No. on file v results in a multiple compl | s and measured and true vith BLM/BIA. Require letion or recompletion in | vertical depths o d subsequent rep a new interval, a | f all pertinent markers and zones. orts shall be filed within 30 days a Form 3160-4 shall be filed once |

Nadel and Gussman Permina LLC Request approval for the produced water from the above referenced well to be stored in a 400 bbl fiberglass tank. The water will then be trucked by Key Energy to Willow Lake SWD operated by Griffin Petroleum Permit# SWD 744 locates in Sec 22 T24S R28E NM PM. A water analysis is attached from this well.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED

| 14. 1 hereby certify that the foregoing is true and correct Name (PrintedlTyped) | | | |
|---|--------------------------|--------------|--|
| K. E McCready Title Operations Engineer | | | |
| Signature & F. Inc Greach Market Date | October 12, 2004 | | |
| THIS SPACE FOR EDERAL OF | | | |
| Approved by (Signature) (ORIG. SGD.) ALEXIS SHOBODA | HETROLEUM ENGINEER Title | OCT 2 1 2004 | |
| Conditions of approval, if any, are attached. Approval of this rotice does not warrant or certify that the applicant holds legal or equitable title to these rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office RFO | Date | |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



MILLER CHEMICALS, INC.

Post Office Box 298 Artesia, N.M. 88211-0298 (505) 746-1919 Artesia Office (505) 392-2893 Hobbs Office (505) 746-1918 Fax

WATER ANALYSIS REPORT ______

Company : NADEL & GUSSMAN PERM Date : OCTOBER 8, 2004
Address : Date Sampled : OCTOBER 8, 2004
Lease : BIG APPLE FEDERAL Analysis No. :
Well : #1
Sample Pt. : SEPARATOR

| - | | | | | | |
|-----|------------------------------------|-----------|-------------|---------|------|---------|
| | analysis | | | mg/L | | * meq/L |
| | | | | | | |
| 1. | рH | 6.2 | | | | |
| 2. | H2S | 0 | | | | |
| 3. | Specific Gravity | 1.025 | | | | |
| 4. | Total Dissolved Sol | ide | | 40782.6 | | |
| 5. | Suspended Solids | | | NR | | |
| 6. | Dissolved Oxygen | | | NR | | |
| 7. | Dissolved CO2 | | | NR | | |
| 8. | Oil In Water | | | nr | | |
| 9. | Phenolphthalein Alkalinity (CaCO3) | | | | | |
| 10. | Methyl Orange Alkal: | inity (Ca | CO3) | | | |
| 11. | Bicarbonate | | нсо3 | 597.8 | нсо3 | 9.8 |
| 12. | Chloride | | C1 | 24921.0 | Cl | 703.0 |
| 13. | Sulfate | | SO4 | 0.0 | SO4 | 0.0 |
| 14. | Calcium | | Ca | 3240.0 | Ca | 161.7 |
| 15. | Magnesium | | Mg | 949.4 | Mg | 78.1 |
| 16- | Sodium (calculated) | | Na . | 10874.4 | Na | 473.0 |
| 17. | Iron | | Fe | 200.0 | | |
| 18. | Barium | | √B a | NR | | |
| 19. | Strontium | | Sr | NR | | |
| 20. | Total Hardness (CaCC | 3} | | 12000.0 | | |

PROBABLE MINERAL COMPOSITION

| *milli equivalents per Liter | Compound 1 | | X meg/L | - mg/L |
|--|--------------------------|----------------------|---------|--------|
| 1 162 *Ca < *HCO3 10 | Ca (HCO3) 2 CaSO4 | 81.0 68.1 | 9.8 | 794 |
| 781 *Mg> *S04 0 | CaC12 Mg (HCO3)2 | 55.5 73.2 | 151.9 | 8428 |
| 1 473 *Na> *C1 703 ++ Saturation Values Dist. Water 20 C | MgSO4 MgC12 NaHCO3 | 60.2 47.6 84.0 | 78.1 | 3719 |
| CaCO3 13 mg/L CaSO4 * 2H2O 2090 mg/L BaSO4 2.4 mg/L | Na2SO4 NaCl | 71.0 58.4 | 473.0 | 27642 |

REMARKS: