

Submit 3 Copies To Appropriate District Office
 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

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-33644
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Grizzly Fee
8. Well Number 1
9. OGRID Number 155615
10. Pool name or Wildcat Dublin Ranch, Morrow

SUNDRY NOTICES AND REPORTS ON WELLS
 (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.)
 1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
 Nadel and Gussman Permian, LLC

3. Address of Operator
 601 N. Marienfeld Suite 508 Midland, TX 79701

4. Well Location
 Unit Letter I : 1475' feet from the South line and 660' feet from the East line
 Section 32 Township 22S Range 28E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3032'

Pit or Below-grade Tank Application or Closure
 Pit type Drilling Reserve Depth to Groundwater 20' - 50' Distance from nearest fresh water well 1000' Distance from nearest surface water 20'
 Pit Liner Thickness: 12 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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

10/12/04 Spud Drilling 17 1/2" hole from 40' to 323'.

Rig up csg crew and run 7 jt 13 3/8" 48# 326' set @ 323'. Rig up Schlumberger circ. and cement w/ 160 sx 35/65 poz/c 6% D20 + 3%S1 +.25 PPS D29 200sx C + 2% S-1 +.25 PPS D29. Cut off conductor and 13 3/8". Weld and test head @ 500 psi test OK N/U BOP. N/U BOP test BOP & choke @ 1,500 psi OK. Test pipe rams, annular, and shoe jt @ 1000 psi ok. WOC for 18 Hrs.

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 [Signature] TITLE Staff Engineer DATE 10/15/04

Type or print name: Josh Fernau E-mail address: joshf@naguss.com Telephone No. 432-682-4429
For State Use Only

APPROVED BY: _____ TITLE _____ DATE OCT 22 2004
 Conditions of Approval (if any): _____

FOR RECORDS ONLY