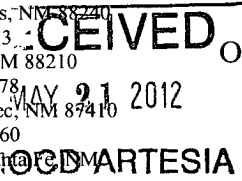


District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505



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

WELL API NO. 30-015--39250
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-5009
7. Lease Name or Unit Agreement Name CARRINGTON STATE
8. Well Number 7
9. OGRID Number 155615
10. Pool name or Wildcat EMPIRE; GLORIETA-YESO

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, L.L.C.

3. Address of Operator
601 NORTH MARIENFELD, SUITE 508, MIDLAND TEXAS 79701

4. Well Location

Unit Letter K : 1650 feet from the SOUTH line and 2310 feet from the WEST line
Section 12 Township 17S Range 28E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3687 GR

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 PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☒

OTHER: ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

10/4/2011 SPUDDED WELL WITH PATRIOT RIG 1

10/4/2011 DRILLED TO 333'. RAN 336.32 FT OF 13 3/8" J-55 48# CASING. CEMENTED WITH 300 SACKS CLASS C + 2% CaCl + .25% R-38 DEFOAM (14.8 PPG, 1.35 CUFT/SACK). CIRCULATED 21 SACKS TO PIT. BUMPED PLUG FLOAT HELD. WOC 10.5 HRS, CUT OFF CASING. WELD ON WELLHEAD NIPPLE UP BOP. **TEST CASING TO 1200 PSI FOR 30 MINS. HELD.**

10/7/2011 DRILLED 11" INTERMEDIATE HOLE TO 928FT. RAN 931 FT, 25 JOINTS 8-5/8" 24# J-55 CASING. CEMENTED WITH 120 SACKS TAIL: 14.8 PPG, 1.35CUFT/SACK CLASS C W/ 2% CaCl AND .25% R-38 DEFOAMER. 200 SACKS LEAD: 13.6 PPG, 1.71 CUFT/SACK, W/ 4% BENTONITE, 2% CaCl, AND .25% R-38. CIRCULATED 16 SACKS TO PIT. FLOATS HELD. WOC 3 HOURS CUT OFF CASING, NIPPLE BOP AND TEST. TESTED CASING TO 1500 FOR 30 MINUTES, HELD.

10/15/2011 DRILLED 7-7/8" HOLE TO 5263. RAN 127 JOINTS 5.5" 17# J-55 TO 5257'. PUMPED 650 SACKS CLASS C 50/50 POZ W/ 8% GEL. .3% FL, .25% R-38 +5% SALT (11.8 PPG, 2.37 YIELD) TAILED WITH 350 SACKS CLASS C STARBOND, +.3% FL, +.25% DEFOAM. 14.8 PPG, 1.33 YIELD. CIRCULATED 189 SACKS TO PIT. FLOATS HELD. INSTALL AND TEST WELLHEAD.

11/21/2011 TEST FRAC SLEEVE AND 5.5" CASING TO 4,400 PSI FOR 30 MINUTES. HELD.

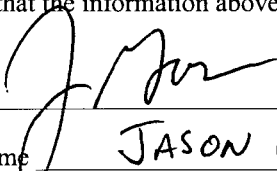
10/4/2011


10/15/2011

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Drilling Engineer DATE 5-16-12
Type or print name JASON GOSS E-mail address: JGOSS@NAGUSS.com PHONE: 432.682.4429
For State Use Only

APPROVED BY:  TITLE DIST #1 Spen DATE 5/24/12
Conditions of Approval (if any):