

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
March 4, 2004

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

WELL API NO. 30-015-33741
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Kurgan State
8. Well Number #1
9. OGRID Number 155615
10. Pool name or Wildcat Burton Flat (Morrow) 73280

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 [X] Other []
2. Name of Operator Nadel and Gussman Permian, LLC
3. Address of Operator 601 N. Marienfeld Suite 508 Midland, Texas 79701

4. Well Location
Unit Letter A : 660' feet from the North line and 660' feet from the East line
Section 16 Township 21-S Range 27-E NMPM County Eddy
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3279'

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)
Pit Location: UL A Sect 16 Twp 21-S Rng 27-E Pit type Reserve Depth to Groundwater 100' + Distance from nearest fresh water well 1000'+
Distance from nearest surface water 1000'+ Below-grade Tank Location UL Sect Twp Rng ;
feet from the line and feet from the line

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 COMPLETION []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT []
CASING TEST AND CEMENT JOB [X]
OTHER: Amended Report []

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.
03/30/05 Rig up and run 5.5 casing (17# S/P 110 273 jts w/ DV too @ 7,417'.
03/31/05 Cement 1st stage 1,510 sx of PVL w/ gas block (382 BBLs @ 13 ppg). Displace w/ 271bbls bump plug @ 10:50 am. Drop opening device and circ. DV tool. Cement 2nd stage Lead1,300sx litecrete and tail 200 sx PVL displaced w/ 173bbls fresh water @ 4:50 pm. N/D set slips w/ 135K make rough cut dress casing and nipple up tubing head test @ 5,000 psi. Run temp survey cement 35' from surface.

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 [X], a general permit [] or an (attached) alternative OCD-approved plan [].

SIGNATURE [Signature] TITLE Staff Engineer DATE 04/01/05
Type or print name Josh Fernau E-mail address: joshf@naguss.com Telephone No. 432-682-4429

(This space for State use)

APPROVED BY TITLE DATE
Conditions of approval, if any: FOR RECORDS ONLY

APR 13 2005