

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

JUL 22 2014

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

WELL API NO. 30-015-32570
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-6377
7. Lease Name or Unit Agreement Name El Presidente State
8. Well Number 2
9. OGRID Number 155615
10. Pool name or Wildcat Black River (Atoka/Morrow)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,139' GL

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 : 1,980' feet from the South line and 660' feet from the East line
Section: 2 Township: 24S Range: 27E NMPM: Eddy County

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 COMPLETIONS ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☒
OTHER: ☐

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

1. 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.

The El Presidente No 2 is currently completed in the Morrow formation (12,208'-12,220'). It is NGP's intention to plug back the Morrow and test the Wolfcamp formation (10,304'-10,547'). The plug back will be done per OCD regulations (Current & Post WBDs attached).

- Pull production equipment.
- Set CIBP @ 12,160' and dump bail 20' (2 sxs) of cement.
- Attempt to complete/test Wolfcamp formation (10,304'-10,547').
- Run production equipment.

Spud Date: 3/22/2003

Rig Release Date: 5/11/2003

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

SIGNATURE: Sarah Presley TITLE: Regulatory Analyst DATE: 7/17/2014

Type or print name: Sarah Presley E-mail address: spresley@naguss.com PHONE: (432) 682-4429
For State Use Only

APPROVED BY: [Signature] TITLE: DIST. OFF. SUPERVISOR DATE: 7/24/14
Conditions of Approval (if any): File C102

Current Wellbore

El Presidente State No. 2

1980' FSL, 660' FEL, Unit I, Sec 2,

T24S, R27E, Eddy County NM

API #: 30-015-32570

KB = 3,156'

GL = 3,139'

TOC @ CIRC (Calculated)

TOC @ CIRC (Calculated)

Csg 13-3/8", 48#, H-40 @ 510'

Cmt'd w/ 425 sxs

17-1/2" hole

Tubing

379 Joints of 2-7/8"

4" tbg sub

1 joint of tbg

On/Off tool @ 12,097'

1 joint

SN

WL reentry guide @ 12,142' (EOT)

Csg 9-5/8", 40#, N-80 @ 6,018'

Cmt'd w/ 1,850 sxs

12-1/4" hole

TOC @ 9,100' (TS)

DV tool @ 10,671'

Perfs (Morrow): 12,208'-12,220'

6 SPF, 0.42" EN, 72 holes

CIBP @ 12,250' w/ 10' cmt

Perfs: 12,280'-12,292', SQZ'd

w/100 sxs of cmt

CIBP @ 12,350' w/ 10' cmt

Perfs: 12,301'-12,319'

Perfs (Morrow): 12,366'-12,376', 60 holes

HES Frac plug @ 12,473'

Perfs: 12,502'-12,512', 60 holes

PBTD @ 12,740'

Csg 5-1/2", 17#, SP-110 @ 12,825'

TD @ 12,825'

Cmt'd w/ 1,295 sxs

PostWellbore

El Presidente State No. 2

1980' FSL, 660' FEL, Unit I, Sec 2,

T24S, R27E, Eddy County NM

API #: 30-015-32570

KB = 3,156''

GL = 3,139'

TOC @ CIRC (Calculated)

TOC @ CIRC (Calculated)

Csg 13-3/8", 48#, H-40 @ 510'
Cmt'd w/ 425 sxs
1/2" hole

Csg 9-5/8", 40#, N-80 @ 6,018'
Cmt'd w/ 1,850 sxs
1/4" hole

Pro-set Pkr set @ 10,250'
25 F Profile
Joint of 2-7/8" tailpipe w/ WL re-entry guide

2-7/8" bare steel, 6.5#, L-80 tubing

TOC @ 9,100' (TS)

Perfs (Wolfcamp):

10,304', 08, 12, 22, 29, 34, 35, 68, 78, 89, 90
10,400', 01, 02, 06, 12, 13, 42, 44'
10,545', 46, 47'
(2 SPF, 22 locations, 44 holes)

DV tool @ 10,671'

BP @ 12,160' w/ 20' cmt

Perfs (Morrow): 12,208'-12,220'
6 SPF, 0.42" EN, 72 holes

BP @ 12,250' w/ 10' cmt

Perfs: 12,280'-12,292', SQZ'd
w/100 sxs of cmt

Perfs: 12,301'-12,319'

BP @ 12,350' w/ 10' cmt

Perfs (Morrow): 12,366'-12,376', 60 holes

ES Frac plug @ 12,473'

Perfs: 12,502'-12,512', 60 holes

3TD @ 12,740'

Csg 5-1/2", 17#, SP-110 @ 12,825'
Cmt'd w/ 1,295 sxs

TOC @ 12,825'

NADEL AND GUSSMAN PERMIAN, L.L.C.

601 N. Marienfeld, Suite 508

Midland, TX 79701

Office: (432) 682-4429

Fax: (432) 682-4325

July 17, 2014

State of New Mexico
Oil Conservation Division
811 S. First Street
Artesia, NM 88210

NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 22 2014

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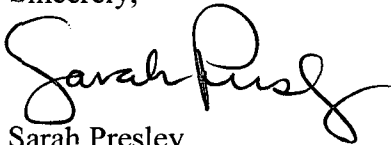
RE: C-103
El Presidente State #2
API: 30-015-32570
Sec. 2-T24S-R27E
Eddy County, NM

Enclosed please find the following items:

- Form C-103
- Current Completion Wellbore Sketch
- Proposed Completion Wellbore Sketch

Should you have any questions, please contact Mike McCurdy at (432) 682-4429.

Sincerely,



Sarah Presley
Regulatory Analyst

Enc