

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.
30-015-34861

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
Bond Fee

8. Well Number #2

9. OGRID Number
155615

10. Pool name or Wildcat
Undesignated Bass 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

RECEIVED

2. Name of Operator
Nadel and Gussman Permian, LLC

JUN 27 2006

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

OCD-MITTEL

4. Well Location

Unit Letter C : 660' feet from the North line and 1,650' feet from the West line
Section 20 Township 21S Range 28E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,194'

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Reserve Depth to Groundwater 25' Distance from nearest fresh water well Greater than 1000' Distance from nearest surface water 1000'

Pit Liner Thickness: 20 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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Verification of drilling fluids used on the Bone Fee #2. See Attachment Page #2.

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 Jed Permann TITLE Staff Engineer DATE 06/26/06

Type or print name
For State Use Only

E-mail address:

Telephone No.

FOR RECORDS ONLY

JUN 29 2006

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

NADEL & GUSSMAN PERMIAN, LLC
601 N. MARIENFELD
MIDLAND, TEXAS 79701

RECEIVED
JUN 27 2006
WWW.NADEL.COM

WELL NAME: BOND FEE #2
SECTION 20, T-21-S, R-28-E
EDDY COUNTY, NEW MEXICO

RESULTS OF CHLORIDES TESTING FROM 600' TO 2,900', WITH TEST
SAMPLES TAKEN FROM THE FLOWLINE ON PATTERSON-UTI
RIG #511.

INITIAL TEST OF CHLORIDES WAS DONE ON A SAMPLE TAKEN FROM THE
STEEL PITS ON THE RIG.

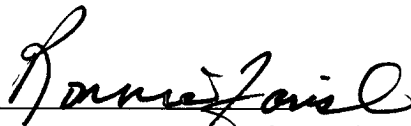
INITIAL TEST = 1,300 PPM CHLORIDES
AN ADDITIONAL 1,100 BBLs OF FRESH WATER WAS ADDED TO THE
SYSTEM PRIOR TO DRILLING OUT FROM UNDER SURFACE CASING.

600' = 1000 PPM
700' = 1000 PPM
800' = 1000 PPM
900' = 1000 PPM
1000' = 1000 PPM
1100' = 1000 PPM
1200' = 1000 PPM
1300' = 1000 PPM
1400' = 1000 PPM
1500' = 1000 PPM
1600' = 1000 PPM
1700' = 1000 PPM
1800' = 950 PPM
1900' = 700 PPM
2000' = 650 PPM
2100' = 650 PPM
2200' = 650 PPM
2300' = 650 PPM
2400' = 650 PPM
2500' = 750 PPM

2600' = 850 PPM
2700' = 1150 PPM
2800' = 1450 PPM
2890' = 1750 PPM

DECREASE IN CHLORIDE CONTENT
BETWEEN 1700' AND 2000' WAS A
RESULT OF LARGE ADDITIONS OF
FRESH WATER TO THE SYSTEM DUE
TO HEAVY SEEPAGE ENCOUNTERED
DURING THIS PERIOD.

Horizon Mud Co., VP Operations:



Nadel and Gussman Permian LLC. Staff Engineer:

