Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

QCQ ARTESIA

NM-25953

FORM APPROVED OMB No. 1004-0137

Expires: July 31, 2010

5. Lease Serial No.

SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. 26599 1. Type of Well 8. Well Name and No. Oil Well Gas Well Other AUG 27 2008 Kyle #1 2. Name of Operator Nadel and Gussman Permain L.L.C. 9. API Well No. 30-015-31311 3b. Phone No. 10. Field and Pool or Exploratory Area 3a Address 601 N. Marienfeld, Suite 508, Midland, Tx 79701 Wolfcamp 432-682-4429 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) 660 FNL 860 FSL, Unit let A 11. Country or Parish, State Eddy, NM 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION. Acidize Deepen Production (Start/Resume) Water Shut-Off ✓ Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity New Construction Recomplete Casing Repair Other Subsequent Report Plug and Abandon Change Plans Temporarily Abandon Plug Back Final Abandonment Notice Convert to Injection Water Disposal 13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If

the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Recomplete from the AToka to the Wolfcamp

- 1. Set CIBP @ 10.950' and cap w\ 35' cmt. Current Atoka perfs 11,970-978'; 11,806-11.810'; 11,010-11.018'. New PBTD 10.915'
- 2. Perf Wolfcamp 10,646-10,652 2 spf. Acidize and test.

APPROVED 2 4 2008 AUG. JAMES A. AMOS SUPERVISOR-EPS

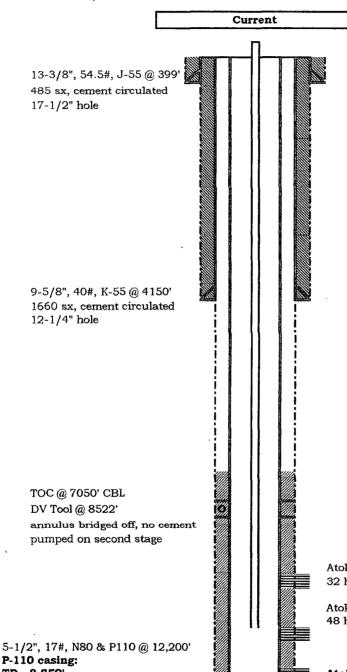
Title NM Operations Manage	er
Date 08/12/2008	
RAL OR STATE OFFIC	E USE
1	
Title	Date
	Date 08/12/2008 RAL OR STATE OFFIC Title ertify

NADEL AND GUSSMAN PERMIAN

KYLE 34 Federal #1

660' FNL, 860' FEL, Unit A, Sec 34, 24S, 28E, Eddy County, NM API # 30 - 015 - 31311

Elev: 3001', KB = 301



PBTD @ 11,950' FC @ 12,112' TD @ 12,200'

2-7/8", N-80 8.7 PPF EUE AB mod cplgs w/ rings 0' - 11,779' Sn @ 11,779'

Atoka Perfs 11,010-11,018 4 spf 32 holes total

Atoka Perfs 11,806-11,810 12 spf 48 holes total

Atoka perfs: 11,970' - 11,978'

@ 4 SPF, 32 holes, 27/30 - 70Q binary frac

fish in hole: 45' TCP gun assembly. Tagged at 12

P-110 casing:

TD - 8,859' 1,966' - surface

8-3/4" hole

KYLE 34 Federal #1

660' FNL, 860' FEL, Unit A, Sec 34, 24S, 28E, Eddy County, NM API # 30 - 015 - 31311

Elev: 3001', KB = 301

Proposed Wolfcamp

13-3/8", 54.5#, J-55 @ 399' 485 sx, cement circulated 17-1/2" hole 9-5/8", 40#, K-55 @ 4150' 1660 sx, cement circulated 12-1/4" hole TOC @ 7050' CBL annulus bridged off, no cement

2-7/8", N-80 8.7 PPF EUE AB mod cplgs w/ rings

DV Tool @ 8522' pumped on second stage

5-1/2", 17#, N80 & P110 @ 12,200' P-110 casing: TD - 8,859' 1,966' - surface 142C 8-3/4" hole

Wolfcamp Perfs 10,646-10652 2 spf 32 holes total CIBP@ 10,950 cap w\ 35' cmt Atoka Perfs 11,010-11,018 4 spf 32 holes total

Atoka Perfs 11,806-11,810 12 spf 48 holes total

Atoka perfs: 11,970' - 11,978' @ 4 SPF, 32 holes, 27/30 - 70Q binary frac

fish in hole: 45' TCP gun assembly. Tagged at 12

PBTD @ 11,950' FC @ 12,112' TD @ 12,200'