| ROVED 04-0137 ch 31, 2007 | K |
|---------------------------------|---|
| | |

| SUNDRY Do not use the | DEPARTMENT OF THE BUREAU OF LAND MA NOTICES AND R NOTICES AND R NOTICES AND R NOTICES AND R NOTICES AND R 1160 - 3 | TE INTERIOR ANAGEMENT EPORTS ON WELL to drill or to re-ea | nter an | OMB | No 1004-0137 s March 31, 2007 ee or Tribe Name | |
|--|---|---|---|---|---|--|
| SUBMIT IN TR | IPLICATE- Other in | structions on revers | se side. | 7. If Unit or CA/A | greement, Name and/or No. | |
| 1. Type of Well ✓ Oil Well | Gas Well Other | | , | 8. Well Name and Mesquite 3 Fo | | |
| 2. Name of Operator Nadel and G | ussman HEYCO, LLC | 21. 75 | | 9. API Well No. 30-015-36439 | | |
| 3a Address PO BOX 1936 ~ ROSWELL NM 88202-1936 3b Phone No (include area code) 505.623.6601 | | | | 10 Field and Pool, or Exploratory Area Shugart; Bone Spring North | | |
| 4. Location of Well (Footage, Sec., 330' FSL & 330' FWL, Sec. 3, | | n) | | 11. County or Paris | sh, State | |
| 12. CHECK AI | PPROPRIATE BOX(ES) T | O INDICATE NATURI | E OF NOTICE. RE | Eddy, New M EPORT. OR OTH | | |
| TYPE OF SUBMISSION | | | E OF ACTION | | | |
| Notice of Intent ✓ Subsequent Report | Acidize Alter Casing Casing Repair Change Plans | Deepen Fracture Treat New Construction Plug and Abandon | Production (Star Reclamation Recomplete Temporarily Aba | v . ☑c | Vater Shut-Off Vell Integrity Other Intermediate Casing | |
| Final Abandonment Notice | Convert to Injection | Plug Back | Water Disposal | _ | & Cmt Report | |

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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BLM Bond No. NMB00520 Surety Bond NO. B004230

Intermediate-

7/27/09 - TD 12 1/4" hole at 2,030'. Total of 54 jts at 9 5/8" 36# J-55 ST&C Csg set at 2028', Cemented w/600 sks 35;65; 4 Class "C"+5.0% MPA=5%1.0%SMS+5.0% salt(4.403 ib/sk)+0.25LB/sk cement, ppg 12.8, yeild 1.97, mix water 6,63 gals per sk 10.56 gps, tail in w/200 Class "c"+2.0% CACL2, 14.8 ppg, 1.34 yield, mix water 6.36 gps, circ 296 sks to pit, plug dn at 8:21 a.m.

| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) | | 4 | | |
|---|--|--------------|----------------------------------|-------------|
| Tammy R Link | Title Production Tech | | | |
| Signature Joing V. July | Date | 07/30/2008 | EPTED FOR RE | CORD |
| THIS SPACE FOR FEDERAL | OR STATE OFFICE | EUSE | | |
| | | | · | |
| Approved by | Title | | Date AUG 9 2009 | |
| Conditions of approval, if any, are attached. Approval of this notice does not warran | at or | | 10 | |
| certify that the applicant holds legal or equitable title to those rights in the subject lea | ase Office | | Land | |
| which would entitle the applicant to conduct operations thereon. | | | 10000 | |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any States any false, fictuious or fraudulent statements or representations as to any matter | person knowingly and willfull within its jurisdiction. | y to make to | any department or agency, of the | Ohited T |
| | | 17 | | |

(Instructions on page 2)

NADEL AND GUSSMAN HEYCO, LLC INTERMEDIATE CASING REPORT

7/27/09

WELL: MESQUITE 3 FEDEARL #4

DEPTH: 2,030'

LOC: 330' FSL & 330' FWL

CASING SIZE: 9 5/8

I.D. 8.921

S/T/R: SEC 3, T185, R31E

CEMENT CO: BJ SERVICES HOLE SIZE: 12.25

CO: EDDY ST: N.M.

FOREMAN: K. CANNON

| RIG. | FAGI | F | RO | CK 5 |
|------|------|---|----|------|

| ITEM: | NO. JTS: | LENGTH: | WT: | GRADE: | THREAD: | TOP: | BOTTOM: |
|-------|------------|----------|-----|--------|---------|---------|---------|
| 1 | F/G | 0.98 | 0 | 0 | · 0 | 2029.02 | 2030.00 |
| 2 · | 1 | 38.13 | 36# | J-55 | ST&C | 1990.89 | 2029.02 |
| · 3 | FLOAT SHOE | 1.2 | 0 | 0 , | 0 | 1989.69 | 1990.89 |
| 4 | 53 | 1987.44 | 36# | J-55 | ST&C | 2.25 | 1989.69 |
| 5. | 0 | 0 | 0 | 0 | 0 | 2.25 | 2.25 |
| | F4 | 4 444 75 | | | | | |

CASING DELIVERED

| JOINTS: | 59 |] . | THREADS OFF TALLY: | 2,215.19 |
|--------------|-------------|----------------------|--------------------|----------|
| CAS | SING LEFT O | VER | | , |
| FULL JOINTS: | 5 | 8 5/8" 32# ST&C J-55 | LENGTH: | 189.62 |
| FULL JOINTS: | 0 | 8 5/8" 24# ST&C J-55 | | 0.00 |
| CUT OFF: | 1 | 8 5/8" 32# ST&C J-55 | LENGTH: | 0.00 |

CEMENT

| | · · · · · · · · · · · · · · · · · · · | e e | | | |
|-----|---|------|-------|-------|-----|
| SX: | DESCRIPTION: | PPG. | YIELD | WATER | |
| 600 | 35;65;4 CLASS 'C'+5.0%MPA-5+1.0%SMS+5.0%SALT(4.403LB/SK)+0.25LB/SK CE | 12.8 | 1.97 | 10.56 | GPS |
| 200 | CLASS 'C'+2.0%CACL2 | 14.8 | 1.34 | 6.36 | GPS |

| | | | | | | 1 |
|------|------------------------|---|-------------|------|------|---|
| ., , | | : | | | | |
| • | LEAD SLURRY 210.5 BBLS | | TAIL SLURRY | 47.7 | BBLS | |
| • | MUD WEIGHT 10 PPG | | DIFF PRESS. | 371 | PSI | |

FRESH WATER REQUIREMENTS in BBLS

| MIX 181.1 | MISC 50.0 TOTAL 231.1 |
|----------------------|---------------------------------------|
| DISP. 153.6 BBLS | DISPLACEMENT IS DRILLING FLUID |
| SACKS CIRCULATED 296 | ACTUAL HOLE CEMENT VOLUME 0.43 CFT/FT |

COMMENTS

CALLED CARLSBAD BLM TALK W/ RICHARD CARRASCO @ 9:05PM 7/27/09 TO INFO. OF CSG AND CMT JOB NO SHOW. NO PROBLEM W/ CSG OR CHIT JOB.