

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to site, drill, re-enter, or abandon a well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NM 93460

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
 Oil Well Gas Well Other

RECEIVED

2. Name of Operator
Nadel and Gussman Permian, LLC Suite 508

OCT 18 2004

3a. Address
601 N. Mariefeld Midland, Texas 79705

3b. Phone No. (include area code)
432-682-4429

8. Well Name and No
Josey Federal #1

9. API Well No.
30-015-33594

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
780' FSL & 810' FEL UL P Sec. 30 T20S -R23E

10. Field and Pool, or Exploratory Area
Chester 96542

11. County or Parish, State
Eddy County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CMT, Prod. CSG
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporary Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recomplate 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.)

10/08/04 Rig up casing crew and run 5 1/2" 17# P-110 LT&C. Wash 8904' to 8919' FC @ 8.831'. Circ. cmt w/ 400sx 35/65 poz H + 6%D20 + 5%D44 + .2%D167 + .2%D65 + .2%D64 + .1%D13 12.2 Density 2.14 yield. Tail w/ 1078sx PVL + 2%D44 +(BWOW) +.2%D65 +.2%D167 +.2%D46 +.2%D13 13#Density 1.41 yield 7.7 BPM bump plug 202 BBL FW held ok. Good circ. Reciprocate pipe. Set slips 125K test well head 2,500# ok.

ACCEPTED FOR RECORD
OCT 14 2004
LES BABYAK
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Josh Fernau

Title Staff Engineer

Signature

Josh Fernau

Date

10/11/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)