

N.M. Oil Cons. DIV-Dist. 2
UNITED STATES 1301 W. Grand Avenue
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Altesia NM 88210FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NM-93460							
b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other _____		6. If Indian, Allottee or Tribe Name							
2. Name of Operator Nadel and Gussman Permian, L.L.C.		7. Unit or CA Agreement Name and No.							
3. Address 601 N. Marienfeld, Suite 508, Midland, TX 79701		8. Lease Name and Well No. Josey Federal #1							
3a. Phone No. (include area code) 432/682-4429		9. AFI Well No. 30-015-33594 SI							
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 780' FSL, 810 FEL At top prod. interval reported below At total depth		10. Field and Pool, or Exploratory Chester (96542)							
14. Date Spudded 08/27/2004		15. Date T.D. Reached 10/08/2004							
16. Date Completed 11/25/2004 <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod.		17. Elevations (DF, RKB, RT, GL)* 4300' KB							
18. Total Depth: MD 8920' TVD		19. Plug Back T.D.: MD 8831' TVD							
20. Depth Bridge Plug Set: MD TVD		21. Type Electric & Other Mechanical Logs Run (Submit copy of each) CNDL, DLL							
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy)									
23. Casing and Liner Record (Report all strings set in well)									
Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/2"	9 5/8"	36#	0	2002	None	1100 sxs Circ.	216	0	
7 7/8"	5 1/2"	17#	0	8920	None	1478 sxs Circ.	238	3650	
24. Tubing Record									
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	
2 7/8"	8090	7982							
25. Producing Intervals									
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status			
A) Morrow	8098'	8268'		6	228	Open			
B)									
C)									
D)									
27. Acid, Fracture, Treatment, Cement Squeeze, etc.									
Depth Interval	Amount and Type of Material								
28. Production - Interval A									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
01/15/2005	01/25/2005	24	→	0	284	0	.61		Flowing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
24/64	SI 350		→					Producing	
28a. Production - Interval B									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
	SI		→						

*(See instructions and spaces for additional data on page 2)

ACCEPTED FOR RECORD

FEB - 7 2005

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

EXHIBIT #1

DISTRICT I

1825 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-101

Revised March 17, 1991

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name <i>Strychnine Draw; Atoke</i>
Property Code	Property Name JOSEY FEDERAL	Well Number 1
OGRID No.	Operator Name NADEL AND GUSSMAN PERMIAN, L.L.C.	Elevation 4300'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	30	20 S	23 E		780	SOUTH	810	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres <i>320</i>	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 1			
LOT 2			
LOT 3			
LOT 4			

at - N32°32'20.8"
on - W104°43'27.6"

4340.3' 4291.4' 810' 4316.2' 4303.6'

OPERATOR CERTIFICATION

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

Josh Fernau
Signature

Josh Fernau
Printed Name

Staff Engineer
Title

07/23/04
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JUNE 23, 2004

Date Surveyed

Signatures: *Gay Jones*
Professional Surveyor
NEW MEXICO
7977
W.O. No. 43604
Certificate No. Gay Jones 7977
BASIN SURVEYS

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Tubb	3013'	3116'	Sandstone - formation water	San Andres	184'
Cisco	6096'	6109'	Limestone - probable gas	Glorieta	1729'
Strawn	7025'	7052'	Limestone - probable gas	Tubb	3013'
	9632'	7650'	Sandstone - probable gas	Abo	3617'
Atoka	8100'	8112'	Sandstone - gas	Wolfcamp	4794'
Morrow	8244'	8268'	Chert - gas	Cisco	5808'
				Canyon	6552'
				Strawn	6734'
				Atoka	7894'
				Morrow	8360'
				Lower Morrow	8471'
				Chester	8634'

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☒ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Kem McCreadyTitle Operations Engineer

Signature

Kem McCready

Date

2/2/05

Title 18 USC Section 1001 and Title 43 USC 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.

OCT 22 2004

OPERATOR: NADEL & GUSSMAN PERMIAN
WELL/LEASE: JOSEY FEDERAL #1
COUNTY: EDDY, NM

074-0028

STATE OF NEW MEXICO
DEVIATION REPORT

240	1/2
636	1/4
1,019	1/4
1,395	1
1,644	1
1,956	1/2
2,411	1/2
2,816	1/2
3,221	1/2
3,596	1/2
4,031	1/2
4,437	1/4
4,844	1/2
5,247	3/4
5,655	3/4
6,067	1/4
6,416	3/4
6,829	1
7,205	2
7,517	1 3/4
7,767	2
8,173	2 1/2
8,424	2 1/2
8,645	2 3/4
8,920	3 1/4

By: _____

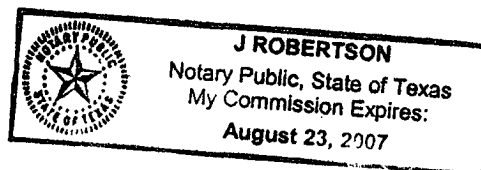
Joni Hodges

STATE OF TEXAS
COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on October 20th, 2004, by
Joni Hodges on behalf of Patterson-UTI Drilling Company LP, LLLP.

Notary Public for Midland County, Texas

My Commission Expires: 8/23/2007



Josey Federal #1**780' FSL, 810' FEL Sec 30, 20S, 23E, Eddy County, NM****API # 30 - 015 - 33594-0**

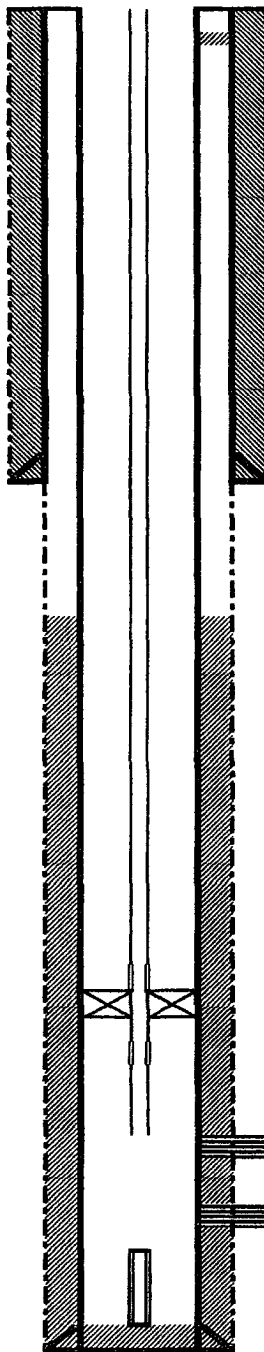
Elev: 4300', KB: 26.5 AGL'

CURRENT

9-5/8", 36#, K-55 @ 2002'
 1100 sx, cement ; 1" from 1320 to surf
 w/ 25 sxs
 12-1/2" hole

5-1/2", 17#, P-110 LTC @ 0-8,920'
 cmt w\ 1478 sxs.
 FS @ 8919'; FC @ 8831
 7-7/8" hole

PBTD @ 8,831'
TD @ 8,920'



All Depths ar approx.

Tubing Details

0'-7913' 2-7/8" 6.5 ppf EUE L-80 tbg
 7913-7919' 1 2-7/8" 6' marker jt
 7919-7981 2 jts 2-7/8" tbg
 7981-7982 2.25" Baker F on- off tool
 7982-7989 Arrowset 10 K pkr
 7989-8019 1 jt 2-7/8" tbg
 8019-8020 2.25 Baker R profile @ 8031
 8020-8050 1 jt 2-7/8" tbg
 8050-8051 underbalanced sub
 8051-8082 1 jt 2-7/8" tbg
 8082-8090 1 -8' 2-7/8" tbg sub

5-1/2" TOC @ 3650' by CBL

Packer set @ 7982'-7989'
 EOT @ 8090'

Upper Perfs
 8098' - 8112'
 6 spf 84 holes 60 deg phasing

Lower Perfs
 8244' - 8268'
 6 spf 144 holes 60 deg phasing

Fish in btm of hole
TOF @ 8,804'
 1.19' auto gun release/firing head
 6.63' blank gun
 14' TCP guns 14' 6 spf
 4.8' Btm gun assembly