

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTN.M. Oil Cons. Div-Dist. 2
1301 W. Grand Avenue
Alameda, NM 88210FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004**SUNDRY NOTICES AND REPORTS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Nadel and Gussman Permian, LLC

3a. Address

601 N. MARIENFELD MIDLAND, TX 70701 Suite 508

3b. Phone No. (include area code)

(432) 682-4429

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)

~~Old Well UL I Sec. 26 T20S R23E 1,980' FSL & 660' FEL~~

New Well UL I Sec. 26 T20S R23E 1,969.4' FSL & 670.6' FEL

5. Lease Serial No.

NM NM 98795 & NM NM 96814

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Callahan Federal #1Y

9. API Well No.

30-015-3439 35049

10. Field and Pool, or Exploratory Area

Wildcat B Morrow

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

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice☐ Acidize☒ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other _____

3. 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 recompleat 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 recompleat 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.)

Casing Program:

New Casing String - 13 3/8"	54.5#	J-55 @	750'	CMT to surface
- 9 5/8"	40#	N-80 @	2,000'	2000 sx, circulated to surface
- 5 1/2"	17#	P-110 @	9,400'	TOC to be determined

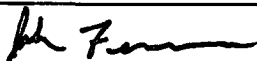
14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

JOSH FERNAU

Title STAFF ENGINEER

Signature



Date 06/06/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)  DAVID B. GLASSName
(Printed/Typed)

PETROLEUM ENGINEER

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.

Office

Date

JUN 07 2006

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.

(Continued on next page)

DISTRICT I
1625 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-102
Revised March 17, 1999

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
Property Code	Property Name CALLAHAN FEDERAL	Well Number 1
OGRID No.	Operator Name NADEL AND GUSSMAN PERMIAN	Elevation 4093'

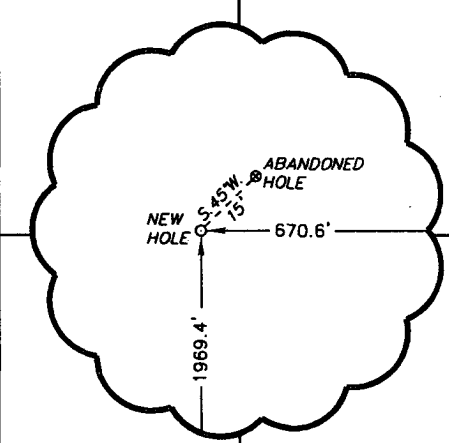
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	26	20 S	23 E		1969.4	SOUTH	670.6	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 320	Joint or Infill	Consolidation Code	Order No.						

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

	<p>NM NM 96814</p>	<p>NM NM 98795</p>	<p>Lat.: N32°32'33.4" Long.: W104°39'18.9" N 561286.251 E 442139.299 (NAD 83)</p>		<p>4087.0' 4077.9' 4108.1' 4093.7' 670.6' 1969.4'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Josh Fernau</i> Signature Josh Fernau Printed Name Staff Engineer Title 06/06/06 Date</p>	
			<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p><i>James L. Jones</i> Date Surveyed Signature & Seal Professional Surveyor No. 59966 Certificate No. 59966 Jones 7977</p> <p>BASIN SURVEYS</p>				