

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

X

2. Name of Operator Nadel and Gussman Permian, LLC

3a. Address 601 N. Marienfeld, Suite 508
Midland, TX 7970013b. Phone No. (include area code)
432-682-4429

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

Unit Letter D: 660 feet from the North line and 1240 feet from the West line of Section 26,
Township 21S, Range 21E

5. Lease Serial No. NM100524

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Manco Federal #1

9. API Well No.

30-015-35553

10. Field and Pool, or Exploratory Area
Wildcat (Morrow),
Little Box Canyon (Upper Penn)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	Acidize	Deepen	Production (Start/Resume)	Water Shut-Off
	Alter Casing	Fracture Treat	Reclamation	Well Integrity
X Subsequent Report	Casing Repair	New Construction	Recomplete	
	Change Plans	Plug and Abandon	Temporarily Abandon	X Other: Surface Casing Cementing
Final Abandonment Notice	Convert to Injection	Plug Back	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 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.)

5/12/07 to 5/13/07 Spudded well and drilled 12-1/4" hole to 1567'. TOH

5/14/07 Ran 37 jts 9 5/8" 36# K55 STC casing to 1567' with centralizers @ 1,552, 1,540, 1510, 1501, 1400, 1316, 1233 & 1151. Pumped 300 bbls FW; 100 sx [28 bbls] RFC (10-2-A) +, 3pps D24, 0.25 pps D29, @ 14.2 ppg, 1.6 cf/sx yield; 450 sx [172 bbls] 35/65 Poz/C + 10% D20, + 2% S1, 3pps D24, + 0.2% D46, + .125 pps D130 @ 12.4 ppg, 2.15 cf/sx yield; 300 sx [72 bbls] C + 2% S1, + 0.25 pps D130, + 2pps D24 @ 14.8 ppg, 1.34 cf/sx yield. Job witnessed by BLM (Bob Hoskinson). Dropped plug, displaced w/ 125 bbls, bumped plug. Floats held OK. Did not have returns. WOC for 6 hrs. Ran temperature survey which indicated cement @ 600'. RIH w/ 1" pipe and tag @ 571'. Pumped 1st plug, 25 sx C + 2% S1, WOC for 3 hrs.

5/15/07 Tagged @ 564'. Pumped 2nd plug, 25 sx C + 3% S1. WOC for 3 hrs. Tagged @ 388'. Pumped 3rd plug, 25 sx C + 3% S1 (Plug size limited to 25 sx by BLM Engineer (Fred Wright). WOC for 3 hrs. Tagged @ 187'. Pumped 4th plug, 133 sx C + % S1. Circulated cement to surface. Witnessed by BLM Bob Hoskinson.

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

Name (Printed/Typed) Terry West

Title Engineer

Signature

Date 5/17/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Ar2rave~

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

Office

Date

JUN 5 2007

WESLEY W. INGRAM
PETROLEUM ENGINEER

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)

Accepted for record - NMOCD

6/7/07