Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

Month - Year
APR 20 2007
OCD - ARTESIA, NM

FORM APPROVED
OM B 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.

5. Lease Serial No. NM886

6. If Indian, Allottee or Tribe Name

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

1. Type of Well: Oil Well / Gas Well X / Other

2. Name of Operator: Nadel and Gussman Permian, LLC

3a. Address: 601 N. Marienfeld, Suite 508, Midland, TX 797001

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter N: 660 feet from the South line and 2160 feet from the West line of Section 12, Township 21S, Range 21E

8. Well Name and No.: Major Gant Federal #1

9. API Well No.: 30-015-35415

10. Field and Pool, or Exploratory Area: Little Box Canyon (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			
	Acidize	Deepen	Production (Start/Resume)	Water Shut-Off
X Notice of Intent	Alter Casing	Fracture Treat	Reclamation	Well Integrity
✓ Subsequent Report	Casing Repair	New Construction	Recomplete	
	Change Plans	Plug and Abandon	Temporarily Abandon	X Other: Run and Cement Surface Casing
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.)

4/4/07 Finished MI RU. Notified BLM (Bob) several hours prior to spud. Spudded well at 11:40 PM.
4/5/07 Drilled to 118' w/ 12-3/8" hammer bit. Encountered hole stability problems and opened hole up to 17-1/2" and drilled to 400'.
4/6/07 Ran 362' of 13-3/8" casing (3 joints 54.5#/J-55/STC followed by 6 joints 48#/H-40/STC). Could not get any deeper than 362'. Contacted BLM and received approval for depth change from Fred Wright. Pumped 20 bbls FW/Gel, 107 bbls 12.7 ppg 35/65 Poz Class C and 48 bbls 14.8 ppg Class C cement but did not circulate to surface. Cementing was witnessed by BLM (Jerry Blakley) and all subsequent 1" cementing was coordinated with Jerry. WOC for 8 hrs and attempted to run temp. survey. Could not get tool below 167'. Ran 1" pipe outside 13-3/8" casing and tagged cement at 254'. Pumped 1st 25 sx cement plug down 1". WOC for 3 hrs then tagged at 233'. Pumped 2nd 25 sx plug down 1".
4/7/07 WOC for 3 hrs then tagged at 245'. Pumped 3rd 25 sx, WOC for 3 hrs, tagged at 232'. Pumped 4th plug (35 sx). WOC for 3 hrs, tagged at 222'. Pumped 5th plug (35 sx), WOC for 3 hrs, tagged at 124'. Pumped 6th plug (25 sx), WOC for 4 hrs, tagged at 54'. Pumped 7th plug (35 sx). WOC for 3 hrs, tagged at 53'. Pumped 8th plug (105 sx), WOC for 3.5 hrs, tagged at 54'. Pumped 9th plug (65 sx), WOC for 2 hrs, tagged at 43'. Pumped 10th plug (50 sx), WOC for 1 hr, tagged at 35'. Pumped 11th plug (35 sx), WOC for 2 hrs, tagged at 35'. Pumped 12th plug (35 sx), WOC for 3 hrs, tagged at 30'. Pumped 13th plug (35 sx), WOC for 4 hrs, tagged at 30'. Pumped 14th plug (35 sx), WOC for 3 hrs, tagged at 25'. Pumped 15th plug (35 sx) to surface. WOC 4 hrs, no fallback.
4/8/07 Cut off casing, weld on well head and test. NU BOPS. Repair flowline, Begin drilling out w/ 12-3/8" hammer bit.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed): Terry West — Title: Engineer
Signature: Terry West — Date: 4/11/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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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 APR 18 2007
Office — WESLEY W. INGRAM, PETROLEUM ENGINEER

ACCEPTED FOR RECORD

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

(Instructions on page 2)

Accepted for record - NMOCD

4/23/07