

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    Off 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	X Other: Production Casing Cementing
Final Abandonment Notice	Change Plans	Plug and Abandon	Temporarily Abandon	
	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.)

6/3/07 Drilled to 8400'. TOH and ran logs. Could not get logs below 8044'.

6/4/07 &amp; 6/5/07 TIH and worked tight spots from 8060' to 8139'. Had problems with fill during connections. Increased mud viscosity and washed to 8230'. TOH and ran logs. Tagged fill at 8358'.

6/6/07 RIH with open ended drill pipe and tagged fill @ 8,357'. Spotted balanced cement plug @ 8,342' w/ 345sx H w/ 1% D13, 75 bbl, 15.6 ppg, yield 1.18. POOH to 7,314', WOC and circulated for 5.5 hrs. RIH and tagged cement @ 7,827', (Informed BLM Daryl Carter), Cement @ 7,824' w/ 55sx H 11.5 bbl, 15.6 ppg, 1.18 yield, POOH to 7,324', circulated and WOC for 9.5 hrs.

Page 1 of 2

ACCEPTED FOR RECORD

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

Name (Printed/Typed)    Terry West

Title    Engineer

Signature

Date    6/18/2007

AUG 5 2007

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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)

Accepted for record - NMOCD

8/2/07

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.**

5. Lease Serial No. NM100524

6. If Indian, Allottee or Tribe Name

**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

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	
Final Abandonment Notice	Change Plans	Plug and Abandon	Temporarily Abandon	X Other: Production Casing Cementing
	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.)

6/7/07 RIH and tag cement @ 7,707', POOH and laid down drill pipe to 6,542', Spot balanced plug @ 6,542' w/ 150sx C, .1% D13 15.6 ppg, 1.18 yield. POOH to 5,611' and WOC for 6 hrs. RIH and tag @ 6,227'.

POOH and laid down drill pipe to 5,274', Spot balanced plug @ 5,274' w/ 300sx C, .2% D13 15.6 ppg, 1.18 yield. POOH to 4,767'. Reverse circulate, POOH to 4,292' and WOC for 5.5 hrs.

6/8/07 RIH and tag cement @ 4,798', break circulation to clear drill pipe and POOH laying down drill pipe. Notified BLM (Terry Wilson) about plans to cement in several hours. Ran 7" 26# L80 LTC casing to 4,762'. Pumped 10 bbls water, 155sx POZ C lead with 10% D20 + 5% D44 + 0.125pps DBO + 0.2% D46, 260 sx PVL tail with 1.33% D44 + 0.2% D65 + 0.2% D167 + 0.2 % D46 + 0.1% D13. Displaced w/ 173.5 bbls FW and bumped plug. Calculated top of cement is 1200'. Checked float equipment which held. Nipple down BOP's and set slips on 7" casing.

Page 2 of 2

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Terry West	Title Engineer
Signature 	Date 6/18/2007

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Ar2rarc~ _____	Title	Date
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	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowing 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)