

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N French Dr, Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd, Aztec, NM 87410 District IV 1220 S St Francis Dr, Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-015-33154 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> State Oil & Gas Lease No.																																				
WELL COMPLETION OR RECOMPLETION REPORT AND LOG																																						
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW <input type="checkbox"/> WORK <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER BACK RESVR. <input checked="" type="checkbox"/> OTHER		7 Lease Name or Unit Agreement Name JUL = 2 2008 Zeus S OCD-ARTESIA																																				
2. Name of Operator Nadel and Gussman Permian, LLC		8. Well No. 1																																				
3 Address of Operator 601 N Marienfeld, Ste 508 Midland, TX 79701		9 Pool name or Wildcat Loving Morrow (North)																																				
4. Well Location Unit Letter E : 1980 Feet From The North Line and 805 Feet From The West Line Section 5 Township 23S Range 28E NMPM Eddy County																																						
10 Date Spudded 1/15/04	11. Date T.D. Reached 03/19/04	12. Date Compl. (Ready to Prod) 06/13/08																																				
13. Elevations (DF& RKB, RT, GR, etc.) 3015 GL		14. Elev. Casinghead 3015																																				
15. Total Depth 12,675	16. Plug Back T.D. 12,201	17 If Multiple Compl How Many Zones?																																				
18 Intervals Drilled By		Rotary Tools Cable Tools																																				
19. Producing Interval(s), of this completion - Top, Bottom, Name 12,100 - 12,116 Morrow		20 Was Directional Survey Made																																				
21. Type Electric and Other Logs Run See Original C-105		22. Was Well Cored																																				
23. CASING RECORD (Report all strings set in well) <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>CASING SIZE</th> <th>WEIGHT LB /FT</th> <th>DEPTH SET</th> <th>HOLE SIZE</th> <th>CEMENTING RECORD</th> <th>AMOUNT PULLED</th> </tr> </thead> <tbody> <tr> <td>13-3/8"</td> <td>48#, H-40</td> <td>400'</td> <td>17-1/2"</td> <td>350 sxs - surf</td> <td>50 sxs</td> </tr> <tr> <td>9-8"</td> <td>40#, L-80 LTC</td> <td>5968'</td> <td>12-1/4"</td> <td>2603 sxs - circ</td> <td>158 sxs</td> </tr> <tr> <td>5-1/2"</td> <td>20#, L-80 LTC</td> <td>12,675'</td> <td>7-7/8"</td> <td>1600 sxs</td> <td></td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>			CASING SIZE	WEIGHT LB /FT	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED	13-3/8"	48#, H-40	400'	17-1/2"	350 sxs - surf	50 sxs	9-8"	40#, L-80 LTC	5968'	12-1/4"	2603 sxs - circ	158 sxs	5-1/2"	20#, L-80 LTC	12,675'	7-7/8"	1600 sxs													
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26. Perforation record (interval, size, and number) 11,320 - 11,328, 48 holes 12,100 - 12,116, 96 holes Cmtret @ 12,201 - capped w/ 30' cmt																																						
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> </thead> <tbody> <tr> <td>11,320 - 28</td> <td>Sqz w/ 50 sxs</td> </tr> <tr> <td>12,100 - 12,116</td> <td>2000 gal 7.5 HCl</td> </tr> <tr> <td> </td> <td>11,447 #20/40 Baux, 64 tons CO2, 246 lbs 3% KCl, 500M SCF N2</td> </tr> </tbody> </table>			DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	11,320 - 28	Sqz w/ 50 sxs	12,100 - 12,116	2000 gal 7.5 HCl		11,447 #20/40 Baux, 64 tons CO2, 246 lbs 3% KCl, 500M SCF N2																												
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28 PRODUCTION																																						
Date First Production 06/13/08 Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing		Well Status (Prod or Shut-in) prod																																				
Date of Test 06/15/08	Hours Tested 24	Choke Size FO																																				
Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 41																																				
Water - Bbl 0	Gas - Oil Ratio																																					
Flow Tubing Press. 50 psi	Casing Pressure 0	Calculated 24-Hour Rate																																				
Oil - Bbl.	Gas - MCF	Water - Bbl																																				
Oil Gravity - API - (Corr.)																																						
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold		Test Witnessed By Lee Ledbetter																																				
30. List Attachments																																						
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief																																						
Signature <i>Kem McCready</i> Printed Name Kem McCready E-mail Address kemm@naguss.com		Title Operations Engineer Date 06/27/08																																				