

OCD-ARTESIA

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	OCT 07 2008
2. Name of Operator Nadel and Gussman HEYCO, LLC	OCD-ARTESIA
3a. Address PO BOX 1936 ~ ROSWELL NM 88202-1936	3b. Phone No. (include area code) 505.623.6601
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 930' FSL & 660' FEL, Sec. 1, T18S, R31E	5. Lease Serial No NM106718
	6. If Indian, Allottee or Tribe Name
	7. If Unit or CA/Agreement, Name and/or No.
	8. Well Name and No. Cholla 1 Federal #9
	9. API Well No. 30-015-36438
	10. Field and Pool, or Exploratory Area Tamano; Bone Spring
	11. County or Parish, State Eddy, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Casing and Cement report
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 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 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.)

Casing Report:

Set 5 1/2 csg @ 9100'

F/9,100'-T/8301.95' with 17# /L-80 LT&C

F/8,301.95'-T/2,501.95' with 15.5# /L-80 LT&C

F/2,501.95'-T/surface with 17# /L-80 LT&C

9/16/08 - 35/65/6/C+4/10%FL-52A+1/8#CF+2/10%R-3, sxs of cmt 1,425, slurry wgt ppg-12.4, Slurry yld ppg 1.94;

61/15/11/C+5/10%FL-52A+5/10%FL-25+5/10%BA-10+2%SAL, sxs of cmt 220, slurry wgt ppg 13.2, slurry yld FT3 1.6

Plug Dn @ 2:00 pm no cement circulated.

ACCEPTED FOR RECORD

OCT 8 2008

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tammy B. Link	Gerry Guye, Deputy Field Inspector NM/OCD-District II ARTESIA Title Production Tech
Signature 	Date 09/30/2008
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved by 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 BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE

Title 18 USC Section 1001 and Title 43 USC 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)

CEMENT JOB REPORT



CUSTOMER Nadel & Gussman-Heyco			DATE 16-SEP-08		F.R. # 572810004		SERV. SUPV. CHARLES A WILLIFORD					
LEASE & WELL NAME CHOLLA 1 FED #9			LOCATION				COUNTY-PARISH-BLOCK Eddy New Mexico					
DISTRICT Artesia			DRILLING CONTRACTOR RIG # AMERIMEX #1				TYPE OF JOB Long String					
SIZE & TYPE OF PLUGS			LIST-CSG-HARDWARE			PHYSICAL SLURRY PROPERTIES						
5-1/2" Top Cem Plug, Nitrile cvr, Phr			Alum Baffle Plate, Slip On, 5-1/2"			SACKS OF CEMENT	SLURRY WGT PPG	SLURRY YLD FT ³	WATER GPS	PUMP TIME HR:MIN	Bbl SLURRY	Bbl MIX WATER
			Guide Shoe, Texas-Notched 5-1/2"									
MATERIALS FURNISHED BY BJ												
MUD CLEAN II						0	8.34	1	0	00:00	12	0
35/65/6/C+4/10%FL-52A+1/8#CF+2/10%R-3						1,425	12.4	1.94	10.65	04:21	492	361.08
61/15/11/C+5/10%FL-52A+5/10%FL-25+5/10%BA-10+2%SAL						220	13.2	1.6	7.62	04:10	63	40.11
FRESH WATER						0	8.34	1	0	00:00	217	0
Available Mix Water 700 Bbl. Available Displ. Fluid 700 Bbl.						TOTAL			784 401.19			
HOLE			TBG-CSG-D.P.				COLLAR DEPTHS					
SIZE	% EXCESS	DEPTH	SIZE	WGT.	TYPE	DEPTH	GRADE	SHOE	FLOAT	STAGE		
7.875	0	9100	5.5	17	CSG	9128	J-55	9128	9039	0		
LAST CASING			PKR-CMT RET-BR PL-LINER			PERF. DEPTH		TOP CONN		WELL FLUID		
SIZE	WGT	TYPE	DEPTH	BRAND & TYPE		DEPTH	TOP	BTM	SIZE	THREAD	TYPE	WGT.
9.625	36	CSG	2355	NO PACKER		0	0	0	5.5	8RND	WATER BASED MU	9.7
DISPL. VOLUME		DISPL. FLUID		CAL. PSI	CAL. MAX PSI	OP. MAX	MAX TBG PSI		MAX CSG PSI		MIX WATER	
VOLUME	UOM	TYPE	WGT.	BUMP PLUG	TO REV.	SQ. PSI	RATED	Operator	RATED	Operator		
217	BBLs	FRESH WATER	8.34	2024	0	0	0	0	4810	3840	RIG	
EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING: NONE												
PRESSURE/RATE DETAIL						EXPLANATION						
TIME HR:MIN.	PRESSURE - PSI		RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE	SAFETY MEETING: BJ CREW <input checked="" type="checkbox"/> CO. REP. <input type="checkbox"/>						
	PIPE	ANNULUS				TEST LINES 4600 PSI						
						CIRCULATING WELL - RIG <input checked="" type="checkbox"/> BJ <input type="checkbox"/>						
04:30	0	0	0	0	0	ARRIVE TO LOC.						
04:35	0	0	0	0	0	CHECK WITH CO. REP.						
04:40	0	0	0	0	0	CHECK WATER AND LOC.						
04:45	0	0	0	0	0	SPOT TRUCKS						
04:55	0	0	0	0	0	PRE RIG UP SAFETY MEETING						
05:30	0	0	0	0	0	WAITING ON CASING CREW						
09:50	0	0	0	0	0	PRE JOB SAFETY MEETING						
10:35	4600	0	.5	.5	H2O	TEST LINES						
10:40	150	0	4	12	MUD CLE	MUD CLEAN II AND FRESH WATER SPACER						
10:44	250	0	6	492	CMT	LEAD SLURRY @ 12.4 PPG						
12:00	340	0	5	63	CMT	TAIL SLURRY @ 13.2 PPG						
12:24	0	0	0	0	CMT	SHUT DOWN, WASH UP PUMP, DROP PLUG						
12:30	1960	0	7	207	H2O	FRESH WATER DISPLACEMENT						
01:50	2100	0	2.5	10	H2O	SLOW RATE						
02:00	2601	0	0	0	H2O	PLUG DOWN ✓ No CMT Circ on Job.						
02:05	0	0	0	0	0	POST JOB SAFETY MEETING						
	0	0	0	0	0	THANK YOU CHARLES AND CREW						
BUMPED PLUG	PSI TO BUMP PLUG	TEST FLOAT EQUIP.	BBL.CMT RETURNS/ REVERSED	TOTAL BBL. PUMPED	PSI LEFT ON CSG	SPOT TOP OUT CEMENT	SERVICE SUPERVISOR SIGNATURE:					
<input checked="" type="checkbox"/> Y <input type="checkbox"/> N 0	0	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N 0	0	800	0	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Charles Williford					

BJ Services Company



FIELD RECEIPT NO. 572810004

CUSTOMER Nadel & Gussman-Heyco				CREDIT APPROVAL NO. A57281000001		PURCHASE ORDER NO.		CUSTOMER NUMBER 20007208 - 00237293		INVOICE NUMBER	
MAIL INVOICE TO		STREET OR BOX NUMBER P.O.BOX 1933				CITY Roswell		STATE New Mexico		ZIP CODE 88220	
DATE WORK COMPLETED		MO. 09		DAY 16		YEAR 2008		BJ SERVICES REPRESENTATIVE CHARLES A WILLIFORD		WELL API NO:	
										WELL TYPE : New Well	
BJ SERVICES DISTRICT Artesia						JOB DEPTH(ft) 9,039		WELL CLASS : Oil			
WELL NAME AND NUMBER CHOLLA 1 FED #9						TD WELL DEPTH(ft) 9,100		GAS USED ON JOB : No Gas			
WELL LOCATION :		LEGAL DESCRIPTION				COUNTY/PARISH Eddy		STATE New Mexico		JOB TYPE CODE : Long String	

PRODUCT CODE	DESCRIPTION	UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT	GROSS AMOUNT	% DISC.	NET AMOUNT
A152	Personnel Surcharge - Cement Svc	ea	1	145.500	145.50	50%	72.75
M100	Bulk Materials Service Charge	cu ft	2067	3.410	7,048.47	50%	3,524.24
	SUB-TOTAL FOR Service Charges				7,193.97	50.00%	3,596.99
F021A	Cement Pump Casing, 9001 - 10000 ft	8hrs	1	8,025.000	8,025.00	50%	4,012.50
FE003	Radio Communications	ea	4	200.500	802.00	100%	0.00
J225	Data Acquisition, Cement, Standard	job	1	1,335.000	1,335.00	50%	667.50
J390	Mileage, Heavy Vehicle	miles	120	7.400	888.00	50%	444.00
J391	Mileage, Auto, Pick-Up or Treating Van	miles	120	4.200	504.00	50%	252.00
K371	Field Storage Bin, Up To 5 Days	job	2	1,035.000	2,070.00	50%	1,035.00
	SUB-TOTAL FOR Equipment				13,624.00	52.94%	6,411.00
J401	Bulk Delivery, Dry Products	ton-mi	4962	2.470	12,256.14	50%	6,128.07
	SUB-TOTAL FOR Freight/Delivery Charges				12,256.14	50%	6,128.07
	FIELD ESTIMATE				105,336.12	50.38%	52,267.08

ARRIVE LOCATION :		MO.		DAY		YEAR		TIME		SERVICE ORDER: I AUTHORIZE WORK TO BEGIN PER SERVICE INSTRUCTIONS IN ACCORDANCE WITH THE TERMS AND CONDITIONS PRINTED ON THE LAST PAGE OF THIS FORM AND REPRESENT THAT I HAVE AUTHORITY TO ACCEPT AND SIGN THIS ORDER. <div style="text-align: center;">_____ CUSTOMER AUTHORIZED AGENT</div>				SERVICE RECEIPT: I CERTIFY THAT THE MATERIALS AND SERVICES LISTED WERE RECEIVED AND ALL SERVICES PERFORMED IN A WORKMANLIKE MANNER.			
CUSTOMER REP. FREDDIE PONTREMO														<div style="text-align: center;">X CUSTOMER AUTHORIZED AGENT</div>			
SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS										<div style="text-align: center;">X BJ SERVICES APPROVED</div>							

BJ Services Company



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PRODUCT CODE	DESCRIPTION				UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT	GROSS AMOUNT	% DISC.	NET AMOUNT		
100120	Bentonite				lbs	10038	0.420	4,215.96	50%	2,107.98		
100283	R-3				lbs	313	2.980	932.74	50%	466.37		
100294	LCM-1				lbs	1600	0.980	1,568.00	50%	784.00		
100295	Cello Flake				lbs	191	4.140	790.74	50%	395.37		
100317	Poz (Fly Ash)				sacks	695	11.250	7,818.75	50%	3,909.38		
100404	Sodium Chloride				lbs	407	0.410	166.87	50%	83.44		
398108	Mud Clean II				gals	500	1.360	680.00	50%	340.00		
410520	Premium Plus C Cement				sacks	1039	31.900	33,144.10	50%	16,572.05		
422547	FL-52A				lbs	626	21.800	13,646.80	50%	6,823.40		
488019	FP-6L				gals	16	84.750	1,356.00	50%	678.00		
488167	FL-25				lbs	95	18.350	1,743.25	50%	871.63		
488353	CSE-2				lbs	2430	1.360	3,304.80	50%	1,652.40		
499632	Granulated Sugar				lbs	400	2.980	1,192.00	50%	596.00		
499695	BA-10A				lbs	95	16.600	1,577.00	50%	788.50		
86710-1	5-1/2" Top Cem Plug, Nitrile cvr, Phen				ea	1	125.000	125.00	50%	62.50		
	SUB-TOTAL FOR Product Material							72,262.01	50.00%	36,131.02		
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