

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1525 N. French Drive
Albuquerque, NM 83240

New Mexico Oil Conservation Division, District

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

2. Name of Operator
Nadel and Gussman Permian, LLC

3a. Address
601 N. Marienfeld Suite 508 Midland, TX 79701

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FSL and 1980' FWL UL K Sec. 14 T19S - R32E

5. Lease Serial No.
NM 063530

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
34565

8. Well Name and No.
Korezak Federal #1

9. API Well No.
30-025-37060

10. Field and Pool, or Exploratory Area
Lusk Morrow, East 80770

11. County or Parish, State
Lea Co, NM

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|--|
| <input 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 9 5/8" Int. Csg Test |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporary 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 recompleat 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.)

02/05/05 RU casing crew, safety meeting and run 110 jt 9 5/8" N-80 40# 5,006' set @ 4,981'. RU Schlumberger and circ.

02/06/05 Cement w/ 2,200ax 35/65 Poz/c + 6%D20 + 5%D44+ .25 PPS D25 .2% D46 and 200 ax C neat tail. ND, set slips cut off 9 5/8" casing and install B-section. (Tested @ 1,500 PSI) NU BOP and testing BOP failures: 4" valve, check valve, blind rams and accumulator function test. ND 4", check valve and nipple back up. BOP tester is on location and mechanic is working on accumulator.

02/07/05 Test BOP, ND and replace ring @ mud cross, 4" valve @ manifold, and blind rams. NU and tighten leaking flanges. Test blind rams, bleed off valve, 4" choke valve, and accumulator function test. WO cement 18hrs. Install wear bushing, PU BHA, TIH tagged cmt @ 4,860' drilling cmt 1/ 4,860'-4,969'. Test casing @ 1,500 psi OK.

ACCEPTED FOR RECORD

FEB 10 2005

GARY GOURLEY
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Josh Fernan

Title Staff Engineer

Signature

Josh Fernan

Date

02/08/2005

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

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)