

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6140  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources  
**NM OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

**RECEIVED**  
 AUG 19 2014

**RECEIVED**  
 HOBBBS OCD  
 AUG 21 2014

WELL API NO. 30-025-29766
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 16865
7. Lease Name or Unit Agreement Name TONTO 14 STATE
8. Well Number 3
9. OGRID Number 155615
10. Pool name or Wildcat AIRSTRIIP N; BONE SPRING
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4,020' GL

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
NADEL AND GUSSMAN PERMIAN, L.L.C.

3. Address of Operator  
601 N. MARIENFELD, SUITE 508, MIDLAND, TX 79701

4. Well Location  
 Unit Letter E : 1980 feet from the NORTH line and 660 feet from the WEST line  
 Section 14 Township 18S Range 34E NMPM EDDY County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

E-PERMITTING PERFORM <input checked="" type="checkbox"/> P&A NR <u>P.M.</u> TEMPORARY <input type="checkbox"/> INT to P&A PULL OR / <input type="checkbox"/> CSNG DOWNHOLE <input type="checkbox"/> CHG Loc CLOSED-LTA <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input checked="" type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7/31/2014 - PU 265 JTS 2-38" TBG. TAGGED @ 8686'. PUMPED 60 BBLs BRINE SALT GEL PERF @ 6,880'. ATTEMPTED TO PUMP INTO PERFS. SPOKE W/ MARK WHITAKER W/ OCD - INSTRUCTED US TO DROP 50' BELOW PERFS & SPOT A 25 SX CMT PLUG, WOC & TAG. RIH W/ TBG TO 6,930'

8/1/2014 - SPOTTED A 25 SX CMT PLUG @ 6,930'. POOH W/ 30 STANDS. WOC. RIH W/ TBG. TAGGED TOC @ 6,605'. PERF @ 5,820'. LOADED CSG. ATTEMPTED TO PUMP INTO PERFS. SPOKE W/ MARK WHITAKER W/ OCD - INSTRUCTED US TO DROP 50' BELOW PERFS & SPOT A 30 SX CMT PLUG, WOC & TAG PLUG. RIH W/ TBG TO 5,875'

8/2/2014 - SPOTTED A 30 SX CMT PLUG @ 5,615'. RIH CUT CSG @ 3,400'. PUMPED 100 BBLs DOWN 5-1/2" CSG TO CIRC OIL & GAS OUT OF 9-5/8". BUSTED ALL BUT 4 BOLTS ON WH.

8/3/2014 - ND BOP & WH, SPEARED CSG. PULLED UP 90,000# - CSG FREE. NU WH & BOP. LD 78 JTS 5-1/2" CSG. CHANGED EQUIP BACK TO 2-3/8" TBG. RIH W/ TBG TO 3,455'. SPOTTED A 65 SX CMT PLUG. POOH W/ 30 STANDS.

8/4/2014 - RIH W/ TBG. TAGGED TOC @ 3,240'. POOH TO 3,145'. MUD UP W/ 40 BBLs BRINE SALT GEL. SPOTTED A 60 SX CMT PLUG @ 3,245'. POOH W. 30 STANDS. WOC. RIH W/ TBG. TAGGED TOC @ 2,990'. POOH TO 1,960'. SPOTTED A 90 SX CMT PLUG. POOH W/ TBG.

8/5/2014 - RIH W/ TBG/ TAGGED TOC @ 1,720'. POOH TO 450'. SPOTTED A 45 SX CMT PLUG @ 450'. POOH W/ TBG/ WOX. RIH W. TBG. TAGGED TOC @ 320'. RIH W/ 2 JTS TO 60'. SPOT CMT. CURCULATED 35 SX TO SURFACE. DUG OUT & CUT WH & ANCHORS. INSTALLED DRY HOLE MARKER.

Approved for plugging of well bore only.  
 Liability under bond is retained pending receipt of C-103 (Subsequent Report of Well Plugging) which may be found at OCD Web Page under Forms, www.cmnrd.state.nm.us/oed.

Spud Date:  Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sarah Presley TITLE REGULATORY ANALYST DATE 8/14/2014

Type or print name SARAH PRESLEY E-mail address: spresley@naguss.com PHONE: (432) 682-4429

For State Use Only  
 APPROVED BY: Mary Brown TITLE Dist. Supervisor DATE 8/25/2014  
 Conditions of Approval (if any):

AUG 25 2014 *M*