

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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.

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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, 1980 FWL, Sec 14, T19S, R 32E NMPM

5. Lease Serial No.

NMNM063530

6. If Indian, Allottee or Tribe Name

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

NMNM112754

8. Well Name and No.

Korczak Federal #1

9. API Well No.

30-025-37060-0

10. Field and Pool, or Exploratory Area

Lusk Morrow East

11. County or Parish, State

LEA

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☒ Water Disposal

☐ Water Shut-Off

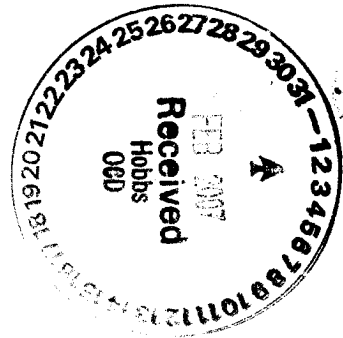
☐ Well Integrity

☐ Other

3. 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.)

Notice of intent to dispose of produced water.
See attachments for the required data.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



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

Kem E. McCready

Title NM Operations Mgr.

Signature

Kem E. McCready

Date

1/23/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

Name

(Printed/Typed)

Office

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 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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on next page)

GWW

APPROVED

Title

JAN 31 2007

FREDERICK WRIGHT
PETROLEUM ENGINEER

The following information is needed before your disposal of produced water can be approved, per Onshore Oil & Gas Order #7.

You may attach this information to your Sundry Notice (3160-5). Submit all required information as per this attachment, submit a Sundry Notice(3160-5), one original and five copies to this office within the required time.

1. Name(s) of all formation(s) producing water on the lease. Murrow
2. Amount of water produced from all formations in barrels per day. 3
3. A CURRENT water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates.
4. How water is stored on the lease. in sealed tanks
5. How water is moved to the disposal facility. Trucked
6. Identify the Disposal Facility by:
 - A. Operators' Name Leche Hills Salt Water Disposal
 - B. Well Name _____
 - C. Well type and well number _____
 - D. Location by quarter/quarter, section, township, and range 3-4-5-1/4 516, T17S, R30E
7. A copy of the Underground Injection Control Permit - issued for the injection well by the Environmental Protection Agency or New Mexico Oil Conservation Division where the State has achieved primacy.

Permit NM 010004

<p align="center">B J SERVICES PERMIAN REGION LAB, ODESSA (432) 530-2667 W A T E R A N A L Y S I S</p>				<p>PFS Water.05</p>
<p>OPERATOR: Nadel & Gussman WELL: Korczak Fed #1 FORMATION: FIELD: COUNTY: DEPTH: WATER TYPE:</p>		<p>ANALYSIS DATE: 05/24/05 QTR: 2 SAMPLE DATE: 05/24/05 DISTRICT: Hobbs REQUESTED BY: Gary Kretzscmer ANALYST: D Olson SOURCE: NUMBER: 229 PROJ HRS: 0.5</p>		

<p>REMARKS : Carbohydrates: 6 ppt :</p>

<p>Specific Gravity: 1.035 @: 72 F Resistivity: 0.15</p>		<p>pH: 6.79 H2S: NONE DETECTED</p>		
<p>Calculations Size Titrant : 2.0 : 4.0 : 2.0 : 1.7</p>	<p>CATIONS (+) Sodium (calc) Calcium Magnesium Barium Potassium Iron</p>	<p>MG/LITER : 17,854 : : 802 : : 207 : : : : 230 :</p>	<p>MEQ/LITER : 779.65 : : 40.02 : : 17.03 : : : : 8.24 :</p>	<p>PPM : 17,250 : 775 : 200 : : : 222.222</p>
<p>Calculations Size Titrant : 5.0 : 7.2 : 50.0 : 8.0 : 8.00</p>	<p>ANIONS (-) Chloride Sulfate Bicarbonate Carbonate Hydroxide</p>	<p>: 28,800 : : 794 : : 976 : : : :</p>	<p>: 812.41 : : 16.53 : : 16.00 : : : :</p>	<p>: 27,826 : 767 : 943 : : :</p>
<p>Total Dissolved Solids : 47,984 PPM</p>		<p>SCALING -> CaSO4 Scale: POSSIBLE</p>		
<p>Total Hardness as CaCO3: 2,759 PPM</p>		<p>TENDENCIES-> CaCO3 Scale: POSSIBLE</p>		

The alkalinity is reported as ppm HCO3-, CO3-- , & OH-- . ND* NOT DETERMINED

The above data is for informational purposes, and BJ Services Company makes no guarantees or warranties, either expressed or implied, with respect to the accuracy or use of these data and interpretations.