

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., 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-103  
June 19, 2008

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)</p>		<p>WELL API NO. 30-025-38954</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Nadel and Gussman Permian LLC</p>		<p>6. State Oil &amp; Gas Lease No.</p>
<p>3. Address of Operator 601 N. MARIENFELD MIDLAND TC. 79701</p>		<p>7. Lease Name or Unit Agreement Name Cebo State</p>
<p>4. Well Location Unit Letter <u>P</u> : <u>660</u> feet from the <u>SOUTH</u> line and <u>990</u> feet from the <u>NORTH</u> line Section <u>10</u> Township <u>16S</u> Range <u>33E</u> NMPM County <u>LEA</u></p>		<p>8. Well Number 1</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4202'</p>		<p>9. OGRID Number 155615</p>
		<p>10. Pool name or Wildcat WILDCAT</p>

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
 DOWNHOLE COMMINGLE ☐  
 OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
 COMMENCE DRILLING OPNS ☒ P AND A ☐  
 CASING/CEMENT JOB ☒  
 OTHER: ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

8/06/08 Spud well @ 6: 00 AM

8/08/08 TD 12-1/4" hole @ 1565' @ 7:30 am. Run 8-5/8" 32 #/ft csg to 1560' cmt w\ 164 bbls of 12.9 ppg lead and 46 bbls of 14.7 tail. Circulated 330 sxs. Plug down @ 19:30 hrs.

8/09/08 WOC a total of 25.5 hrs.

8/10/08 Start drilling out float equipment @ 0100 hrs.

RECEIVED

AUG 13 2008

HOBBS OCD

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 Kem McCready TITLE NM Drilling Engineer DATE 8/11/08

Type or print name Kem McCready E-mail address: kemm@naguss.com PHONE: 432-682-4429

For State Use Only

Chris Williams

OC DISTRICT SUPERVISOR/GENERAL MANAGER

AUG 18 2008