

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88201  
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

Form C-103  
June 19, 2008

**RECEIVED**  
CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505  
APR 06 2009  
**HOBBS**

|   |  |   |
|---|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(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.) |  | WELL API NO.<br>30-025-38954  |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>  |  | 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator<br>NADEL AND GUSSMAN PERMIAN LLC  |  | 6. State Oil & Gas Lease No.  |
| 3. Address of Operator<br>601 NORTH MARIENFELD STE 508, MIDLAND, TX 79701   |  | 7. Lease Name or Unit Agreement Name<br>CEBO STATE  |
| 4. Well Location<br>Unit Letter <u>P</u> : <u>660</u> feet from the <u>S</u> line and <u>990</u> feet from the <u>E</u> line<br>Section <u>10</u> Township <u>16S</u> Range <u>33E</u> NMPM County <u>LEA</u> |  | 8. Well Number <u>1</u>   |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>4201 GR   |  | 9. OGRID Number <u>155615</u>   |
|   |  | 10. Pool name or Wildcat<br>WEST HUME QUEEN&GRAYBURG  |

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: COMPLETION ☒

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.

10/02/08 PERFORATE GRAYBURG 4348'-4372' AND ACIDIZE W/1200 GALS OF 7.5% HCL.

10/09/08 FRAC THE GRAYBURG W 1754 BBLS OF 30#LB GEL, 44,330 LBS 16/30, 9886 LBS 14/30 LITEPROP 125 AND 27,047 LBS SIBERPROP

10/16/08 RUN PRODUCTION EQUIP AND PUT GRAYBURG ON TEST

11/26/08 PULL PRODUCTION EQUIP SET CIBP@ 4200' PERFORATE THE QUEEN @ 3900' TO 3926'.

11/27/08 ACIDIZE THE QUEEN W/ 3000 GALS FO 7.5% HCL

12/05/08 FRAC THE QUEEN W 1722 BBLS OF 30# GEL, 8000# LITEPROP, 43,780 LBS 16/30 SAND AND 20,120# SIBERPROP 16/30

12/12/08 RUN PRODUCTION EQUIPMENT AND PUT ON TEST

01/07/09 SI WELL

2/19/09 PULLED PROD EQUIPMENT AND PUMPED 7000 GALS OF 15% HCL W 10% ACETIC TO BREAK EMULSION

2/25/09 DRILLED OUT CIBP AND PUT BOTH ZONES ON TOGETHER

NADEL AND GUSSMAN WILL USE ALLOCATION PERCENTAGES AS FOLLOWS TOTAL TEST O/G/W 2/1/7

GRAYBURG 100%

QUEEN

2 BO 1 MCF

0 BO 0 MCF

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 E. McCready TITLE NM OPERATIONS MGR DATE 03/20/09

Type or print name KEM E McCREADY E-mail address: KEMM@NAGUSS.COM PHONE: 432-682-4429

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE May 14 2009

Conditions of Approval (if any):

# NADEL AND GUSSMAN PERMIAN

## Cebo State No. 1

660' FSL, 990' FEL Sec 10 T 16S R 33E, Lea County, NM

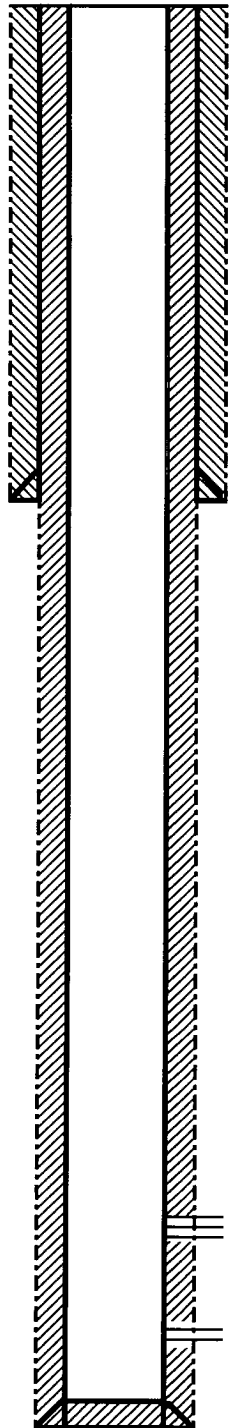
API # 30 - 025 -38954-00

Elev: 4201', KB: 4217'

Current

8-5/8", 24#, J-55 STC @ 1565'  
1074 sx, cement circulated  
12-1/4" hole

4-1/2", 10.50#, J-55 LTC @ 0-4570'  
cmt w \1776 sxs Light Crete & PVL



Est PBD @ 4724'

TD @ 4805'

### TUBING

133 jts of 2-3/8" tbg

TAC

3 jts 2-3/8" tbg

6' sub

SN @ 4419'

4' slotted sub

8' sub

BPMA @ 4466' EOT

Rods run on 2/24-25/09

1-1/4" pump 16'

109 3/4" rods

60 7/8" rods

2-2' ponies

1-4' pony

PR and liner

Queen Perfs

3900'-3926'

4 spf 104 holes

Grayburg perfs

4348' - 4372'

6 spf 144 holes