

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CCD-HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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.

5. Lease Serial No.
NMNM063530

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

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

7. If Unit of 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 WOLFCAMP EAST

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980 FSL, 1980 FWL, S14-T19S-R32E NMPM

11. Country or Parish, State
LEA, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily 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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

RECOMPLETE FROM THE MORROW TO THE WOLFCAMP

SET CIBP AT 13,000' AND CAP WITH 35' OF CMT. EXISTING PERFS @ 13,070-13,185' OA.

PRESSURE TEST CSG AND CIBP TO 500 PSI

PERFORATE THE WOLFCAMP @ 10,768-11,052' OA ACDIZIE AND TEST. IF NECESSARY THE WOLFCAMP WILL BE SAND FRACED.

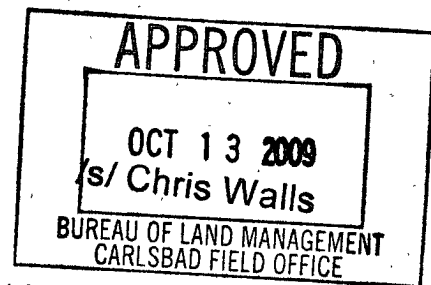
ABOVE PORTABLE GROUND STEEL FLOWBACK TANKS WILL BE USED FOR THIS WORK.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

OCT 19 2009

HOBBSOCD



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 09/21/2009

K2

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

Title

Date

OCT 28 2009

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.

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)

Korczak Federal #1
1980' FSL, 1980' FWL Sec 14, 19S, 32E, Lea County, NM
API # 30 - 025 - 37060-0

Elev: 3630', KB: 19' AGI

Proposed rev 9/21/09

13-3/8", 54.5#, H-40 @ 409'
 360 sx, cement circulated 50 sxs
 17-1/2" hole

5-1/2" TOC @ 2390 CBL 4/06/05

9-5/8", 40#, N-80 @ 4981'
 2400 sxs, cement; circ 180 sxs

12-1/4" hole

DV TOOL @ 10,975'

5-1/2", 17 & 20#, P-110 LTC @ 0-13,640'
 17# 0 - 11,628'
 20# 11,628' - 13,640'
 1st stg 579 sxs; cir cmt off DV tool
 2nd stage 1645 sxs
 7-7/8" hole

PBTD @ 13,345'
TD @ 13,640'

Tubing Details

Proposed Wolfcamp Perfs
 10,768-10,770 6 spf 12 holes
 11,050-11,052 6 spf 12 holes

CIBP @ 13,000' capped w\ 35' cmt
 13,070' - 13,090' 120 holes

13,169' - 13,185' 6 spf 96 holes

FIH 83.3' of dropped TCP guns
 1.19' mech fh, 78' of gun assembly, .77' BP
 3.73' propellant
 EST TOF @ 13,283

CIBP @ 13,355' capped w\ 10' cmt
 13,360'-368'; 6 spf 48 holes
 13,388' - 392'; 6 spf 24 holes
 13,402' - 410' 6 spf 48 holes
 total 120 holes

**Korczak Fed #1
30-025-37060
Nadel and Gussman Permian LLC
October 6, 2009
Conditions of Approval**

- 1. Operator will be required to address the additional plug across the top of the Morrow formation at final abandonment.**
- 2. Surface disturbance beyond the existing pad must have prior approval.**
- 3. Closed loop system required.**
- 4. Need class H cement on CIBP at 13,000'.**
- 5. Operator to have H2S monitoring equipment on location, as H2S has been reported from wells in the area.**
- 6. A minimum of a 3M BOP is required and must be tested prior to setting CIBP over Morrow perforations.**
- 7. Contact BLM 575-393-3612 a minimum of 24 hours prior to setting CIBP.**
- 8. Subsequent sundry and completion report required.**

CRW 100609