

SOCD-HOBBS
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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
NMNM36915

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

<p>1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other</p> <p>2. Name of Operator NADEL AND GUSSMAN PERMIAN LLC</p> <p>3a. Address 601 NORTH MARIENFELD, SUITE 508 MIDLAND, TX 79701</p> <p>3b. Phone No. (include area code) 432-682-4429</p> <p>4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980 FSL, 1980 FWL UL K, SEC 15, T19S R33E</p>	<p>7. If Unit of CA/Agreement, Name and/or No.</p> <p>8. Well Name and No LOWELL FED #1</p> <p>9. API Well No. 30-025-31008</p> <p>10. Field and Pool or Exploratory Area TONTO BONE SPRING</p> <p>11. Country or Parish, State LEA, NM</p>
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12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 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 checked="" 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 recomplate 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.)

1. Formation producing water: Bone Spring and Delaware
2. Daily volume: 3 bwpd
3. Water Analysis attached
4. How is water stored on lease: 1 500 bbl tank
5. How is water moved to the disposal facility: Trucked
6. Identity of Disposal facility
 Operator - Kenemore Welding and Oilfield Service, Inc.
 Well Name - New Mexico A #2
 Well Type - SWD #2
 Location - UL O 661' FSL 1983' FEL Sec 25 T 25S R 33E Lea County NM
 Permit 1088

RECEIVED
DEC 21 2009
HOBBSOCD

APPROVED

DEC 16 2009
/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

<p>14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Kem E McCready</p>	<p>Title NM Operations Manager</p>
<p>Signature <i>Kem E. McCready</i></p>	<p>Date 11/20/2009</p>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

<p>Approved by</p>	<p style="text-align: center;">PETROLEUM ENGINEER</p> <p>Title</p>	<p style="text-align: center;">DEC 21 2009</p> <p>Date</p>
<p>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.</p>	<p>Office <i>Kz</i></p>	

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

Endura Products Corporation

P.O. Box 3394, Midland, Texas 79702
 Phone (432) 684-4233 Fax (432) 684-4277

WATER ANALYSIS

Date	11/19/2009	Endura Rep Norman Smiley	Code	10115346
Sampling Point/Date	well head	11/19/2009	State	New Mexico
Company	Nadel and Gussman Permian, LLC		County	Lea
Formation	Lease Lowell Federal		Well #1	

DISSOLVED SOLIDS

CATIONS

	mg/l	me/l
Sodium, Na+ (Calc.)	59,984	2,608
Total Hardness as Ca++	3,960	0
Calcium Ca++	3,440	172
Magnesium, Mg+	317	26
Barium, Ba++	0	0
Iron (Total) Fe+++*	8	0

ANIONS

Chlorides, Cl-	99,050	2,790
Sulfate, SO4-	775	16
Carbonate, CO3-	0	0
Bicarbonates, HCO3-	24	0
Sulfide, S-*	0	0
Total Dissolved Solid	163,598	

OTHER PROPERTIES

pH*	6.150
Specific Gravity, 60/60 F.	1.101
Turbidity	250

SCALING INDICIES

<u>TEMP. F</u>	<u>CA CO3</u>	<u>CASO4*2H2O</u>	<u>CA SO4</u>	<u>BA SO4</u>
80	-1.3962	-0.6096	-0.8524	-29.2893
120	-1.0303	-0.6190	-0.6813	-29.4897
160	-0.4654	-0.6355	-0.5252	-29.7190

PERFORATIONS