

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCDD-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
NMNM36915

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 NORTH 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 UL K, SEC 15, T19S R33E

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

8. Well Name and No
LOWELL FED #1

9. API Well No.
30-025-31008

10. Field and Pool or Exploratory Area
TONTON BONE SPRING

11. Country or Parish, State
LEA, NM

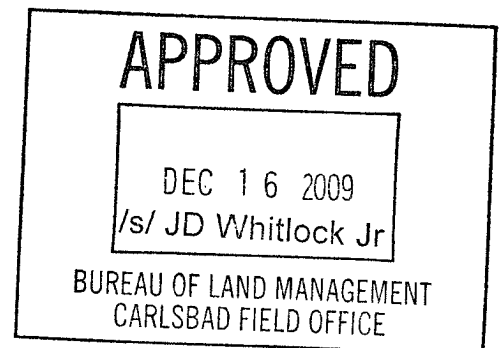
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 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 must 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 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



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

Title NM Operations Manager

Signature

Kem E. McCready

Date 11/20/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

Title

Date

DEC 21 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

Kz

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)

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
Sampling Point/Date well head 11/19/2009
Company Nadel and Gussman Permian, LLC
Formation Lease Lowell Federal

Code 10115346
State New Mexico
County Lea
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