

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Conservation Division
11 S. 1st Street
Artesia, NM 88202-2834

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

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.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-32409
2. Name of Operator Nadel and Gussman Permian, L.L.C.		6. If Indian, Allottee or Tribe Name
3a. Address 601 N. Marienfeld, Suite 508, Midland, TX 79701	3b. Phone No. (include area code) 915/682-4429	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FNL, 330' FWL 28-15S-30E		8. Well Name and No. Sam Federal #1
		9. API Well No. 30-005-00512
		10. Field and Pool, or Exploratory Area
		11. County or Parish, State Chaves

12. CHECK 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 checked="" 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 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Found oil/water in cellar. RU roustabout crew 6/24/98. Found 225 psig on 4-1/2" x 8-5/8" annulus. Bled to 0 psig. Had oil followed by water flow. No pressure/flow on other annuli. Notified BLM and NM OCD of situation and requested approval to perform bradenhead squeeze to shut-off flow. Bradenhead squeeze approved by Mr. Stan Mayo of BLM. Hobbs OCD office stated that as the well is on Federal lands, they would defer to the BLM.

RU WSU & POH w/rods & tubing on 6/25/98.

On 6/27/98, pump 100 sx Class C neat @ 2 BPM, 450 psig, max pressure of 900 psig, displace w/120 bbl fw. Pump 50 sx Class C w/2% CaCl₂, 2 BPM, 720 psig. Pump 100 sx Class C w/2% CaCl₂ @ 2.5 BPM, 900 psig max pressure. Left cement @ top of casing. Water/oil flow, shut off.

ACCEPTED FOR RECORD

JUL 16 1998

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Joel F. Martin	Title Engineering Manager
Signature <i>Joel F. Martin</i>	Date 7/7/98

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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, makes 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.

RIH w/tubing and attempt to run rods/pump. Paraffin in tubing. Could not get to bottom w/pump. Attempted to cut paraffin for several days.

7/2/98 received verbal approval from Mr. Pete Chester of BLM to transfer oil from Peery Fed lease, tank #14492, and attempt to hot oil tubing. Transferred 40 bbls oil and used 8 bbls in attempting to hot oil Sam Fed. Transferred 32 bbls back to Peery Fed lease. Note that a Sundry Notice on the oil transfer will be written on the Peery Fed lease. Hot oil job unsuccessful.

7/3/98 POH w/tubing and steam clean. RIH w/8588' of 2-3/8" tubing, 1-1/4" x 24' pump, rods, and return well to production.

xc: Hobbs OCD