

District II
1301 West Grand, Artesia, NM 88210

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-1084M
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Nadel and Gussman Permian 601 N. Marienfeld, Suite 508, Midland, Texas 79701		² OGRID Number 155615
³ Property Code VA-1935 30800		⁴ API Number 30-015-32529
⁵ Property Name Palo Duro State		⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	35	23-S	27-E		1980'	South	660'	East	Eddy

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
⁹ Proposed Pool 1 Undes. Black River (Atoka/ Morrow) 72170					¹⁰ Proposed Pool 2 Black River (Delaware) 6270				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3142'
¹⁶ Multiple No	¹⁷ Proposed Depth 12,900	¹⁸ Formation Morrow	¹⁹ Contractor NA	²⁰ Spud Date ~02/01/03

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	48#, H-40	500'	650	Circulated
12-1/4"	9-5/8"	36#, J-55	6000'	2100	Circulated
8-3/4"	7"	26#, P-110	11,000'	950	5800'
6-1/8"	4-1/2"	11.6 P-110	12,900-10,800	200	10,800

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill and complete well in Morrow at a projected TD of 12,900'. A BOP schematic is attached and a 5000 psi tree will be nipped up prior to perforating. A DV tool may be used if zones above the Morrow are prospective. The Morrow will be completed with thru-tubing or tubing conveyed guns. Will notify NMOCD in sufficient time to witness cementing the surface and intermediate casing.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Kem E. McCready</i> Printed name: Kem E.. McCready Title: Operations Engineer Date: <i>November 7, 2002</i>		OIL CONSERVATION DIVISION Approved by: ORIGINAL SIGNED BY TIM W. GUM DISTRICT II SUPERVISOR Title: Approval Date: NOV 13 2002 Expiration Date: NOV 13 2003 Conditions of Approval: Attached <input type="checkbox"/>	
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