PHOENIX
TECHNOLOGY SERVICES

30-025-41927

September 25, 2014

HOBBS OCD
SEP 29 2014
RECEIVED

Oil Conservation Division
State of New Mexico
1625 N. French Drive
District 1 - Hobbs
Hobbs, New Mexico 88240

Attention: Regulatory Department

Re: Nadel & Gussman Permian, L.L.C.
Sun McKay Federal 3H
Lea County, NM
API #30-025-41927
Job No. 1411270

Enclosed please find the Survey Data Certification, and the original Plat and one copy of the Survey Report performed on the above referenced well by Phoenix Technology Services, Inc. (P-5 No. 664171). Other information required by your office is as follows:

Name & Title of Surveyor	Drain Hole Number	Surveyed Depths		Dates Performed		Type of Survey
		From	To	Start	End	
Jeff Thomas	3H	8,610	13,831	07/29/14	08/09/14	MWD

A certified plat on which the bottom hole location is oriented both to the surface location and to the lease lines (or unit lines in case of pooling) is attached to the survey report. If any other information is required, please contact the undersigned at the letterhead address and phone number.

Best Regards,

Dana Robinson

Dana Robinson
Operations Administrator

Certified mail receipt number: 7011 1570 0001 4365 2414

12329 Cutten Rd. Houston, TX 77066 • Phone (713) 337-0600 • Fax (713) 337-0599
www.phxtech.com

JAN 13 2016

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SEP 9 2014

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PHOENIX TECHNOLOGY SERVICES
SURVEY DATA CERTIFICATION

PHOENIX TECHNOLOGY SERVICES

PHOENIX JOB NUMBER 1411270 OPERATOR Nadel and Gussman Permian

WELL NAME Sun McKay Federal 3H COUNTY & STATE Lea County, NM

API WELL NUMBER	30-025-41927

PROPOSED DIRECTION	179.6

TIE-IN DATA

MEASURED DEPTH	VERTICAL DEPTH	INCLIN	AZIMUTH	N-S COORD	E-W COORD	DATA SOURCE
8,530 ft	8,528.78 ft	0.98	100.89	23.25	70.13	MS Survey

FIRST SURVEY DATE	FIRST SURVEY DEPTH	INCLIN	AZIMUTH
29-Jul-23	8,610 ft	1.1	96.9

SURVEY INSTRUMENT TYPE
PHOENIX MWD

LAST SURVEY DATE	LAST SURVEY DEPTH	INCLIN	AZIMUTH
9-Aug-14	13,831 ft	89.7	173.5

TO THE BEST OF MY KNOWLEDGE I CERTIFY THIS SURVEY DATA TO BE TRUE AND CORRECT.

PROJECTED TD SURVEY DATE	PROJECTED TD SURVEY DEPTH	INCLIN	AZIMUTH
9-Aug-14	13,885 ft	89.7	173.5

Jeff Thomas

PRINT YOUR NAME ABOVE

Jeff Thomas

SIGN YOUR NAME ABOVE

MAGNETIC DECLINATION OR TOTAL GRID

TOTAL CORRECTION USED	7.01
DECLINATION OR GRID	Grid

8/10/2014

TODAY'S DATE

MWD SUPERVISOR 1 Jeff Thomas DIRECTIONAL DRILLER 1 George Woodgate

MWD SUPERVISOR 2 Shawn Ramnarine DIRECTIONAL DRILLER 2 Zach Johnson

1805 Brittmore Road Houston, Texas 77043 (713)3370609 (Voice), (713)337-0599 (Fax)

PHOENIX
TECHNOLOGY SERVICES

Nadel and Gussman Permian, LLC

Lea County, New Mexico (NAD 83)
Sun McKay Federal
3H

Wellbore #1 Job #1411270

Survey: Phoenix MWD Surveys

Standard Survey Report

10 August, 2014

PHOENIX TECHNOLOGY SERVICES

Phoenix Technology Services

Survey Report

Company:	Nadel and Gussman Permian, LLC	**Local Co-ordinate Reference:**	Well 3H
Project:	Lea County, New Mexico (NAD 83)	**TVD Reference:**	WELL @ 3690.50usft (Patriot 5)
Site:	Sun McKay Federal	**MD Reference:**	WELL @ 3690.50usft (Patriot 5)
Well:	3H	**North Reference:**	Grid
Wellbore:	Wellbore #1 Job #1411270	**Survey Calculation Method:**	Minimum Curvature
Design:	Surveys (Patriot 5)	**Database:**	Compass 5000 GCR DB

Project	Lea County, New Mexico (NAD 83)		
Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Sun McKay Federal				
Site Position:		**Northing:**	612,060.76 usft	**Latitude:**	32° 40' 52.57958 N
From:	Map	**Easting:**	718,890.08 usft	**Longitude:**	103° 45' 22.52651 W
Position Uncertainty:	0.00 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	0.31 °

Well	3H					
Well Position	**+N/-S**	0.00 usft	**Northing:**	612,060.76 usft	**Latitude:**	32° 40' 52.57958 N
	+E/-W	0.00 usft	**Easting:**	718,890.08 usft	**Longitude:**	103° 45' 22.52651 W
Position Uncertainty		0.00 usft	**Wellhead Elevation:**	0.00 usft	**Ground Level:**	3,667.00 usft

Wellbore	Wellbore #1 Job #1411270			
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF2010_14	07/14/14	7.33	60.50	48,561

Design	Surveys (Patriot 5)				
Audit Notes:					
Version:	1.0	**Phase:**	ACTUAL	**Tie On Depth:**	0.00

Vertical Section:	**Depth From (TVD) (usft)**	**+N/-S (usft)**	**+E/-W (usft)**	**Direction (°)**
	0.00	0.00	0.00	179.60

Survey Program **Date** 08/10/14

From (usft)	To (usft)	Survey (Wellbore)	Tool Name	Description
100.00	8,530.00	Scientific Gyro Survey (Wellbore #1 Job #	PHX+MWD+IGRF	PHX+MWD+IGRF v3:standard declination
8,610.00	13,885.00	Phoenix MWD Surveys (Wellbore #1 Job #	PHX+MWD+IGRF	PHX+MWD+IGRF v3:standard declination

Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
8,530.00	0.98	100.89	8,528.78	23.25	70.13	-22.76	0.00	0.00	0.00
Tie-in to Scientific Gyro									
8,610.00	1.10	96.90	8,608.77	23.03	71.56	-22.53	0.18	0.15	-4.99
First Phoenix MWD Survey									
8,705.00	1.30	104.40	8,703.75	22.66	73.51	-22.14	0.27	0.21	7.89
8,800.00	1.30	109.00	8,798.73	22.04	75.58	-21.51	0.11	0.00	4.84
8,832.00	1.40	68.50	8,830.72	22.06	76.28	-21.53	2.93	0.31	-126.56
8,864.00	3.30	11.21	8,862.69	23.11	76.83	-22.57	8.76	5.94	-179.03
8,895.00	5.20	26.80	8,893.61	25.24	77.63	-24.70	7.12	6.13	50.29

PHOENIX TECHNOLOGY SERVICES

Phoenix Technology Services

Survey Report

Company:	Nadel and Gussman Permian, LLC	**Local Co-ordinate Reference:**	Well 3H
Project:	Lea County, New Mexico (NAD 83)	**TVD Reference:**	WELL @ 3690.50usft (Patriot 5)
Site:	Sun McKay Federal	**MD Reference:**	WELL @ 3690.50usft (Patriot 5)
Well:	3H	**North Reference:**	Grid
Wellbore:	Wellbore #1 Job #1411270	**Survey Calculation Method:**	Minimum Curvature
Design:	Surveys (Patriot 5)	**Database:**	Compass 5000 GCR DB

Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
8,927.00	6.50	45.30	8,925.44	27.81	79.57	-27.25	7.11	4.06	57.81
8,959.00	5.90	83.70	8,957.27	29.26	82.50	-28.69	12.84	-1.88	120.00
8,991.00	4.00	120.90	8,989.16	28.87	85.09	-28.27	11.35	-5.94	116.25
9,022.00	3.60	202.90	9,020.11	27.42	85.64	-26.82	16.11	-1.29	264.52
9,054.00	7.40	203.90	9,051.95	24.61	84.41	-24.02	11.88	11.88	3.13
9,086.00	10.90	193.50	9,083.54	19.78	82.87	-19.20	12.05	10.94	-32.50
9,118.00	16.10	181.10	9,114.66	12.39	82.08	-11.82	18.51	16.25	-38.75
9,149.00	21.90	176.60	9,143.96	2.32	82.34	-1.74	19.28	18.71	-14.52
9,181.00	27.80	175.20	9,172.98	-11.09	83.32	11.67	18.53	18.44	-4.38
9,213.00	33.20	174.10	9,200.54	-27.25	84.85	27.84	16.96	16.88	-3.44
9,244.00	36.70	173.60	9,225.95	-44.91	86.75	45.51	11.33	11.29	-1.61
9,276.00	39.00	173.80	9,251.21	-64.42	88.91	65.04	7.20	7.19	0.63
9,308.00	42.50	174.10	9,275.45	-85.19	91.10	85.82	10.95	10.94	0.94
9,339.00	47.30	175.90	9,297.40	-106.98	93.00	107.63	16.02	15.48	5.81
9,371.00	52.10	177.80	9,318.10	-131.34	94.32	132.00	15.67	15.00	5.94
9,403.00	57.50	178.60	9,336.54	-157.47	95.14	158.13	17.00	16.88	2.50
9,435.00	61.40	179.40	9,352.80	-185.02	95.61	185.68	12.38	12.19	2.50
9,466.00	64.20	180.20	9,366.97	-212.58	95.71	213.25	9.32	9.03	2.58
9,498.00	67.70	180.90	9,380.01	-241.80	95.43	242.46	11.12	10.94	2.19
9,530.00	71.00	180.50	9,391.29	-271.74	95.06	272.40	10.38	10.31	-1.25
9,561.00	75.80	179.50	9,400.14	-301.44	95.06	302.09	15.79	15.48	-3.23
9,608.00	80.70	178.20	9,409.71	-347.43	95.99	348.09	10.77	10.43	-2.77
9,703.00	89.40	177.10	9,417.90	-441.90	99.88	442.59	9.23	9.16	-1.16
9,798.00	89.90	176.90	9,418.48	-536.77	104.85	537.49	0.57	0.53	-0.21
9,893.00	86.80	177.80	9,421.22	-631.62	109.24	632.36	3.40	-3.26	0.95
9,989.00	88.30	177.50	9,425.32	-727.44	113.17	728.22	1.59	1.56	-0.31
10,084.00	88.80	176.60	9,427.73	-822.29	118.06	823.09	1.08	0.53	-0.95
10,179.00	89.00	176.10	9,429.55	-917.08	124.10	917.92	0.57	0.21	-0.53
10,274.00	89.30	178.80	9,430.96	-1,011.96	128.33	1,012.83	2.86	0.32	2.84
10,369.00	88.80	181.10	9,432.53	-1,106.94	128.41	1,107.81	2.48	-0.53	2.42
10,464.00	89.20	180.90	9,434.19	-1,201.91	126.76	1,202.77	0.47	0.42	-0.21
10,559.00	89.90	180.00	9,434.94	-1,296.91	126.01	1,297.75	1.20	0.74	-0.95
10,654.00	90.50	179.50	9,434.61	-1,391.90	126.42	1,392.75	0.82	0.63	-0.53
10,749.00	91.30	179.40	9,433.11	-1,486.89	127.34	1,487.74	0.85	0.84	-0.11
10,844.00	89.30	181.00	9,432.62	-1,581.88	127.00	1,582.73	2.70	-2.11	1.68
10,939.00	89.60	180.90	9,433.53	-1,676.86	125.43	1,677.69	0.33	0.32	-0.11
11,034.00	89.80	182.30	9,434.03	-1,771.82	122.78	1,772.63	1.49	0.21	1.47
11,129.00	88.30	183.40	9,435.60	-1,866.68	118.05	1,867.46	1.96	-1.58	1.16
11,224.00	87.10	183.70	9,439.41	-1,961.42	112.18	1,962.16	1.30	-1.26	0.32
11,319.00	86.70	183.50	9,444.55	-2,056.10	106.22	2,056.79	0.47	-0.42	-0.21
11,414.00	86.80	183.00	9,449.94	-2,150.79	100.84	2,151.44	0.54	0.11	-0.53
11,509.00	86.80	182.10	9,455.24	-2,245.55	96.62	2,246.17	0.95	0.00	-0.95
11,604.00	88.30	182.80	9,459.30	-2,340.37	92.57	2,340.96	1.74	1.58	0.74

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Design:	Surveys (Patriot 5)	**Database:**	Compass 5000 GCR DB

Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
11,699.00	88.80	183.40	9,461.71	-2,435.20	87.43	2,435.75	0.82	0.53	0.63
11,794.00	90.10	185.20	9,462.62	-2,529.92	80.31	2,530.42	2.34	1.37	1.89
11,889.00	89.70	184.60	9,462.78	-2,624.58	72.19	2,625.02	0.76	-0.42	-0.63
11,984.00	89.50	184.50	9,463.45	-2,719.27	64.66	2,719.66	0.24	-0.21	-0.11
12,079.00	89.40	184.30	9,464.36	-2,813.99	57.37	2,814.32	0.24	-0.11	-0.21
12,175.00	89.40	184.80	9,465.36	-2,909.68	49.75	2,909.96	0.52	0.00	0.52
12,270.00	89.30	184.50	9,466.44	-3,004.36	42.05	3,004.58	0.33	-0.11	-0.32
12,365.00	88.10	183.50	9,468.60	-3,099.10	35.43	3,099.28	1.64	-1.26	-1.05
12,460.00	87.70	183.60	9,472.08	-3,193.86	29.55	3,193.99	0.43	-0.42	0.11
12,556.00	87.40	183.10	9,476.18	-3,289.61	23.94	3,289.69	0.61	-0.31	-0.52
12,651.00	87.70	182.30	9,480.24	-3,384.41	19.47	3,384.47	0.90	0.32	-0.84
12,746.00	87.40	181.40	9,484.30	-3,479.28	16.41	3,479.31	1.00	-0.32	-0.95
12,841.00	87.00	179.80	9,488.94	-3,574.15	15.42	3,574.17	1.73	-0.42	-1.68
12,936.00	87.90	178.10	9,493.17	-3,669.04	17.16	3,669.07	2.02	0.95	-1.79
13,032.00	88.50	177.10	9,496.19	-3,764.91	21.17	3,764.96	1.21	0.63	-1.04
13,127.00	87.70	177.30	9,499.34	-3,859.74	25.81	3,859.83	0.87	-0.84	0.21
13,222.00	87.80	176.20	9,503.07	-3,954.51	31.19	3,954.63	1.16	0.11	-1.16
13,317.00	89.60	175.20	9,505.22	-4,049.22	38.31	4,049.38	2.17	1.89	-1.05
13,412.00	89.50	175.00	9,505.97	-4,143.86	46.43	4,144.09	0.24	-0.11	-0.21
13,508.00	89.70	174.30	9,506.64	-4,239.44	55.38	4,239.73	0.76	0.21	-0.73
13,603.00	89.80	174.40	9,507.05	-4,333.98	64.73	4,334.33	0.15	0.11	0.11
13,698.00	90.00	173.60	9,507.22	-4,428.46	74.66	4,428.87	0.87	0.21	-0.84
13,793.00	89.60	173.70	9,507.55	-4,522.88	85.17	4,523.36	0.43	-0.42	0.11
13,831.00	89.70	173.50	9,507.78	-4,560.64	89.41	4,561.15	0.59	0.26	-0.53
Final Phoenix MWD Survey									
13,885.00	89.70	173.50	9,508.07	-4,614.29	95.52	4,614.85	0.00	0.00	0.00
Projection to TD									

Survey Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
8,530.00	8,528.78	23.25	70.13	Tie-in to Scientific Gyro
8,610.00	8,608.77	23.03	71.56	First Phoenix MWD Survey
13,831.00	9,507.78	-4,560.64	89.41	Final Phoenix MWD Survey
13,885.00	9,508.07	-4,614.29	95.52	Projection to TD

Checked By: _____ Approved By: _____ Date: _____