

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 172930

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

1. Operator Name and Address NADEL AND GUSSMAN PERMIAN, LLC 601 N MARIENFELD MIDLAND, TX 79701		2. OGRID Number 155615
4. Property Code 38621		3. API Number 30-005-29208
5. Property Name SOUTH TOBAC STATE UNIT		6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	29	08S	33E	A	350	N	1292	E	Chaves

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	29	08S	33E	A	350	N	1292	E	Chaves

9. Pool Information

CHAVEROO SAN ANDRES (CHAVES) **	12049
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 4396
16. Multiple N	17. Proposed Depth 4800	18. Formation San Andres	19. Contractor	20. Spud Date 11/10/2013
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	1855	1100	0
Prod	7.875	5.5	17	4800	800	0

Casing/Cement Program: Additional Comments

drill uninterrupted to top of Rustler with fresh water.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	1500	1500	cameron
Double Ram	3000	3000	cameron

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Scott Germann Title: General Manager Email Address: sgerman@naguss.com Date: 10/4/2013	Approved By: Paul Kautz Title: Geologist Approved Date: 10/22/2013 Conditions of Approval Attached
Phone: 432-682-4429	Expiration Date: 10/22/2015

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name <i>Chavaroo; San Andres</i>
Property Code	Property Name SOUTH TOBAC STATE UNIT	Well Number 2
GRID No. <i>155615</i>	Operator Name NADEL AND GUSSMAN PERMIAN LLC.	Elevation 4396'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	29	8-S	33-E		350	NORTH	1292	EAST	CHAVES

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
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=945665.4 N X=728273.4 E</p> <p>LAT.=32.597325' N LONG.=103.583677' W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 9/6/13 Signature Date Jason Goss Printed Name JGoss@NAGUSS.COM E-mail Address</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>AUGUST 7, 2013 Date of Survey Signature & Seal of Professional Surveyor: <i>[Signature]</i> Certificate Number 12641 Ronald J. Eidson 3239</p>
	<p>ACK</p> <p>JWSC WO 13 11 0907</p>

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Form APD Comments

Permit 172930

PERMIT COMMENTS

Operator Name and Address: NADEL AND GUSSMAN PERMIAN, LLC [155615] 601 N MARIENFELD MIDLAND , TX 79701		API Number: 30-005-29208
		Well: SOUTH TOBAC STATE UNIT #002

Created By	Comment	Comment Date
pkautz	Land s/S	10/4/2013
DMULL	Holding this APD because Nadel & Gussman is out of compliance with the Inactive Well list. Sending letter to Santa Fe.	10/11/2013

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Form APD Conditions

Permit 172930

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: NADEL AND GUSSMAN PERMIAN, LLC [155615] 601 N MARIENFELD MIDLAND , TX 79701	API Number: 30-005-29208
	Well: SOUTH TOBAC STATE UNIT #002

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Will require administrative order for non-standard location
DMULL	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines