



Ray Powell, M.S., D.V.M.  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

April 17, 2013

Nadel and Gussman Permian, LLC  
601 N. Marienfeld, Suite 508  
Midland, Texas 79701

Attn: Mr. Joel Martin

Re: South Tobac State Exploratory Unit  
Drilling Extension to November 30, 2013  
Chaves County, New Mexico

Dear Mr. Martin:

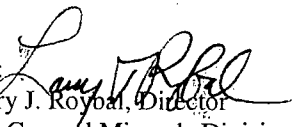
We are in receipt of your letter of April 12, 2013 wherein you have requested an extension to November 30, 2013 in which to spud the South Tobac State Unit Well No. 2.

The Commissioner of Public Lands has this date approved your request and hereby grants you a drilling extension to November 30, 2013. Please be advised that this is the second and final drilling extension to be granted. Pursuant to Article 8 of the South Tobac State Exploratory Unit Agreement, Nadel and Gussman Permian, LLC should commence drilling operations on the South Tobac State Exploratory Unit Well No. 2 on or before November 30, 2013 or terminate the Unit Agreement.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
Larry J. Roybal, Director  
Oil, Gas and Minerals Division  
(505) 827-5744  
RP/LR/pm  
cc: Reader File,  
OCD-Attention: Mr. Ed Martin

RECEIVED OCD  
2013 APR 19 P 2:23



RECEIVED OCD

Ray Powell, M.S., D.V.M.  
COMMISSIONER

State of New Mexico 2011 JUN -8  
Commissioner of Public Lands

310 OLD SANTA FE TRAIL

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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE  
Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

June 3, 2011

Nadel and Gussman Permian, L.L.C.  
601 N. Marienfeld, Suite 508  
Midland, Texas 79701

Attention: Mr. Emerald Johnson

Re: Final Approval  
South Tobac State Unit Agreement  
Lea County, New Mexico

Dear Mr. Johnson:

This office is in receipt of your letter of June 2, 2011, wherein you have requested final approval to the South Tobac State Unit Agreement, Lea County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the South Tobac State Unit Agreement, Lea County, New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division. It is our understanding that all tracts are committed to the unit at this time.

Enclosed are (5) Certificates of Approval.


Your \$90.00 filing fee has been received.

Please submit continuous daily drilling reports to this office until the initial well is completed.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
LARRY J. ROXYBAL, Director  
Oil, Gas and Minerals Division  
RP/LR/pm

pc: Reader File,  
NMOCD - Attn: Mr. Ed Martin  
TRD - Valdean Severson  
RMD - Kurt McFall



Ray Powell, M.S., D.V.M.  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
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SANTA FE, NEW MEXICO 87504-1148

RECEIVED OCD

2011 MAR 28 11:35 AM  
COMMISSIONER'S OFFICE

Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

March 25, 2011

Principal Properties  
4425 South Mopac, Building 11, Suite 103  
Austin, Texas 78735

Attention: Mr. Doug Laufer

Re: Amended Preliminary Approval Letter  
South Tobac State Unit Agreement  
Lea County, New Mexico

Dear Mr. Laufer:

This office has received the revised draft of the unit agreement dated March 23, 2011 which you have submitted on behalf of Nadel and Gussman Permian, LLC for the proposed South Tobac State Unit area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases, until final approval and an effective date have been given.

When submitting your agreement for final approval, please submit the following:

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 19.2.100.51, applications for approval shall contain a statement of facts showing:
  - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
  - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
  - c. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
  - d. That such unit agreement is in other respects for the best interest of the trust.
3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.

Principal Properties  
March 25, 2011  
Page 2


4. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.
5. Please submit two copies of the Unit Agreement.
6. A copy of the Unit Operating Agreement (if applicable).
7. Copies of all the well records for the initial unit well.
8. On Exhibit "B" please correct the tract land descriptions per the attached copy.
9. Please provide the bottom hole and surface hole location for the initial well.

The filing fee for a unit agreement is \$30.00 for every section or partial section thereof. Please submit a \$90.00 filing fee.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
LARRY J. ROYBAL, Deputy Director  
Oil, Gas and Minerals Division  
RP/LR/pm  
pc: Reader File,  
NMOCD – Attn: Mr. Ed Martin



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RECEIVED OCD

2011 MAR 28  
COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

March 18, 2011

Principal Properties  
4425 South Mopac, Building 11, Suite 103  
Austin, Texas 78735

Attention: Mr. Doug Laufer

Re: Preliminary Approval  
South Tobac State Unit Agreement  
Lea County, New Mexico

Dear Mr. Laufer:

This office has received the unexecuted copy of the unit agreement which you have submitted on behalf of Nadel and Gussman Permian, LLC for the proposed South Tobac State Unit area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases, until final approval and an effective date have been given.

When submitting your agreement for final approval, please submit the following:

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 19.2.100.51, applications for approval shall contain a statement of facts showing:
  - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
  - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
  - c. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
  - d. That such unit agreement is in other respects for the best interest of the trust.
3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.

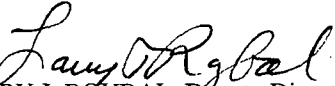
4. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.
5. Please submit two copies of the Unit Agreement.
6. A copy of the Unit Operating Agreement (if applicable).
7. Copies of all the well records for the initial unit well.
8. On Exhibit "B" please correct the tract land descriptions per the attached copy.
9. Please provide the bottom hole and surface hole location for the initial well.
10. If the initial well is a vertical San Andres oil well, then a two well commitment will be required.
11. A two well commitment will not be required if the initial well is a horizontal San Andres well.

The filing fee for a unit agreement is \$30.00 for every section or partial section thereof. Please submit a \$90.00 filing fee.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
LARRY J. ROYBAL, Deputy Director  
Oil, Gas and Minerals Division  
RP/LR/pm

pc: Reader File,  
NMOCD - Attn: Mr. Ed Martin