

DATE IN 11-04	SUSPENSE	ENGINEER STONER	LOGGED IN 11-2-04	TYPE NSL	APP NO. PSEM0430744525
---------------	----------	-----------------	-------------------	----------	------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED

NOV 01 2004

OIL CONSERVATION
DIVISION

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD
 Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
 [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☒ Does Not Apply
 [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 - U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address

James Bruce

Attorney
jamesbruce@aol.com

10/26/04

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

October 26, 2004

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Nadel and Gussman Permian, L.L.C. applies for administrative approval of an unorthodox gas well location for the following well:

<u>Well:</u>	Moonlight Fee Well No. 1
<u>Surface Location:</u>	1500 feet FNL & FWL
<u>Bottomhole Location:</u>	1882 feet FNL & 2391 feet FWL
<u>Well Unit:</u>	N½ of Section 12, Township 9 South, Range 29 East, N.M.P.M., Chaves County, New Mexico

The well will be drilled to test the Strawn (Undesignated Lost Lake-Strawn Gas Pool), Atoka, and Morrow formations, and applicant requests approval in all three zones. All zones are developed on statewide rules, with 320 acre spacing and wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line. A Form C-101 for the well is attached as Exhibit A.

The well was drilled at the surface location, but was non-commercial. Applicant intends to re-enter the well and directionally drill to the southeast. Attached as Exhibit B is an isopach of the Atoka (the main zone), which indicates thickening to the east. Exhibit C is a structure map on top of the Mississippian Lime, which shows that the location moves toward a structural high. Exhibit D is a plat showing that there is production to the west and southwest. The unorthodox location will minimize risk and thus prevent waste.

The well is internal to the well unit, and is not encroaching on any offset interest owner. Therefore, notice of this application

has not been given to anyone.

Please call me if you need anything further regarding this matter.
Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Nadel and
Gussman Permian, L.L.C.

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name LOST LAKE
Property Code	Property Name MOONLIGHT FEE	Well Number 1
OGRID No.	Operator Name NADEL AND GUSSMAN PERMIAN, L.L.C.	Elevation 4006'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	12	9 S	29 E		1500	NORTH	1500	WEST	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
F	12	9 S	29 E		1882	NORTH	2391	WEST	CHAVES

Dedicated Acres	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>LAT-N33°33'02.0" LONG-W103°56'31.1"</p> <p>1500'</p> <p>4002.2'</p> <p>4003.9'</p> <p>1500'</p> <p>4011.2'</p> <p>2391'</p> <p>4009.6'</p> <p>969.4'</p> <p>S.L.</p> <p>B.H.</p> <p>LAT-N33°19'44.9" LONG-W103°56'20.7"</p> <p>EXHIBIT A</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature John Fernan Printed Name Staff Engineer Title 10/21/04 Date</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>JANUARY 07, 2003</p> <p>Date Surveyed Signature & Seal of Professional Surveyor GARY L. JONES No. 2947 Certificate No. 7977 BASIN SURVEYS</p>
---	---



Precision Drilling

COMPUTALOG

PROPOSAL

FOR

**NADEL AND GUSSMAN
MOONLIGHT FEE #1**

FROM SURFACE LOCATION:

SEC 12 T9S R29E
CHAVES COUNTY, NEW MEXICO

WELL FILE: DRAFT 2

October 20, 2004

COMPUTALOG DRILLING SERVICES

9802 W. I-20

Midland, Texas

Phone: (432) 561-5500 Fax: (432) 561-5525

COMPUTALOG DRILLING SERVICES

Client : NADEL AND GUSSMAN
 Well Name : MOONLIGHT FEE #1
 Location : CHAVES COUNTY, NEW MEXICO

Page : 1 of 2
 Date : 10/20/2004
 File : DRAFT 2

Vertical Section Calculated Along Azimuth 113.2°

MD ft	Inc deg	Azi deg	TVD ft	North ft	East ft	V'Sect ft	D'Leg °/100	Build °/100	Turn °/100
KOP - BUILD AT 2 °/100'									
5800.00	0.00	113.20	5800.00	0.00	0.00	0.00	0.00	0.00	0.00
5900.00	2.00	113.20	5899.98	-0.69	1.60	1.75	2.00	2.00	0.00
6000.00	4.00	113.20	5999.84	-2.75	6.41	6.98	2.00	2.00	0.00
6100.00	6.00	113.20	6099.45	-6.18	14.42	15.69	2.00	2.00	0.00
6200.00	8.00	113.20	6198.70	-10.98	25.63	27.88	2.00	2.00	0.00
6300.00	10.00	113.20	6297.47	-17.14	40.00	43.52	2.00	2.00	0.00
6400.00	12.00	113.20	6395.62	-24.66	57.54	62.60	2.00	2.00	0.00
6500.00	14.00	113.20	6493.06	-33.52	78.22	85.10	2.00	2.00	0.00
6600.00	16.00	113.20	6589.64	-43.72	102.00	110.98	2.00	2.00	0.00
6700.00	18.00	113.20	6685.27	-55.23	128.88	140.21	2.00	2.00	0.00
HOLD 18.25°									
6712.36	18.25	113.20	6697.02	-56.75	132.41	144.06	2.00	2.00	0.00
6800.00	18.25	113.20	6780.25	-67.56	157.63	171.50	0.00	0.00	0.00
6900.00	18.25	113.20	6875.22	-79.89	186.41	202.81	0.00	0.00	0.00
7000.00	18.25	113.20	6970.19	-92.23	215.19	234.12	0.00	0.00	0.00
7100.00	18.25	113.20	7065.16	-104.56	243.97	265.44	0.00	0.00	0.00
7200.00	18.25	113.20	7160.13	-116.89	272.75	296.75	0.00	0.00	0.00
7300.00	18.25	113.20	7255.11	-129.23	301.53	328.06	0.00	0.00	0.00
7400.00	18.25	113.20	7350.08	-141.56	330.31	359.37	0.00	0.00	0.00
7500.00	18.25	113.20	7445.05	-153.90	359.09	390.68	0.00	0.00	0.00
7600.00	18.25	113.20	7540.02	-166.23	387.87	421.99	0.00	0.00	0.00
7700.00	18.25	113.20	7634.99	-178.57	416.65	453.31	0.00	0.00	0.00
7800.00	18.25	113.20	7729.96	-190.90	445.43	484.62	0.00	0.00	0.00
7900.00	18.25	113.20	7824.93	-203.23	474.21	515.93	0.00	0.00	0.00
8000.00	18.25	113.20	7919.90	-215.57	502.99	547.24	0.00	0.00	0.00
8100.00	18.25	113.20	8014.88	-227.90	531.78	578.55	0.00	0.00	0.00
8200.00	18.25	113.20	8109.85	-240.24	560.56	609.87	0.00	0.00	0.00
8300.00	18.25	113.20	8204.82	-252.57	589.34	641.18	0.00	0.00	0.00
8400.00	18.25	113.20	8299.79	-264.91	618.12	672.49	0.00	0.00	0.00
8500.00	18.25	113.20	8394.76	-277.24	646.90	703.80	0.00	0.00	0.00
8600.00	18.25	113.20	8489.73	-289.58	675.68	735.11	0.00	0.00	0.00
ATOKA "GREEN SAND"									
8684.52	18.25	113.20	8570.00	-300.00	700.00	761.58	0.00	0.00	0.00
8700.00	18.25	113.20	8584.70	-301.91	704.46	766.43	0.00	0.00	0.00
8800.00	18.25	113.20	8679.68	-314.24	733.24	797.74	0.00	0.00	0.00
8900.00	18.25	113.20	8774.65	-326.58	762.02	829.05	0.00	0.00	0.00
9000.00	18.25	113.20	8869.62	-338.91	790.80	860.36	0.00	0.00	0.00

COMPUTALOG DRILLING SERVICES

Client : NADEL AND GUSSMAN
Well Name : MOONLIGHT FEE #1
Location : CHAVES COUNTY, NEW MEXICO

Page : 2 of 2
Date : 10/20/2004
File : DRAFT 2

Vertical Section Calculated Along Azimuth 113.2°

MD	Inc	Azi	TVD	North	East	V'Sect	D'Leg	Build	Turn
ft	deg	deg	ft	ft	ft	ft	°/100	°/100	°/100
9100.00	18.25	113.20	8964.59	-351.25	819.58	891.67	0.00	0.00	0.00
9200.00	18.25	113.20	9059.56	-363.58	848.36	922.99	0.00	0.00	0.00
9300.00	18.25	113.20	9154.53	-375.92	877.14	954.30	0.00	0.00	0.00
TOTAL DEPTH									
9347.87	18.25	113.20	9200.00	-381.82	890.92	969.29	0.00	0.00	0.00

Bottom Hole Closure 969.29ft Along Azimuth 113.20°

NADEL AND GUSSMAN PERMIAN, L.L.C.

MOONLIGHT FEE #1
CHAVES COUNTY, NEW MEXICO

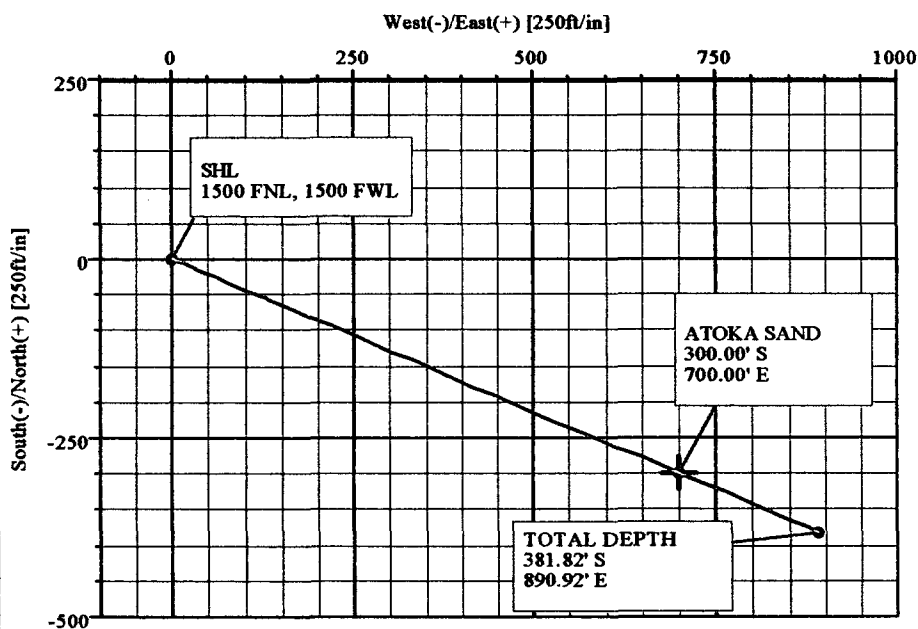
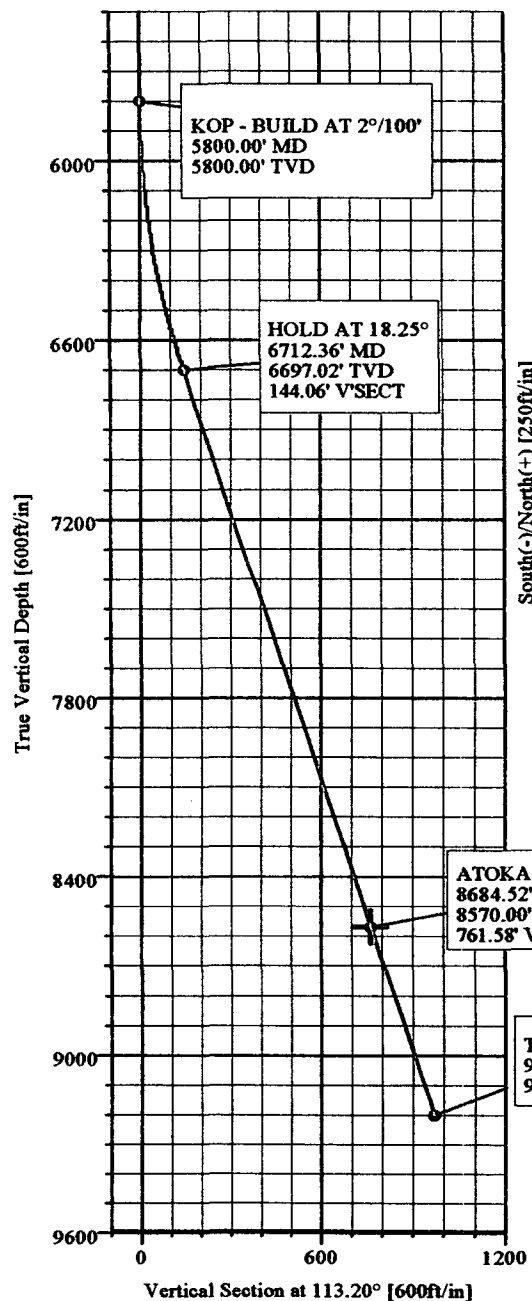
SHL: 1500 FNL, 1500 FWL
SEC 12 T9S R29E



Precision Drilling

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	113.20	0.00	0.00	0.00	0.00	0.00	0.00	
2	5800.00	0.00	113.20	5800.00	0.00	0.00	0.00	0.00	0.00	KOP
3	6712.36	18.25	113.20	6697.02	-56.75	132.41	2.00	113.20	144.06	EOB
4	8684.52	18.25	113.20	8570.00	-300.00	700.00	0.00	0.00	761.58	ATOKA
5	9347.87	18.25	113.20	9200.00	-381.82	890.92	0.00	0.00	969.29	TD

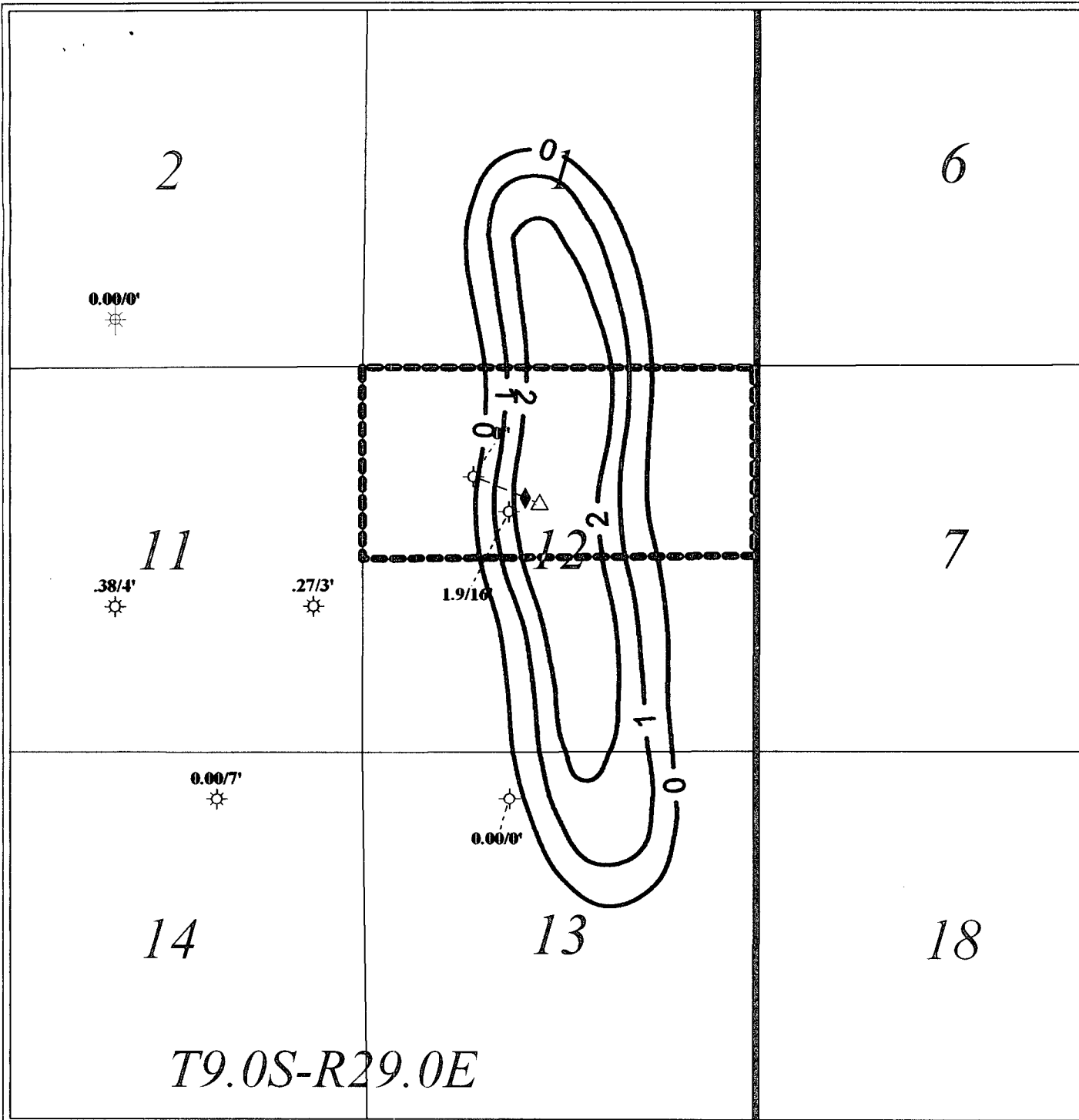


COMPUTALOG

Drilling Services

COMPANY: NADEL AND GUSSMAN

WELL NAME: MOONLIGHT FEE #1
LOCATION: CHAVES COUNTY, NM
FILE: DRAFT 2
PROPOSAL/COMPLETION: PROPOSAL
DATE: OCT 20/04
PREPARED BY: BV



PETRA 10/25/2004 2:48:37 PM

Nadel and Gussman Permian

Moonlight Fee #1

Atoka Green Porosity Foot Map

12-T9S-R29E

Chaves County, NM

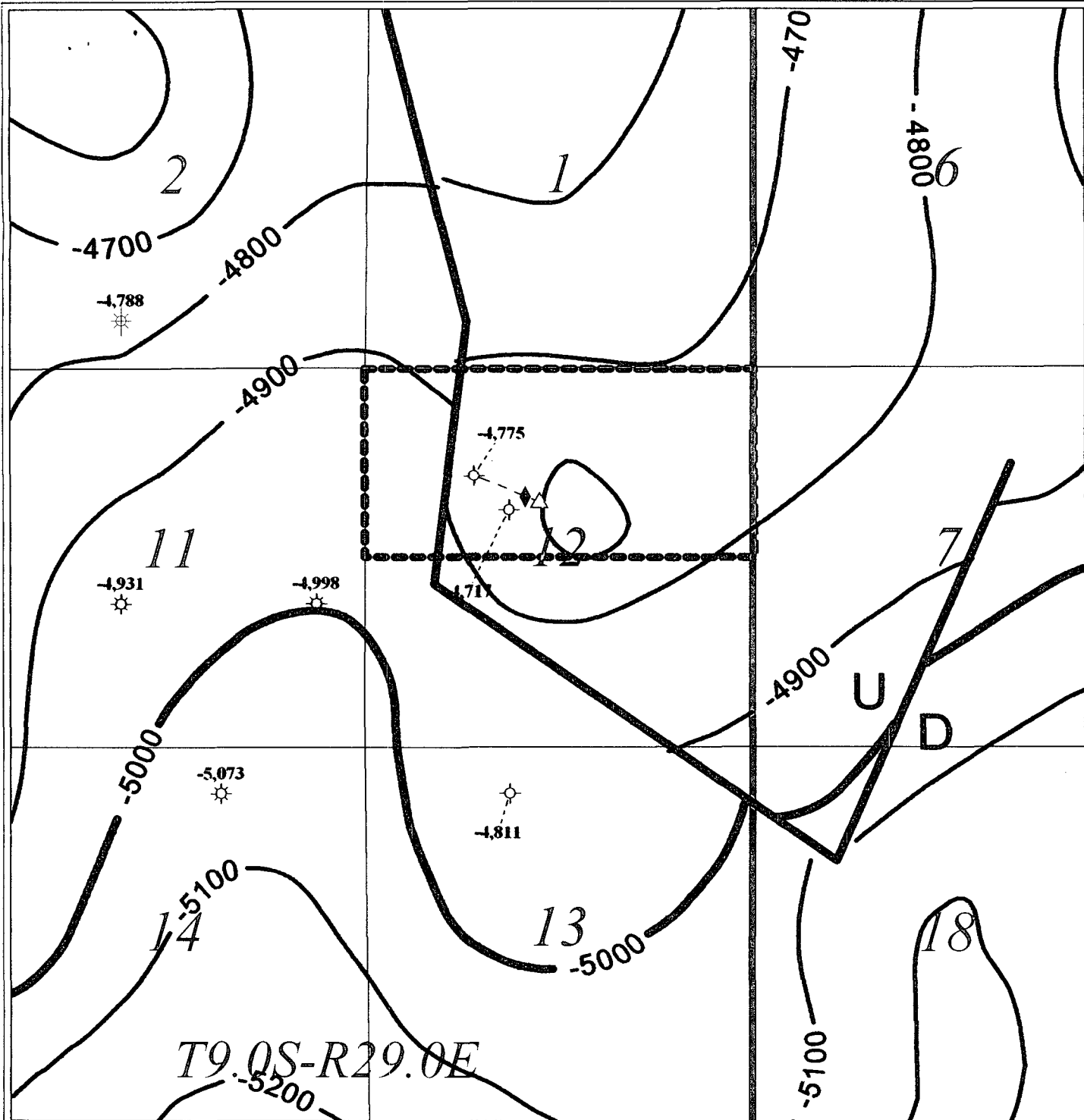
0 2,000 4,000



FEET

October 25, 2004





PETRA 10/25/2004 11:11:58 AM



Nadel and Gussman Permian

Moonlight Fee #1

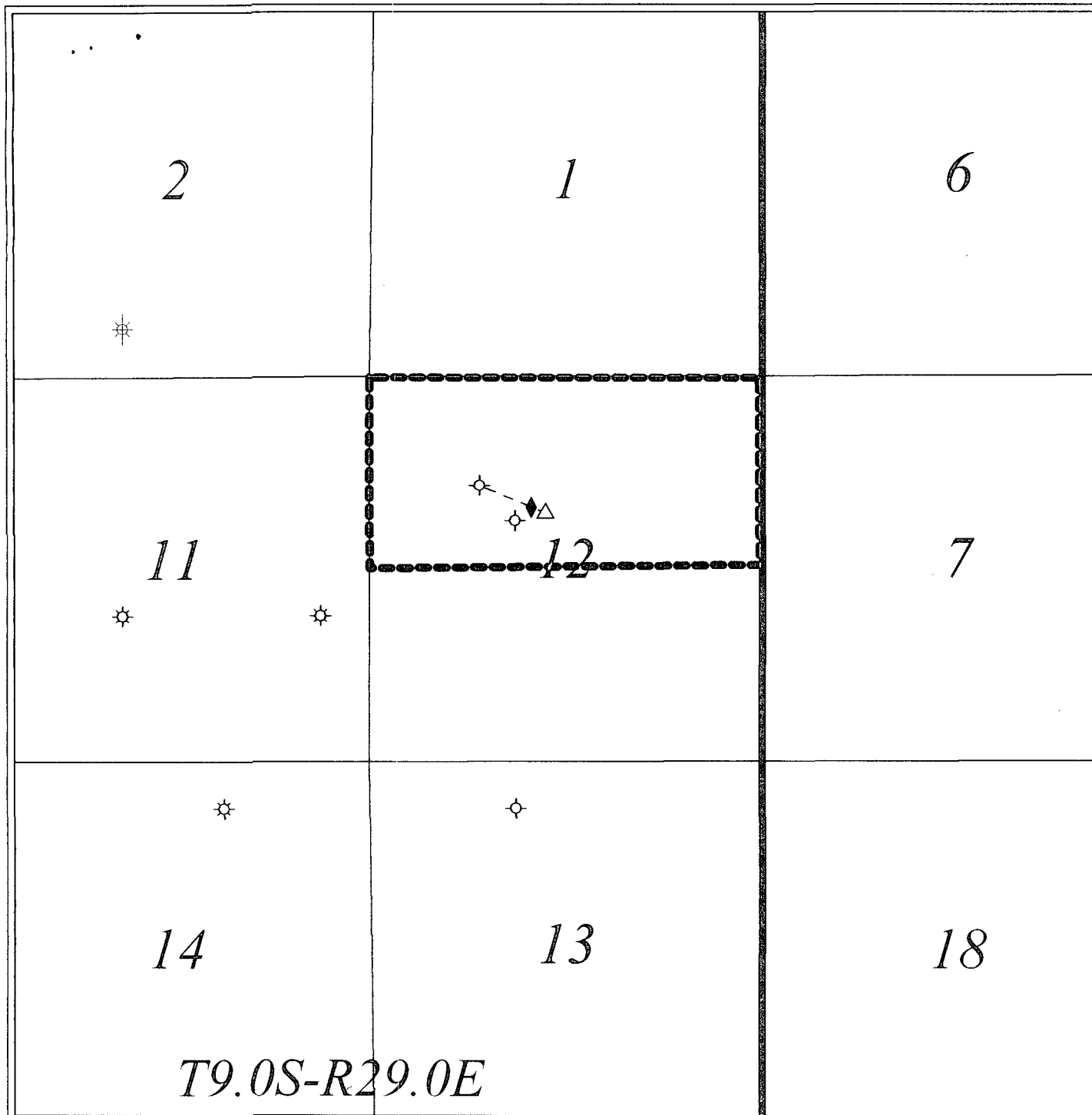
Top Miss Lime Structure Map

12-T9S-R29E

Chaves County, NM



October 25, 2004



PETRA 10/25/2004 3:29:23 PM

Nadel and Gussman Permian

Moonlight Fee #1

12-T9S-R29E

Chaves County, NM

0 2,000 4,000



FEET

October 25, 2004

