

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-
May 27, 2



Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Of

☐ AMENDED REPC

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

FEB 05 2008
OCD-ARTESIA

¹ Operator Name and Address Nadel and Gussman Permian 601 N. Marienfeld Suite 508, Midland Tx. 79707		² OGRID Number 155615
		³ API Number 30 - 015-31910

³ Property Code 28528	⁵ Property Name Grande State	⁶ Well No. 1
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⁹ Proposed Pool 1 Cedar Canyon (Bone Spring)	¹⁰ Proposed Pool 2
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⁷ Surface Location									
UL or lot no. C	Section 32	Township 23-S	Range 29-E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 1980	East/West line WEST	County 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

Additional Well Information				
¹¹ Work Type Code P	¹² Well Type Code O	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 2,993
¹⁶ Multiple N	¹⁷ Proposed Depth 8,185'	¹⁸ Formation BONE SPRINGS	¹⁹ Contractor	²⁰ Spud Date 11/05/03
Depth to Groundwater Less than 50'		Distance from nearest fresh water well Over 1 mile		Distance from nearest surface water Over 1 mile
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
See initial application					

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.
Perfed the Atoka @ 12,278 - 12,282 & 12,122-12,140
Set rbp @ 12,250.
Spotted a 25' plug from 12,154 - 11,804; Spotted a 100 sx cmt plug from 10,333' - 9,918'.

PROPOSED WORK
Set a cibp @ 8,220' and cap w/ 35' cmt
Perf the Bone Springs @ 7968 - 8052

NO PITTS WILL BE DUG ALL OPERATIONS WILL BE CONDUCTED USING STEEL PITTS

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Signature: <i>Kem E. McCready</i> Printed name: Kem E. McCready Title: NM Operations Manager E-mail Address: kemm@naguss.com Date: 1/30/08	OIL CONSERVATION DIVISION	
	Approved by:	
	BRYAN G. ARRANT DISTRICT II GEOLOGIST	
	Approval Date: FEB 08 2008	Expiration Date: FEB 08 2010
	Conditions of Approval Attached <input type="checkbox"/>	

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State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-31910	² Pool Code 11S20	³ Pool Name Cedar Canyon, Bone Spring
⁴ Property Code 28528	⁵ Property Name Grande State	⁶ Well Number 1
⁷ OGRID No. 155615	⁸ Operator Name Nadel and Gussman Permian LLC	⁹ Elevation 2,993 GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	32	23-S	29-E		660	North	1980	West	Eddy

¹¹ Bottom Hole Location If Different From Surface

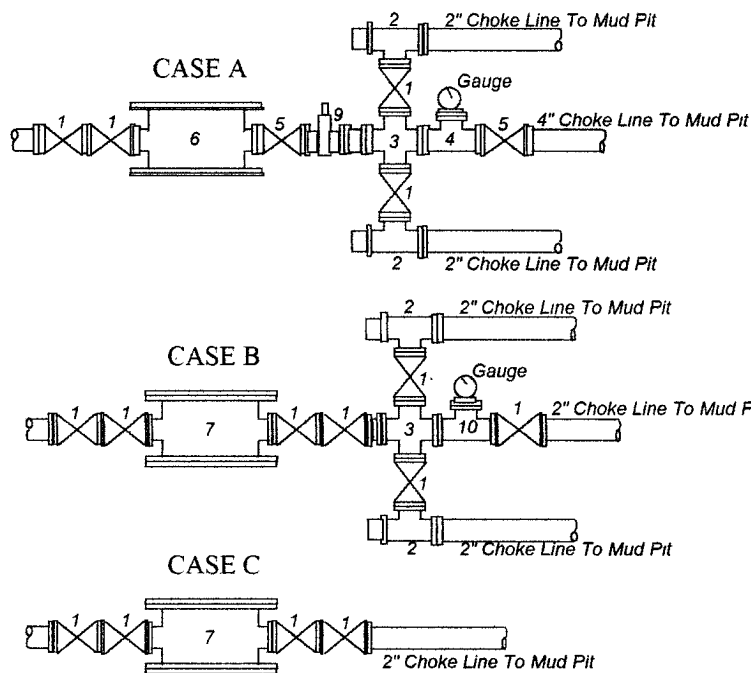
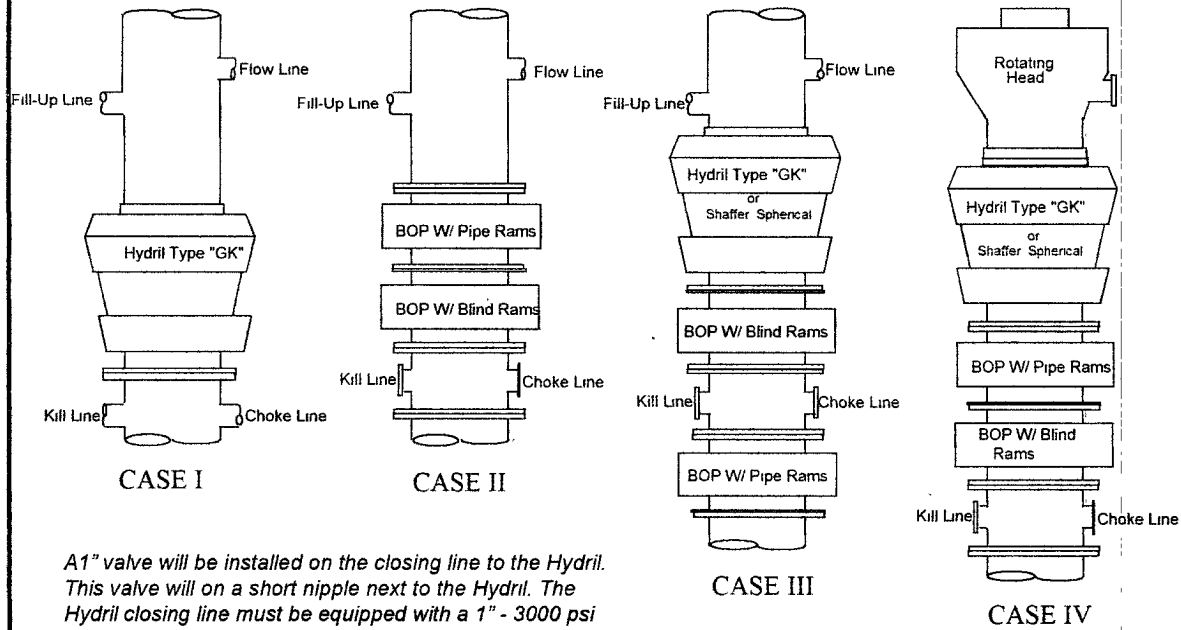
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
	Signature: <u>Kem E. McCready</u> Date: <u>1/30/08</u> Printed Name: <u>Kem E. McCready</u> REFER TO THE ORIGINAL PLAT.	
	¹⁸ SURVEYOR CERTIFICATION 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.	
Date of Survey Signature and Seal of Professional Surveyor Refer to Original Plat Certificate Number		

Nadel and Gussman Permian Grande State #1 Plugback MINIMUM BLOWOUT PREVENTER REQUIREMENTS



BOP SIZE	BOP CASE	WORKING PRESSURE	CHOKE CASE
7-1/16"	II	5000	B

***Rotating head required**

Bradenhead _____
Mfr: _____
Size: _____ Type: _____

Legend

- 2" flanged all steel valve must be either Cameron "F", Halliburton Low Torque or Shaffer Flo-Seal.
- 2" flanged adjustable chokes, min. 1" full opening & equipped with hard trim.
- 4" x 2" flanged steel cross.
- 4" flanged steel tee.
- 4" flanged all steel valve (Type as in no. 1).
- Drilling Spool with 2" x 4" flanged outlet.
- Drilling Spool with 2" x 2" flanged outlet.
- 2" x 2" flanged steel cross.
- 4" pressure operated gate valve.
- 2" flanged steel tee.

Notes

Choke manifold may be located in any convenient position. Use all steel fittings throughout. Make 90° turns with bull plugged tees only. No field welding will be permitted on any of the components of the choke manifold and related equipment upstream of the chokes. The choke spool and all lines and fittings must be at least equivalent to the test pressure of the preventers required. Independent closing control unit with clearly marked controls to be located on derrick floor near driller's position.

NADEL AND GUSSMAN PERMIAN, L.L.C.

601 N. Marienfeld, Suite #508

Midland, Texas 79701

(432) 682-4429

Fax (432) 682-4325

January 30, 2008

Mr. Gerry Guye

District 2

New Mexico Oil and gas Division

1301 West Grand

Artesia, NM 88210

RE: Grande State #1

660 FNL 1980 FWL

UL C Sec. 32 T23S R 29E

Rule 118 H2S Exposure

Dear Mr. Guye,

Nadel and Gussman Permian has evaluated this well and we do not expect to encounter hydrogen sulfide in excess of 100 ppm.

Please contact me if you have any additional questions.

Sincerely,

Kem E. McCready

Kem E. McCready

Operations Engineer

Nadel & Gussman Permian, L.L.C.

LEASE:	Grande State
FIELD:	Laguna Salado (Atoka)
LOCATION:	660 FNL 1980 FWL
SPUD DATE:	11/5/2003

WELL NO.:	1
COUNTY:	Eddy
LEGAL:	Sec. 32 T 23 S R 29 E
DRAWN BY:	KEM
DATE:	1/14/2008

API #	30 - 015 - 31910
STATE	New Mexico
GL	2993'
DF	3008'
KB	3008' (17' AGL)

Grande State Well No. 1

