

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

Form C-
May 27, 2

Submit to appropriate District Of

AMENDED REPC

FEB 12 2008
OCD-ARTESIA

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, SUITE 508, MIDLAND, TEXAS 79701		² OGRID Number 155615
		³ API Number 30-15-33154
³ Property Code 33243	⁵ Property Name ZEUS	⁶ Well No. 1
⁹ Proposed Pool 1 LOVING MORROW (NORTH)		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	5	23S	28E		1809	NORTH	805	WEST	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
	5	23S	28E		1980	NORTH	660	WEST	EDDY

Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3015
¹⁶ Multiple N	¹⁷ Proposed Depth 12,665	¹⁸ Formation MORROW	¹⁹ Contractor	²⁰ Spud Date 01-15-2004
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
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
17 1/2"	13-3/8"	48#	400'	350 SXS	SURF
12-3/4"	9-5/8"	40#	5,968'	260 SXS	CIRC
7-7/8"	5-1/2"	20#	12,675'	1600 SXS	5750' CBL

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.

No pits will be dug all fluids will be contained in a flowback tank for proper disposal.
A bop stack consisting of a double ram (pipe and blind) will be utilized.

Proposed Procedure

Squeeze off Atoka perms @ 11,320' - 11,328'
Perforate and test Morrow production @ 12,300-12,316'

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 , a general permit , or an (attached) alternative OCD-approved plan .

Signature:

Kem E. McCready

Printed name: Kem E. McCready

Title: NM Operations Manager

E-mail Address: kemm@naguss.com

Date: 2/06/08

Phone:

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT
DISTRICT II GEOLOGIST

Title:

Approval Date:

FEB 18 2008

Expiration Date:

FEB 18 2010

Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
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 1220 S. St. Francis Dr., Santa Fe, NM 87505

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 30-015-33154		² Pool Code 80695		³ Pool Name LOVING MORROW (NORTH)	
⁴ Property Code 33243		⁵ Property Name ZEUS			⁶ Well Number 1
⁷ OGRID No.		⁸ Operator Name NADEL AND GUSSMAN PERMIAN LLC			⁹ Elevation 3015

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
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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
E	5	23S	28E		1980	NORTH	660	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	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>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</i> <i>Kem E McCreedy 2/9/2009</i> Signature Date KEM E. MCCREADY Printed Name <i>Refer to original plat</i>
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> REFER TO THE ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor Certificate Number

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name ZEUS			6 Well Number 1
7 OGRID No.		8 Operator Name NADEL GUSSMAN PERMIAN, L.L.C.			9 Elevation 3015

10 Surface Location

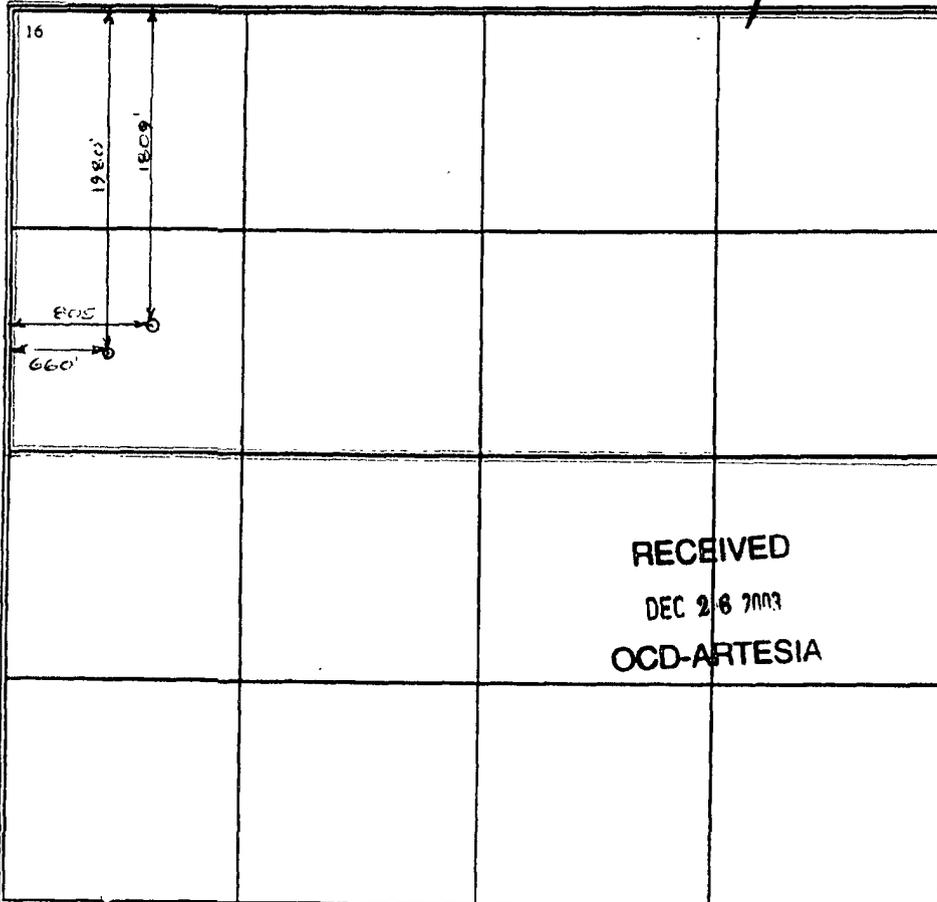
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	5	23-S	28-E		1809	NORTH	805	WEST	EDDY

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
E	5	23-S	28-E		1980	NORTH	660	WEST	EDDY

12 Dedicated Acres 320	13 Joint or Infill	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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Joel Martin
 Signature
 Joel Martin
 Printed Name
 Engineering Manager
 Title
 12/23/03
 Date

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.

December 3, 2003
 Date of Survey
 Signature and Seal of Professional Surveyor:
Joel Martin
 Certificate Number
 5109

RECEIVED
 DEC 26 2003
 OCD-ARTESIA

NADEL AND GUSSMAN PERMIAN, L.L.C.

601 N. Marienfeld, Suite #508

Midland, Texas 79701

(432) 682-4429

Fax (432) 682-4325

February 6, 2008

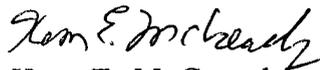
Mr. Gerry Guye
District 2
New Mexico Oil and gas Division
1301 West Grand
Artesia, NM 88210

RE: Zeus #1
1809' FNL 805' FWL
UL E Sec. 5 T23S R 28E
Rule 118 H2S Exposure

Dear Mr. Guye,

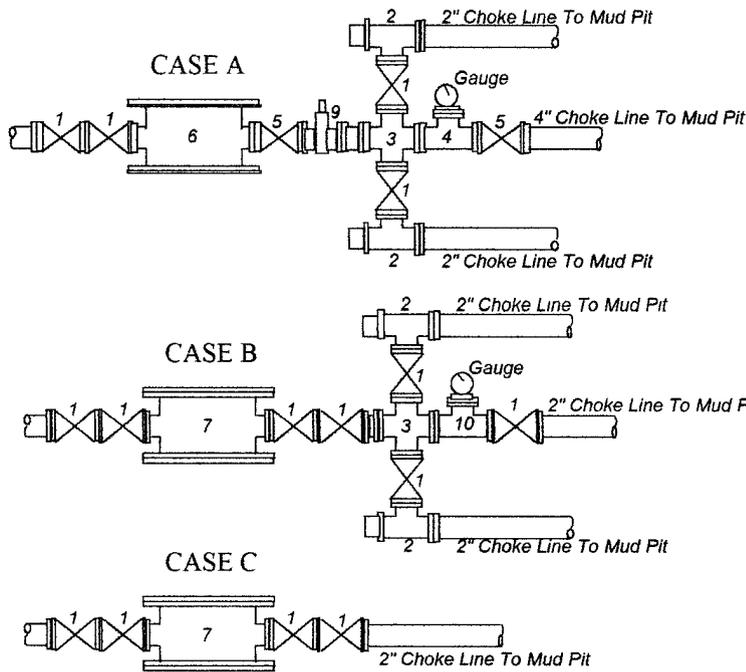
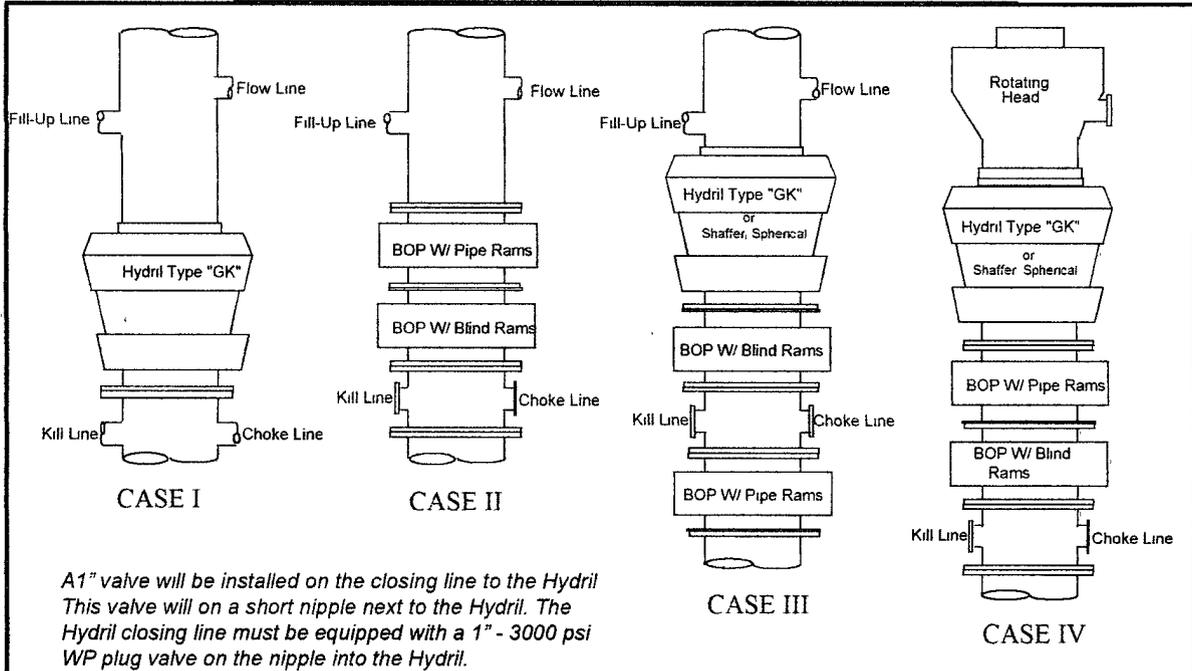
Nadel and Gussman Permian has evaluated this well and we do not expect to encounter hydrogen sulfide in excess of 100 ppm.
Please contact me if you have any additional questions.

Sincerely,



Kem E. McCreedy
Operations Engineer

**Nadel and Gussman Permian
Zeus #1 Recomplete
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

- 1 2" flanged all steel valve must be either Cameron "F", Halliburton Low Torque or Shaffer Flo-Seal.
- 2 2" flanged adjustable chokes, min 1" full opening & equipped with hard trim.
- 3 4" x 2" flanged steel cross.
- 4 4" flanged steel tee.
- 5 4" flanged all steel valve (Type as in no. 1)
- 6 Drilling Spool with 2" x 4" flanged outlet.
- 7 Drilling Spool with 2" x 2" flanged outlet
- 8 2" x 2" flanged steel cross.
- 9 4" pressure operated gate valve.
- 10 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.