

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
Revised March 17, 1999

Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

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OCT 30 2003

OCD-ARTESIA

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address <b>Nadel and Gussman Permian, L. L. C. 601 N. Marienfeld, Suite 508 Midland, Texas 79701</b>		<sup>2</sup> OGRID Number <b>155615</b>
<sup>3</sup> Property Code <b>37082</b>	<sup>5</sup> Property Name <b>Grande State</b>	<sup>4</sup> API Number <b>30-015-31910</b>
		<sup>6</sup> Well No. <b>1</b>

<sup>7</sup> Surface Location

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

<sup>8</sup> Proposed Bottom Hole Location If

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	County

Cement to cover all oil, gas and  
water bearing zones.

<sup>9</sup> Proposed Pool 1

**Laguna Salado (Atoka)**

<sup>11</sup> Work Type Code <b>NE</b>	<sup>12</sup> Well Type Code <b>G</b>	<sup>13</sup> Cable/Rotary <b>Rotary</b>	<sup>14</sup> Lease Type Code <b>P</b>	<sup>15</sup> Ground Level Elevation <b>2993'</b>
<sup>16</sup> Multiple <b>No</b>	<sup>17</sup> Proposed Depth <b>12,500'</b>	<sup>18</sup> Formation <b>Atoka</b>	<sup>19</sup> Contractor <b>Patterson</b>	<sup>20</sup> Spud Date <b>11/1/03</b>

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
<b>17 1/2"</b>	<b>13 3/8"</b>	<b>42#</b>	<b>400'</b>	<b>350 sx</b>	<b>Circ. to surf.</b>
<b>12 1/4"</b>	<b>9 5/8"</b>	<b>36# or 40#</b>	<b>2750'</b>	<b>1500 sx</b>	<b>Circ. to surf.</b>
<b>8 3/4"</b>	<b>7"</b>	<b>26#</b>	<b>10700'</b>	<b>800 sx</b>	<b>7000'</b>
<b>6 1/8"</b>	<b>4 1/2"</b>	<b>11.6#</b>	<b>12500'</b>	<b>350 sx</b>	<b>10200'</b>

<sup>22</sup> 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.

Plan to re-enter the Cochiti 32 State Com #1, drilled and abandoned by Devon in 1992. The name of the re-entry will be the Grande State #1. Plan to drill and complete the Grande State #1 in the Atoka formation. A minimum of 5000 psi BOP's will be used while drilling the 8 3/4" hole and a 5000 psi tree will be nipped up prior to perforating. 4 1/2" string will be a liner with TOL @ 10200'. Note that Devon set 20" @ 40' and drilled a 17 1/2" hole to 45' on the Chochiti 32 State Com #1.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

Title:

Date:

**Engineering Manager**

Phone:

**432/682-4429**

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Conditions of Approval:

Attached ☐

**OCT 30 2003**

Expiration Date:

**OCT 30 2004**

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 GRANDE STATE			6 Well Number 1
7 OGRID No. 155615		8 Operator Name NADEL & GUSSMAN PERMIAN L.L.C.			9 Elevation 2993'

10 Surface Location

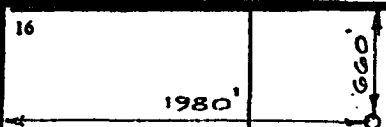
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	32	23S	29E		660	North	1980	West	Eddy

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 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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature: <u>Joel Martin</u> Printed Name: <u>Joel Martin</u> Title: <u>Engineering Manager</u> Date: <u>10/22/03</u>			
	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: <u>September 4, 2003</u> Signature and Seal of Professional Surveyor: <u>[Signature]</u> Certificate Number: <u>1690</u>			

NADEL AND GUSSMAN PERMIAN, L.L.C.  
601. N. Marienfeld, Suite 508  
Midland, TX 79701  
(915) 682-4429 (P)  
(915) 682-4325 (Fax)

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OCT 28 2003  
OCD-ARTESIA

10/14/03

Mr. Bryan Arrant  
District 2 Geologist  
New Mexico Oil and Gas Division  
1301 West Grand  
Artesia, NM 88210


**Re: Grande State #1  
660' FNL, 1980' FWL  
Sec. 32-23s-29e  
Eddy, NM  
Rule 118 H2S Exposure**

Dear Mr. Arrant,

Nadel and Gussman Permian has evaluated this well and we don not expect to encounter hydrogen sulfide. However, we will employ a third party monitoring system. We will begin monitoring prior to drilling out the intermediate casing and will continue through monitoring through the remainder of the well.

Please contact me if you have any additional questions.

Sincerely,

  
Joel Martin  
Engineering Manager