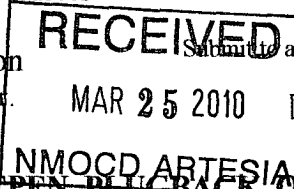


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
June 16, 2008

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



Submit to appropriate District Office
☐ AMENDED REPORT

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 STE 508 MIDLAND, TX 79701		² OGRID Number 155615
³ Property Code 36498	⁵ Property Name CRONOS FEE	⁴ API Number 30-15-35569
⁹ Proposed Pool 1 UNDESIGNATED CISCO		⁶ Well No. 1
⁹ Proposed Pool 1		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North line	Feet from the	West line	County
E	20	23 S	28 E		1950		660		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
SAME									

Additional Well Information

¹¹ Work Type Code RC	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code F	¹⁵ Ground Level Elevation 3059
¹⁶ Multiple	¹⁷ Proposed Depth 11,850	¹⁸ Formation CISCO	¹⁹ Contractor	²⁰ Spud Date

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
REFER TO	ORIGINAL	C-101			

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.

Pull current comp equipment
Set cbbp @11,850 and cap w/ 35' cmt
Perf Cisco from 10,660- 10,783 OA
Break down and frac perfs
Rerun production equip and place well on test.

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

Signature:

Kem McCready

Printed name: Kem McCready

Title :NM Operations Manger

E-mail Address. kemm@naguss.com

Date:03/23/2010

Phone:432-682-4429

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-35569		² Pool Code		³ Pool Name UNDESIGNATED CISCO	
⁴ Property Code 36498		⁵ Property Name CRONOS FEE			⁶ Well Number 1
⁷ OGRID No. 155615		⁸ Operator Name NADEL AND GUSSMAN PERMIAN LLC			⁹ Elevation 3059'

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	20	23 S	28 E		1950	NORTH	660	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
SAME									

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, 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. <div> <div> <i>Ken McCreedy</i> 3/23/10 </div> <div> Signature Date </div> </div> <div> KEME McCREADY Printed Name </div>
				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. REFER TO ORIGINAL PLAT DATED 4/23/2007 Date of Survey Signature and Seal of Professional Surveyor:
				Certificate Number

NADEL AND GUSSMAN PERMIAN, L.L.C.

601 N. Marienfeld, Suite #508
Midland, Texas 79701
(432) 682-4429
Fax (432) 682-4325

March 24, 2010

New Mexico Oil and gas Division
1301 W. Grand Drive
Artesia, NM 88210


RE: Cronos Fee Well No. 1
1950 FNL 660 FWL
UL E Sec. 20 T23S R 28E
API 30-015-35569
Rule 118 H2S Exposure

Dear Sir,

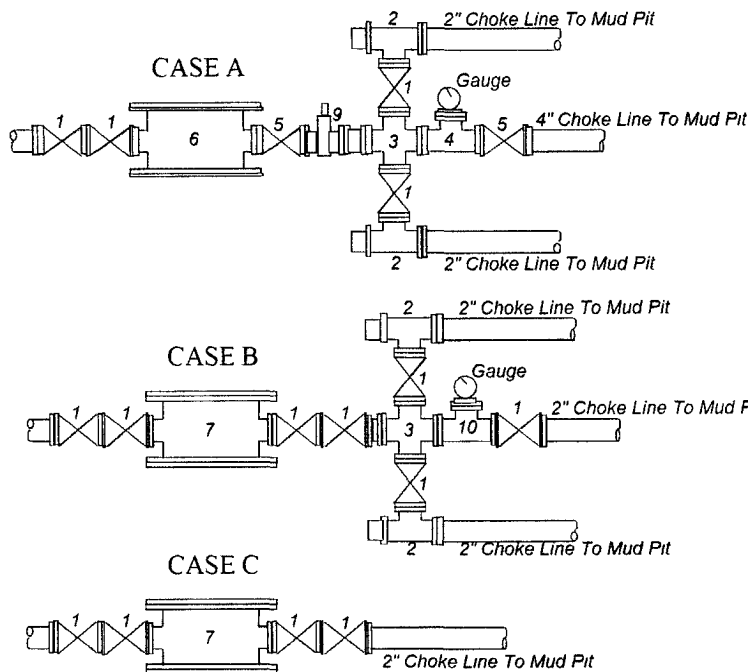
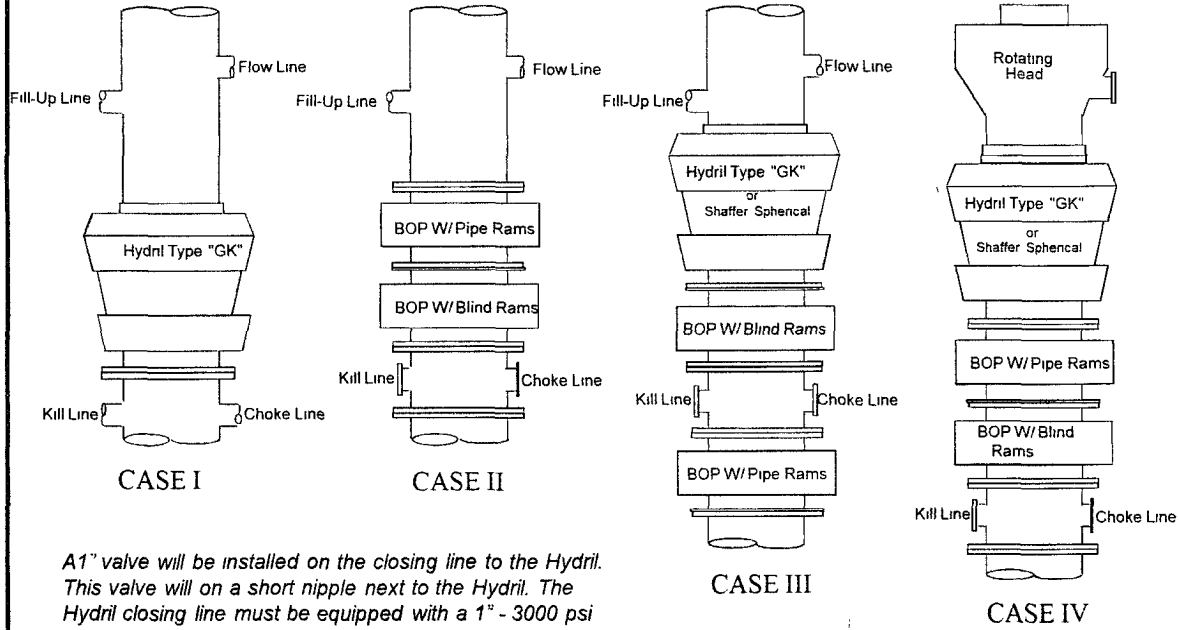
Nadel and Gussman Permian has evaluated this well and we do not expect to encounter hydrogen sulfide in excess of 100 ppm during our recompletion.

Please contact me if you have any additional questions.

Sincerely,


Kem E. McCready
Operations Engineer

Nadel and Gussman Permian LLC
Cronos Fee Well #1 Recomplete
MINIMUM BLOWOUT PREVENTER REQUIREMENTS



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

***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.