

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**

<sup>1</sup> Operator Name and Address Nadel and Gussman Permian, LLC 601 N. Marienfeld Suite 508 Midland, TX 79701 ✓		<sup>2</sup> OGRID Number 155615 ✓
<sup>3</sup> Property Code 34762 ✓	<sup>5</sup> Property Name Carrington State ✓	<sup>4</sup> API Number 30-015-38567
<sup>9</sup> Proposed Pool 1 Empire Glorietta - Yeso ✓ <i>mz</i>		<sup>10</sup> Proposed Pool 2

**<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
N	12	17S	28E		330'	SOUTH	2310'	WEST	EDDY

**<sup>8</sup> 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**

<sup>11</sup> Work Type Code N ✓	<sup>12</sup> Well Type Code O ✓	<sup>13</sup> Cable/Rotary R ✓	<sup>14</sup> Lease Type Code S ✓	<sup>15</sup> Ground Level Elevation 3685' ✓
<sup>16</sup> Multiple N ✓	<sup>17</sup> Proposed Depth 5,350' TVD ✓	<sup>18</sup> Formation Blinberry (Yeso)	<sup>19</sup> Contractor N/A	<sup>20</sup> Spud Date 6/15/11

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

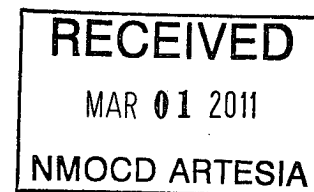
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8 5/8"	24#	300' MD	150 sx	SURFACE ✓
7 7/8"	5 1/2"	17#	5350' MD	1250 sx	SURFACE ✓

<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.

**Mud Program:**

0' to 300': 8.4 to 8.8 ppg, 55 - 80 visc w/ Fresh water spud mud  
300' to 5350': 8.8 to 10.0 ppg, 28 - 30 visc w/ brine / cut brine water

NO H2S IS EXPECTED, BUT AN H2S CONTINGENCY LETTER IS ATTACHED.

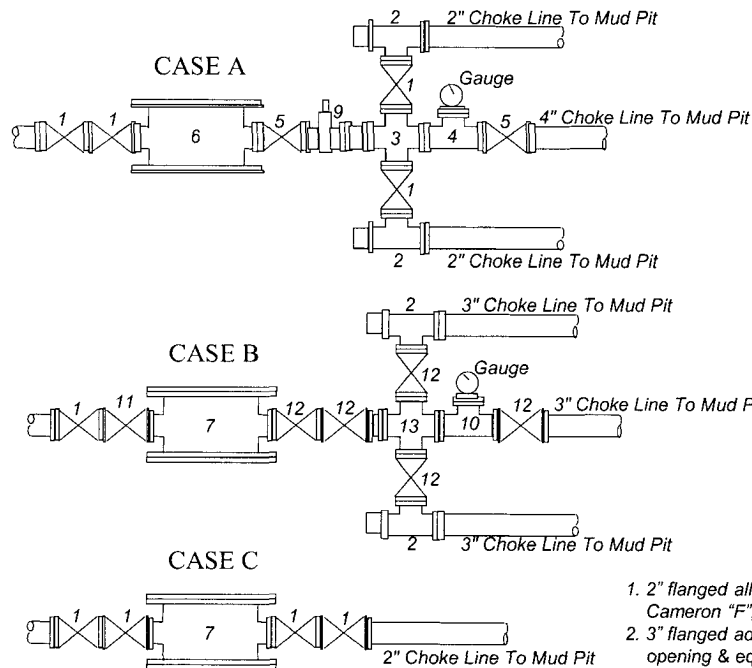
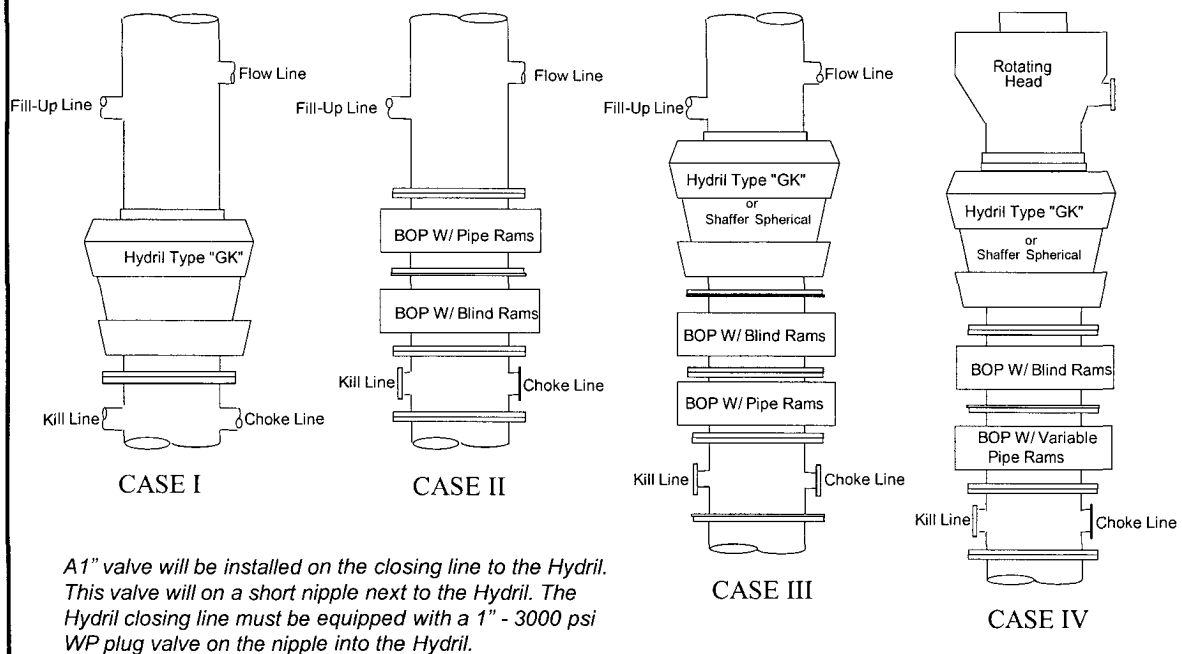


<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		<b>OIL CONSERVATION DIVISION</b>	
Signature: <i>Chris Marquez</i>		Approved by: <i>Jacqueline R. Gebel</i>	
Printed name: Chris Marquez		Title: <i>Geologist</i>	
Title: Drilling Engineer		Approval Date: 3/21/2011 Expiration Date: 3/21/2013	
E-mail Address: cmarquez@naguss.com			
Date: 2/28/11	Phone: 432-682-4429	Conditions of Approval Attached <input type="checkbox"/>	

*113*

# Nadel and Gussman Permian, LLC

## MINIMUM BLOWOUT PREVENTER REQUIREMENTS



BOP SIZE	BOP CASE	WORKING PRESSURE	CHOKE CASE
13-3/8"	III	3000 psi	B
11"	IV	3000 psi	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. 3" 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" Flanged Kill inlet, & 3" flanged choke outlet.
8. 2" x 2" flanged steel cross.
9. 4" pressure operated gate valve.
10. 3" flanged steel tee.
11. 2" Flanged check valve
12. 3" flanged all steel valve must be either Cameron "F", Halliburton Low Torque or Shaffer Flo-Seal.
13. 3" x 3" flanged steel cross.

### 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 STE. 508**  
**MIDLAND, TX 79701**  
**(432) 682-4429 (Office)**  
**(432) 682-4325 (Fax)**

2/28/11

Miss Reeves  
District 2 Geologist  
New Mexico Oil and Gas Division  
1301 West Grand Avenue  
Artesia, NM 88210

**Re: Carrington State #3**  
**SHL: 330' FSL & 2310' FWL UL N**  
**Sec. 12, T17S, R28E**  
**Eddy, NM**  
**Rule 118 H2S Exposure**

Dear Miss. Reeves,

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

Please contact me if you have any additional questions.

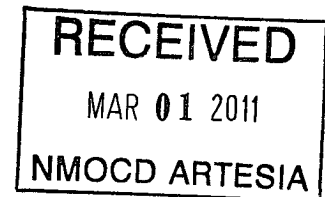
Sincerely,

Chris Marquez  
Drilling Engineer

A handwritten signature in black ink, appearing to be 'CM' or 'Chris Marquez', located at the bottom right of the page.

**Hydrogen Sulfide Drilling Operations Plan**  
**Carrington State #3**  
**SHL UNIT N, Sec 12, T17S, R28E**  
**330' FSL & 2310' FWL**  
**Eddy Co, NM**

1. Company and contract personnel admitted on location should be trained by a qualified H<sub>2</sub>S safety instructor to recognize and handle the following:
  - A. Characteristics of H<sub>2</sub>S gas
  - B. Physical effects and hazards
  - C. Proper use of safety equipment and life support systems
  - D. Principle and operation of H<sub>2</sub>S detectors, warning system and briefing knowledge
  - E. Evacuation procedure, routes and first aid support
  - F. Proper use of 30 minutes Pressure-on-Demand Air Pack
2. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse
3. Windsock and/or Wind Streamers
  - A. Windsock at mud pit area (high enough to be visible)
  - B. Windsock at briefing area (high enough to be visible)
  - C. Windsock at location entrance
4. Condition Flags and Signs
  - A. H<sub>2</sub>S warning signs on lease access road into location
  - B. Flags displayed on sign at location entrance
    1. Green flag indicates "Normal Safe Conditions"
    2. Yellow Flag indicates "Potential Pressure and Danger"
    3. Red Flag indicates "Danger - H<sub>2</sub>S Present in High Concentrations" *admit only emergency personnel*
5. Well Control Equipment
  - A. See BOP schematic page
6. Communication
  - A. While working under masks chalkboards will be used for communication
  - B. Hand signals will be used where chalk board is inappropriate
  - C. Two -way radios or cell phones used to communicate off location or minimally in Drilling Foreman's trailer or living quarters
7. Drillstem Testing
  - A. Exhausts watered
  - B. Flare line equipped with electric Igniter/propane pilot light in case gas reaches surface
  - C. If location near dwelling closed DST will be performed
8. Drilling Supervisor required to be familiar with effects of H<sub>2</sub>S on tubular goods/mechanical equipment
9. If H<sub>2</sub>S encountered, mud system shall be addressed to maintain control of formation. A mud gas separator will be brought into service along with H<sub>2</sub>S scavengers, if necessary.



## PUBLIC PROTECTION PLAN FOR EMERGENCY CONTACTS

**NADEL AND GUSSMAN PERMIAN, LLC** (432) 682-4429

### **Company Personnel**

Joel Martin	Drilling Enrineer	432-682-4429 432-238-9969
Chris Marquez	Drilling Engineer	432-682-4429 432-202-0942
Keith Cannon	Drilling Supt.	575-623-6601 575-626-1936

### **ARTESIA N.M.**

Ambulance	911
State Police	575-746-5000
City Police	575-746-5000
Sheriff's Office	575-746-9888
Fire Department	575-746-5050 or 575-746-5051
N.M.O.C.D	575-748-1283

### **CARLSBAD N.M.**

Ambulance	911
State Police	575-885-3137
City Police	575-885-2111
Sheriff's Office	575-887-7551
Fire Department	575-885-3125 or 575-885-2111
Carlsbad BLM	575-887-6544

### **HOBBS N.M.**

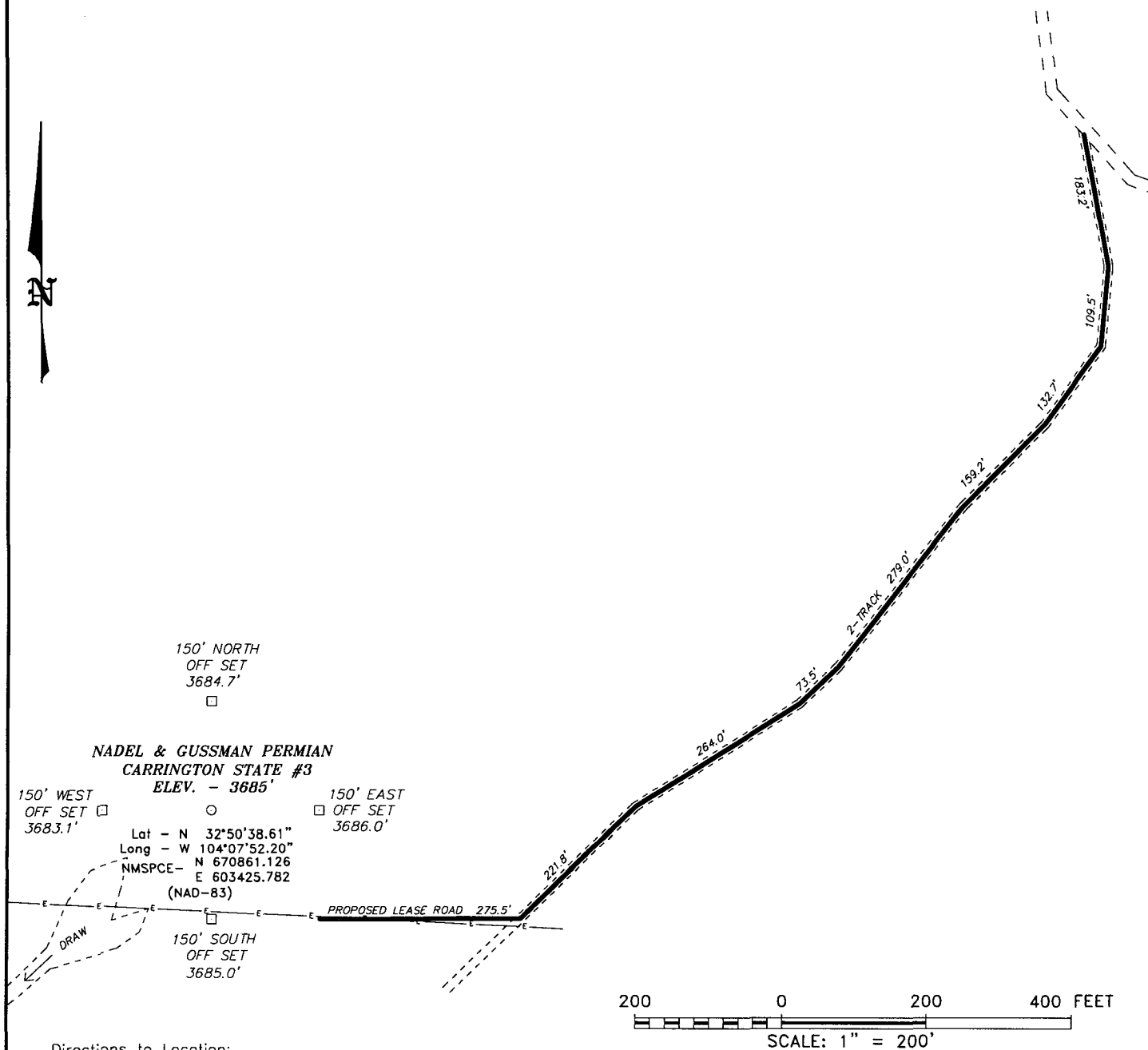
Ambulance	911
State Police	575-392-5588
City Police	575-397-9265
Sheriff's Office	575-396-3611
Fire Department	575-397-9308
N.M.O.C.D	575-393-6161
Hobbs BLM	575-393-3612

Flight for Life (Lubbock Tx)	806-743-9911
Aerocare (Lubbock Tx)	806-747-8923
Med flight air Ambulance (Albuq NM)	505-842-4433
SB air Med Services (Albuq NM)	505-842-4949

Boots & Coots IWC	800-256-9688 or 281-931-8884
Cudd Pressure Control	915-699-0139 or 915-563-3356
BJ Services (Artesia NM)	575-746-3569
(Hobbs NM)	575-392-5556

New Mexico Emergency Response Commission (Santa Fe)	505-476-9600
24 Hour	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635

SECTION 12, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF HWY 82 AND CO. RD. OLD LOCO, GO NORTH ON OLD LOCO 2.9 MILES TO LEASE ROAD, ON LEASE ROAD GO WESTERLY 1.4 MILES TO A "Y", GO SOUTHERLY 0.6 MILES TO PROPOSED LEASE ROAD.

**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

**NADEL & GUSSMAN PERMIAN**

REF: CARRINGTON STATE #3 / WELL PAD TOPO

THE CARRINGTON STATE #3 LOCATED 330'

FROM THE SOUTH LINE AND 2310' FROM THE WEST LINE OF  
SECTION 12, TOWNSHIP 17 SOUTH, RANGE 28 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 24199

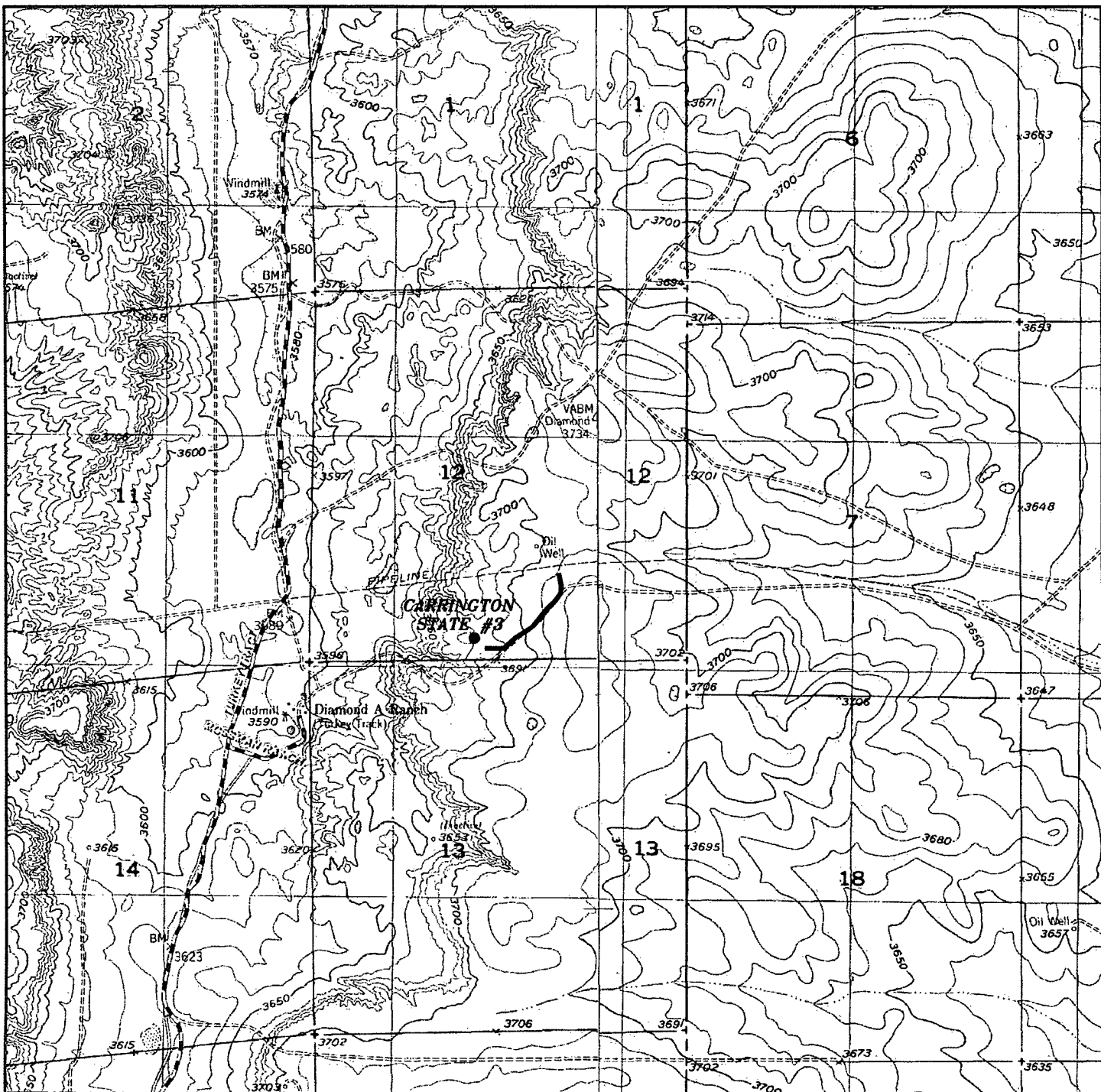
Drawn By: J. SMALL

Date: 02-24-2011

Disk: JMS 24199

Survey Date: 02-23-2011

Sheet 1 of 1 Sheets



### CARRINGTON STATE #3

Located 330' FSL and 2310' FWL

Section 12, Township 17 South, Range 28 East,  
N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**  
focused on excellence  
in the oilfield

P.O. Box 1786  
1120 N. West County Rd.  
Hobbs, New Mexico 88241  
(575) 393-7316 - Office  
(575) 392-2206 - Fax  
basinsurveys.com

W.O. Number: JMS 24199

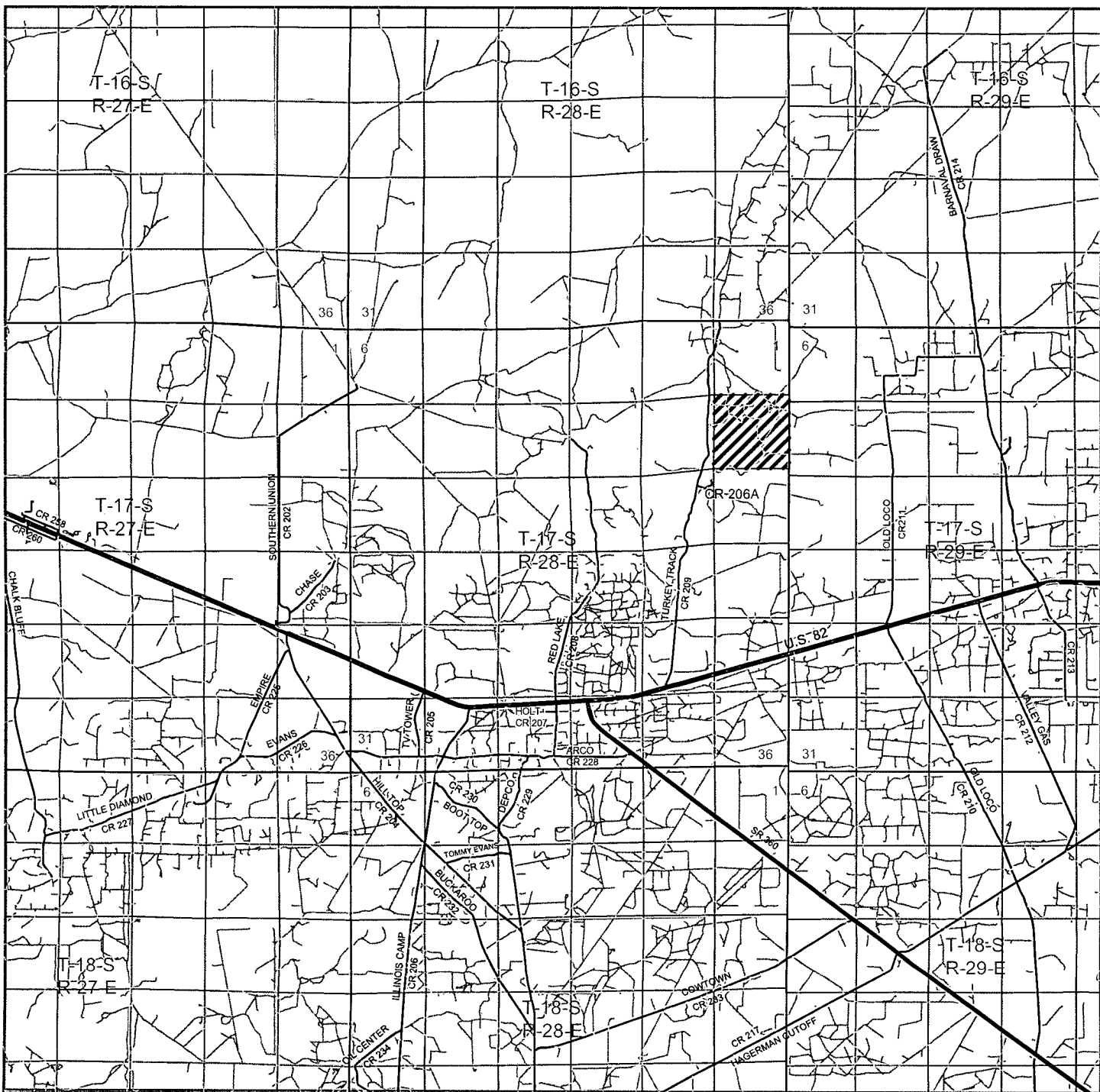
Survey Date: 02-23-2011

Scale: 1" = 2000'

Date: 02-24-2011



**NADEL &  
GUSSMAN  
PERMIAN**



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Located 330' FSL and 2310' FWL

Section 12, Township 17 South, Range 28 East,  
N.M.P.M., Eddy County, New Mexico.



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Hobbs, New Mexico 88241  
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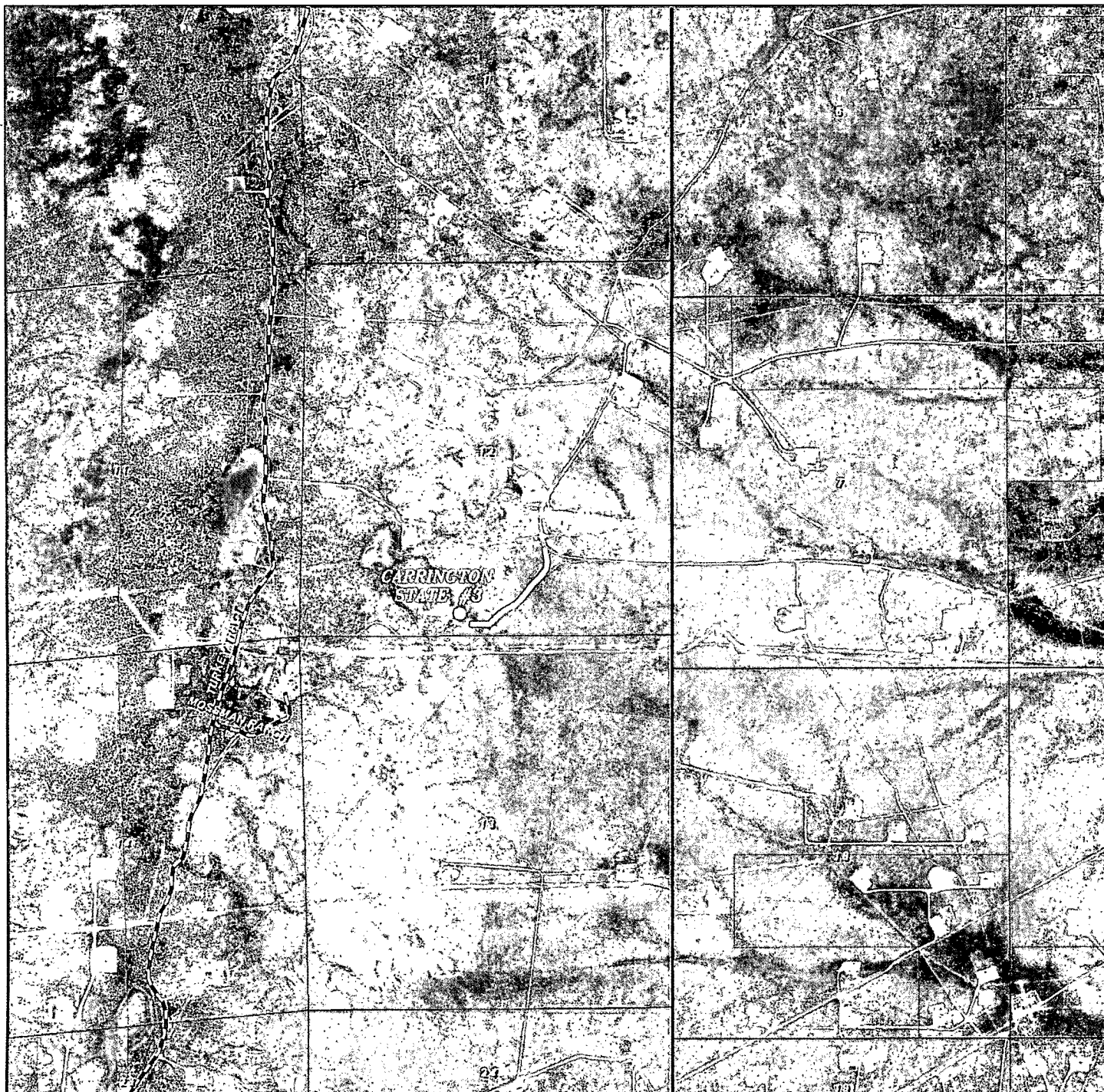
Scale: 1" = 2 Miles

Date: 02-24-2011



NADEL &  
GUSSMAN  
PERMIAN





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 Section 12, Township 17 South, Range 28 East,  
 N.M.P.M., Eddy County, New Mexico.



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[basinsurveys.com](http://basinsurveys.com)

W.O. Number: JMS 24199

Scale: 1" = 2000'

YELLOW TINT - USA LAND  
 BLUE TINT - STATE LAND  
 NATURAL COLOR - FEE LAND



NADEL &  
 GUSSMAN  
 PERMIAN