

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 145401

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 MIDLAND, TX 79701		2. OGRID Number 155615
		3. API Number 30-015-40040
4. Property Code 32673	5. Property Name DULCE AMOR	6. Well No. 003H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	4	18S	26E	P	150	S	330	E	EDDY

8. Pool Information

WC; GLORIETA-YESO	97482
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3347
14. Multiple N	15. Proposed Depth 7100	16. Formation Yeso Formation	17. Contractor	18. Spud Date 8/1/2012
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	900	600	0
Prod	8.75	7	26	2800	500	0
Liner1	6.125	4.5	13.5	7100	0	0

Casing/Cement Program: Additional Comments

will 1" cement to surface if necessary on surface casing. open hole completion with packers plus in lateral. set Liner hanger for 4.5" at ~2650. 7" cement will tie back into 9-5/8" casing at minimum.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1500	Hydril GK
DoubleRam	3000	3000	Shaffer double

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 NMOC guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Scott Germann	Approved By: Randy Dade
Title: General Manager	Title: District Supervisor
Email Address: sgerman@naguss.com	Approved Date: 3/13/2012 Expiration Date: 3/13/2014
Date: 3/9/2012 Phone: 432-682-4429	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 145401

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-40040	2. Pool Code 97482	3. Pool Name WC; GLORIETA-YESO
4. Property Code 32673	5. Property Name DULCE AMOR	6. Well No. 003H
7. OGRID No. 155615	8. Operator Name NADEL AND GUSSMAN PERMIAN, LLC	9. Elevation 3347

10. Surface Location

UL - Lot P	Section 4	Township 18S	Range 26E	Lot Idn	Feet From 150	N/S Line S	Feet From 330	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 4	Township 18S	Range 26E	Lot Idn 1	Feet From 330	N/S Line N	Feet From 330	E/W Line E	County EDDY
12. Dedicated Acres 160.28		13. Joint or Infill		14. Consolidation Code		15. Order No.			

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

<table border="1" style="width: 100%; border-collapse: collapse; height: 150px;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px; background-color: #cccccc; text-align: center;">■</td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; background-color: #cccccc;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; background-color: #cccccc;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; background-color: #cccccc; text-align: center;">●</td></tr> </table>				■												●	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><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(s) 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></p> <p>E-Signed By: Scott Germann Title: General Manager Date: 3/9/2012</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><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></p> <p>Surveyed By: Terry Rains Date of Survey: 2/14/2012 Certificate Number: 12516</p>
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			●														

Permit Comments

Operator: NADEL AND GUSSMAN PERMIAN, LLC , 155615

Well: DULCE AMOR #003H

API: 30-015-40040

Created By	Comment	Comment Date
CSHAPARD	Land p/P	3/12/2012

Permit Conditions of Approval

Operator: NADEL AND GUSSMAN PERMIAN, LLC , 155615

Well: DULCE AMOR #003H

API: 30-015-40040

OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string