

**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 176659

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

|                                                                                                         |  |                               |
|---------------------------------------------------------------------------------------------------------|--|-------------------------------|
| 1. Operator Name and Address<br>NADEL AND GUSSMAN PERMIAN, LLC<br>601 N MARIENFELD<br>MIDLAND, TX 79701 |  | 2. OGRID Number<br>155615     |
| 4. Property Code<br>40251                                                                               |  | 3. API Number<br>30-025-41519 |
| 5. Property Name<br>NIGHTHAWK STATE COM                                                                 |  | 6. Well No.<br>001H           |

**7. Surface Location**

|               |               |                 |              |         |                  |               |                  |               |               |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot<br>D | Section<br>29 | Township<br>18S | Range<br>35E | Lot Idn | Feet From<br>180 | N/S Line<br>N | Feet From<br>530 | E/W Line<br>W | County<br>Lea |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|---------------|

**8. Proposed Bottom Hole Location**

|               |               |                 |              |              |                  |               |                  |               |               |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot<br>M | Section<br>29 | Township<br>18S | Range<br>35E | Lot Idn<br>M | Feet From<br>330 | N/S Line<br>S | Feet From<br>330 | E/W Line<br>W | County<br>Lea |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|

**9. Pool Information**

|                                  |       |
|----------------------------------|-------|
| WC-025 G-06 S183518A;BONE SPRING | 97930 |
|----------------------------------|-------|

**Additional Well Information**

|                           |                             |                                        |                         |                                    |
|---------------------------|-----------------------------|----------------------------------------|-------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>OIL        | 13. Cable/Rotary                       | 14. Lease Type<br>State | 15. Ground Level Elevation<br>3921 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>14500 | 18. Formation<br>2nd Bone Spring Sand  | 19. Contractor          | 20. Spud Date<br>2/1/2014          |
| Depth to Ground water     |                             | Distance from nearest fresh water well |                         | Distance to nearest surface water  |

☒ We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

| Type   | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|--------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf   | 17.5      | 13.375      | 61               | 1850          | 1350            | 0             |
| Int1   | 12.25     | 9.625       | 36               | 3350          | 850             | 0             |
| Prod   | 8.75      | 7           | 26               | 10500         | 1100            | 2850          |
| Liner1 | 6.125     | 4.5         | 11.6             | 14500         | 0               | 0             |

**Casing/Cement Program: Additional Comments**

|                                                                                |
|--------------------------------------------------------------------------------|
| Liner will be run with frac ports and packers, open hole completion no cement. |
|--------------------------------------------------------------------------------|

**22. Proposed Blowout Prevention Program**

|                    |                          |                       |                         |
|--------------------|--------------------------|-----------------------|-------------------------|
| Type<br>Double Ram | Working Pressure<br>3000 | Test Pressure<br>3000 | Manufacturer<br>Cameron |
|--------------------|--------------------------|-----------------------|-------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable.<br><br>Signature:<br>Printed Name: Electronically filed by Scott Germann<br>Title: General Manager<br>Email Address: sgerman@naguss.com<br>Date: 11/19/2013 | <p style="text-align: center;"><b>OIL CONSERVATION DIVISION</b></p> Approved By: Paul Kautz<br>Title: Geologist<br>Approved Date: 11/26/2013<br>Expiration Date: 11/26/2015<br>Conditions of Approval Attached |
| Phone: 432-682-4429                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                |

Dr. Hobbs, NM 88240  
 (505) 393-6161 Fax (505) 393-0720  
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 DISTRICT III  
 1600 Rio Brazos Road, Aztec, NM 87410  
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 DISTRICT IV  
 1320 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico  
 Energy, Minerals & Natural Resources Department  
 OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, New Mexico 87505

Form C-102  
 Revised August 1, 2011  
 Submit one copy to appropriate  
 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                            |                                                        |                                        |
|----------------------------|--------------------------------------------------------|----------------------------------------|
| API Number                 | Pool Code                                              | Pool Name<br><i>Sharb, Bone Spring</i> |
| Property Code              | Property Name<br><b>NIGHTHAWK</b>                      | Well Number<br><b>1H</b>               |
| OGRID No.<br><i>155615</i> | Operator Name<br><b>NADEL AND GUSSMAN PERMIAN LLC.</b> | Elevation<br><b>3921'</b>              |

Surface Location

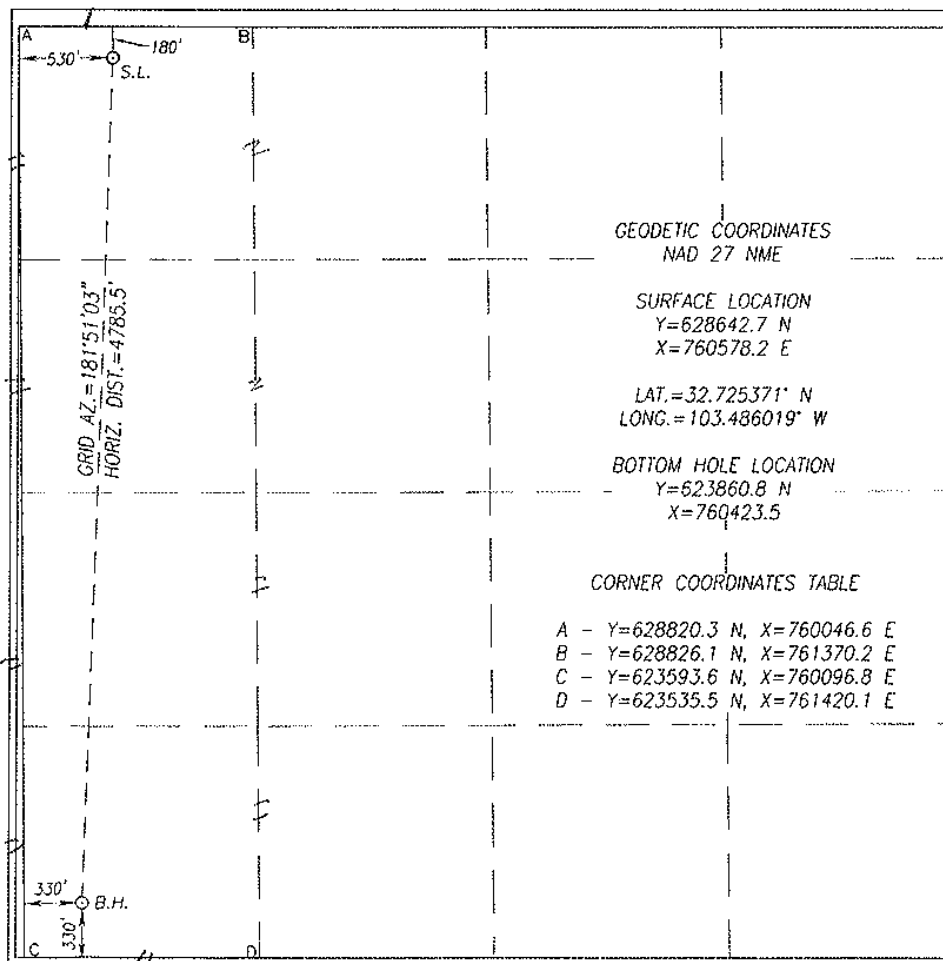
| UL or lot No. | Section   | Township    | Range       | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County     |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|------------|
| <b>D</b>      | <b>29</b> | <b>18-S</b> | <b>35-E</b> |         | <b>180</b>    | <b>NORTH</b>     | <b>530</b>    | <b>WEST</b>    | <b>LEA</b> |

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     |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|------------|
| <b>M</b>      | <b>29</b> | <b>18-S</b> | <b>35-E</b> |         | <b>330</b>    | <b>SOUTH</b>     | <b>330</b>    | <b>WEST</b>    | <b>LEA</b> |

|                               |                 |                    |           |
|-------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres<br><i>160</i> | Joint or Infill | Consolidation Code | 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



OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*J. Goss* 11/19/13  
 Signature Date  
**JASON GOSS**  
 Printed Name  
**JGoss@naguss.com**  
 E-mail Address

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.

AUGUST 9, 2013

Date of Survey  
 Signature & Seal of Professional Surveyor

*Ronald F. Eidson* 08/19/2013  
 Certificate Number Gary G. Eidson 12641  
 Ronald F. Eidson 3239  
 DSS JWSC W.O. 13 11 0911

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

Form APD Comments  
  
Permit 176659

**PERMIT COMMENTS**

|                                                                                                                 |  |                                    |
|-----------------------------------------------------------------------------------------------------------------|--|------------------------------------|
| Operator Name and Address:<br>NADEL AND GUSSMAN PERMIAN, LLC [155615]<br>601 N MARIENFELD<br>MIDLAND , TX 79701 |  | API Number:<br>30-025-41519        |
|                                                                                                                 |  | Well:<br>NIGHTHAWK STATE COM #001H |

|            |         |              |
|------------|---------|--------------|
| Created By | Comment | Comment Date |
|------------|---------|--------------|

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Form APD Conditions

Permit 176659

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

**PERMIT CONDITIONS OF APPROVAL**

|                                                                                                                |                                    |
|----------------------------------------------------------------------------------------------------------------|------------------------------------|
| Operator Name and Address:<br>NADEL AND GUSSMAN PERMIAN, LLC [155615]<br>601 N MARIENFELD<br>MIDLAND, TX 79701 | API Number:<br>30-025-41519        |
|                                                                                                                | Well:<br>NIGHTHAWK STATE COM #001H |

| OCD<br>Reviewer | Condition                                                                                                                                                                                                                                                            |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| pkautz          | Will require a directional survey with the C-104                                                                                                                                                                                                                     |
| pkautz          | 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 |
| pkautz          | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water                                                                                                                                                                 |
| pkautz          | Cement on Surface and Intermediate Casing must circulate to surface                                                                                                                                                                                                  |
| pkautz          | Cement on Production Casing must tie back into intermediate casing                                                                                                                                                                                                   |