ABOVE THIS LINE FOR DIVISION USE ONLY

NSL

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

	THIS COVE	RSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS
Application Acr	(DHC-E	[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location] [DD-Directional Drilling] [SD-Simultaneous Dedication] [Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [C-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
[1] TYPE	[A]	PRLICATION - Check Those Which Apply for [A] Constitution - Spacing Unit - Directional Drilling Constitution - Direction - Direction - Direction - Direction - Direction - D
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD IPI EOR PPR
[2] NOTI	FICAT [A]	TION REQUIRED TO: - Check Those Which Apply, or Does Not Apply Working, Royalty or Overriding Royalty Interest Owners
	[B]	Offset Operators, Leaseholders or Surface Owner
	[C]	Application is One Which Requires Published Legal Notice
	[D]	☐ Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
	[E]	☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
	[F]	☐ Waivers are Attached
[3] INFO	RMAT	ION / DATA SUBMITTED IS COMPLETE - Statement of Understanding
Regulations o approval is ac RI, ORRI) is	f the Oi curate a	or personnel under my supervision, have read and complied with all applicable Rules and I Conservation Division. Further, I assert that the attached application for administrative and complete to the best of my knowledge and where applicable, verify that all interest (WI, n. I further verify that all applicable API Numbers are included. I understand that any ormation or notification is cause to have the application package returned with no action
		66 Note: Statement must be completed by an individual with supervisory capacity.

JAMES BRUCE

ATTORNEY AT LAW

*

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA SANTA FE, NEW MEXICO 87501

(505) 982-2043 (505) 982-2151 (FAX)

February 25, 2000

Michael E. Stogner Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Nadel and Gussman Permian, L.L.C. applies for administrative approval of an unorthodox oil well location for the following well:

Mia Michelle State Well No. 1 572 feet FNL & 1189 feet FEL NE%NE% (Unit A) §32, Township 15 South, Range 30 East, NMPM Chaves County, New Mexico

Attached as Exhibit A are a Form C-101 and Form C-102 for the well. The well will be drilled to a depth sufficient to test the Devonian formation (Undesignated Little Lucky Lake-Devonian Pool). The pool is governed by statewide rules, with 40 acre spacing and wells to be no closer than 330 feet to a quarter-quarter section line.

The proposed location is based upon geologic reasons. Attached as Exhibit B is a structure map of the Devonian, which is based on seismic and well control. The proposed well should penetrate the Devonian formation at a favorable structural position, and will provide the best chance of encountering potential Devonian pay in the NEWNEW of Section 32. Thus, the unorthodox location will reduce the risk involved in drilling the well, and prevent waste.

Submitted as Exhibit C is a land plat of the area, with the location of the proposed well marked on the plat. The NEW of Section 32 is covered by State of New Mexico Lease V-3756, which has common working, royalty, and overriding royalty ownership throughout the quarter section. Because the well does not encroach on any offset interest owner, notice was not given to anyone.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,

James Bruce

Actorney for Nadel and Gussman Permian, L.L.C.

cc: Sam H. Jolliffe IV



District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 2040 South Pacheco, Santa Fe, NM 87505

Energy Minerals and Natural Resources

Form C-101 Revised March 17, 1999

Oil Conservation Division 2040 South Pacheco Santa Fe, NM 87505

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

											NDED REPORT
Nadel and		1,	Operator Name and		RILL, RE-EI	VTER, DEF	CPEN, PL	155615	² OGRI	D Number	
601 N. Ma	•							20 005	3 API	Number	
Midland,	Texas 79 ty Code	701			⁵ Property Na			30-005-		⁶ Well N	io.
riopea	ny Code				Mia Michelle					1	0.
					⁷ Surface L	ocation			.		
UL or lot no.	Section	Township	l i i			m the Nort	Feet from the	the East/West line		County	
A	32	15-S	30-E	57		1		1189'		East	Chaves
	8 Proposed Bottom Hole Location If Different From Surface										
UL or lot no.	Section	Township	Range	Lot I		T	h/South line	Feet from the	East/West line		County
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	Litt	le Lucky L	ake Devonia	n (3923	30)						
ł .	Type Code N		12 Well Type Code	;		/Rotary	1	⁴ Lease Type Code S			Level Elevation
	fultiple		17 Proposed Depth	Rotary th 18 Formation					20 Spud Date		Spud Date
I	No		11,450'		Devo	nian		Patterson +/- 03		3/10/2000	
			²¹ P	ropose	d Casing and	d Cement	Program				
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17-1/	/2"	13-	3/8"		42#		400' 4		SX	cir	c. to surface
12-1	/ 4 "	9-5	5/8"		36#	300	3000' 120		00 sx c		c. to surface
8-3/	4"	7	,,,	23#	# & 26#	11,450'		1000	1000 sx		~8000'
		<u> </u>	<u>_</u>								
Describe Drill and	the blowout	t prevention pro	gram, if any. Uso Devonian/ M	e addition	al sheets if necessa with a proj	ected TD	of 11,45		chema	itic is att	roductive zone. ached. A DV npleted using
1								or to perfora		ar be con	upicted using
²³ I hereby cert my knowledge	•	information giv	en above is true a	nd comple	ete to the best of		OIL C	ONSERVA	ΓΙΟΝ	DIVISIO	ON
Signature:		MH				Approved by					
Printed name:	Robert	T. McNa	ughton			Title:					
Title:	Opera	tions Engi	neer			Approval Da	te:		Expiration	on Date:	
Date: 2-	18-00)	Phone: 915	5 - 682	- 4429	Conditions of	Approval:				
^_	10 00				Attached						

Exhibit "A"

State of New Mexico

Form C-102 Revised March 17, 1999

Energy, Minerals and Natural Resources Department

Revised March 17, 1999

Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - S Copies

1825 N. French Dr., Hobbs, NM 88240 DISTRICT II 811 South First, Artesia, NM 88210

DISTRICT I

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 67505

OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Code Pool Name				
	39230	Little Lucky Lake Devonian				
Property Code	Property Code Property Name					
·	MIA MICHELLE STATE					
OGRID No.		Elevation				
155615	NADLE AND G	3963'				

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	15 S	30 E		572	NORTH	1189	EAST	CHAVES

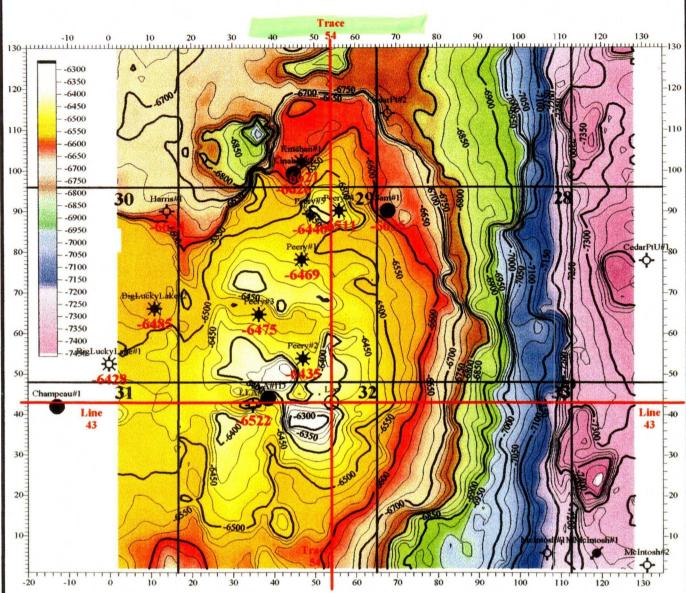
Bottom Hole Location If Different From Surface

bottom dole 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	
l l		_	_	e e						
		l							1	
Dedicated Acres	Joint o	r Infill Co	nsolidation (Code Or	der No.		<u> </u>	<u> </u>	L	
40										

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

	3956.7 3955.7	3970.7' 	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature
 	LAT - N LONG	32"58'41.1" W 103"56'34.8"	Robert McNaughton Printed Name Operations Engineer Title 2-18-06 Date
			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 supervison and that the same is true and correct to the best of my belief.
! 			February 14, 2000 Date Surveyed L. JONES Signature & Seal of Springers Professioner Springers 4077 W.O. No. 00034
 		 	Certificate No. Gory Lawares 7977 BASIN SURVEYS





Nadel & Gussman Permian, L.L.C.

DOUBLE LL PROSPECT

T15S-R30E, Chaves County NM
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Calculated by Isopach
from the Abo
CI = 25'

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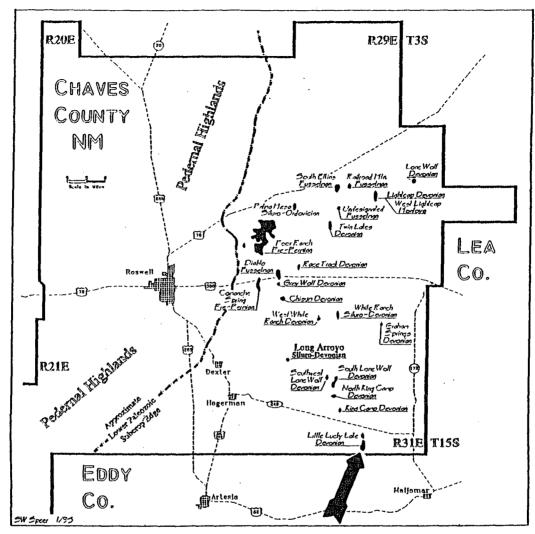


Figure 1. Regional map of north-central Chaves county showing lower Paleozoic fields and the approximate subcrop edge for lower Paleozoic formations.

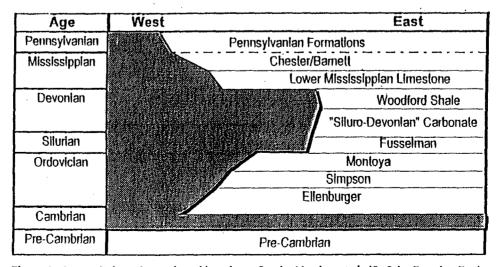


Figure 2. Lower Paleozoic stratigraphic column for the Northwest shelf of the Permian Basin.

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Exhibit "C"

R30E

(oc de employee de)

NADEL AND GUSSMAN PERMIAN, L.L.C.

DOUBLE LL PROSPECT MIA MICHELLE STATE #1

Section 32-T15S-R30E

Chaves Co, NM

2/00