1/11/07

TYPE NSL

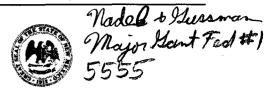
APP NO. pTDS0701140122

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE **Application Acronyms:** [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-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] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response] [1] TYPE OF APPLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication [A] 🔼 NSL 🗌 NSP 🔲 SD Check One Only for [B] or [C] Commingling - Storage - Measurement ☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM [C]Injection - Disposal - Pressure Increase - Enhanced Oil Recovery □ WFX □ PMX □ SWD □ IPI □ EOR □ PPR [D]Other: Specify _____ [2] NOTIFICATION 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 For all of the above, Proof of Notification or Publication is Attached, and/or, [E] [F]Waivers are Attached [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE. [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division. Note: Statement must be completed by an individual with managerial and/or supervisory capacity. Print or Type Name Signature Title Date e-mail Address

Nadel and Gussman Permian, L.L.C. 601 N. Marienfeld, Suite 508 Midland, TX 79701 Office (432) 682-4429 Fax (432) 682-4325

January 9, 2007

Mark E. Fesmire, P.E. Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

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

Well:

Major Gant Fed. Well No. 1

Location:

660 feet FSL & 2160' feet FWL

Well Unit:

S½ of Section 12, Township 21 South, Range 21 East M.M.P.M.,

Eddy County, New Mexico

The well will be drilled to a depth sufficient to test the Morrow formation (Little Box Canyon-Morrow Gas Pool), which is spaced on statewide regulations (320 acre well units, with wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line). A Form C-102 for the well is attached as Exhibit A.

The well's location is based upon geologic and topographic reasons. An isopach for the "Lavender" Morrow sand (the primary zone) is attached as Exhibit B. The SE¼SW¼ of Section 12 has better sand thickness than alternative quarter-quarter sections, and thus applicant desires to drill the well there.

In addition, there are several topographic reasons for drilling the well at the proposed locations. Attached as Exhibit C is a topographic plat of the area. This is an area of high relief, and locations are limited. In addition, this is federal land, and the Bureau of Land Management requested the location be moved east of an orthodox location because of archaeological sites at an orthodox location, and in order to keep the location near existing roads to minimize additional surface disturbance.

A Midland Map Co. land plat is attached as Exhibit D. The S½ of Section 12 is covered by federal leases NM-886 and NM-887. The well location is internal to the well unit, and does not

encroach on any offset acreage. Therefore, there is no adversely affected offset, and notice of this application has not been given to anyone.

Please contact me if you need any further information.

Very truly yours,

Sam Jolliffe

Land Manager

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II 1301 W. Grand Avenue, Artesia, NM 88210

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised October 12, 2005

Submit to Appropriate District Office

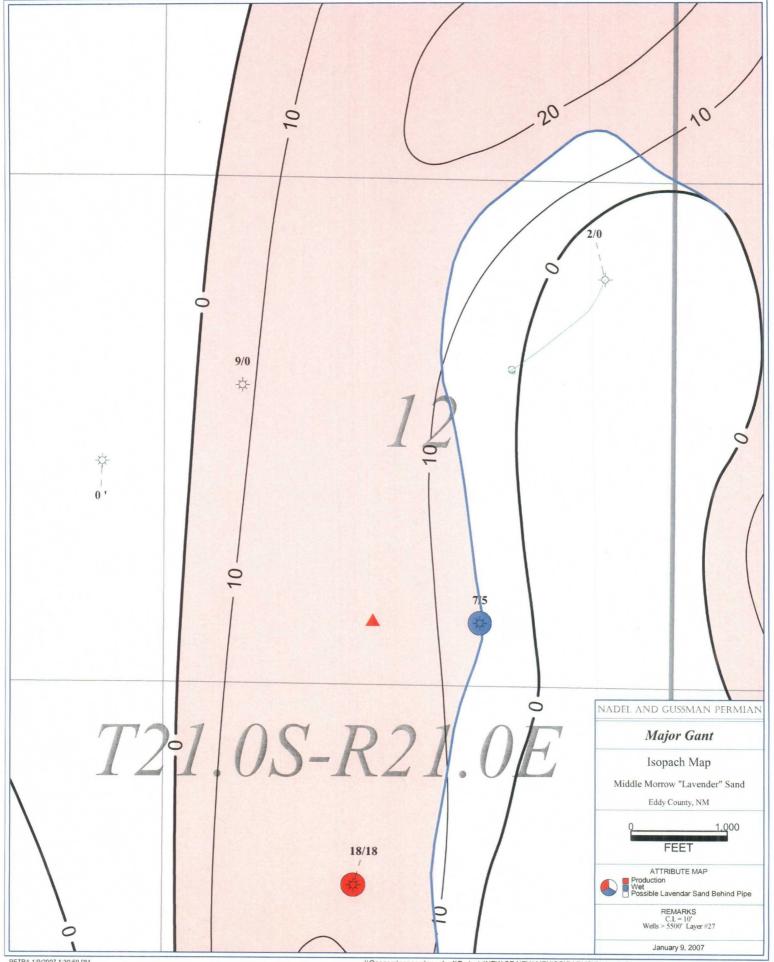
DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

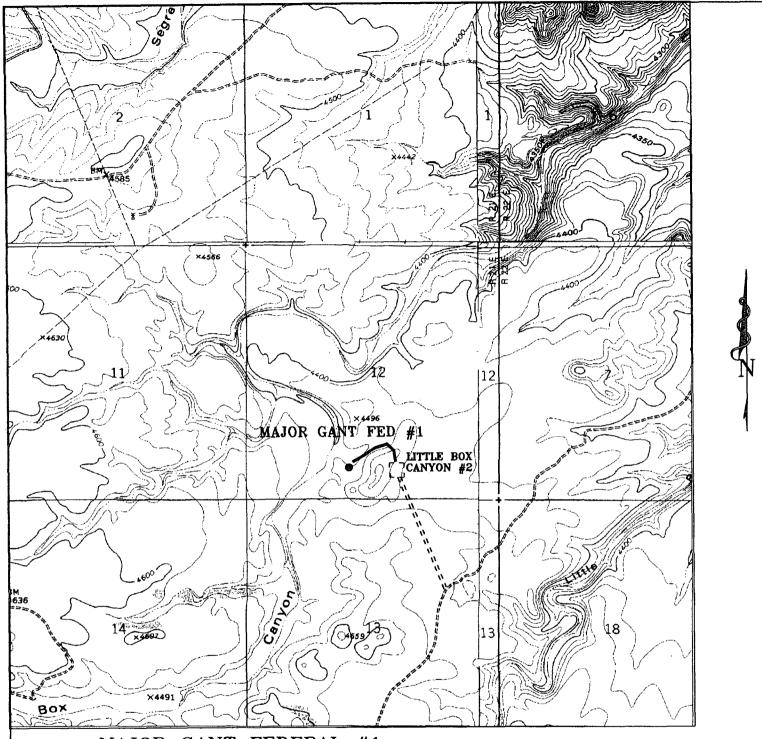
State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

□ AMENDED REPORT

	20, 2000							□ AMENDE	REPORT	
			WELL LO	CATION A	AND ACREA	AGE DEDICATI	ON PLAT		807	
API	Number			Pool Code	47	TLE BOX	Pool Name	MORRON	$\overline{\mathcal{M}}$	
Property	Code	T			Property Nan	ne	<u> </u>		umber	
OCENTA N				MAJO	R GANT FI			1		
OGRID No.			Operator Name NADEL AND GUSSMAN PER						vation 147'	
		.1			Surface Loc	ation				
L or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
N	12	21 S	21 E		660	SOUTH	2160	WEST	EDDY	
			·			erent From Sur				
L or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Dedicated Acre	s Joint o	or Infill Co	nsolidation	Code Order	r No.	1				
320										
NO ALLO	OWABLE V					UNTIL ALL INTER		EEN CONSOLID	ATED	
		OR A N	NON-STAN	DARD UNIT	HAS BEEN	APPROVED BY	THE DIVISION			
							I hereby ce contained herei the best of my this organizatio interest or unle land including location pursua owner of such or to a volunta compulsory pool the division. IVVY Signatur FRRY Printed Nam SURVEYO	or CERTIFICATION that the inform in its true and comp knowledge and belies in either owns a work the proposed bottom into a contract with a mineral or working ry pooling agreement ing order heretofore R. WEST R. WEST e OR CERTIFICATION that the well locate that the well locate information is the contract with a mineral or working the contract with a mineral or working the contract with a con	nation lete to f, and that ting t in the hole an interest, or a entered by //-30-t/ Date	
. <u> </u>		Lat.: N32°2 Long.: W10 (NAD-	4"45'32.7"		+ -		on this plat we actual surveys supervison, an correct to the	as plotted from field made by me or d that the same is e best of my belie MBER 13, 200 1. Johnson	i notes of under my true and	





MAJOR GANT FEDERAL #1

Located at 660' FSL & 2160' FWL Section 12, Township 21 South, Range 21 East, N.M.P.M., EDDY County, New Mexico.

Date: 09-14-2006



P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 — Office (505) 392-3074 — Fax basinsurveys.com

W.O. Numbe	r: JMS	7061T	
Survey Date	e: 09-1	13-2006	
Scale: 1" =	2000'		

NADEL AND GUSSMAN PERMIAN

	10 3:40.00 elden 14	Charles Broom 1 Chie	40.11 A 40.M ST 40.11 11 40 H 1	4 14 1000 1000 1000	38 66 6/39 79 3/30 81 2/30 60 1	10.00 4 30.05 3 30 07 2 30 60 /
37.40 200	Caza Ener	Echo Prod.	rec I Saha Pand I	Allar Ca. 40%, Allar Co. 40 %	Purvis Oper. 7 1-2008 V-6852 103 4	BPAmer (ExxonMobil)
D1.66 et	12 1 2014 112877 12000	1 1140 93	210 12 1 2010 5 12014 1055 42 11977 140 09	Echo Prod. Echo Prod. 6 1 2009 10 2000 10 20000 10 2000 10 2000 10 2000 10 2000 10 2000 10 2000 10 2000 10 200	V.0025 103 A	(Rasson) (ARCO) (Streens) (Stree
)7,66 š ⁴	6	5		3	Yates Pet .etal	ARCS Hilloo Fed TO Baza Nosser Fed
)]7.69				DRM DRM	V 6857 125 €	TD 8246 Nosser Fed
L	U.S.	u.s	us.	ORM Prop 8 i 200s ***********************************	1	U.S.
Cozatner 11 / 2014 11 / 2014 11 / 2014	Ygtes Pet. etal 3 · 1 · 2008 100520	Yates Pet.,etal 3 · 1 · 2009	The Allar Co. 12 · 1 · 2009 103578 M M Wilson	Rio Pecos, eta 1 3 · l · 2003 50492	Extron Mob. ¹ HBP 27451	Nearburg Expl (C.+ Ser) 3 1- 2005 C-171e Box 94577 Conyon 4522 T08320 BHL) Heprogram (108320 BHL)
37.78 E	600	IE 35 105003	120 00 Armstrang. Armstrang. Fed Tobase 175 185 24-75 185 24-75	900	Ygres Pet	96804 7992 1377805 94577 4
Dr. 70 A	7	8	9 Yates Pet.,etal	Aliar Co., 40% Fcho Prod	Yates Pet, etal Yates Pet, etal 3-1-2008 35-00 (1-58)	Model Educaman etal (1108450)
37.84 A	_		8 · 1 · 2004 VA · 2019 18750	140 99	Totes Pet Ciscocise Value Pet	Tates Pet, etal 3/4 age etal
<u></u> :	u.s.	u s .	State	#NDIAI	445	886 (C) Services
9742 T	Yates Pet etal 3 1 2009 100522	Yates Pet.,etal	Yotes Pet,etal Yates Pet,etal 8 · 1 · 2004 8 · 1 · 2004	Yates Pet) Esho Fed. Yates Pete al	CazaEner II i 2014 II 2877	Pure Res (Altor Co) III 2014 II 2016
31.64 ₹		10 2004 29 2 2	VA 2006 VA 2020 5127 218.75	(Aller 3 : 1 : 2009 102004 Echo Prod. 2992	ີ:2ີ ≃	Vales Pet. Corpor 2
37.84 5	CazaEner:	17	16 	15 I-IA Victoria Fulborifodi TD8125	14 3 G M-1 3 Yates Pet.	13 19 L 1032 13 Stere 1970 J-Gu
37.64 7	15055			TDBIZS Yorkes Pet. Huber-Fed. 2-1A Duol	S. C. Contraction	(Chisos stal)
37.50	u.s.	U.S.	stere 21	21 0.3.	U.S. Kjing Votes Pet.	5 1 2014 11927 4 16 22 4. S. Yates Pet
	Res 11-1-2014 HBP 11-2677 12099	Haney Pet 5-1 7014 111928 30.50	Honley Pet 5 1 - 2014 111928 Yorks 1 KM 30 9 Per 1 KM	Aller Co.40% Echo Prod. Yates Pet.etal 3 · 1 · 2009 3 1 · 2009	Yotes Pet King Yotes Pet. Yotes Pet Res Li *4-A" Etal 10-1-78 777 Mil. 1-1-78 7797 (King Res)	(King Resources) HBP 9187
38 02 2 Yates 6		·	Teros (DO)	102007 102005 150 % 175 99	9187	" Box Carryon U+"
1005	19 King Res. HBP	Stetco 69'Ltd.	ExplJ 708200 DAM 27-77 NTD 7835 0/4 8-21-79	22	The Allar Co. 1-31 12 1 2012 100413 AP 100413 A voges Peters 18 90	
30.20 6	. 6187	7 29		ONA	MAP 103413 M Vares Pet	6 2008 1 00817 17 22
	u.s	U.S. Stote B.S.	U.S.	UR MIDLAND	us.	U.S.
30.32	Yates Pet. 6 : 1 : 93 71728	G.Klurfeld 915.47	Yates Pet.etal 3 1 2009 3 1 2009 102009 26 92 102009 50 90 Parmeet	Marathon 3 / 2008 100525	Marathon 3 (2008 100524	Yates Pet. e rai 6 2008 100818
Dan E		Yates Pet, etal 4:1-54 6(2.08	DRM Prop 6 1 2005 6 1 2005 Construction	29 <u>eo</u>	29 <u>99</u>	17 <u>99</u> Villa 9 1,085 12,585 12,585 12,585 12,585
30.31 F	30 (Vine Per.)	29 24	28	27	Fortson A Corp. / HBC)	25 Signis
34.00 Z	81208				State 14.15	
	u.s.	U.S.	U.S.	U.S	и.\$.	U. 5.
Ja Jo 1 Vates	King Res. Pet. 10-1-78 28 7797	Yotes Pet., etal 9 1 2006	Yates Pet, _tal	Yates Pet.etal 6 2008	Yates Pet.,etal 6 2008 100821	Yates Pet etal Yates Pet, etal
30.20 E	• •	VA 2529 25 99 33 99	6 2008 008 9 1792	196 <u>9</u> 28 17 <u>99</u>	17.29	Yotes Pet 307 89 River Bac Also Disc.
Baza S	. wi Memateuri	32	33	34	A Corp	Yates 36 Ciries-State Cisco Disc C. 7 28 78
34.24 7	, ;		FANNING	DRAW	2 15 82 it T032 State 14 15	C. 7 28 78
	U.S. Arestron	State	U.S	U.S.	u s	3 rate

NADEL AND GUSSMAN PERMIAN, LLC

Major Gant Federal #1 Sec. 12 T21S-R21E

Eddy Co., NM

January 2007