

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



State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

*JP*  
Form C-101  
Revised March 17, 1999

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

AMENDED REPORT

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

<sup>1</sup> Operator Name and Address <b>Nadel and Gussman Permian 601 N. Marienfeld, Suite 508, Midland, Texas 79701</b>		<sup>2</sup> OGRID Number <b>155615</b>
<sup>3</sup> Property Code		<sup>3</sup> API Number <b>30-015-31898</b>
<sup>4</sup> Property Name <b>Ancell</b>		<sup>6</sup> Well No. <b>1</b>

<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
I	17	19-S	24-E		1980'	South	990'	East	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
<sup>9</sup> Proposed Pool 1 <b>Siegrest Draw (Morrow), 85280</b>					<sup>10</sup> Proposed Pool 2 <b>Antelope Sink (Upper Penn), 70520</b>				

<sup>11</sup> Work Type Code <b>N</b>	<sup>12</sup> Well Type Code <b>G</b>	<sup>13</sup> Cable/Rotary <b>Rotary</b>	<sup>14</sup> Lease Type Code <b>P</b>	<sup>15</sup> Ground Level Elevation <b>3750' GL</b>
<sup>16</sup> Multiple <b>No</b>	<sup>17</sup> Proposed Depth <b>8,800</b>	<sup>18</sup> Formation <b>Miss.</b>	<sup>19</sup> Contractor <b>Patterson #55</b>	<sup>20</sup> Spud Date <b>~9/15 / 01</b>

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

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	48#, H-40	400'	450	Circulated
12-1/4"	8-5/8"	24#, J-55	1,500'	1200	Circulated
7-7/8"	5-1/2"	17#, N-80	8,800'	850	~5000'

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present  
Describe the blowout prevention program, if any. Use additional sheets if necessary.

NOTIFY OCD SPUD & TIME TO WITNESS  
CEMENTING OF WATER PROTECTION

**Drill and complete well in the Morrow at a projected TD of 8,800'. Secondary objective is the Upper Penn. A BOP schematic is attached and a 5000 psi tree will be nipped up prior to perforating. A DV tool may be used if zones above the Wolfcamp are prospective. The Morrow will be completed with thru-tubing or tubing conveyed guns. Will notify NMOCD in sufficient time to witness cementing the 13 3/8" and 8 5/8" casing and minimum WOC time will be 12 hours or as directed.**

*18 hours or Follow Option 2, Rule 107*

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief Signature: <i>[Signature]</i>	<b>OIL CONSERVATION DIVISION</b> Approved by: <i>[Signature]</i> <b>ORIGINAL SIGNED BY TIM W. GUM DISTRICT II SUPERVISOR</b>
Printed name: <b>Robert T. McNaughton</b>	Title:
Title: <b>Operations Engineer</b>	Approval Date: <b>JUL 22 2001</b> Expiration Date: <b>JUL 22 2002</b>
Date: <b>7-16-01</b> Phone: <b>915-682-4429</b>	Conditions of Approval: Attached <input type="checkbox"/>

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<sup>3</sup> Property Code	<sup>5</sup> Property Name <b>Ancell</b>	<sup>6</sup> Well No. <b>1</b>

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<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

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<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.

**Drill and complete well in the Morrow at a projected TD of 8,800'. Secondary objective is the Upper Penn. A BOP schematic is attached and a 5000 psi tree will be nipped up prior to perforating. A DV tool may be used if zones above the Wolfcamp are prospective. The Morrow will be completed with thru-tubing or tubing conveyed guns. Will notify NMOCD in sufficient time to witness cementing the 13 <sup>3</sup>/<sub>8</sub>" and 8 <sup>5</sup>/<sub>8</sub>" casing and minimum WOC time will be 12 hours or as directed.**

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 	<b>OIL CONSERVATION DIVISION</b>	
	Approved by:	
Printed name: <b>Robert T. McNaughton</b>	Title:	
Title: <b>Operations Engineer</b>	Approval Date:	Expiration Date:
Date: <b>7-16-01</b>	Phone: <b>915 - 682 - 4429</b>	Conditions of Approval: Attached <input type="checkbox"/>

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State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
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Fee Lease - 3 Copies

**OIL CONSERVATION DIVISION**

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code 85380	Pool Name Siegest Draw (Morrow)
Property Code	Property Name ANCELL	Well Number 1
OGRID No. 155615	Operator Name NADEL AND GUSSMAN PERMIAN, L.L.C.	Elevation 3750'

Surface Location

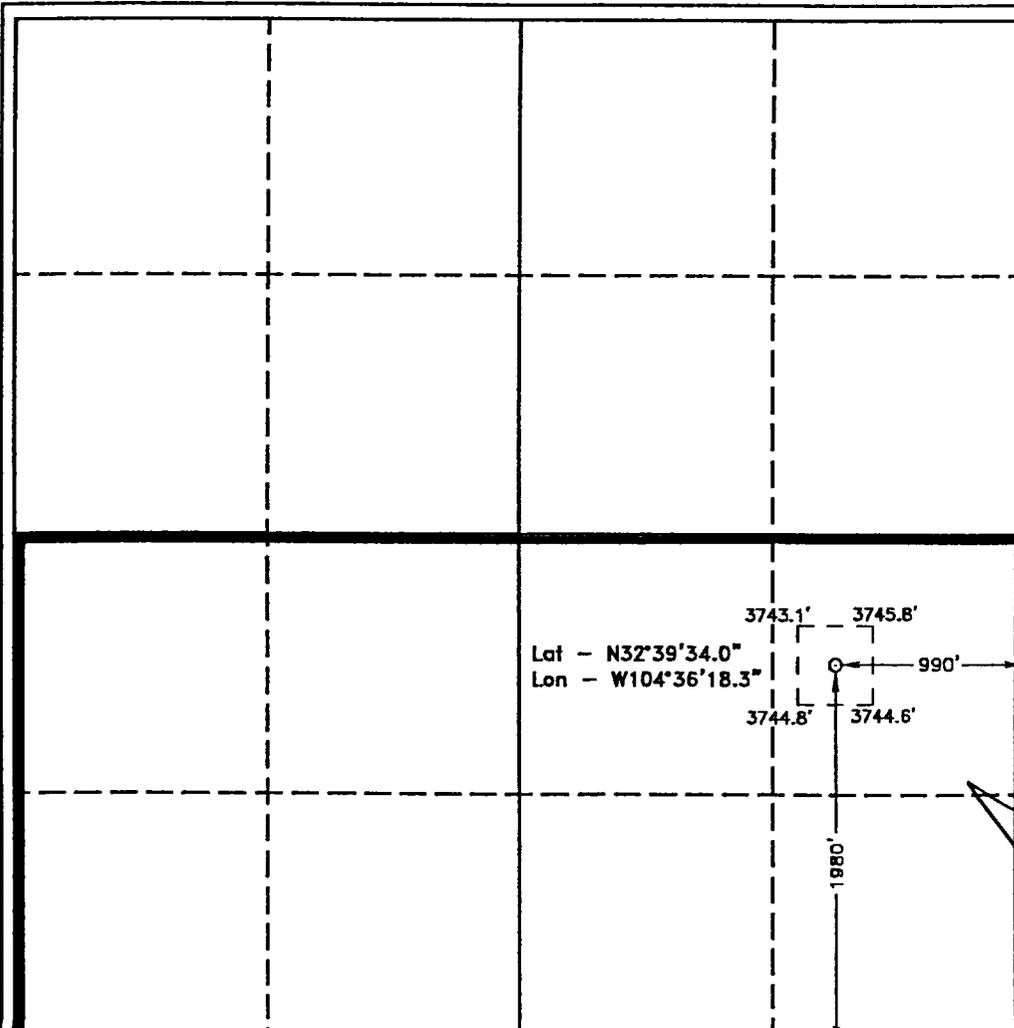
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	17	19 S	24 E		1980	SOUTH	990	EAST	EDDY

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

Dedicated Acres 320	Joint or Infill	Consolidation Code F	Order No. pending
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**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 the the information contained herein to true and complete to the best of my knowledge and belief.

*[Signature]*  
Signature  
Robert McNaughton  
Printed Name  
Operations Engineer  
Title  
7-16-01  
Date

---

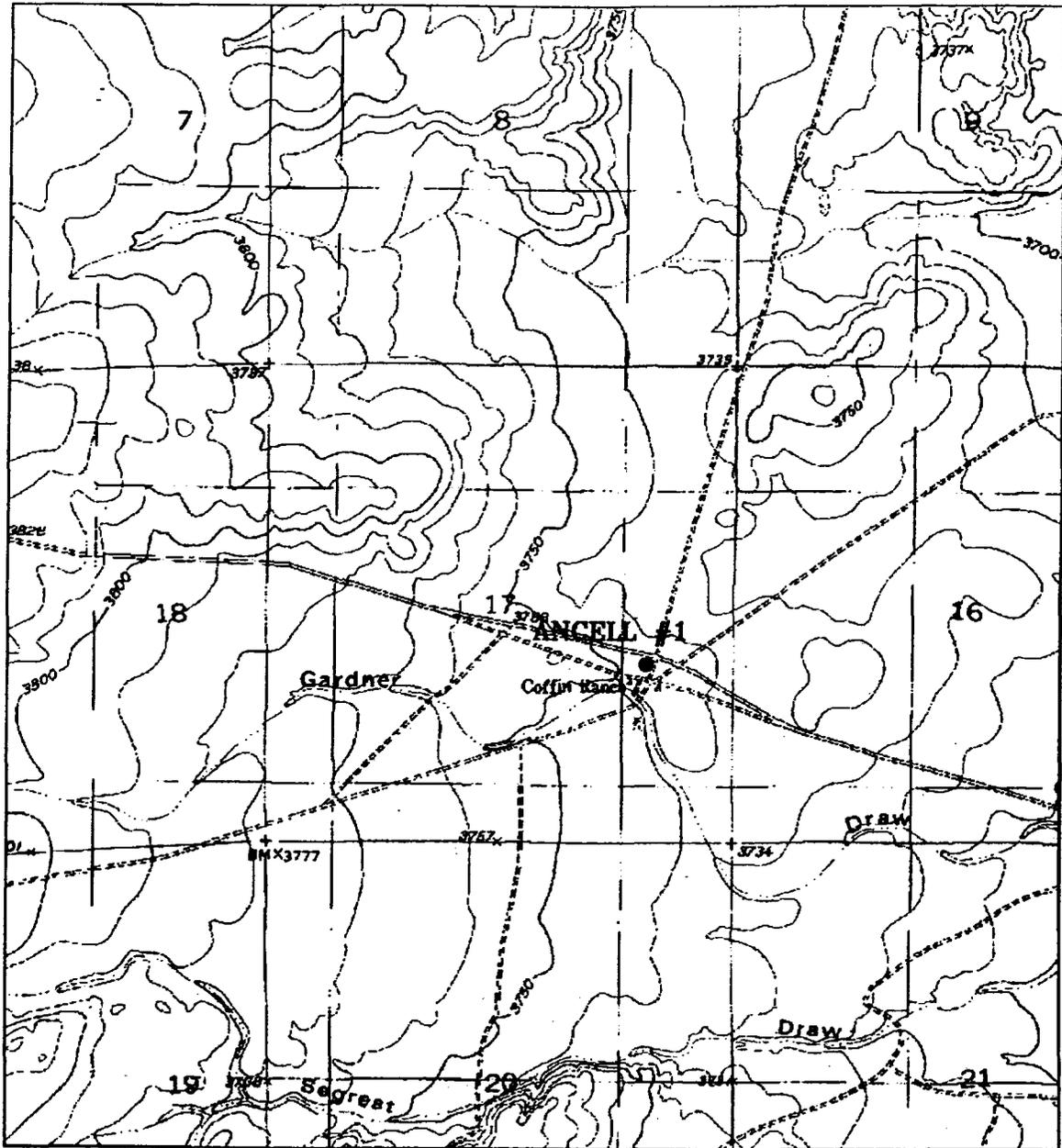
**SURVEYOR CERTIFICATION**

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 supervision, and that the same is true and correct to the best of my belief.

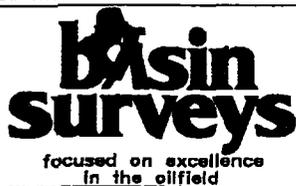
June 29, 2001  
Date Surveyed

*[Signature]*  
Signature & Seal of  
Professional Surveyor  
GARY L. JONES  
7977  
N.C. No. 1548A  
Certificate No. GARY L. Jones 7977

REGISTERED PROFESSIONAL SURVEYOR  
NEW MEXICO



**ANCELL #1**  
 Located at 1980' FSL and 990' FEL  
 Section 17, Township 19 South, Range 24 East,  
 N.M.P.M., Eddy County, New Mexico.



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

W.O. Number: 1648AA - KJG CD#4

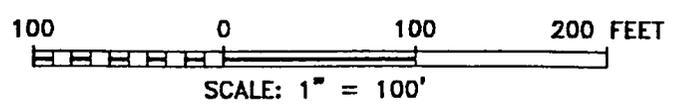
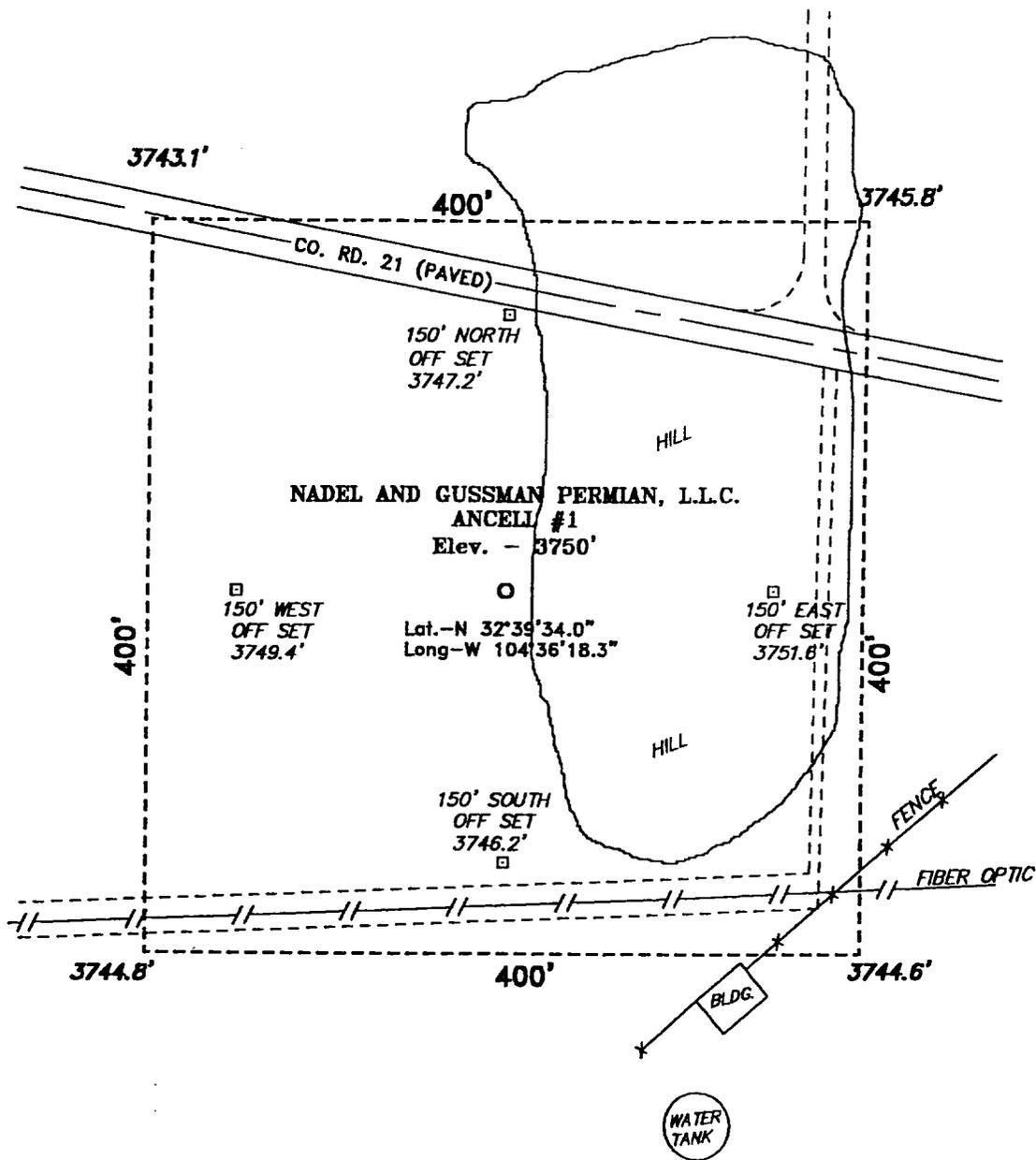
Survey Date: 06-29-2001

Scale: 1" = 2000'

Date: 07-03-2001

**NADEL AND GUSSMAN  
 PERMIAN, L.L.C.**

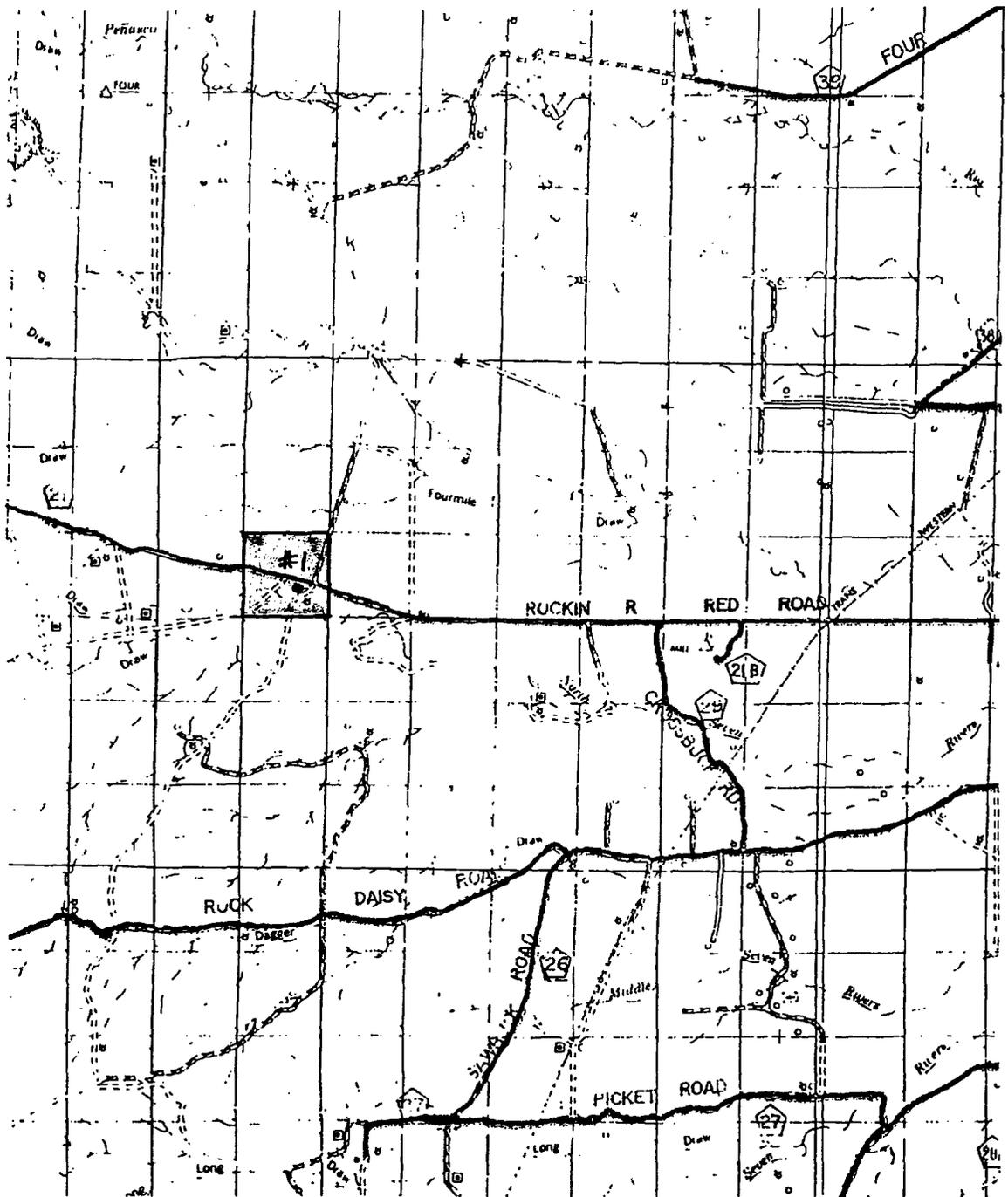
**SECTION 17, TOWNSHIP 19 SOUTH, RANGE 24 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.**



**DIRECTIONS TO LOCATION:**

FROM THE JUNCTION OF CO. RD. 21 AND CO. RD. 29, GO WEST ON CO. RD. 21 FOR APPROX. 4.25 MILES TO A POINT ON THE NORTH SIDE OF THE PROPOSED WELL LOCATION.

<b>NADEL AND GUSSMAN PERMIAN, L.L.C.</b>	
REF: Ancell #1 / Well Pad Topo	
THE ANCELL No. 1 LOCATED 1980' FROM THE SOUTH LINE AND 990' FROM THE EAST LINE OF SECTION 17, TOWNSHIP 19 SOUTH, RANGE 24 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.	



**ANCELL #1**  
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**basin**  
**surveys**  
 focused on excellence

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 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax

W.O. Number: 1648AA - KJG CD#4

Survey Date: 06-29-2001

Scale: 1" = 2 MILES

**NADEL AND GUSSMAN**  
**PERMIAN, L.L.C.**