

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

OCT 01 2008 Form C-101
June 16, 2008
OCD-ARTESIA
Submit to appropriate District Office

☐ AMENDED REPORT

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

¹ Operator Name and Address Nadel and Gussman Permian LLC 601 North Maricfield Midland, Tx 79701		⁶ OGRID Number 155615
		⁷ API Number 30 -015-32351
³ Property Code 29891	⁴ Property Name Carlsbad South 27 State Comm	⁵ Well No. 7
⁹ Proposed Pool 1 Yarrow Delaware Gas		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	27	23S	26E		1310	South	660	West	Eddy

8 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

Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3320
¹⁶ Multiple	¹⁷ Proposed Depth 6000	¹⁸ Formation Delaware	¹⁹ Contractor	²⁰ Spud Date

21 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	400	350	surf
12-3/4	9-5/8	40	5968	260 sxs	Surf
7-7/8	5-1/2	20	12675	1600 sxs	2245 CBL

²² 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.

Current Wolfcamp perms @ 9401-08, 9414-18, 9422-28

Set cibp @ 9350 and cap w\ 35' cmt. Pressure test plug and csg to 500 psi

Perforate the Delaware Brushy Canyon at 5084-5166 and test

Perforate the Cherry Canyon @ 3990-4010 and test (contingent on the Brushy Canyon test)

Fracture stimulate if necessary.

Current Form C-144 must be approved
prior to commencement of drilling
activities

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Kem E. McCready

Printed name:

Kem E. McCready

Title:

NM Operations Manager

E-mail Address:

kem@naguss.com

Date:

08/20/08

Phone:

432-682-4429

OIL CONSERVATION DIVISION

Approved by:

Jim W. Guss
District II Supervisor

Title:

Approval Date:

10/9/08

Expiration Date:

10/9/10

Conditions of Approval Attached ☐



WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-32351		² Pool Code 87800		³ Pool Name Yarrow Delaware Gas	
⁴ Property Code 29891		⁵ Property Name Carlsbad South State Com 27			⁶ Well Number 7
⁷ OGRID No. 155615		⁸ Operator Name Nadel and Gussman Permian LLC			⁹ Elevation 3320'

¹⁰ Surface Location

UL or lot no. M	Section 27	Township 23S	Range 26 E	Lot Idn	Feet from the 1310	North/South line South	Feet from the 660	East/West line West	County Eddy
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¹¹ 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
¹² Dedicated Acres 160 SW 1/4		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.

<div>16</div>	<div>17 OPERATOR CERTIFICATION</div> <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 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> <div> <div> <div>Kem E. McCready</div> <div>Signature</div> </div> <div> <div>9/29/08</div> <div>Date</div> </div> </div> <div> <div>Kem E. McCready</div> <div>Printed Name</div> </div>			
	<div>18 SURVEYOR CERTIFICATION</div> <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> <div>REFER TO THE ORIGINAL PLAT</div> <div> <div>Date of Survey</div> <div>Signature and Seal of Professional Surveyor</div> </div> <div>Certificate Number</div>			

NADEL AND GUSSMAN PERMIAN, L.L.C.

601 N. Marienfeld, Suite #508

Midland, Texas 79701

(432) 682-4429

Fax (432) 682-4325

September 29, 2008

New Mexico Oil and gas Division

1301 West Grand

Artesia, NM 88210

RE: Carlsbad S. 27 State Com Well No. 7

1310 FSL 660 FWL

UL M Sec. 27 T23S R 26E

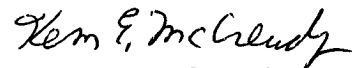
Rule 118 H2S Exposure

Dear Sir,

Nadel and Gussman Permian has evaluated this well and we do not expect to encounter hydrogen sulfide in excess of 100 ppm during our Delaware recompletion.. We drilled this well in 2002 and did not encounter any Hydrogen sulfide.

Please contact me if you have any additional questions.

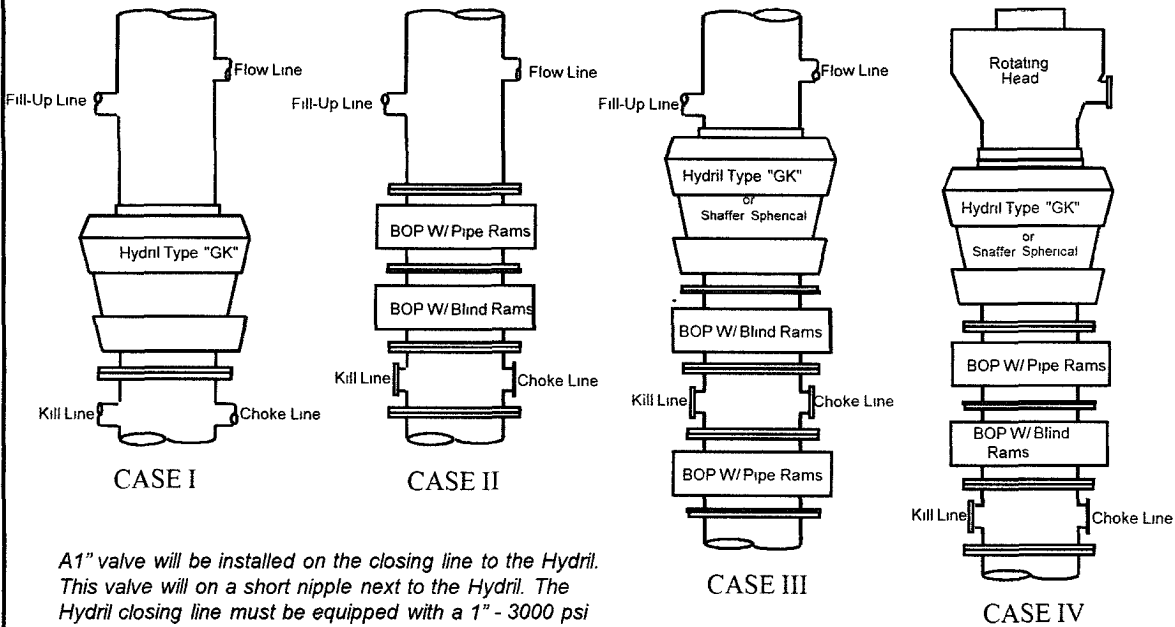
Sincerely,



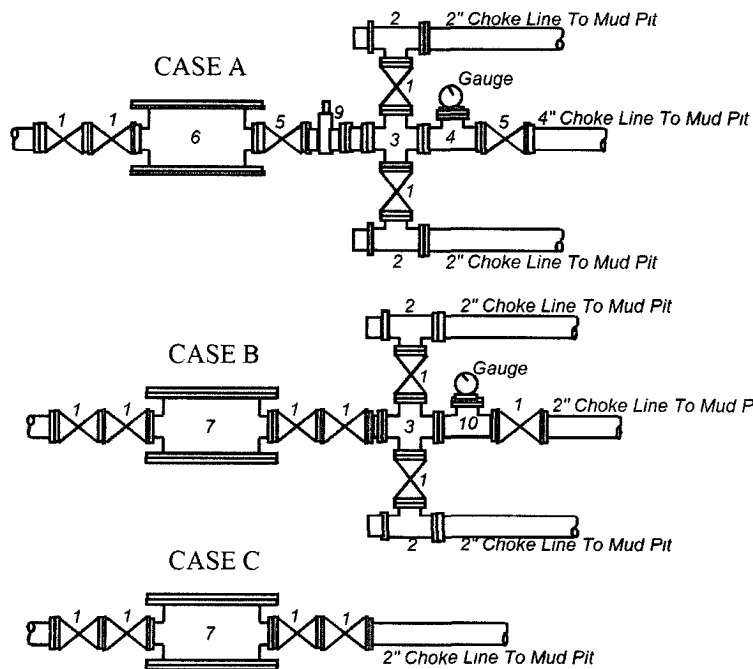
Kem E. McCready

Operations Engineer

Dinero Operating
Carlsbad South State Com 27 Well #7 Recomplete
MINIMUM BLOWOUT PREVENTER REQUIREMENTS



A1" valve will be installed on the closing line to the Hydri. This valve will on a short nipple next to the Hydri. The Hydri closing line must be equipped with a 1" - 3000 psi WP plug valve on the nipple into the Hydri.



BOP SIZE	BOP CASE	WORKING PRESSURE	CHOKE CASE
7-1/16"	II	5000	B

***Rotating head required**

Bradenhead : _____
Mfr: _____
Size: _____ Type: _____

Legend

- 1 2" flanged all steel valve must be either Cameron "F", Halliburton Low Torque or Shaffer Flo-Seal.
- 2 2" flanged adjustable chokes, min. 1" full opening & equipped with hard trim.
- 3 4" x 2" flanged steel cross.
- 4 4" flanged steel tee.
- 5 4" flanged all steel valve (Type as in no. 1)
- 6 Drilling Spool with 2" x 4" flanged outlet
- 7 Drilling Spool with 2" x 2" flanged outlet.
- 8 2" x 2" flanged steel cross.
- 9 4" pressure operated gate valve.
- 10 2" flanged steel tee.

Notes

Choke manifold may be located in any convenient position. Use all steel fittings throughout. Make 90° turns with bull plugged tees only. No field welding will be permitted on any of the components of the choke manifold and related equipment upstream of the chokes. The choke spool and all lines and fittings must be at least equivalent to the test pressure of the preventers required. Independent closing control unit with clearly marked controls to be located on derrick floor near driller's position.

(10-31-96) WTXBOPS PPT