

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

Form C-101
Revised June 10, 2003

Oil Conservation Division **RECEIVED** Submit to appropriate District Office
1220 South St. Francis Dr. State Lease - 6 Copies
Santa Fe, NM 87505 DEC 26 2003 Fee Lease - 5 Copies

OCD-ARTESIA

☐ AMENDED REPORT

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

¹ Operator Name and Address Nadel and Gussman Permian, L.L.C. 601 N. Marienfeld, Suite 508 Midland, TX 79701		² OGRID Number 155615
		³ API Number 30 - 015 - 33154
³ Property Code	⁵ Property Name ZEUS	⁶ Well No. 1

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
E	5	23S	28E		1809	North	805	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
E	5	23S	28E		1980	North	660	West	Eddy
⁹ Proposed Pool 1 Loving Morrow (North) (80695)						¹⁰ Proposed Pool 2			
¹¹ Work Type Code N		¹² Well Type Code G		¹³ Cable/Rotary Rotary		¹⁴ Lease Type Code P		¹⁵ Ground Level Elevation 3015'	
¹⁶ Multiple No		¹⁷ Proposed Depth 12900' TVD		¹⁸ Formation Morrow		¹⁹ Contractor Patterson		²⁰ Spud Date 1/5/2004	

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	Circ. To Surf
12 1/4"	9 5/8"	40#	6000'	1250	Circ. To Surf
8 3/4"	5 1/2"	17# or 20#	12900' TVD	700	7000' +/-

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. DRILL AND COMPLETE A WELL IN THE MORROW WITH A PROJECTED TD OF 12900' TVD (SEE ATTACHED "S" CURVE DIRECTIONAL PLAN FROM DDC). PLAN TO KICK OFF @ +/- 7000' AND DRILL SW WHILE BUILDING TO AN ANGLE OF 3.42 DEG. ANGLE WILL BE REDUCED TO ZERO DEGREES AT 11000' TVD (BOTTOM HOLE LOCATION AT 11000' TVD WILL BE 1980' FNL, 660' FWL). THE WELL WILL BE DRILLED VERTICALLY FROM 11000' TVD TO TD. THE MORROW WILL BE COMPLETED USING THRU TBG OR TCP GUNS. A 5000 PSI TREE WILL BE NIPPLED UP PRIOR TO PERFORATING.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Joel Martin</i> Printed name: JOEL MARTIN Title: ENGINEERING MANAGER E-mail Address: JMARTIN@NAGUSS.COM Date: 12/17/03		OIL CONSERVATION DIVISION Approved by: <i>Jim W. Brown</i> Title: <i>District Supervisor</i> Approval Date: DEC 29 2003 Expiration Date: DEC 29 2004 Conditions of Approval: Attached ☐	
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NADEL AND GUSSMAN PERMIAN, L.L.C.
601. N. Marienfeld, Suite 508
Midland, TX 79701
(915) 682-4429 (P)
(915) 682-4325 (Fax)

12/16/03

Mr. Bryan Arrant
District 2 Geologist
New Mexico Oil and Gas Division
1301 West Grand
Artesia, NM 88210

Re: ZEUS #1
BHL: 660' FWL, 1980' FNL
Sec. 5-23s-28e
Eddy, NM
Rule 118 H2S Exposure

RECEIVED
DEC 21 8 2003
OCD-ARTESIA

Dear Mr. Arrant,

Nadel and Gussman Permian has evaluated this well and we don not expect to encounter hydrogen sulfide. However, we will employ a third party monitoring system. We will begin monitoring prior to drilling out the intermediate casing and will continue through monitoring through the remainder of the well.

Please contact me if you have any additional questions.

Sincerely,


Joel Martin
Engineering Manager

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name ZEUS			6 Well Number 1
7 OGRID No.		8 Operator Name NADEL GUSSMAN PERMIAN, L.L.C.			9 Elevation 3015

10 Surface Location

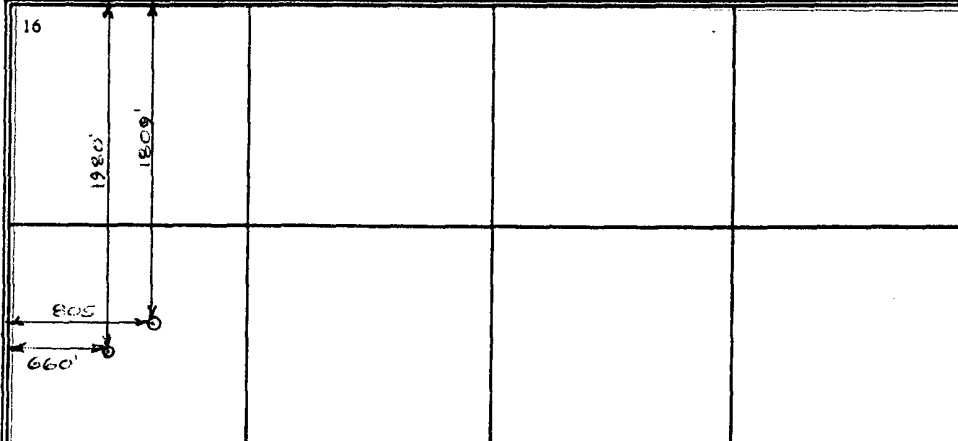
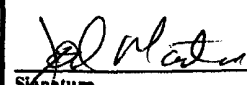
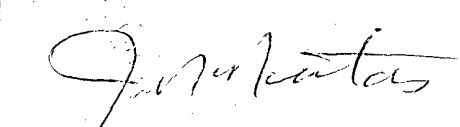
UL or lot no. E	Section 5	Township 23-S	Range 28-E	Lot Idn	Feet from the 1809	North/South line NORTH	Feet from the 805	East/West line WEST	County EDDY
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11 Bottom Hole Location If Different From Surface

UL or lot no. E	Section 5	Township 23-S	Range 28-E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 660	East/West line WEST	County EDDY
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12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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

	RECEIVED DEC 26 2003 OCD-ARTESIA		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Joel Martin Printed Name Engineering Manager Title 12/23/03 Date	
			18 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. December 3, 2003 Date of Survey  Signature and Seal of Professional Surveyor: 5109 Certificate Number	



Directional Drilling Contractors, LLC.

Job Number: Proposal 03-187

Company: Nadel & Gussman Permian, LLC.

Lease/Well: Zeus #1

Location: Eddy County

Rig Name: N/A

RKB:

G.L. or M.S.L.:

State/Country: New Mexico / USA

Declination: N/A

Grid: N/A

File name: C:\WINSERVE\NADEL~1.SVY

Date/Time: 18-Dec-03 / 09:26

Curve Name: Zeus #1 ('S' Curve)

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 220.30
Vertical Section Referenced to Wellhead
Rectangular Coordinates Referenced to Wellhead

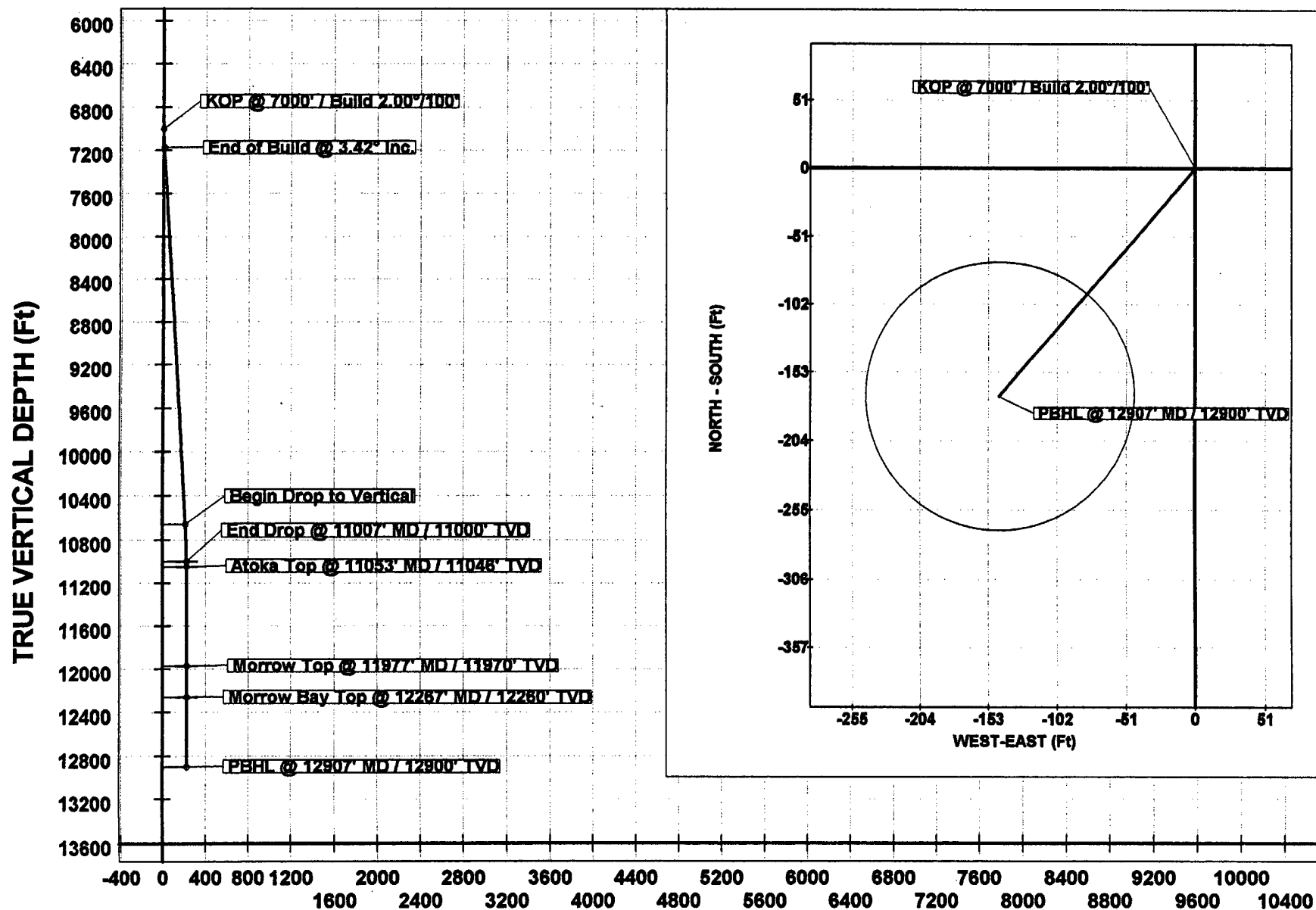
Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	Dogleg Severity Deg/100	N-S FT	E-W FT	CLOSURE Distance FT	Direction Deg
KOP @ 7000' / Build 2.00°/100'									
7000.00	.00	220.30	7000.00	.00	.00	.00	.00	.00	.00
7030.00	.60	220.30	7030.00	.16	2.00	-.12	-.10	.16	220.30
7060.00	1.20	220.30	7060.00	.63	2.00	-.48	-.41	.63	220.30
7090.00	1.80	220.30	7089.99	1.41	2.00	-1.08	-.91	1.41	220.30
7120.00	2.40	220.30	7119.96	2.51	2.00	-1.92	-1.63	2.51	220.30
7150.00	3.00	220.30	7149.93	3.93	2.00	-2.99	-2.54	3.93	220.30
End of Build @ 3.42° Inc.									
7171.38	3.43	220.30	7171.28	5.12	2.00	-3.91	-3.31	5.12	220.30
7271.38	3.43	220.30	7271.10	11.10	.00	-8.47	-7.18	11.10	220.30
7371.38	3.43	220.30	7370.92	17.08	.00	-13.03	-11.05	17.08	220.30
7471.38	3.43	220.30	7470.74	23.06	.00	-17.59	-14.91	23.06	220.30
7571.38	3.43	220.30	7570.57	29.04	.00	-22.15	-18.78	29.04	220.30
7671.38	3.43	220.30	7670.39	35.02	.00	-26.71	-22.65	35.02	220.30
7771.38	3.43	220.30	7770.21	41.00	.00	-31.27	-26.51	41.00	220.30
7871.38	3.43	220.30	7870.03	46.98	.00	-35.83	-30.38	46.98	220.30
7971.38	3.43	220.30	7969.85	52.96	.00	-40.39	-34.25	52.96	220.30
8071.38	3.43	220.30	8069.67	58.93	.00	-44.95	-38.11	58.93	220.30
8171.38	3.43	220.30	8169.49	64.91	.00	-49.51	-41.98	64.91	220.30
8271.38	3.43	220.30	8269.31	70.89	.00	-54.07	-45.85	70.89	220.30
8371.38	3.43	220.30	8369.13	76.87	.00	-58.63	-49.71	76.87	220.30

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	Dogleg Severity Deg/100	N-S FT	E-W FT	C L O S U R E	
								Distance FT	Direction Deg
8471.38	3.43	220.30	8468.96	82.85	.00	-63.19	-53.58	82.85	220.30
8571.38	3.43	220.30	8568.78	88.83	.00	-67.75	-57.45	88.83	220.30
8671.38	3.43	220.30	8668.60	94.81	.00	-72.31	-61.31	94.81	220.30
8771.38	3.43	220.30	8768.42	100.79	.00	-76.87	-65.18	100.79	220.30
8871.38	3.43	220.30	8868.24	106.76	.00	-81.43	-69.05	106.76	220.30
8971.38	3.43	220.30	8968.06	112.74	.00	-85.99	-72.92	112.74	220.30
9071.38	3.43	220.30	9067.88	118.72	.00	-90.55	-76.78	118.72	220.30
9171.38	3.43	220.30	9167.70	124.70	.00	-95.11	-80.65	124.70	220.30
9271.38	3.43	220.30	9267.52	130.68	.00	-99.67	-84.52	130.68	220.30
9371.38	3.43	220.30	9367.35	136.66	.00	-104.23	-88.38	136.66	220.30
9471.38	3.43	220.30	9467.17	142.64	.00	-108.79	-92.25	142.64	220.30
9571.38	3.43	220.30	9566.99	148.62	.00	-113.35	-96.12	148.62	220.30
9671.38	3.43	220.30	9666.81	154.59	.00	-117.91	-99.98	154.59	220.30
9771.38	3.43	220.30	9766.63	160.57	.00	-122.47	-103.85	160.57	220.30
9871.38	3.43	220.30	9866.45	166.55	.00	-127.03	-107.72	166.55	220.30
9971.38	3.43	220.30	9966.27	172.53	.00	-131.59	-111.58	172.53	220.30
10071.38	3.43	220.30	10066.09	178.51	.00	-136.15	-115.45	178.51	220.30
10171.38	3.43	220.30	10165.91	184.49	.00	-140.71	-119.32	184.49	220.30
10271.38	3.43	220.30	10265.74	190.47	.00	-145.27	-123.18	190.47	220.30
10371.38	3.43	220.30	10365.56	196.45	.00	-149.83	-127.05	196.45	220.30
10471.38	3.43	220.30	10465.38	202.42	.00	-154.39	-130.92	202.42	220.30
10571.38	3.43	220.30	10565.20	208.40	.00	-158.95	-134.78	208.40	220.30
Begin Drop to Vertical									
10664.10	3.43	220.30	10657.75	213.95	.00	-163.18	-138.37	213.95	220.30
10694.10	3.13	220.30	10687.70	215.66	1.00	-164.49	-139.48	215.66	220.30
10724.10	2.83	220.30	10717.66	217.22	1.00	-165.68	-140.48	217.22	220.30
10754.10	2.53	220.30	10747.63	218.62	1.00	-166.75	-141.39	218.62	220.30
10784.10	2.23	220.30	10777.61	219.87	1.00	-167.69	-142.20	219.87	220.30
10814.10	1.93	220.30	10807.59	220.95	1.00	-168.52	-142.90	220.95	220.30
10844.10	1.63	220.30	10837.57	221.88	1.00	-169.23	-143.50	221.88	220.30
10874.10	1.33	220.30	10867.56	222.66	1.00	-169.82	-144.00	222.66	220.30
10904.10	1.03	220.30	10897.55	223.27	1.00	-170.29	-144.40	223.27	220.30
10934.10	.73	220.30	10927.55	223.73	1.00	-170.64	-144.69	223.73	220.30
10964.10	.42	220.30	10957.55	224.03	1.00	-170.87	-144.89	224.03	220.30
10994.10	.12	220.30	10987.55	224.17	1.00	-170.98	-144.98	224.17	220.30
End Drop @ 11007' MD / 11000' TVD									
11006.56	.00	220.30	11000.00	224.19	1.00	-170.99	-144.99	224.19	220.30
11006.56	.00	220.30	11000.00	224.19	.17	-170.99	-144.99	224.19	220.30
11006.60	.00	220.30	11000.04	224.19	.99	-170.99	-144.99	224.19	220.30
Atoka Top @ 11053' MD / 11046' TVD									
11052.55	.00	220.30	11046.00	224.19	.00	-170.99	-144.99	224.19	220.30

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	Dogleg Severity Deg/100	N-S FT	E-W FT	C L O S U R E	
								Distance FT	Direction Deg
11106.60	.00	220.30	11100.04	224.19	.00	-170.99	-144.99	224.19	220.30
11206.60	.00	220.30	11200.04	224.19	.00	-170.99	-144.99	224.19	220.30
11306.60	.00	220.30	11300.04	224.19	.00	-170.99	-144.99	224.19	220.30
11406.60	.00	220.30	11400.04	224.19	.00	-170.99	-144.99	224.19	220.30
11506.60	.00	220.30	11500.04	224.19	.00	-170.99	-144.99	224.19	220.30
11606.60	.00	220.30	11600.04	224.19	.00	-170.99	-144.99	224.19	220.30
11706.60	.00	220.30	11700.04	224.19	.00	-170.99	-144.99	224.19	220.30
11806.60	.00	220.30	11800.04	224.19	.00	-171.00	-144.99	224.19	220.30
11906.60	.00	220.30	11900.04	224.19	.00	-171.00	-144.99	224.19	220.30
Morrow Top @ 11977' MD / 11970' TVD									
11976.55	.00	220.30	11970.00	224.19	.00	-171.00	-144.99	224.19	220.30
12006.60	.00	220.30	12000.04	224.19	.00	-171.00	-144.99	224.19	220.30
12106.60	.00	220.30	12100.04	224.20	.00	-171.00	-145.00	224.20	220.30
12206.60	.00	220.30	12200.04	224.20	.00	-171.00	-145.00	224.20	220.30
Morrow Bay Top @ 12267' MD / 12260' TVD									
12266.55	.00	220.30	12260.00	224.20	.00	-171.00	-145.00	224.20	220.30
12306.60	.00	220.30	12300.04	224.20	.00	-171.00	-145.00	224.20	220.30
12406.60	.00	220.30	12400.04	224.20	.00	-171.00	-145.00	224.20	220.30
12506.60	.00	220.30	12500.04	224.20	.00	-171.00	-145.00	224.20	220.30
12606.60	.00	220.30	12600.04	224.20	.00	-171.00	-145.00	224.20	220.30
12706.60	.00	220.30	12700.04	224.20	.00	-171.00	-145.00	224.20	220.30
12806.60	.00	220.30	12800.04	224.20	.00	-171.00	-145.00	224.20	220.30
PBHL @ 12907' MD / 12900' TVD									
12906.55	.00	220.30	12900.00	224.20	.00	-171.00	-145.00	224.20	220.30

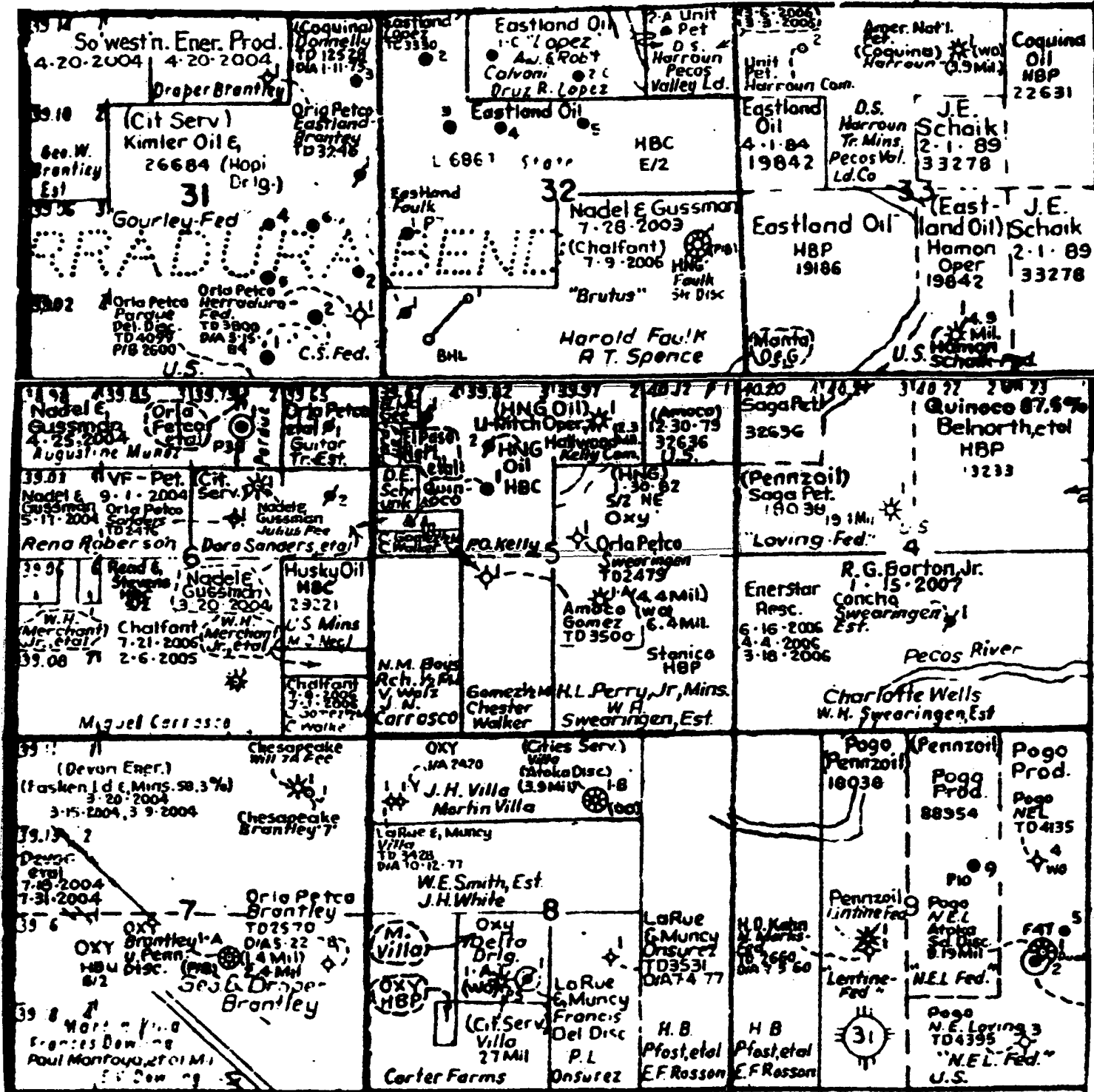
Job Number: Proposal 03-187
 Company: Nadel & Gussman Permian, LLC.
 Lease/Well: Zeus #1
 Location: Eddy County
 State/Country: New Mexico / USA
 Declination: N/A

Grid: N/A



° - Zeus #1 ('S' Curve)

VERTICAL SECTION (Ft) @ 220.30°



Both project & producing zones are Morrow.

Nadel and Gussman Permian, LLC

Zeus Fee #1

5-T23S-R28E
Eddy County, NM