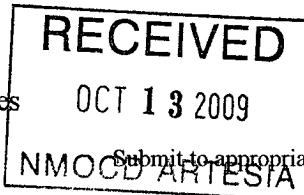


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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



Form C-101
June 16, 2008

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 N. MARIENFELD SUITE 508 MIDLAND, TEXAS 79701		² OGRID Number 155615
		³ API Number 30 - 015-25393
⁴ Property Code 300157031885	⁵ Property Name NEW MEXICO STATE EU COM	⁶ Well No. 1
⁹ Proposed Pool 1 BLACK RIVER WOLFCAMP (GAS) 52240		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	South line	Feet from the	East line	County
J	26	23S	26E		1980		1980		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
SAME									

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 3248 6
¹⁶ Multiple NO	¹⁷ Proposed Depth 10059	¹⁸ Formation WOLFCAMP	¹⁹ Contractor	²⁰ Spud Date 11-11-85

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
See original	C-105 filed	04/16/1986			

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.
MIRU pulling unit nd wh and nu bop as per attached diagram
Pull pkr and tubing
Set cibp @ 10,900 (existing perfs 10,948-10,986) and cap w/ 35sx cmt.
Perforate Wolfcamp @ 9710'-9722' acidize and test
Run production equip and put well on line

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

Signature:

Printed name: Kem E. McCready

Title: NM Operations Mgr

E-mail Address: kemm@naguss.com

Date: 10/05/09

Phone: 432-682-4429

OIL CONSERVATION DIVISION

Approved by:

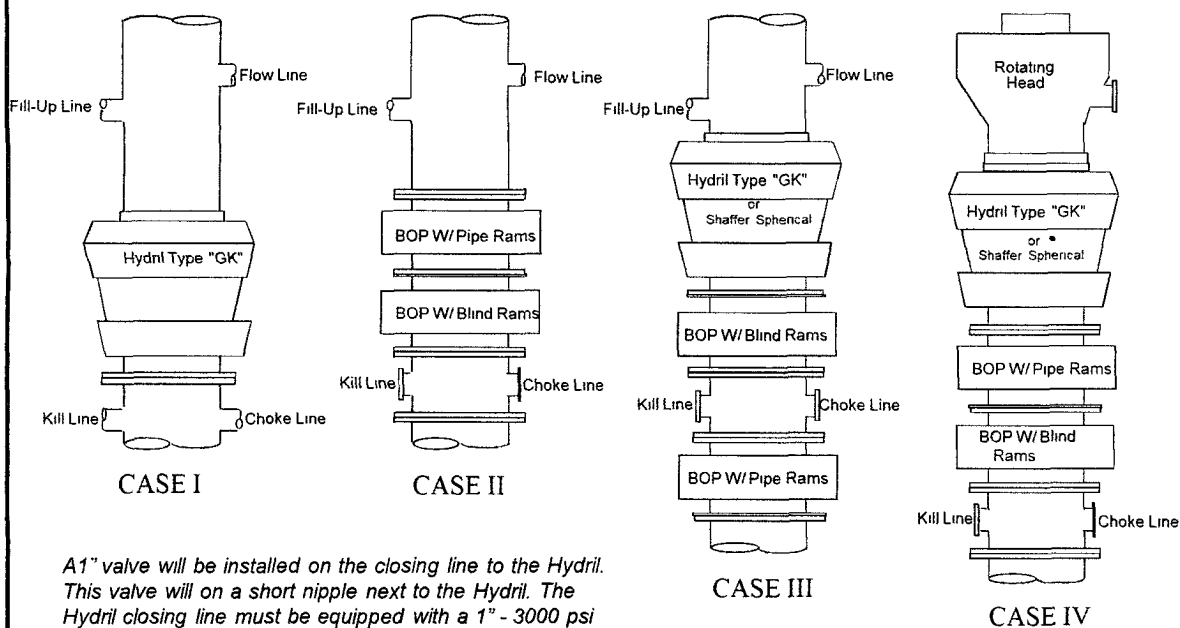
Title:

Approval Date:

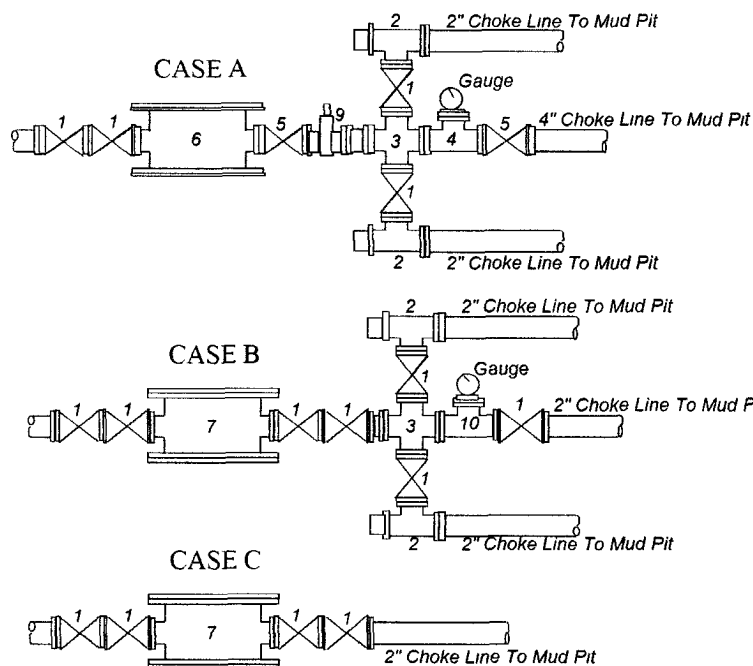
Expiration Date:

Conditions of Approval Attached ☐

Nadel and Gussman Permian LLC
NEW MEXICO EU STATE COM Well #1 Recomplete
MINIMUM BLOWOUT PREVENTER REQUIREMENTS



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



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

***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.

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-015-25393	² Pool Code 72340	³ Pool Name WC; BLACK RIVER WOLFCAMP (GAS)
⁴ Property Code 013922	⁵ Property Name NEW MEXICO EU STATE COM	
⁷ OGRID No. 155615	⁸ Operator Name NADEL AND GUSSMAN PERMIAN LLC	⁶ Well Number 1
		⁹ Elevation 3248.6

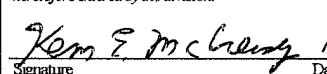
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	26	23 S	26 E		1980	SOUTH	1980	EAST	EDDY

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	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 style="border: 1px solid black; width: 100px; height: 100px; margin: 10px auto;"></div>	¹⁷ OPERATOR CERTIFICATION 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. <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>  Signature </div> <div>14/06/09 Date</div> </div> <div style="margin-top: 10px;"> KEM E McCREADY Printed Name </div>	
	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. <div style="margin-top: 10px;"> SEE ORIGINAL PLAT FILED 11-21-1985 Date of Survey </div> <div style="margin-top: 10px;"> Signature and Seal of Professional Surveyor </div> <div style="margin-top: 10px;"> 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

October 6, 2009

New Mexico Oil and gas Division
1301 W. Grand Drive
Artesia, NM 88210

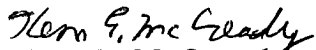
RE: New Mexico EU State Com Well No. 1
1980 FSL 1980 FEL
UL J Sec. 26 T23S R 26E
API 30-015-25393
Rule 118 H2S Exposure

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 recompletion.

Please contact me if you have any additional questions.

Sincerely,


Kem E. McCready
Operations Engineer