

DISTRICT II
511 South First, Artesia, NM 88210

Energy, Minerals and Natural Resources Department

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OIL CONSERVATION DIVISION

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		80240	Little Box Canyon (Morrow)
Property Code	Property Name		Well Number
	B&C "25" FEDERAL		3
OGRID No.	Operator Name		Elevation
155615	NADEL AND GUSSMAN PERMIAN, L.L.C.		4341'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	25	20 S	21 E		1310	NORTH	1980	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		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

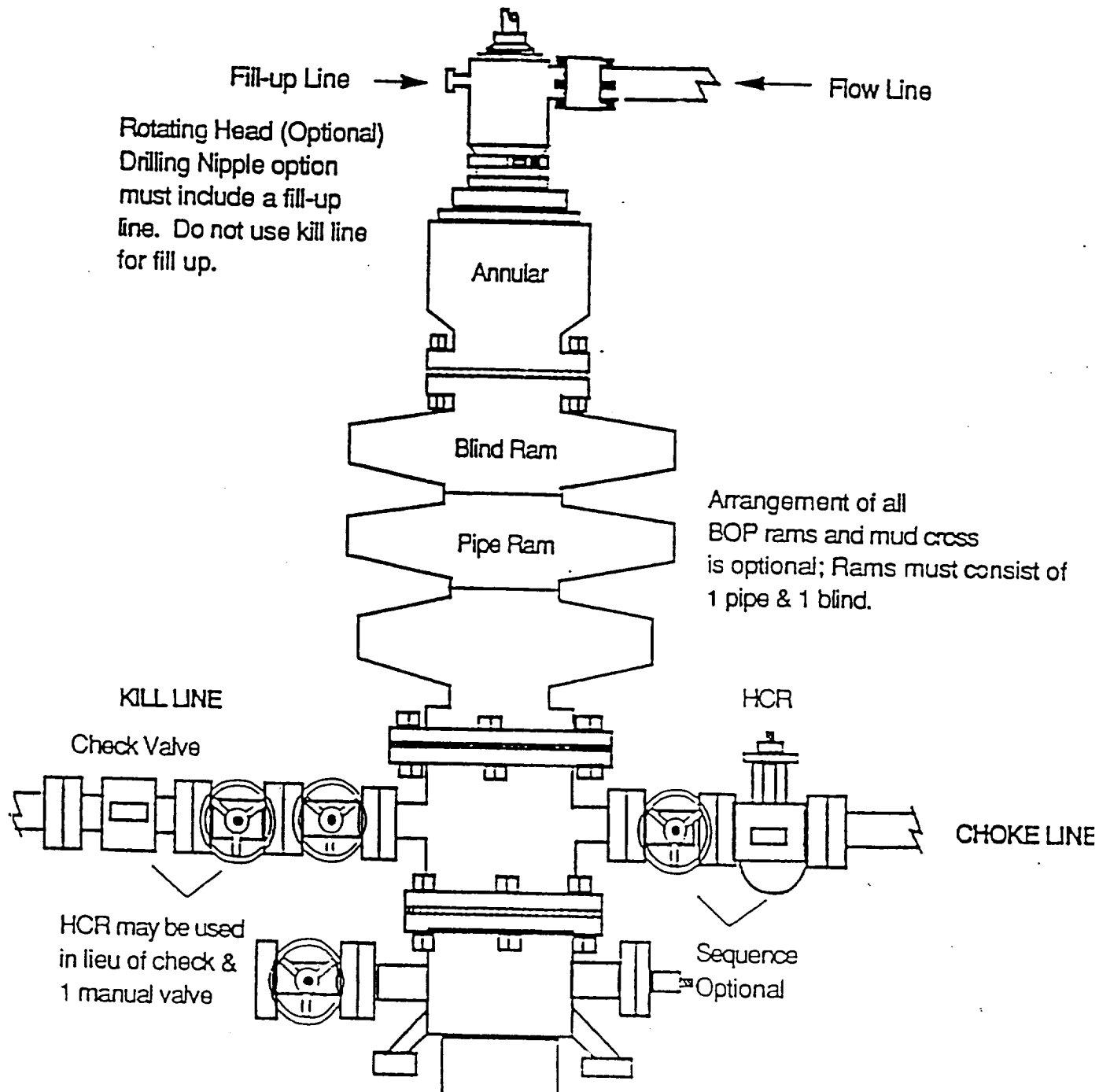
<p style="text-align: center;"> Lot - N32°32'45.0" Lon - W104°44'43.0" </p>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <h3 style="text-align: center;">OPERATOR CERTIFICATION</h3> <p style="text-align: center;"><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> </div> <p style="margin-bottom: 5px;">Signature</p> <p style="margin-bottom: 5px;">Robert McNaughton</p> <p style="margin-bottom: 5px;">Printed Name</p> <p style="margin-bottom: 5px;">Operations Engineer</p> <p style="margin-bottom: 5px;">Title</p> <p style="margin-bottom: 5px; text-align: center;">4-17-01</p> <p style="margin-bottom: 5px;">Date</p> </div> <div style="border: 1px solid black; padding: 5px;"> <h3 style="text-align: center;">SURVEYOR CERTIFICATION</h3> <p style="text-align: center;"><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> <p style="text-align: center; margin-top: 10px;">March 15, 2001</p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> Date Surveyed </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> Signature & Seal of Professional Surveyor </div> <div style="text-align: center; margin-bottom: 5px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> W.O. No. 1256A </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> Certificate No. Gary L. Jones 7977 </div> <p style="text-align: center; margin-top: 5px;">BASIN SURVEYS</p> </div>
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NADEL AND GUSSMAN PERM. , L.L.C.

B&C "25" Federal No. 3

1310' FNL, 1980' FEL, Sec 25, T-20-S, R-21-E

Eddy County, NM



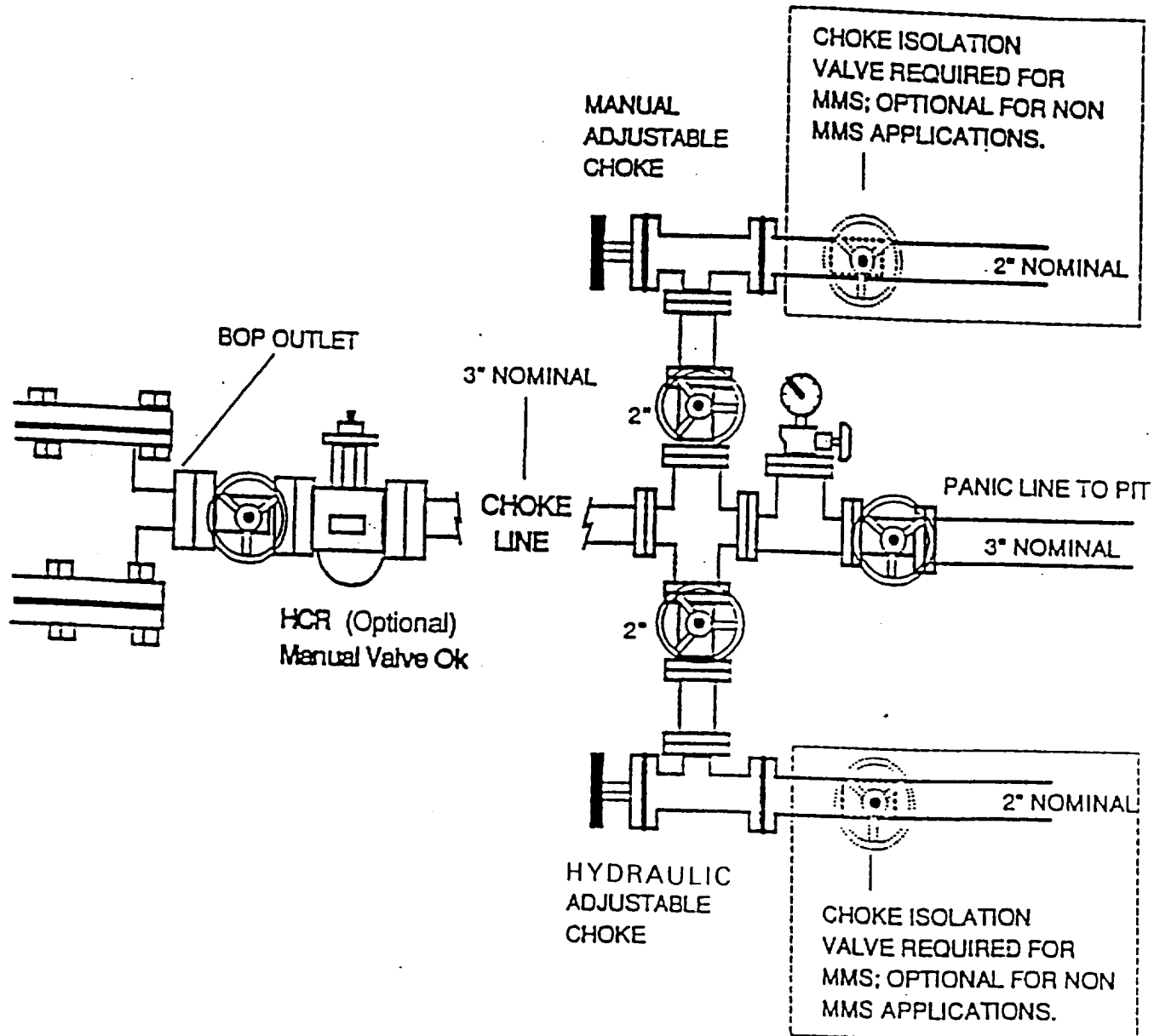
B&C Federal 25 #3: Figure # 6

NADEL AND GILMAN PERMIAN, L.L.C.

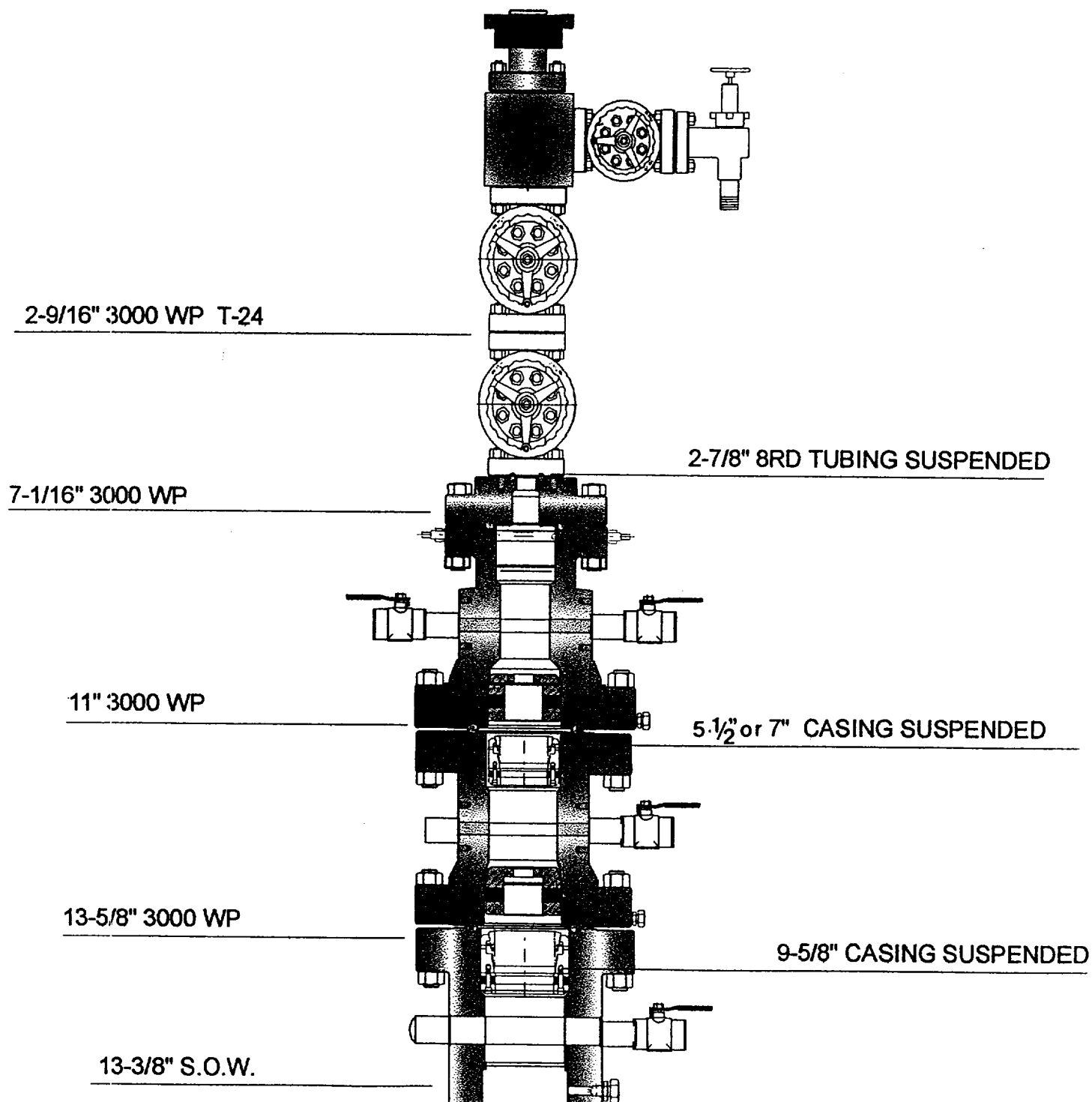
B&C "25" Federal No. 3

1310' FNL, 1980' FEL, Sec 25, T-20-S, R-21-E

Eddy County, NM



B&C Federal 25 #3: Figure # 7



NADEL AND GUSSMAN PERMIAN, L.L.C.

B&C "25" Federal No. 3

1310' FNL, 1980' FEL, Sec 25, T-20-S, R-21-E

Eddy County, NM

6. Tops of Important Geological Markers;

Abo	3,500'	Canyon	6,600'	Morrow	7,700'
Wolfcamp	4,700'	Strawn	6,850'	Miss.	8,050'
Cisco	5,650'	Atoka	7,400'	TD	8,500'

7. Estimated Depth of Anticipated Water, Oil or Gas:

Water	shallow sands	500' 900' CASING
Gas & Oil	Cisco	5,650'
Gas & Oil	- Morrow	7,700'

8. Casing Program:

• 13 ⁵ / ₈ "	48#	H-40	@ 500' (900') SEE STIPS	500 sx, circulated to surface
• 9 ⁵ / ₈ "	36#	K-55 or J 55	@ 1500'	1000 sx, circulated to surface
• 5 ¹ / ₂ "	17#, 20#	N 80	@ 8,400'	1000 sx, TOC @ ~5000' **

The surface and intermediate casing strings will be cemented to the surface. **The TOC behind the production casing will be determined after running open hole logs.

9. Specifications for Pressure Control Equipment: (see attached **diagrams No. 6, No. 7, No. 8**)

This rig will have a series 900 BOP with 5 1/2" pipe rams and blind rams, kill line, choke manifold, Koomey hydraulic controls, and accumulator with remote controls. When nipping up, will test BOP and choke to 1000 psi, will operate BOP once a day or as directed by the company representative.

10. Mud Program:

Spud and drill with fresh water to ~~500'~~ 900'. Drill out from under surface casing with 10# brine water mud to the intermediate casing at 1500'. Drill out cement and drill to 6,500' with fresh water while maintaining a Ph of 10. Drill from 6,500' to TD with cut brine at 9.4 to 9.8 PPG. Use starch for filtrate control and mix pre-hydrated freshwater gel slurry to clean and condition hole prior to running electric logs.

11. Testing, Logging & Coring Program:

- Testing: We expect to run DSTs in the Morrow and Cisco.
- Coring: no coring is planned.
- Logging: open hole logs will be run prior to running production casing. The standard suite will be a Dual Lateral/ ML and GR/Density/Neutron combination.
- Depending on the sand quality, a FMI and/or formation tester may be run.
- Logs will not be run through the intermediate hole section.

12. Potential Hazards:

Lost circulation is often encountered from TD to about 1400'.

13. Anticipated starting date & duration:

Plans are to begin drilling operations about July 15, 2001; approximately 26 days will be required to drill the well and 8 days will be needed for the completion.