

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

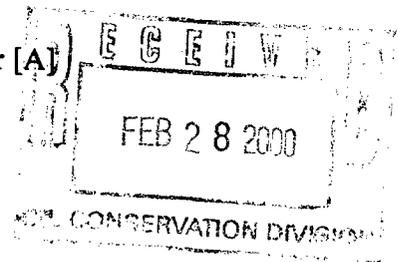
[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR



[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE
P.O. BOX 1056
SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

James Bruce
Signature

Attorney for Applicant 2/28/00
Title Date

Print or Type Name

JAMES BRUCE

ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

February 25, 2000

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Nadel and Gussman Permian, L.L.C. applies for administrative approval of an unorthodox oil well location for the following well:

Mia Michelle State Well No. 1
572 feet FNL & 1189 feet FEL
NE $\frac{1}{4}$ NE $\frac{1}{4}$ (Unit A) §32, Township 15 South, Range 30 East, NMPM
Chaves County, New Mexico

Attached as Exhibit A are a Form C-101 and Form C-102 for the well. The well will be drilled to a depth sufficient to test the Devonian formation (Undesignated Little Lucky Lake-Devonian Pool). The pool is governed by statewide rules, with 40 acre spacing and wells to be no closer than 330 feet to a quarter-quarter section line.

The proposed location is based upon geologic reasons. Attached as Exhibit B is a structure map of the Devonian, which is based on seismic and well control. The proposed well should penetrate the Devonian formation at a favorable structural position, and will provide the best chance of encountering potential Devonian pay in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 32. Thus, the unorthodox location will reduce the risk involved in drilling the well, and prevent waste.

Submitted as Exhibit C is a land plat of the area, with the location of the proposed well marked on the plat. ~~The NE $\frac{1}{4}$ of Section 32 is covered by State of New Mexico Lease V-3756, which has common working, royalty, and overriding royalty ownership throughout the quarter section.~~ Because the well does not encroach on any offset interest owner, notice was not given to anyone.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,

James Bruce

James Bruce

Attorney for Nadel and Gussman
Permian, L.L.C.

cc: Sam H. Jolliffe IV

Exhibit "A"

State of New Mexico

Energy Minerals and Natural Resources

Form C-101

Revised March 17, 1999

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

Oil Conservation Division

2040 South Pacheco

Santa Fe, NM 87505

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

¹ Operator Name and Address		² OGRID Number	
Nadel and Gussman Permian, L. L. C. 601 N. Marienfeld, Suite 508 Midland, Texas 79701		155615	
		³ API Number	
		30 - 005 -	
³ Property Code	⁵ Property Name		⁶ Well No.
	Mia Michelle State		1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	15-S	30-E		572'	North	1189'	East	Chaves

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

Proposed Pool 1

Little Lucky Lake Devonian (39230)

Proposed Pool 2

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3963'
¹⁶ Multiple No	¹⁷ Proposed Depth 11,450'	¹⁸ Formation Devonian	¹⁹ Contractor Patterson	²⁰ Spud Date +/- 03/10/2000

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
24"	20"	48#	40'	10 sx	circ. to surface
17-1/2"	13-3/8"	42#	400'	450 sx	circ. to surface
12-1/4"	9-5/8"	36#	3000'	1200 sx	circ. to surface
8-3/4"	7"	23# & 26#	11,450'	1000 sx	~8000'

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 well in Devonian/ Morrow with a projected TD of 11,450'. A BOP schematic is attached. A DV tool may be used if zones above the Morrow are prospective. The Devonian and Morrow will be completed using thru-tubing or tubing conveyed guns. A 5000 psig tree will be nipped 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:

Printed name: **Robert T. McNaughton**

Title: **Operations Engineer**

Date: **2-18-00**

Phone: **915 - 682 - 4429**

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

Exhibit "A"

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

DISTRICT I
1826 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
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	Pool Name
	39230	Little Lucky Lake Devonian
Property Code	Property Name	Well Number
	MIA MICHELLE STATE	1
OGRID No.	Operator Name	Elevation
155615	NADLE AND GUSSMAN PERMIAN, L.L.C.	3963'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	15 S	30 E		572	NORTH	1189	EAST	CHAVES

Bottom Hole Location If Different From Surface

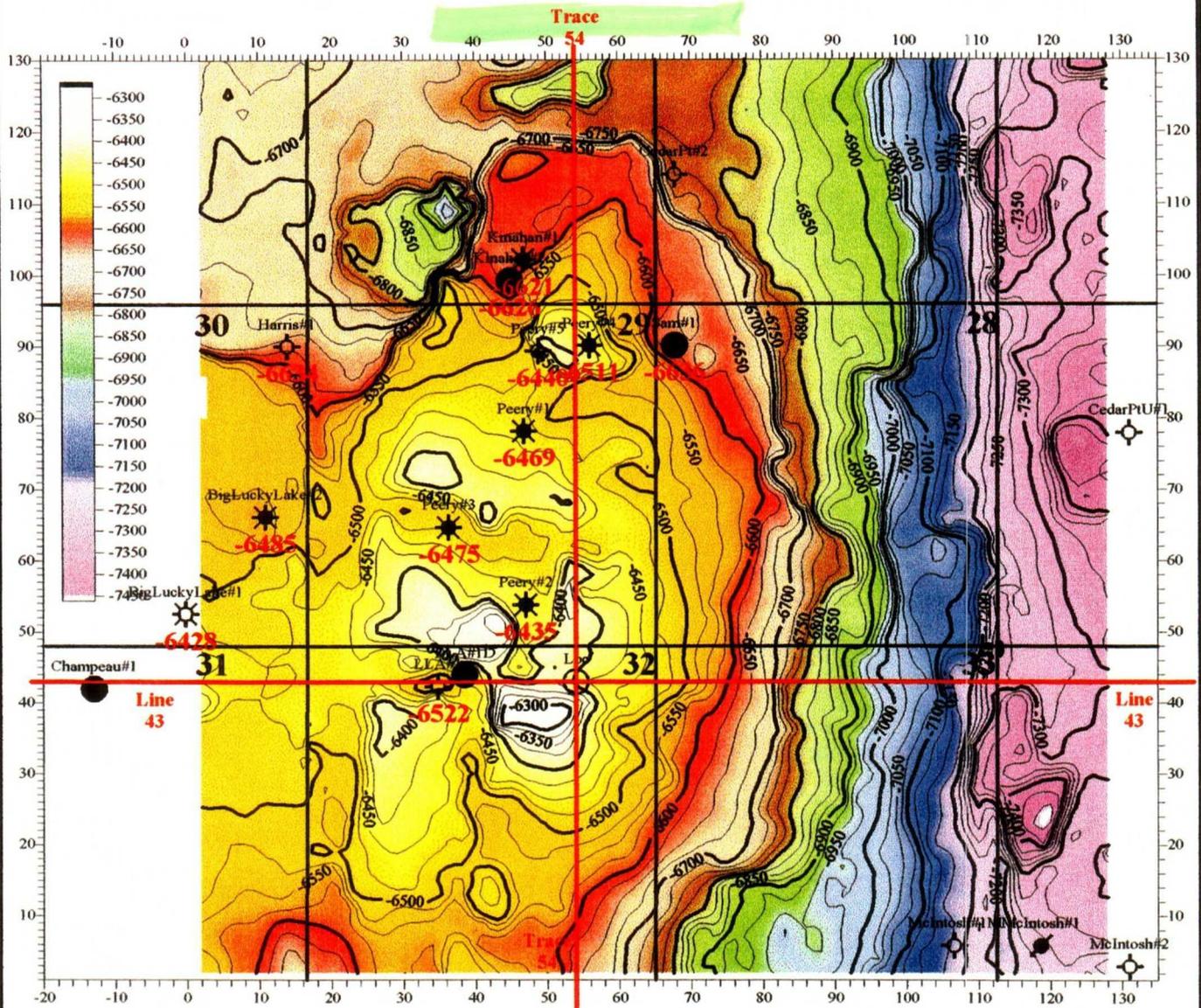
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature</p> <p>Robert McNaughton Printed Name</p> <p>Operations Engineer Title</p> <p>2-18-00 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>February 14, 2000 Date Surveyed</p> <p><i>[Signature]</i> Signature & Seal of Professional Surveyor</p> <p>GARY L. JONES Professional Surveyor NEW MEXICO 1977 W.O. No. 00831 Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

Exhibit "B"



Nadel & Gussman Permian, L.L.C.

DOUBLE LL PROSPECT
 T15S-R30E, Chaves County NM
 Miss Depth
 Calculated by Isopach
 from the Abo
 CI = 25'

Abo1.grd - Abo_Miss_Pachs.grd =
 Miss_depth.grd
 wells.dat
 Miss_Depth.srf

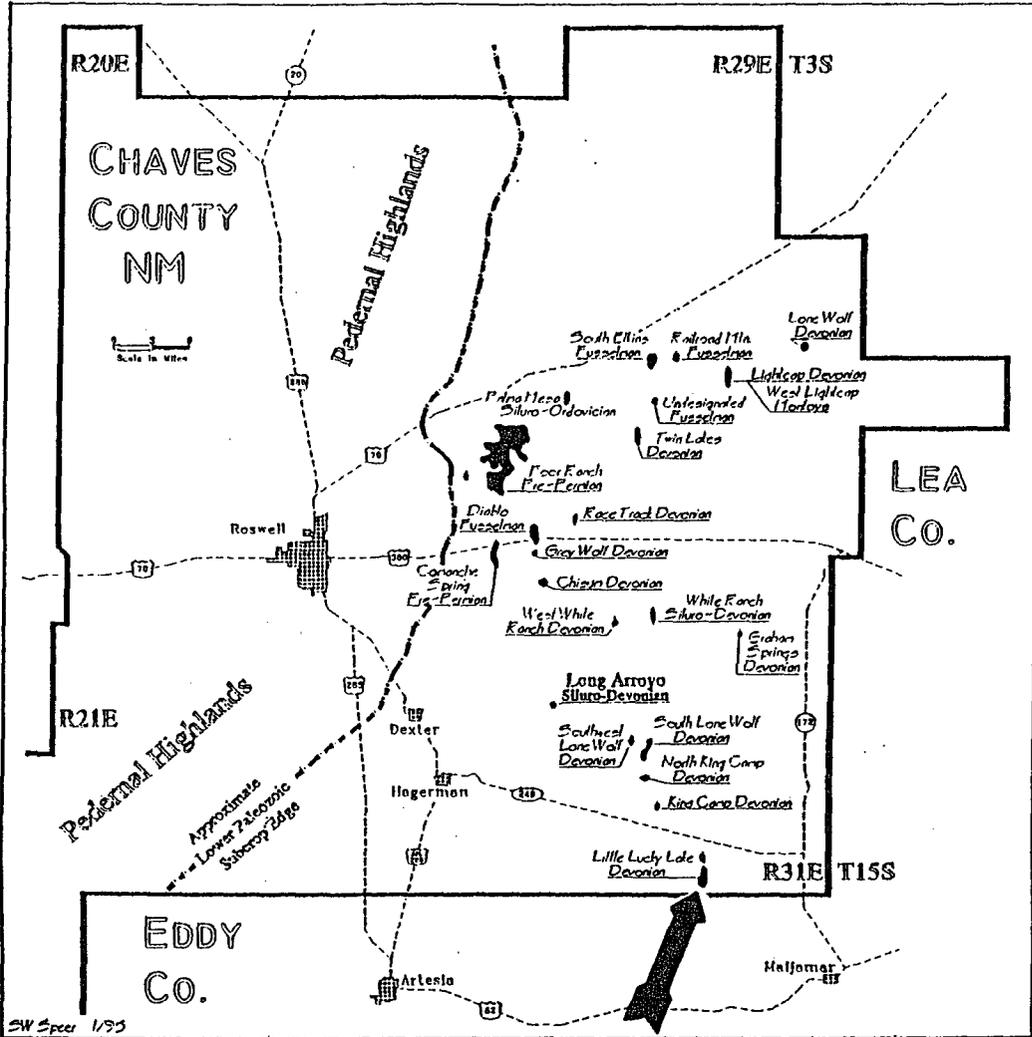
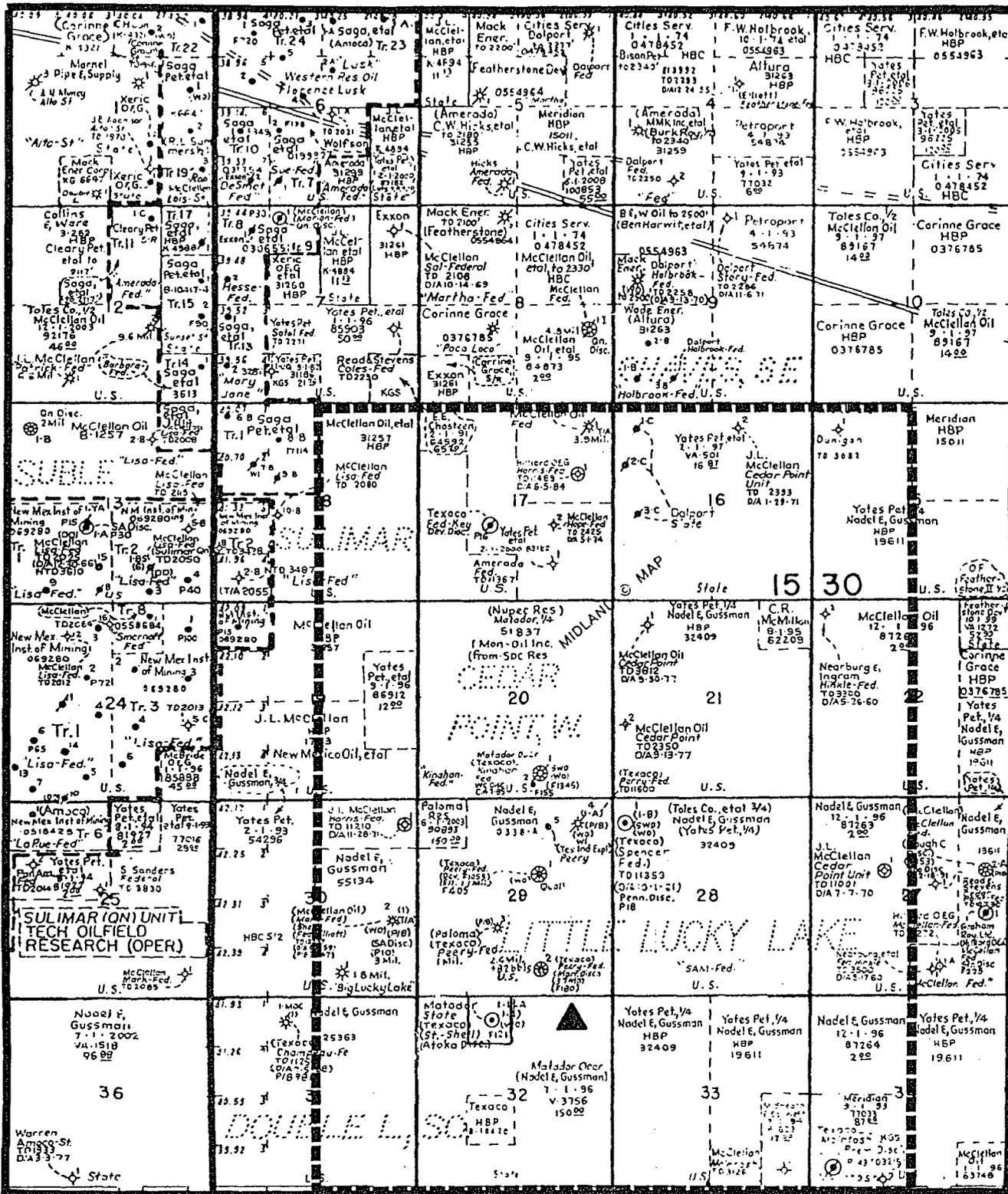


Figure 1. Regional map of north-central Chaves county showing lower Paleozoic fields and the approximate subcrop edge for lower Paleozoic formations.

Age	West	East
Pennsylvanian		Pennsylvanian Formations
Mississippian		Chester/Barnett
		Lower Mississippian Limestone
Devonian		Woodford Shale
		"Siluro-Devonian" Carbonate
Silurian		Fusselman
Ordovician		Montoya
		Simpson
		Ellenburger
Cambrian		
Pre-Cambrian		Pre-Cambrian

Figure 2. Lower Paleozoic stratigraphic column for the Northwest shelf of the Permian Basin.



T
15
S

Exhibit "C"

R30E

NADEL AND GUSSMAN PERMIAN, L.L.C.

DOUBLE LL PROSPECT
MIA MICHELLE STATE #1

Section 32-T15S-R30E