

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Nadeh & Gussman
Major Hunt Fed #1
 5555

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
 NSL NSP 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
- [D] Other: Specify _____
- [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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name _____	Signature _____	Title _____	Date _____
e-mail Address _____			

Nadel and Gussman Permian, L.L.C.
601 N. Marienfeld, Suite 508
Midland, TX 79701
Office (432) 682-4429
Fax (432) 682-4325

January 9, 2007

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

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

<u>Well:</u>	Major Gant Fed. Well No. 1
<u>Location:</u>	660 feet FSL & 2160' feet FWL
<u>Well Unit:</u>	S½ of Section 12, Township 21 South, Range 21 East, N.M.P.M., Eddy County, New Mexico

The well will be drilled to a depth sufficient to test the Morrow formation (Little Box Canyon-Morrow Gas Pool), which is spaced on statewide regulations (320 acre well units, with wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line). A Form C-102 for the well is attached as Exhibit A.

The well's location is based upon geologic and topographic reasons. An isopach for the "Lavender" Morrow sand (the primary zone) is attached as Exhibit B. The SE¼SW¼ of Section 12 has better sand thickness than alternative quarter-quarter sections, and thus applicant desires to drill the well there.

In addition, there are several topographic reasons for drilling the well at the proposed locations. Attached as Exhibit C is a topographic plat of the area. This is an area of high relief, and locations are limited. In addition, this is federal land, and the Bureau of Land Management requested the location be moved east of an orthodox location because of archaeological sites at an orthodox location, and in order to keep the location near existing roads to minimize additional surface disturbance.

A Midland Map Co. land plat is attached as Exhibit D. The S½ of Section 12 is covered by federal leases NM-886 and NM-887. The well location is internal to the well unit, and does not

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encroach on any offset acreage. Therefore, there is no adversely affected offset, and notice of this application has not been given to anyone.

Please contact me if you need any further information.

Very truly yours,



Sam Jolliffe
Land Manager

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Ed., Artec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

EXHIBIT "A"
State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name <i>LITTLE BOX CANYON (MORROW)</i>
Property Code	Property Name MAJOR GANT FEDERAL	Well Number 1
OGRD No.	Operator Name NADEL AND GUSSMAN PERMIAN	Elevation 4447'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	12	21 S	21 E		660	SOUTH	2160	WEST	EDDY

Bottom Hole Location If Different From Surface

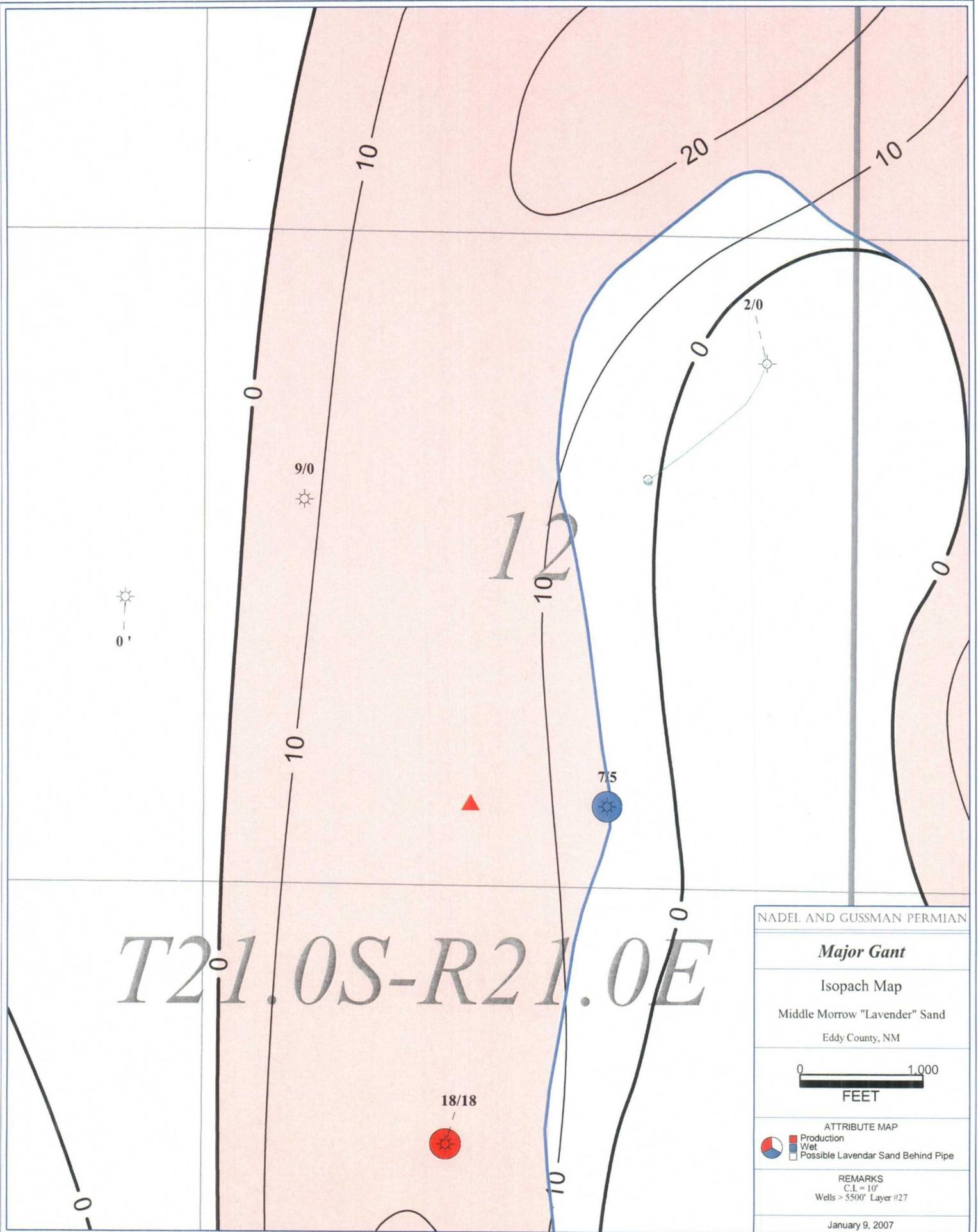
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres <i>320</i>	Joint or Infill	Consolidation Code	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

	<p>OPERATOR CERTIFICATION</p> <p>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 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.</p> <p><i>Terry R. West</i> 11-30-06 Signature Date</p> <p>TERRY R. WEST Printed Name</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>SEPTEMBER 13, 2006</p> <p>Date Surveyed Signature <i>Gary L. Jones</i> Professional Surveyor Seal of New Mexico 7977 W.O. No. 7081 Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p>

80240



T21.0S-R21.0E

NADEL AND GUSSMAN PERMIAN

Major Gant

Isopach Map

Middle Morrow "Lavender" Sand

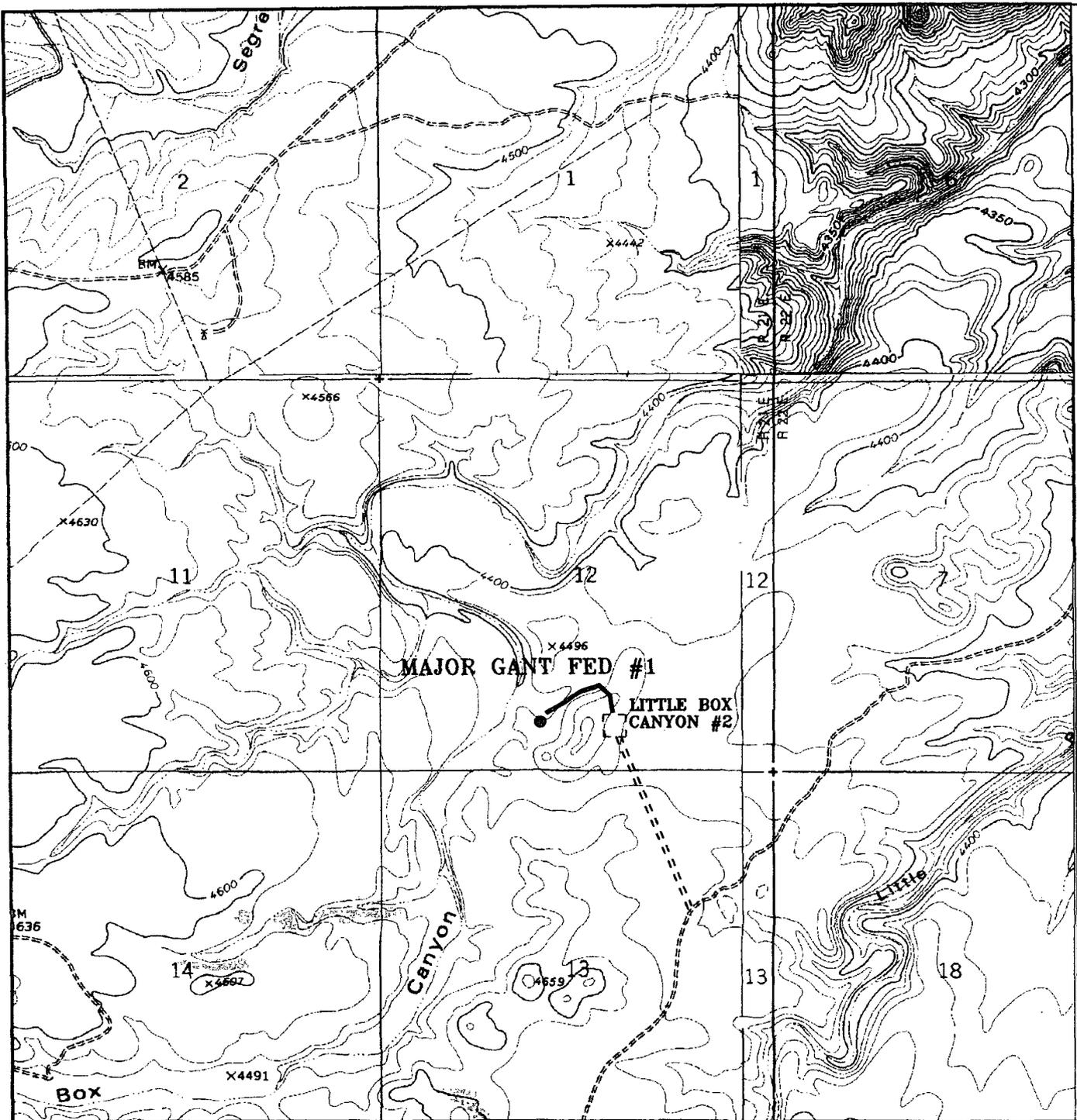
Eddy County, NM



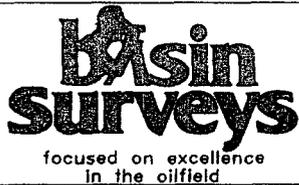
- ATTRIBUTE MAP
- Production
 - Wet
 - Possible Lavendar Sand Behind Pipe

REMARKS
C.L. = 10"
Wells > 5500' Layer #27

January 9, 2007



MAJOR GANT FEDERAL #1
 Located at 660' FSL & 2160' FWL
 Section 12, Township 21 South, Range 21 East,
 N.M.P.M., EDDY County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: JMS 7061T

Survey Date: 09-13-2006

Scale: 1" = 2000'

Date: 09-14-2006

**NADEL AND
 GUSSMAN
 PERMIAN**

