

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
May 27, 2004

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

RECEIVED

Submit to appropriate District Office

JUL 16 2004

☐ AMENDED REPORT

OCD-ARTESIA

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, Texas 79701		² OGRID Number 155615
		³ API Number 30 - 015-21466
⁴ Property Code L-4241	⁵ Property Name Carlsbad State Comm.	⁶ Well No. 1
⁹ Proposed Pool 1 Strawn Gas		¹⁰ Proposed Pool 2

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
B	34	23S	26E		660	North	1980	East	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

Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary none	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3292.9
¹⁶ Multiple	¹⁷ Proposed Depth 11850	¹⁸ Formation Morrow	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater 300'		Distance from nearest fresh water well 660'		Distance from nearest surface water 2.5 mile
²¹ Proposed Casing and Cement Program				

Pit: Liner: Synthetic ☐ _____mils thick Clay ☐ Pit Volume: _____ bbls Drilling Method:
Closed-Loop System ☒ Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2	12-3/4	34	503	700	surf
11"	7"	24 & 32	5477	3054	610'
7 7/8	4-1/2	13.5 & 11.6	11794	500	7090

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.
The well is currently completed in the Atoka @ 10,504' -10,508' and 10,602-10,610'. We propose to recomple to the Strawn at 10286-10292; 10298-10316; and 10354-10370'. The Atoka will be isolated by setting a profile plug in the Atoka packer @ 10,386. The pkr and plug will isolated and pressured tested. After setting the plug the Strawn will be perforated and tested. A 5000 psi hydraulically operated BOP with 1 set of pipe rams and 1 set of blind rams will be used for the recompletion. No workover pits will be dug. All wellbore fluids will be flowed into a closed tank.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: K. E. McCready
Title: Operations Engineer
E-mail Address: kemm@nagusa.com
Date: 7/15/04 Phone: 432-682-4429

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

**N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

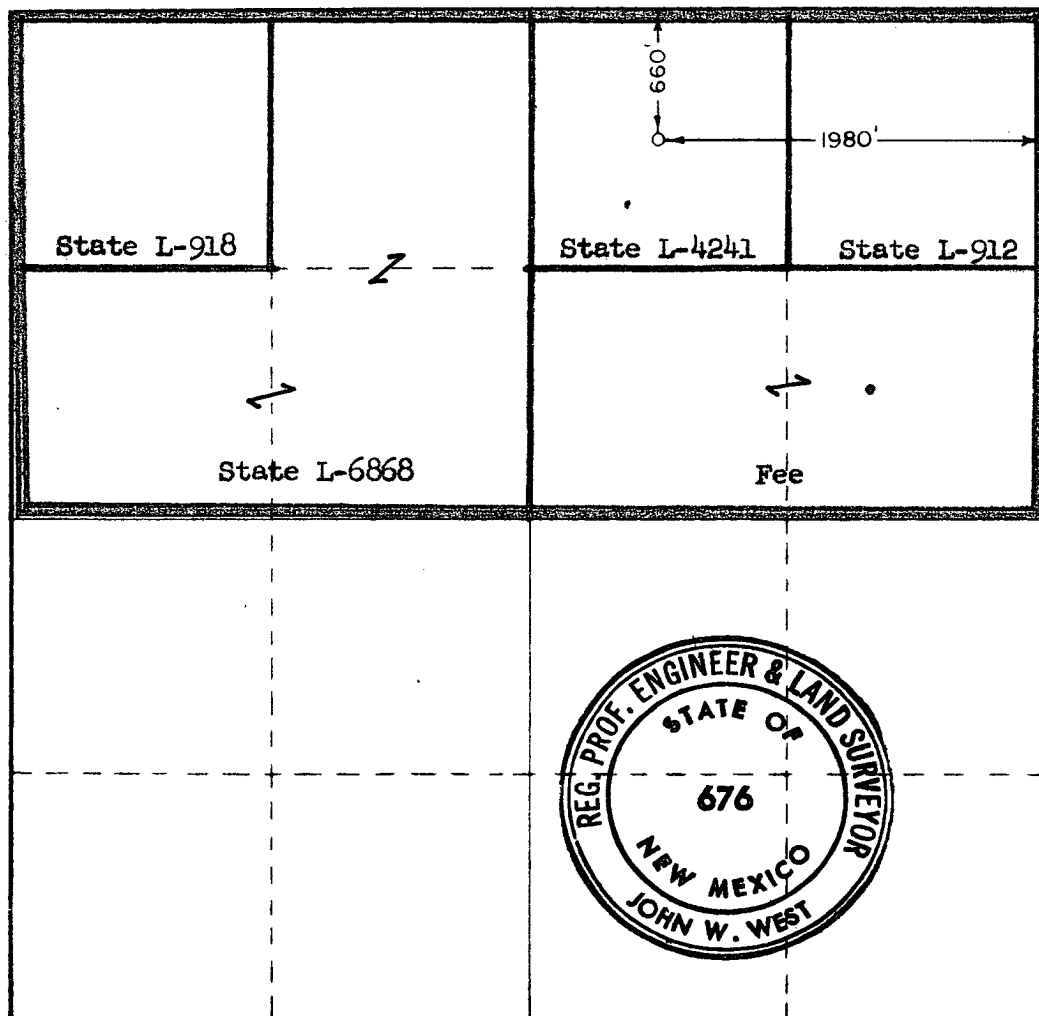
Operator Samedan Oil Corporation			Lease Carlsbad State Comm.		Well No. 1
Tract B	Section 34	Township 23 South	Range 26 East	County Eddy	
Actual Well Location of Well: 660 feet from the North line and 1980 feet from the East line					
Ground Level Elev. 3292.9	Producing Formation Morrow <i>Stream</i>		Pool Wildcat	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☒ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) Will be communitized if commercial production is established.

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

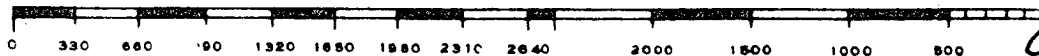
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

William S. McCuen
 Name
William S. McCuen
 Position
Production Superintendent
 Company
Samedan Oil Corporation
 Date
January 13, 1975

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 knowledge and belief.

Date Surveyed
January 9, 1975
 Registered Professional Engineer and/or Land Surveyor

John W. West
 Certificate No. **676**



NADEL AND GUSSMAN PERMIAN

Carlsbad State #1

660' FNL, 1980' FEL, Unit B, Sec 34, 23 S, 26 E, Eddy County, NM
API # 30 - 015 - 21466

Elev: 3292' GL, KB = 3306'

Current Status - Flowing Gas

12-3/4", 34#, @ 503'
700 sx, cement circulated
17-1/2" hole

8-5/8", 32#, K-55 @ 1035'
Swaged onto 7" casing
TOC @ 613 TS

8-5/8" fish: 1930' - 2366'
11" hole

7", 23#, K-55 @ 5477'
3054 sx, TOC @ 7400' by TS
11" hole

2-3/8", 4.7#, N-80 EUE tubing

Strawn Perfs: 10,354' - 10,370'
@ 2 SPF, 51 holes, 10 / 7 gel acid-sand frac, SQZD w/ 250 sx

Baker Loc-Set packer @ 10,386'

Atoka Perfs: 10,504' - 10,610'
@ 1 SPF, 14 holes, 500 gl 15%, 25/22 binary frac

CIBP @ 11,280' w/ 10' cement

Baker Loc-Set packer @ 11,309'
Baker Loc-Set packer @ 11,312' w/ plug in "F" nipple

U Morrow Perfs: 11,410' - 11,644'

L Morrow Perfs: 11,716' - 11,732'
@ 1 SPF, 34 holes, 4000 gals 7 1/2% w/ BS and N2.
24/ 17 N2 foam frac

CIBP @ 11,752' w/ 8' cement (wet shoe)

4-1/2", 13.5/11.6#, N-80 @ 11,794'
500 sx, TOC @ 7090' by CBL
6-1/4" hole

PBTD @ 11,270'

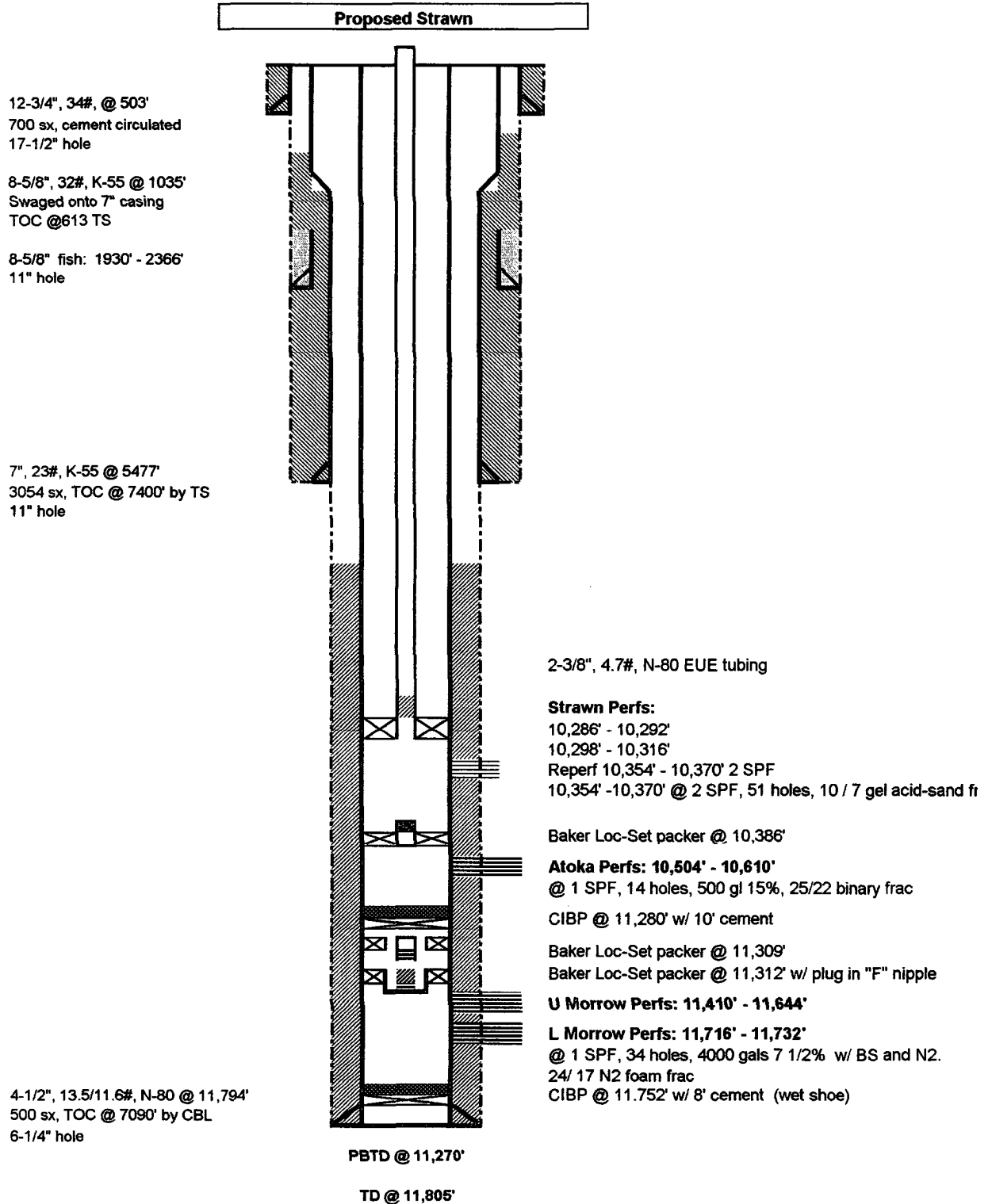
TD @ 11,805'

NADEL AND GUSSMAN PERMIAN

Carlsbad State #1

660' FNL, 1980' FEL, Unit B, Sec 34, 23 S, 26 E, Eddy County, NM
API # 30 - 015 - 21466

Elev: 3292' GL, KB = 3306'



NADEL AND GUSSMAN PERMIAN, L.L.C.

601 N. Marienfeld, Suite #508

Midland, Texas 79701

(432) 682-4429

Fax (432) 682-4325

July 26, 2004

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

RE: Carlsbad State Com #1
660 FNL 1980 FEL
UL B Sec. 34 T23S R 26E
Rule 118 H2S Exposure

Dear Mr. Arrant,

Nadel and Gussman Permian has evaluated this well and we do not expect to encounter hydrogen sulfide in excess of 100 ppm. In 2002 we drilled the Carlsbad State 27 Com #1 in section 27 T23S R28E an offset to this well and did not encounter any hydrogen sulfide in the Strawn.

Please contact me if you have any additional questions.

Sincerely,

Kem E. McCreedy
Operations Engineer