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

JAN 29 2009

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	[2] OGRID Number
Nadel and Gussman Permian, LLC 601 North Marienfeld suite 508 Midland, Texas 79701 ✓	155615 ✓
	[3] API Number 30-015-34861

[5] Property Code	[5] Property Name	[6] Well No.
35699 ✓	Bond Fee	2

[9] Proposed Pool 1	[10] Proposed Pool 2
Undesignated Atoka	Bass; Undesignated Morrow 71640 ✓

[7] Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North line	Feet from the	West line	County
C	20	21 S	28 E		660		1,650		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	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
A	G	Pulling Unit	P	3,194'
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
N	12,270	Morrow	unknown	06/07/06

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
Refer to Orig C-101					

[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.

Pull production equipment
Squeeze off existing Strawn perfs at 10,706'-10,748' and 10,802'-10,812'
Perforate and test the Atoka at 11,050'- 11,070'
If successful put well on line
If unsuccessful sqz off the Atoka perfs and test the Morrow from 12,052'- 11,-910'

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

Signature: Kem E McCready

Printed name: Kem E. McCready

Title: NM Operation Manager

E-mail Address: kemm@naguss.com

Date: 01/28/2009

Phone: 432-682-4429

OIL CONSERVATION DIVISION

Approved by: Jacqui Reeves

Title: District II Geologist

Approval Date: 2/9/09

Expiration Date: 2/9/2011

Conditions of Approval Attached ☐

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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	[2] Pool Code	[3] Pool Name
30-015-34861	Undesignated Atoka	Wildcat Atoka

[4] Property Code	[5] Property Name	[6] Well Number
35699	Bond Fee	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
155615	Nadel and Gussman Permian LLC	3,194'

[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
C	20	21 S	28 E		660	North	1,650	West	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
Same									

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
North 320	N		

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.

[16]

[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.

Kem E. McCready 1/28/09
Signature Date

Kem E. McCready
Printed Name **Refer to the Original Plat**

[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.

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number

NADEL AND GUSSMAN PERMIAN, L.L.C.
601 N. Marienfeld, Suite #508
Midland, Texas 79701
(432) 682-4429
Fax (432) 682-4325

January 27, 2009

New Mexico Oil and gas Division
1301 West Grand
Artesia, NM 88210

RE: Bond Well No. 2
660' FSL 1650 FWL
UL C Sec. 20 T21S R 28E
Rule 118 H2S Exposure

Dear Sir,

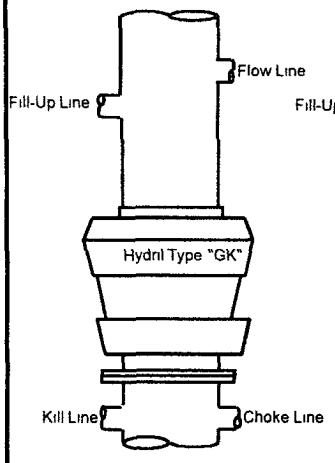
Nadel and Gussman Permian has evaluated this well and we do not expect to encounter hydrogen sulfide in excess of 100 ppm during our Atoka recompletion.. We drilled this well in 2007 and did not encounter any Hydrogen Sulfide in the Atoka or Morrow.

Please contact me if you have any additional questions.

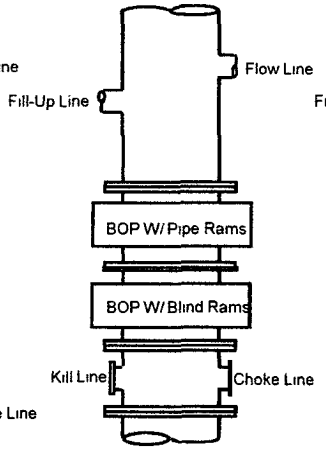
Sincerely,

Kem E. McCready
Operations Engineer

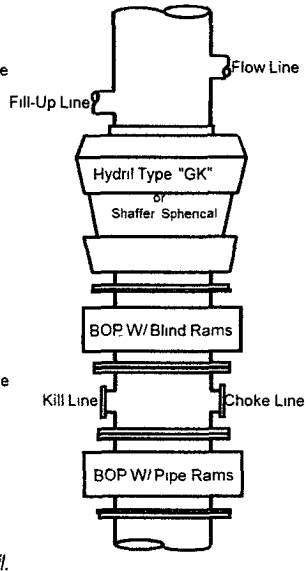
Dinero Operating
Bond Fee Well #2 Recomplete
MINIMUM BLOWOUT PREVENTER REQUIREMENTS



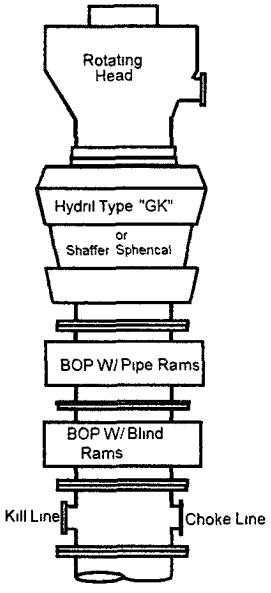
CASE I



CASE II



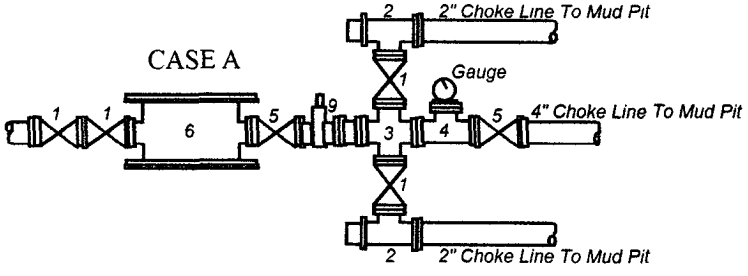
CASE III



CASE IV

A1" valve will be installed on the closing line to the Hydril. This valve will 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.

CASE A

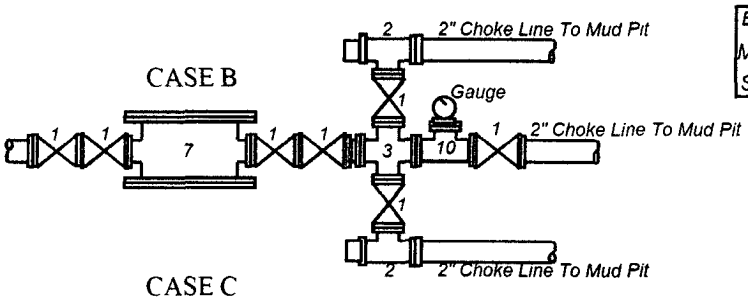


BOP SIZE	BOP CASE	WORKING PRESSURE	CHOKE CASE
7-1/16"	II	5000	B

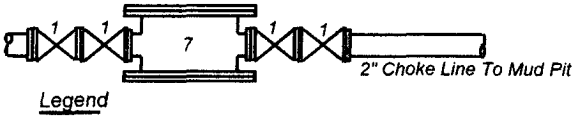
**Rotating head required*

Bradenhead :
Mfr: _____
Size: _____ Type: _____

CASE B



CASE C



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 & equiped 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.

(10-31-96) WTXBOPS PPT