

State of New Mexico
Energy, Minerals and Natural Resources

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

WELL API NO.

30-005-2917

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VB-1521

7. Lease Name or Unit Agreement Name

South Tobac State Unit #1

8. Well Number 1Y

9. OGRID Number 155615

10. Pool name or Wildcat
Chaveroo; San Andres

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator

Nadel and Gussman Permian, L.L.C.

3. Address of Operator

601 N. Marienfeld Midland Texas 79701

4. Well Location

Unit Letter D : 850' feet from the NORTH line and 800' feet from the WEST line

Section 29

Township 8S

Range 33E

NMPM

CHAVES County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4392' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☒ P AND A ☐
CASING/CEMENT JOB ☒

OTHER: ☐OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

05/11/11 ? Spud well at 2:15 AM.

05/12/11 TD 17.5" hole at 403'. Run 9 joints 13-3/8" 48#/H-40 casing and set at 402'. CMT 13 3/8" CSG W/ 440 SKS CLASS "C"+2%CACL2+.25%R-38. PLUG DN @ 4:12PM W/ 800PSI, CIRCULATED 123 SKS (29.5BBLS) CMT T/PIT.

Spud Date: 5/10/11 ?

Drilling Rig Release Date: N/A

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

SIGNATURE Jason GossTITLE DRILLING ENGINEERDATE 5/11/11

Type or print name Jason Goss

E-mail address: jagoss@naguss.com

PHONE: 432-682-4429

for State Use Only

APPROVED BY: David GrayTITLE Field SupervisorDATE 7-28-11Conditions of Approval (if any): KZ

AUG 11 2011

SUMMARY CASING AND CEMENTING REPORT MAY 27 2011

STRING: SURFACE

DATE: 5/11/2011

RECEIVED

OPERATOR: NADEL & GUSSMAN PERMIAN WELL: SOUTH TOBAC 29 STATE UNIT

CONTRACTOR: PATRIOT

RIG: #1Y API# 30-005-29179

REP: KEITH CANNON

CASING DETAIL

HOLE SIZE: 17 1/2

DEPTH: 403

11" HOLE 403.00

8 5/8 FLOAT SHOE 0.95

402.05

1 JT. 8 5/8 J-55 24# CSG 45.24

356.81

8 5/8 FLOAT COLLAR 1.20

355.61

8- JTS. 8 5/8 J-55 24# CSG 359.97

-4.36

KB TO GL 18.00

CENTRALIZERS PLACED @ 356.81', 310.37', 265.68', 220.94', 131.14'

REMARKS:

TOTAL CASING DELIVERED.... 10 JTS. 48# J-55 13 3/8 LT&C (452.40')

ALL CASING WAS DRIFTED, CLEANED, & VISUALLY INSPECTED ON LOCATION.

ELECT. WELD SHOE TOP AND BOTTOM OF 1ST COLLAR AND BTM OF 2ND COLLAR UP.

TAGGED BOTTOM NO FILL. CIRCULATED CAPACITY & ANNULAR VOLUME

EXCESS CASING

CASING NOT USED 1 JTS. NOT USED J-55 48# STC (44.52')

DISPOSITION NGP YARD 1JTS

CEMENTING DATA

COMPANY: RISING STAR

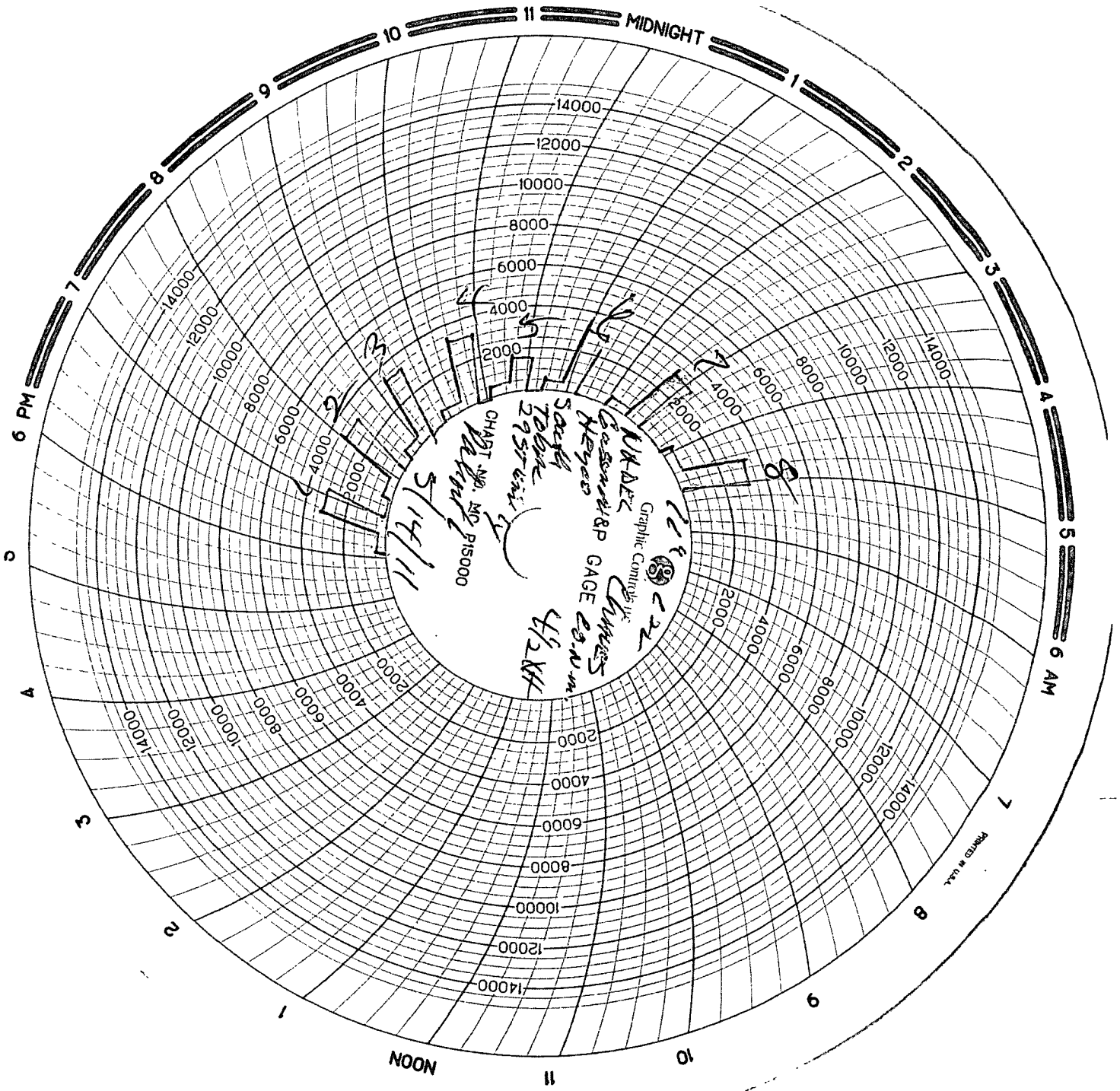
DISTRICT: HOBBS

1ST STAGE:

PREFLUSH: 20bbls F/W SPACER

LEAD: 440 SKS. CLASS "C"+ 2% CACL2+.25%R-38 WT. 14.80 YIELD 1.35 GAL/SK 6.34

RAN IN HOLE W/ 9 JTS 13 3/8" TAG@ 403', SET CSG @ 402'. NO PROBLEMS.CMT W/
 440SKS CLASS C. W/ FULL RETURNS. CRIC 123SKS TO PIT. NOTE: TESTED 13 3/8"
 CASING TO 500PSI.



MAN WELDING SERVICES, INC

Company NADEL Gussman Hwy 2 Date 5/14/11
Lease South Tobac 29 St Unit 14 County CHARLES Co. N.M.
Drilling Contractor Patriot 1 Plug & Drill Pipe Size 11" c-22, 4 1/2 x 11

Accumulator Function Test - OO&GO#2

To Check - USABLE FLUID IN THE NITROGEN BOTTLES (III.A.2.c.i. or ii or iii)

- Make sure all rams and annular are open and if applicable HCR is closed.
- Ensure accumulator is pumped up to working pressure! (Shut off all pumps)
 $18' \text{ fluid} \times 3.1 = 56 \text{ gal}$
 $10 \times 36 \times 72 = 1129 \text{ gal} = 3.19 \text{ gal per 1"}$
 $8 - 10 \text{ gal bottles} = 40 \text{ gal}$
 $+ 56 \text{ gal}$
 $96 \text{ gal usable fluid}$
- 1. Open HCR Valve. (If applicable)
- 2. Close annular.
- 3. Close all pipe rams.
- 4. Open one set of the pipe rams to simulate closing the blind ram.
- 5. For 3 ram stacks, open the annular to achieve the 50+ % safety factor. (5M and greater systems).
- 6. Record remaining pressure 1450 psi. Test fails if pressure is lower than required.
- a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system}
- 7. If annular is closed, open it at this time and close HCR.

To Check - PRECHARGE ON BOTTLES OR SPHERICAL (III.A.2.d.)

- Start with manifold pressure at, or above, maximum acceptable pre-charge pressure:
a. {800 psi for a 1500 psi system} b. {1100 psi for 2000 and 3000 psi system}
- 1. Open bleed line to the tank, slowly. (gauge needle will drop at the lowest bottle pressure)
- 2. Close bleed line. Barely bump electric pump and see what pressure the needle jumps up to.
- 3. Record pressure drop 1000 psi. Test fails if pressure drops below minimum.
- Minimum: a. {700 psi for a 1500 psi system} b. {900 psi for a 2000 & 3000 psi system}

To Check - THE CAPACITY OF THE ACCUMULATOR PUMPS (III.A.2.f.)

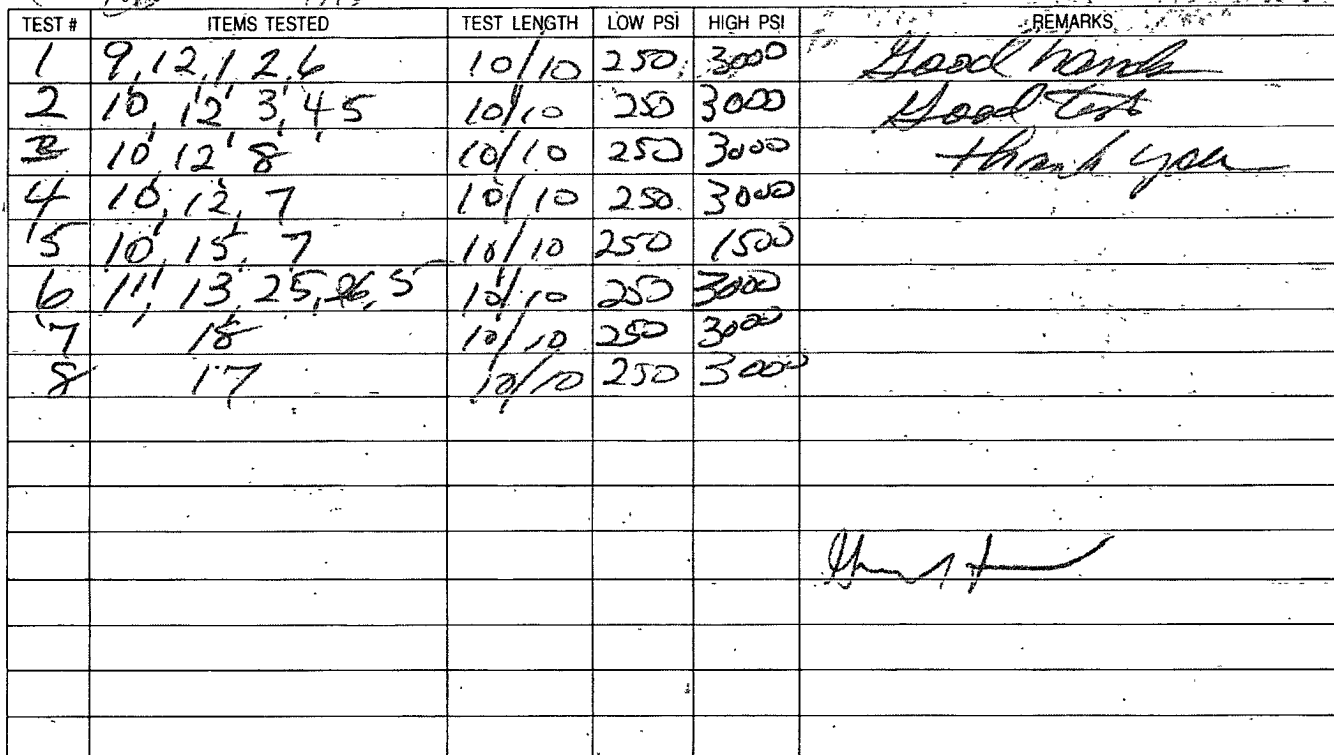
- Isolate the accumulator bottles or spherical from the pumps & manifold.
- Open the bleed off valve to the tank, {manifold psi should go to 0 psi} close bleed valve.
- 1. Open the HCR valve, {if applicable}
- 2. Close annular
- 3. With pumps only, time how long it takes to regain the required manifold pressure.
- 4. Record elapsed time 1:30. Test fails if it takes over 2 minutes.
- a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system}



**WELDING • BOP TESTING
NIPPLE UP SERVICE • BOP LIFTS • TANDEM
MUD AND GAS SEPARATORS
Lovington, NM • 575-396-4540**

№ B 12326

Company NADEL, GASSMAN, HOYCO Date 5/14/11 Start Time 4:00 ☐ am ☐ pm
Lease SOUTH TOWAC 29 ST. UNIT #1Y County CHANDLER State N.M.
Company Man KEITH C.
Wellhead Vendor _____ Tester K. Kirkpatrick
Drig. Contractor Patriot Rig # 1
Tool Pusher _____
Plug Type C 22 Plug Size 11" Drill Pipe Size 4 1/2 XH
Casing Valve Opened yes Check Valve Open yes



8 HR@ 1150⁰⁰ 1150⁰⁰
HR@
Mileage 122 @ 1⁰⁰ 122⁰⁰
MASTER PRINTERS 575.396.3661

SUB TOTAL	1272
TAX	69.96
TOTAL	1341.96