

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

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

Form C-104  
Revised August 1, 2011

HOBBS COO

Submit one copy to appropriate District Office  
DEC 17 2014

RECEIVED

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

|                                                                                                                                  |                                                 |                                                           |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|
| <sup>1</sup> Operator name and Address<br>NADEL AND GUSSMAN PERMIAN, L.L.C.<br>601 N. MARIENFELD, SUITE 508<br>MIDLAND, TX 79701 |                                                 | <sup>2</sup> OGRID Number<br>155615                       |
|                                                                                                                                  |                                                 | <sup>3</sup> Reason for Filing Code/ Effective Date<br>NW |
| <sup>4</sup> API Number<br>30-025-41927                                                                                          | <sup>5</sup> Pool Name<br>LUSK; BONE SPRING     | <sup>6</sup> Pool Code<br>41442                           |
| <sup>7</sup> Property Code                                                                                                       | <sup>8</sup> Property Name<br>SUN MCKAY FEDERAL | <sup>9</sup> Well Number<br>3H                            |

II. <sup>10</sup> Surface Location

|                    |               |                 |              |         |                       |            |                        |           |               |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|------------|------------------------|-----------|---------------|
| Ul or lot no.<br>C | Section<br>10 | Township<br>19S | Range<br>32E | Lot Idn | Feet from the<br>330' | North Line | Feet from the<br>1980' | West Line | County<br>LEA |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|------------|------------------------|-----------|---------------|

<sup>11</sup> Bottom Hole Location

|                             |                                             |                                                   |                                   |                                    |                                     |            |                                |           |               |
|-----------------------------|---------------------------------------------|---------------------------------------------------|-----------------------------------|------------------------------------|-------------------------------------|------------|--------------------------------|-----------|---------------|
| Ul or lot no.<br>N          | Section<br>10                               | Township<br>19S                                   | Range<br>32E                      | Lot Idn                            | Feet from the<br>330'<br>336        | South Line | Feet from the<br>1980'<br>1906 | West line | County<br>LEA |
| <sup>12</sup> Lse Code<br>F | <sup>13</sup> Producing Method<br>Code<br>F | <sup>14</sup> Gas Connection<br>Date<br>11/8/2014 | <sup>15</sup> C-129 Permit Number | <sup>16</sup> C-129 Effective Date | <sup>17</sup> C-129 Expiration Date |            |                                |           |               |

III. Oil and Gas Transporters

|                                    |                                                                                    |                     |
|------------------------------------|------------------------------------------------------------------------------------|---------------------|
| <sup>18</sup> Transporter<br>OGRID | <sup>19</sup> Transporter Name<br>and Address                                      | <sup>20</sup> O/G/W |
| 33479                              | HOLLYFRONTIER REFINING AND MARKETING, LLC<br>10 DESTA DR., SUITE 350 W             | O                   |
| 22115                              | FRONTIER FIELD SERVICES, LLC<br>4200 EAST SKELLY DRIVE, SUITE 700, TULSA, OK 74135 | G                   |
|                                    |                                                                                    |                     |
|                                    |                                                                                    |                     |
|                                    |                                                                                    |                     |
|                                    |                                                                                    |                     |
|                                    |                                                                                    |                     |
|                                    |                                                                                    |                     |

IV. Well Completion Data

|                                      |                                       |                             |                               |                                                |                       |
|--------------------------------------|---------------------------------------|-----------------------------|-------------------------------|------------------------------------------------|-----------------------|
| <sup>21</sup> Spud Date<br>7/13/2014 | <sup>22</sup> Ready Date<br>8/21/2014 | <sup>23</sup> TD<br>13,885' | <sup>24</sup> PBTB<br>12,784' | <sup>25</sup> Perforations<br>8,660' - 12,630' | <sup>26</sup> DHC, MC |
| <sup>27</sup> Hole Size              | <sup>28</sup> Casing & Tubing Size    | <sup>29</sup> Depth Set     | <sup>30</sup> Sacks Cement    |                                                |                       |
| 17.5"                                | 13.375'                               | 1,350'                      | 1,120                         |                                                |                       |
| 12.25"                               | 9.625'                                | 3,373'                      | 950                           |                                                |                       |
| 8.75"                                | 5.5'                                  | 13,860'                     | 1,990                         |                                                |                       |
|                                      | 2.875'                                | 9,269'                      |                               |                                                |                       |

V. Well Test Data

|                                          |                                              |                                       |                                     |                                    |                                      |
|------------------------------------------|----------------------------------------------|---------------------------------------|-------------------------------------|------------------------------------|--------------------------------------|
| <sup>31</sup> Date New Oil<br>10/10/2014 | <sup>32</sup> Gas Delivery Date<br>11/8/2014 | <sup>33</sup> Test Date<br>11/18/2014 | <sup>34</sup> Test Length<br>24 HRS | <sup>35</sup> Tbg. Pressure<br>300 | <sup>36</sup> Csg. Pressure<br>75    |
| <sup>37</sup> Choke Size<br>64/64"       | <sup>38</sup> Oil<br>247                     | <sup>39</sup> Water<br>492            | <sup>40</sup> Gas<br>TSTM           |                                    | <sup>41</sup> Test Method<br>FLOWING |

<sup>42</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:  
Sarah Presley

Printed name:  
SARAH PRESLEY

Title:  
REGULATORY ANALYST

E-mail Address:  
spresley@naguss.com

Date:  
12/15/2014

Phone:  
(432) 682-4429

|                           |                    |
|---------------------------|--------------------|
| OIL CONSERVATION DIVISION |                    |
| Approved by:              |                    |
| Title:                    | Petroleum Engineer |
| Approval Date:            | 02/18/15           |

E-PERMITTING -- New Well \_\_\_\_\_  
Comp KE P&A \_\_\_\_\_ TA \_\_\_\_\_  
CSNG P.N. Loc Chng \_\_\_\_\_  
ReComp \_\_\_\_\_ Add New Well \_\_\_\_\_  
Cancl Well \_\_\_\_\_ Create Pool \_\_\_\_\_

FEB 19 2015