

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

Form C-101  
March 4, 2004

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address NADEL AND GUSSMAN PERMIAN, L.L.C. 601 N. MARJENFELD, SUITE 508 MIDLAND, TEXAS 79701		<sup>2</sup> OGRID Number 155615
<sup>3</sup> Property Code 35253	<sup>5</sup> Property Name ANGLER STATE	<sup>4</sup> APL Number 30 - 025 - 37569
		<sup>6</sup> Well No.

<sup>7</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	15	16-S	33-E		1,650'	NORTH	330'	EAST	LEA

<sup>8</sup> 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
<sup>9</sup> Proposed Pool 1 Hume QUEEN, GRAYBURG West						<sup>10</sup> Proposed Pool 2 Hume Grayburg West			

Drilling Pit Location and Other Information									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	15	16-S	33-E		1,650'	NORTH	330'	EAST	LEA
Depth to ground water 130' TO 150'				Distance from nearest fresh water well MORE THAN 1000'			Distance from nearest surface water MORE THAN 1000'		
<sup>11</sup> Work Type Code N		<sup>12</sup> Well Type Code O		<sup>13</sup> Cable/Rotary ROTARY		<sup>14</sup> Lease Type Code S		<sup>15</sup> Ground Level Elevation 4,194'	
<sup>16</sup> Multiple YES		<sup>17</sup> Proposed Depth 4,800'		<sup>18</sup> Formation QUEEN/ GRAYBURG		<sup>19</sup> Contractor PATTERSON		<sup>20</sup> Spud Date +/- 02/15/06	

<sup>21</sup> Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	54#	300'	450 SX	CMT @ SURFACE
12 -3/4"	8-5/8"	32#	2,800'	1100 SX	CMT @ SURFACE
7-7/8"	5-1/2"	15.5#	4,800'	1125 SX	TOC @ 2,800'

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.  
DRILL AND COMPLETE WELL IN THE QUEEN GRAYBURG WITH A PROJECTED TD OF 4,800'.  
NO H2S IS EXPECTED, BUT AN H2S CONTINGENCY LETTER AND PLAN IS ATTACHED.

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway

<sup>23</sup> 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 NMOC guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature:

*Josh Fernau*

Printed name: JOSH FERNAU

Title: STAFF ENGINEER

E-mail Address: joshf@naguss.com

Date: 11/18/05

Phone: (432) 682-4429

OIL CONSERVATION DIVISION

Approved by:

*[Signature]*  
PETROLEUM ENGINEER

Title:

Approval Date: NOV 28 2005

Expiration Date:

Oil Conservation Division

Conditions of approval: Approval for drilling ONLY  
-- CANNOT produce Downhole Commingled until  
DHC is approved in Santa Fe.

**DISTRICT IV**  
**2040 South Pacheco, Santa Fe, NM 87505**

## BASIN SURVEYS

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

**11/18/05**

Ms. Donna Mull  
District 1 Staff Specialist  
New Mexico Oil and Gas Division  
1625 N. French Dr.  
Hobbs, NM 88240

**Re: Angler State #1**  
**1,650' FNL, 330' FEL**  
**UL H, Sec. 15-T16S-R33E**  
**Lea, NM**  
**Rule 118 H2S Exposure**

Dear Ms. Mull,

Nadel and Gussman Permian have evaluated this well and we do not expect to encounter hydrogen sulfide. However, we will employ a third party monitoring system. We will begin monitoring prior to drilling out intermediate and will continue monitoring the remainder of the well.

Please contact me if you have any additional questions.

Sincerely,



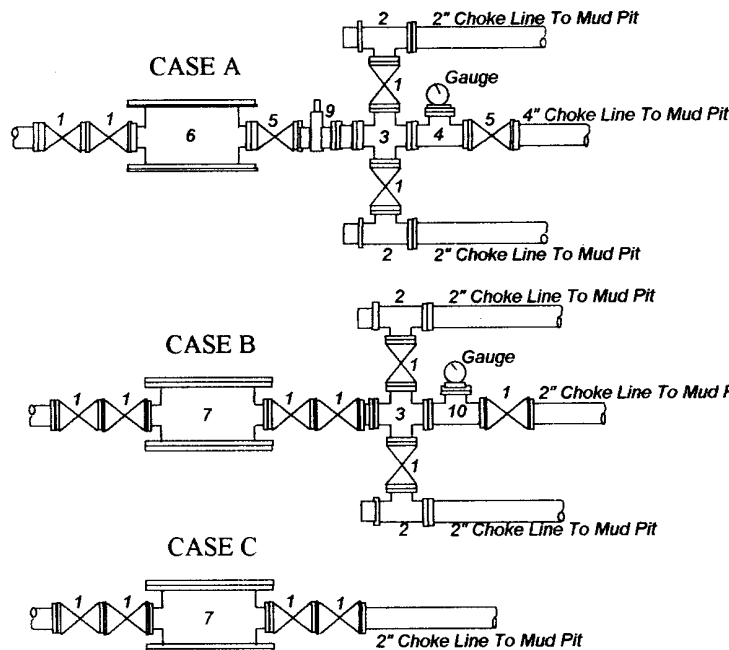
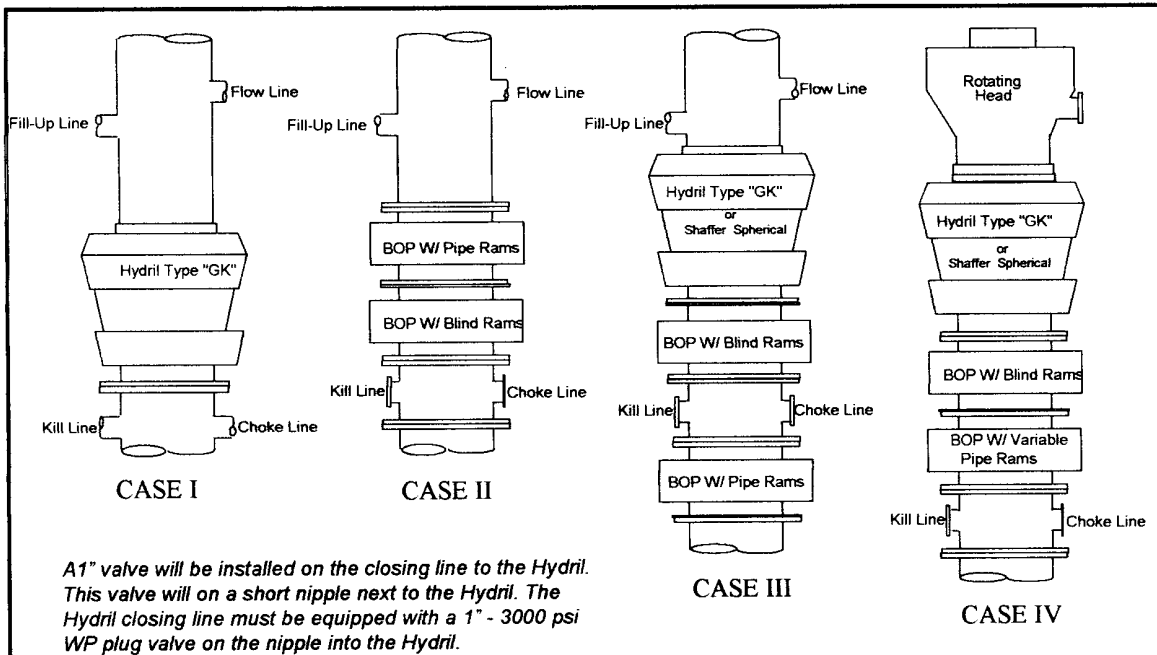
Josh Fernau  
Staff Engineer

## **Hydrogen Sulfide Drilling Operations Plan**

1. Company and Contract personnel admitted on location should be trained by a qualified H<sub>2</sub>S safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S.
  - B. Physical Effects and Hazards.
  - C. Proper Use of Safety Equipment and Life Support Systems.
  - D. Principle and Operation of H<sub>2</sub>S Detectors, Warning System and Briefing.
  - E. Evacuation Procedure, Routes and First Aid.
  - F. Proper Use of 30 minute Pressure Demand Air Pack.
2. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S Detectors and Audio Alarm System to be Located at Bell Nipple, End of Blooie Line (mud pit) and on Derrick floor or doghouse.
3. Windsock and/or Wind Streamers
  - A. Windsock at Mud Pit Area Should be High Enough to be Visible.
  - B. Windsock at Briefing Area Should be High Enough to be Visible.
  - C. There Should be a Windsock at Entrance to Location.
4. Condition Flags and Signs
  - A. Warning Sign on Access Road to Location.
  - B. Flags to be Displayed on Sign at Entrance to Location.
    1. Green Flag, Normal Safe Condition.
    2. Yellow Flag, Indicates Potential Pressure and Danger.
    3. Red Flag, Danger H<sub>2</sub>S Present in Dangerous Concentration  
Only Emergency Personnel Admitted to Location.
5. Well Control Equipment
  - A. See Attached Diagram.
6. Communication
  - A. While Working Under Masks Chalkboards Will be Used for Communication.
  - B. Hand Signals will be Used Where Chalk Board is Inappropriate.
  - C. Two Way Radio or Cell Phone will be Used to Communicate off Location in Case of Available at Most Drilling Foreman's Trailer or Living Quarters.
7. Drillstem Testing
  - A. Exhausts will be Watered.
  - B. Flare Line will be Equipped with an Electric Igniter or a propane pilot light in case gas reaches the surface.
  - C. If Location is near any Dwelling a Closed DST will be Performed.
8. Drilling Contractor Supervisor will be Required to be Familiar with the Effects H<sub>2</sub>S has on tubular goods and other mechanical equipment.
9. If H<sub>2</sub>S Encountered, Mud system will be Altered if Necessary to Maintain Control of Formation. A Mud Gas Separator will be Brought into Service Along with H<sub>2</sub>S Scavengers if Necessary.

# Nadel and Gussman Permian

## MINIMUM BLOWOUT PREVENTER REQUIREMENTS



BOP SIZE	BOP CASE	WORKING PRESSURE	CHOKE CASE
11"	IV	5000 PSI	A

**\*Rotating head required**

Bradenhead : \_\_\_\_\_  
Mfr: \_\_\_\_\_  
Size: \_\_\_\_\_ Type: \_\_\_\_\_

### Legend

- 2" flanged all steel valve must be either Cameron "F", Halliburton Low Torque or Shaffer Flo-Seal.
- 2" flanged adjustable chokes, min. 1" full opening & equipped with hard trim.
- 4" x 2" flanged steel cross.
- 4" flanged steel tee.
- 4" flanged all steel valve (Type as in no. 1).
- Drilling Spool with 2" x 4" flanged outlet.
- Drilling Spool with 2" x 2" flanged outlet.
- 2" x 2" flanged steel cross.
- 4" pressure operated gate valve.
- 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

## Anger State #1 Mud Program

### Casing Program

Remaining Casing

0-300'	17 ½" Hole	13 3/8" CSG
0 – 2,803'	12 ¼" hole	8 5/8" CSG
0-4,800' TVD	7 7/8" hole	5 ½" CSG

### Estimated Formation Tops (TVD)

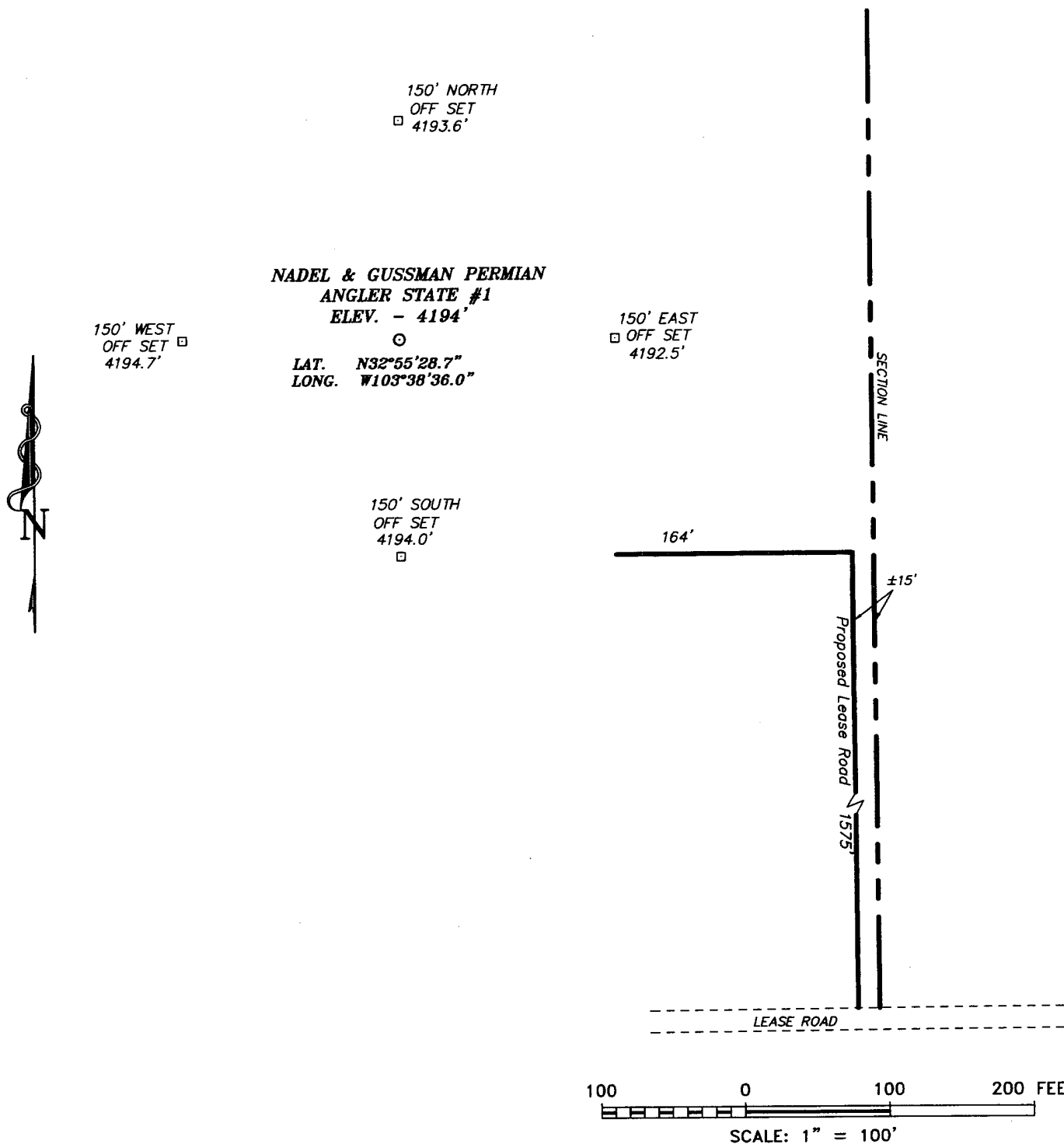
Yates	2,736'
7 Rivers	3,031'
Queen	3,638'
Grayburg	4,872'
San Angres	4,430'

### Suggested Mud Program

Surface Interval	0 – 300'	8.4#	Fresh Water
Intermediate Interval	300' – 2,800'	9.6 – 10.1#	Cut Brine
Production Interval	2,800' – 4,800'	9.6 – 10.1#	Cut Brine w/ Starch

- Hole Cleaning: Use high vis sweeps every 200' or as needed for fill or drag.
- Mud Up: Use Starch Gel w/ fluid loss additives w/ mud weight between 9.6# - 10.1# per gal.
- Mud system: Use caustic soda to maintain the pH above 10.
- Lost Returns / Seepage: Pull up 5 -10 stands if loss circulation occurs and pump 10 – 20 lbs per barrel. Seepage requires 3 – 4 sacks per hour.

SECTION 15, TOWNSHIP 16 SOUTH, RANGE 33 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF US HWY 82 AND CO. RD.  
L-118, GO NORTHWEST FOR 1.2 MILE; THENCE EAST  
FOR 0.2 MILE TO FENCE LINE AND PROPOSED LEASE  
ROAD.

**NADEL AND GUSSMAN PERMIAN**

REF: ANGLER STATE No. 1 / Well Pad Topo

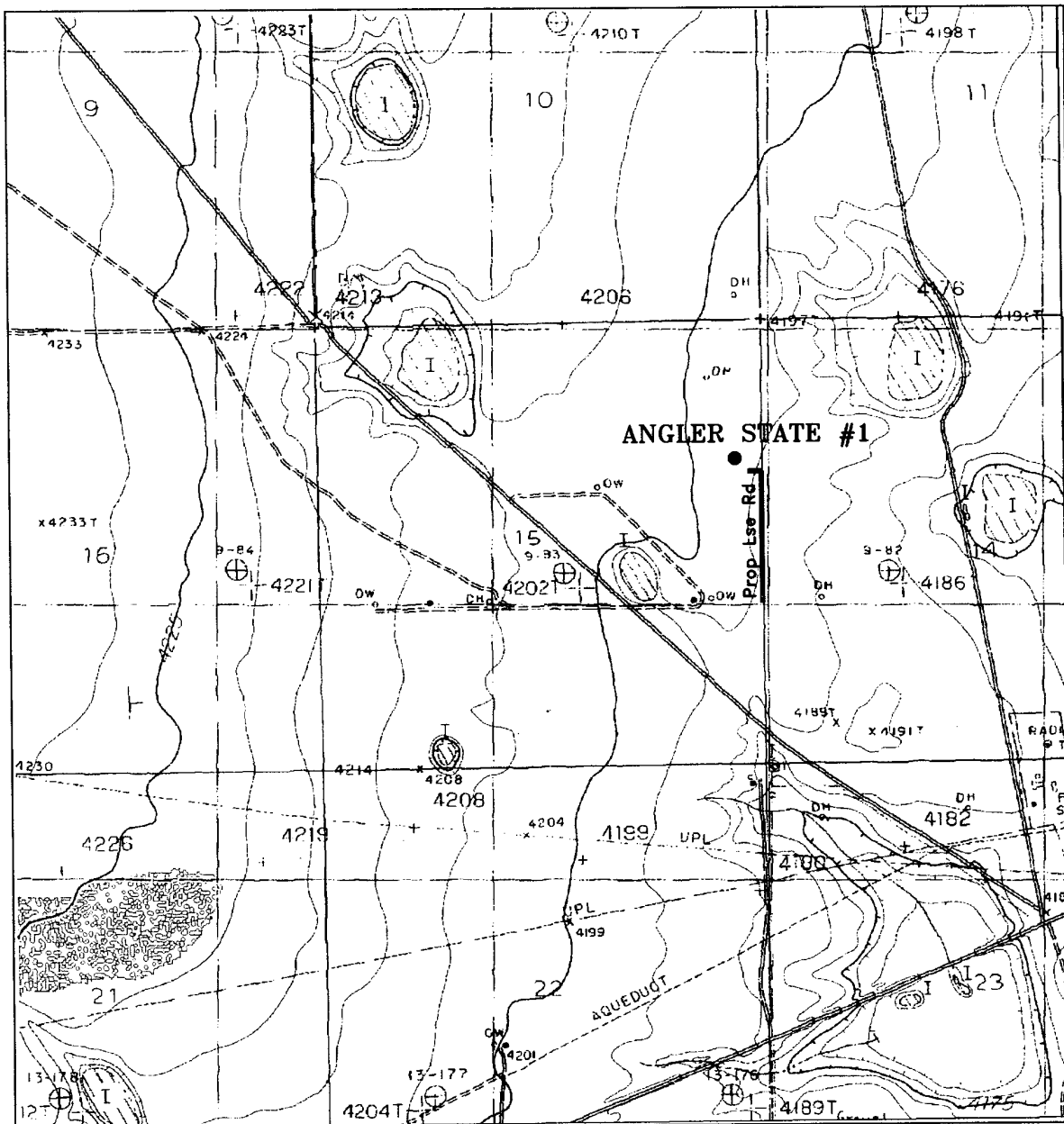
ANGLER STATE No. 1 LOCATED 1650' FROM  
THE NORTH LINE AND 330' FROM THE EAST LINE OF  
SECTION 15, TOWNSHIP 16 SOUTH, RANGE 33 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO.

**BASIN SURVEYS** P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 5942 Drawn By: K. GOAD

Date: 11-09-2005 Disk: KJG #9 - 5942A.DWG

Survey Date: 11-08-2005 Sheet 1 of 1 Sheets



### ANGLER STATE #1

Located at 1650' FNL and 330' FEL  
 Section 15, Township 16 South, Range 33 East,  
 N.M.P.M., Lea County, New Mexico.

**basin**  
**surveys**  
 focused on excellence  
 in the oilfield

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: 5942AA - KJG #1

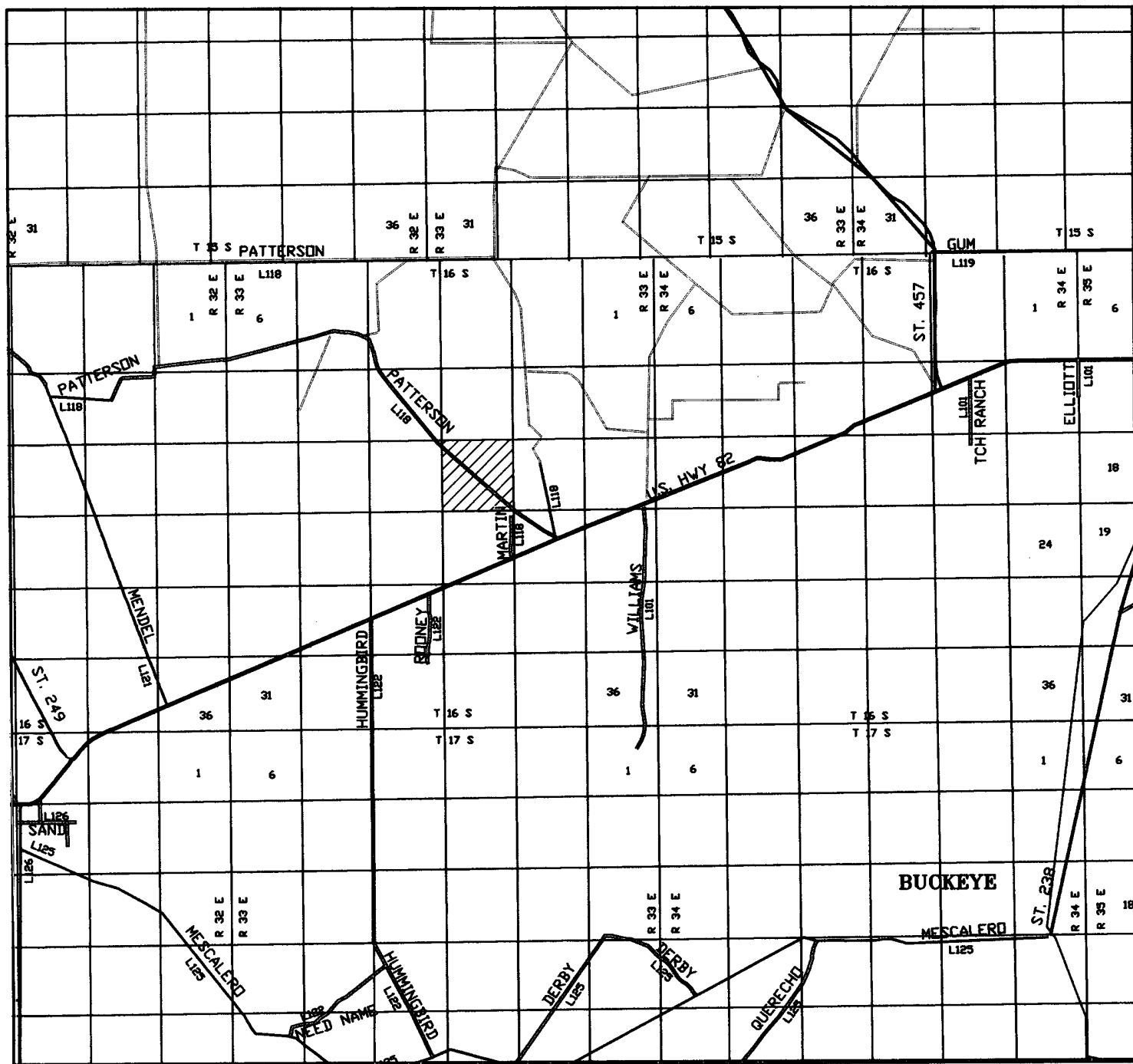
Survey Date: 11-08-2005

Scale: 1" = 2000'

Date: 11-09-2005

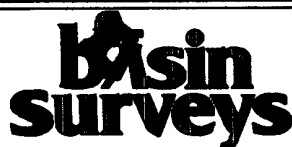
**NADEL AND  
 GUSSMAN PERMIAN,  
 L.L.C.**





# ANGLER STATE #1

Located at 1650' FNL and 330' FEL  
 Section 15, Township 16 South, Range 33 East,  
 N.M.P.M., Lea County, New Mexico.



focused on excellence  
 in the oilfield

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: 5942AA - KJG #1

Survey Date: 11-08-2005

Scale: 1" = 2 miles

Date: 11-09-2005

NADEL AND  
 GUSSMAN PERMIAN,  
 L.L.C.

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State of New Mexico  
Energy Minerals and Natural Resources

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

Form C-144  
March 12, 2004

For drilling and production facilities,  
submit to appropriate NMOCD District  
Office.  
For downstream facilities, submit to Santa  
Fe office

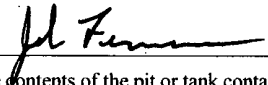
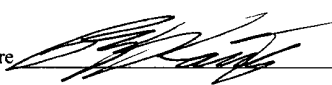
**Pit or Below-Grade Tank Registration or Closure**

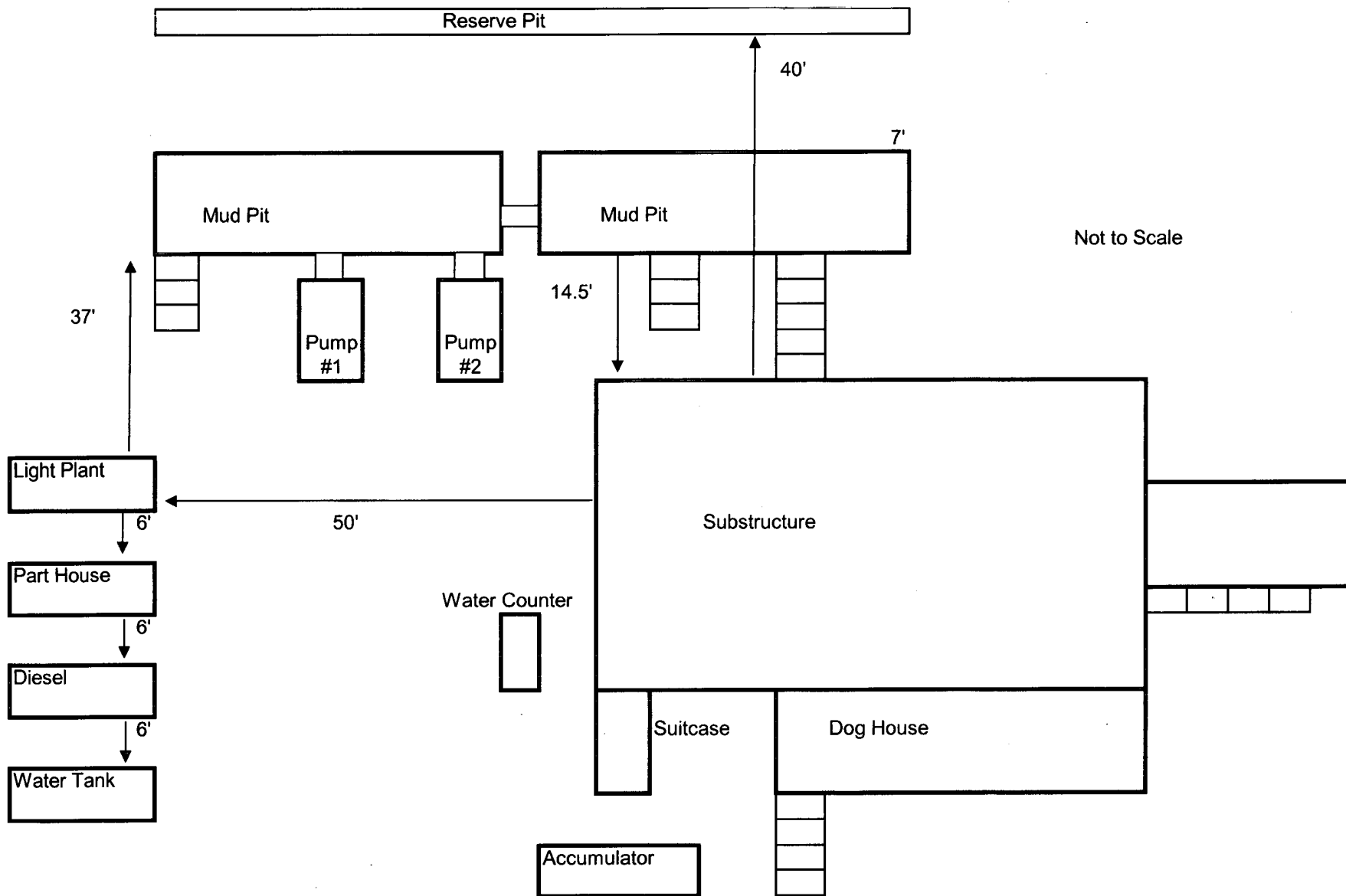
Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

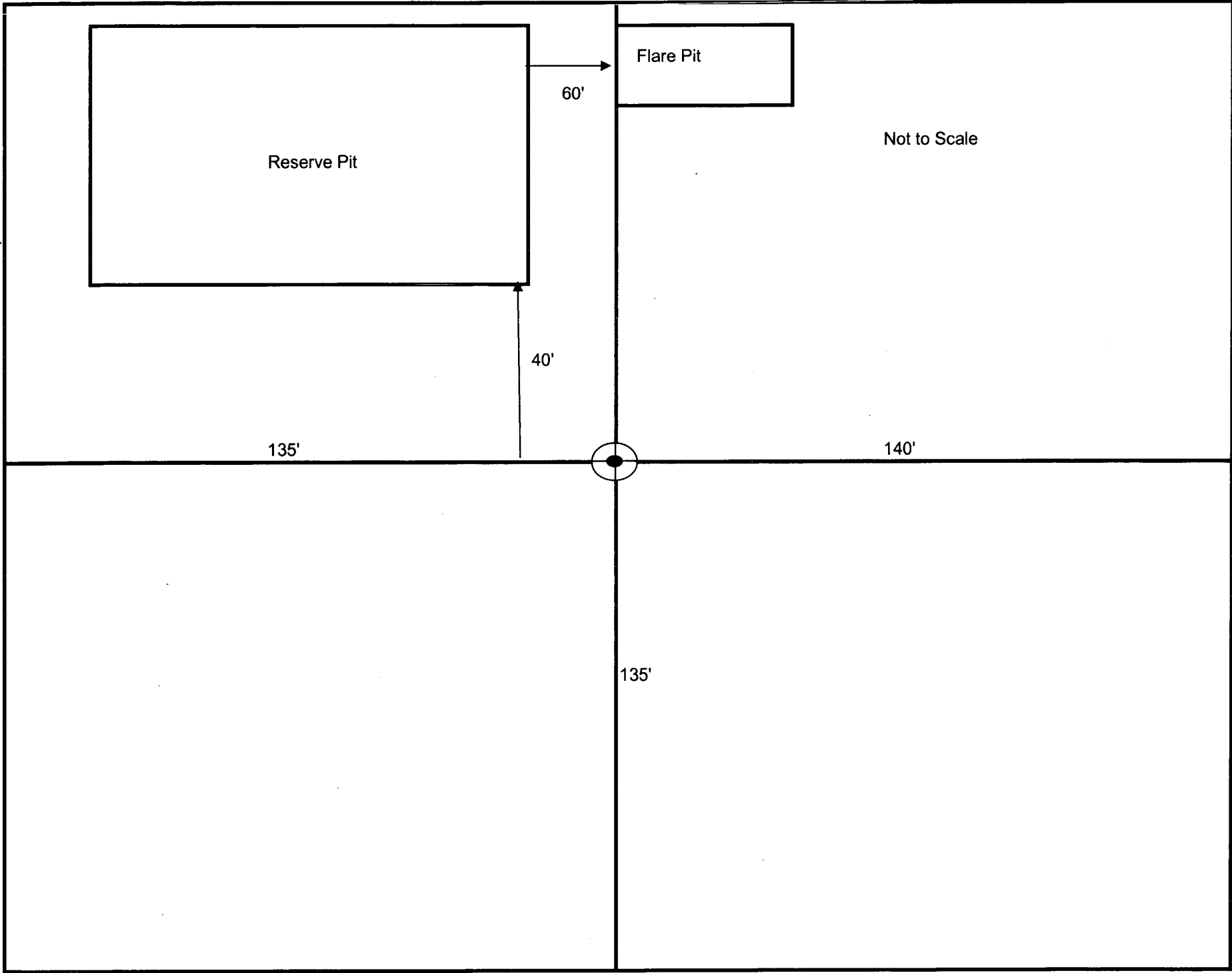
Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: NADEL AND GUSSMAN PERMIAN, LLC Telephone: (432) 682-4429 e-mail address: joshf@naguss.com		
Address: 601 N. Marienfeld, Suite 508 Midland, TX 79701		
Facility or well name: ANGLER STATE # 1 API #: 30-025-37569 U/L or Qtr/Qtr: H Sec: 15 T: 16S R: 33E		
County: Eddy Latitude: N32° 55' 28.7" Longitude: W103° 38' 36.0" NAD: 1927 <input type="checkbox"/> 1983 <input checked="" type="checkbox"/> Surface Owner Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
<b>Pit</b> Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 20 mil Clay <input type="checkbox"/> Volume 20,000 bbl	<b>Below-grade tank</b> Volume: bbl Type of fluid: Construction material: Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not.	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points) 0
	100 feet or more	( 0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)
	No	( 0 points) 0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points) 0
	1000 feet or more	( 0 points)
<b>Ranking Score (Total Points)</b>		0

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	
Date: 11/18/05	
Printed Name/Title: Josh Fernau, Staff Engineer	Signature: 
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.	
Approval:	
Date: NOV 28 2005	
Printed Name/Title: PETROLEUM ENGINEER	Signature: 





Reserve Pit

Flare Pit

Not to Scale

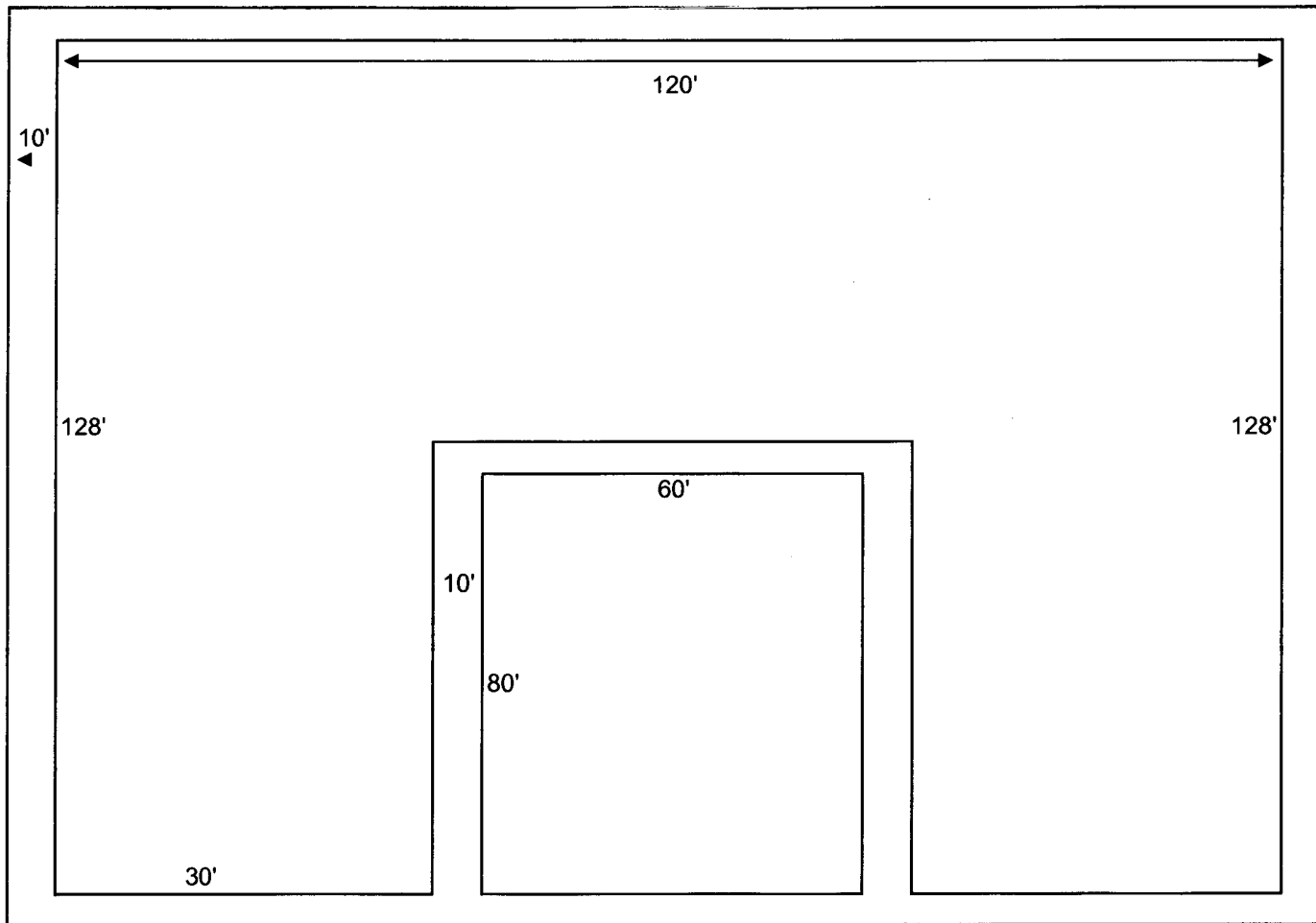
135'

140'

135'

60'

40'



Not to Scale

