

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

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 Property Code 35253	⁴ Property Name ANGLER STATE	⁵ API Number 30 - 025 - 37874
		⁶ Well No. 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
A	15	16-S	33-E		990'	NORTH	990'	EAST	LEA

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
⁹ Proposed Pool 1 HUME QUEEN, WEST						¹⁰ Proposed Pool 2 HUME GRAYBURG WEST			

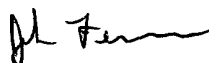
Drilling Pit Location and Other Information									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	15	16-S	33-E		990'	NORTH	990'	EAST	LEA
Depth to ground water 130' TO 150'				Distance from nearest fresh water well MORE THAN 1000'			Distance from nearest surface water MORE THAN 1000'		
¹¹ Work Type Code N		¹² Well Type Code O		¹³ Cable/Rotary ROTARY		¹⁴ Lease Type Code S		¹⁵ Ground Level Elevation 4,198'	
¹⁶ Multiple YES		¹⁷ Proposed Depth 4,800'		¹⁸ Formation QUEEN/ GRAYBURG		¹⁹ Contractor PATTERSON		²⁰ Spud Date +/- 07/15/06	

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 -1/4"	8-5/8"	32#	1,500'	1100 SX	210' @ SURFACE
7-7/8"	5-1/2"	15.5#	4,800'	1125 SX	TOC @ 4,800'

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

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 ☐.

Signature: 

Printed name: JOSH FERNAU

Title: STAFF ENGINEER

E-mail Address: joshf@naguss.com

Date: 05/16/05

Phone: (432) 682-4429

OIL CONSERVATION DIVISION

Approved by:


PETROLEUM ENGINEER

Title:

Approval Date: MAY 22 2006 Expiration Date:

Oil Conservation Division

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

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

MAY 01 2006

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37874	Pool Code 3356797444	Pool Name Hume Queen West / Hume Gragburg West
Property Code 35253	Property Name ANGLER STATE	Well Number 2
OGRID No. 155615	Operator Name NADEL AND GUSSMAN PERMIAN	Elevation 4198'

Surface Location

UL or lot No. A	Section 15	Township 16 S	Range 33 E	Lot Idn	Feet from the 990	North/South line NORTH	Feet from the 990	East/West line EAST	County LEA
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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
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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

	OPERATOR CERTIFICATION	
	I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.	
	Signature Josh Fernan	
	Printed Name Staff Engineer	
Date 05/16/06		
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 Surveyed APRIL 27, 2006		
Signature & Seal of Professional Surveyor 7977		
W.O. No. 6537		
Certificate No. Gary L. Jones 7977		
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)

May 16, 2006

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

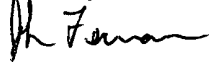
Re: Angler State #2
990' FNL, 990' FEL
UL A, Sec. 15-T16S-R33E
Lea Co., NM
Rule 118 H2S Exposure

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,

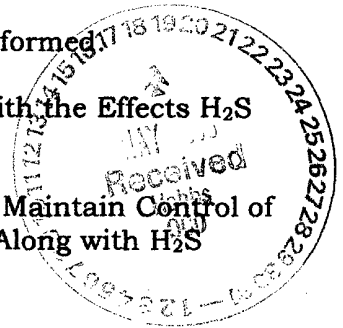


Josh Fernau
Staff Engineer

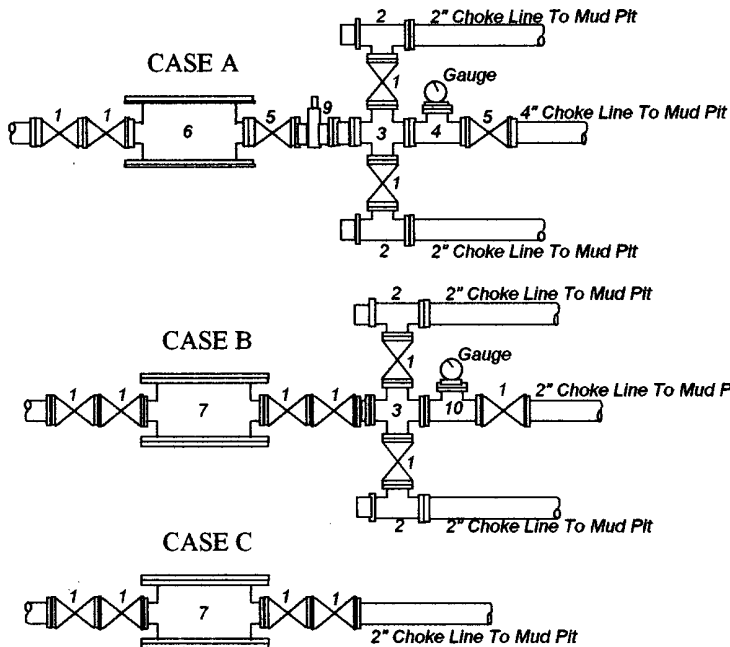
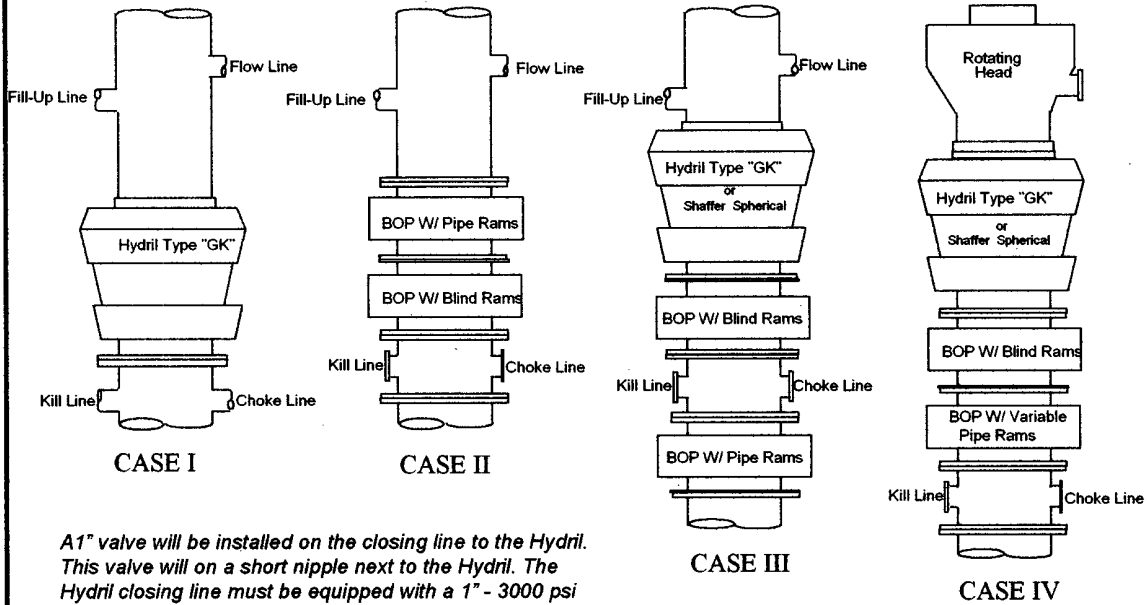


Hydrogen Sulfide Drilling Operations Plan

1. Company and Contract personnel admitted on location should be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S.
 - B. Physical Effects and Hazards.
 - C. Proper Use of Safety Equipment and Life Support Systems.
 - D. Principle and Operation of H₂S Detectors, Warning System and Briefing.
 - E. Evacuation Procedure, Routes and First Aid.
 - F. Proper Use of 30 minute Pressure Demand Air Pack.
2. H₂S Detection and Alarm Systems
 - A. H₂S 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 H₂S 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 H₂S has on tubular goods and other mechanical equipment.
9. If H₂S Encountered, Mud system will be Altered if Necessary to Maintain Control of Formation. A Mud Gas Separator will be Brought into Service Along with H₂S Scavengers if Necessary.



Nadel and Gussman Permian MINIMUM BLOWOUT PREVENTER REQUIREMENTS



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

**Rotating head required*

Bradenhead :

Mfr:

Size

Size: _____ Type: _____

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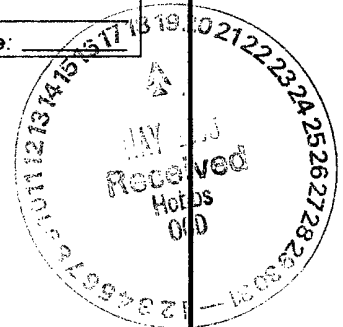
Legend

1. 2" flanged all steel valve must be either Cameron "F", Halliburton Low Torque or Shafer Flo-Seal.
2. 2" flanged adjustable chokes, min. 1" full opening & equipped 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



**Angler State #2
Mud Program**

Casing Program

0' – 1,500'	12 ¼" hole	8 5/8" CSG
1,500' - 4,800'	7 7/8" hole	5 ½" CSG

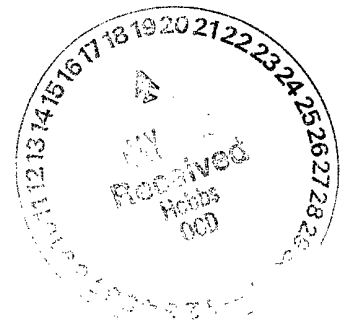
Estimated Formation Tops

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

Suggested Mud Program

Surface / Intermediate Interval	0' – 1,500'	8.4# – 8.5#	Fresh Water
Production Interval	1,500' – 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: Us 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.

150' NORTH
□ OFF SET
4198.3'

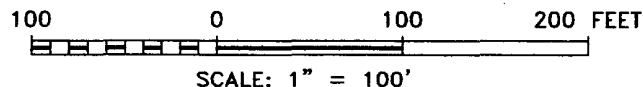
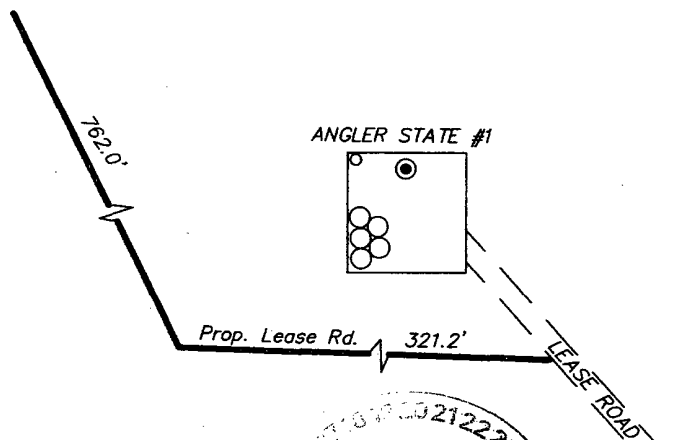
NADEL & GUSSMAN PERMIAN
ANGLER STATE #2
ELEV. - 4198'

□
150' WEST
OFF SET
4198.3'

○
LAT. N32°55'35.2"
LONG. W103°38'43.8"
(NAD-83)

□
150' EAST
OFF SET
4197.4'

□ 150' SOUTH
OFF SET
4197.9'



Directions to Location:

FROM JUNCTION OF U.S. HWY 82 AND CO. RD. 118
(PATTERSON), GO NORTHWEST FOR 1.2 MILE TO A
LEASE ROAD; THENCE WEST ON LEASE ROAD FOR
0.2 MILE TO FENCE LINE; THENCE NORTH FOR 0.3
MILE TO PROPOSED LEASE ROAD.

NADEL AND GUSSMAN PERMIAN

REF: ANGLER STATE #2 / Well Pad Topo

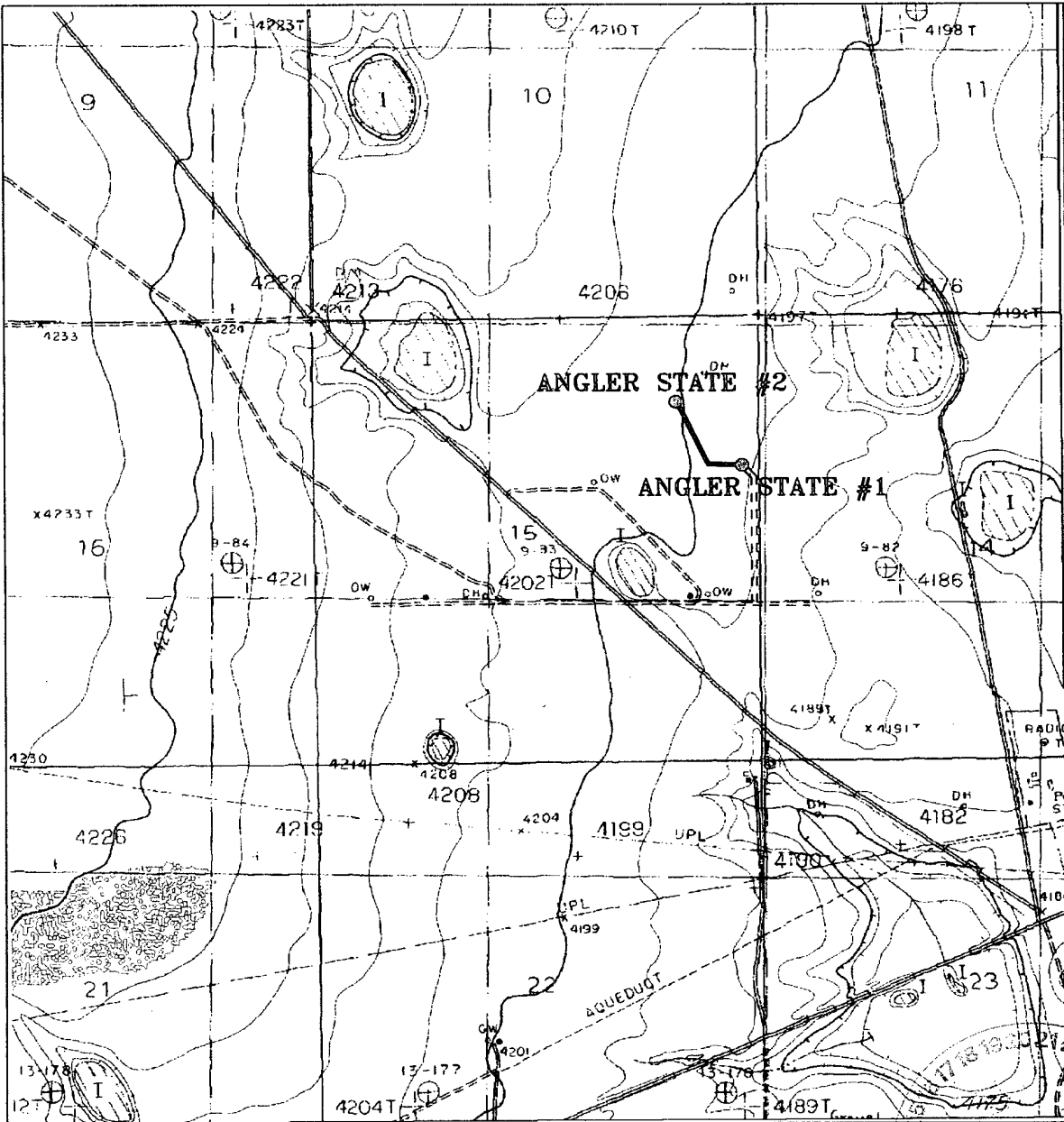
ANGLER STATE NO. 2 LOCATED 990' FROM
THE NORTH LINE AND 990' FROM THE EAST LINE OF
SECTION 15, TOWNSHIP 16 SOUTH, RANGE 33 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 6537 Drawn By: J. SMALL

Date: 04-27-2006 Disk: JMS 6537W.DWG

Survey Date: 04-27-2006 Sheet 1 of 1 Sheets



ANGLER STATE #2

Located at 990' FNL & 990' FEL
Section 15, Township 16 South, Range 33 East,
N.M.P.M., LEA County, New Mexico.



P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

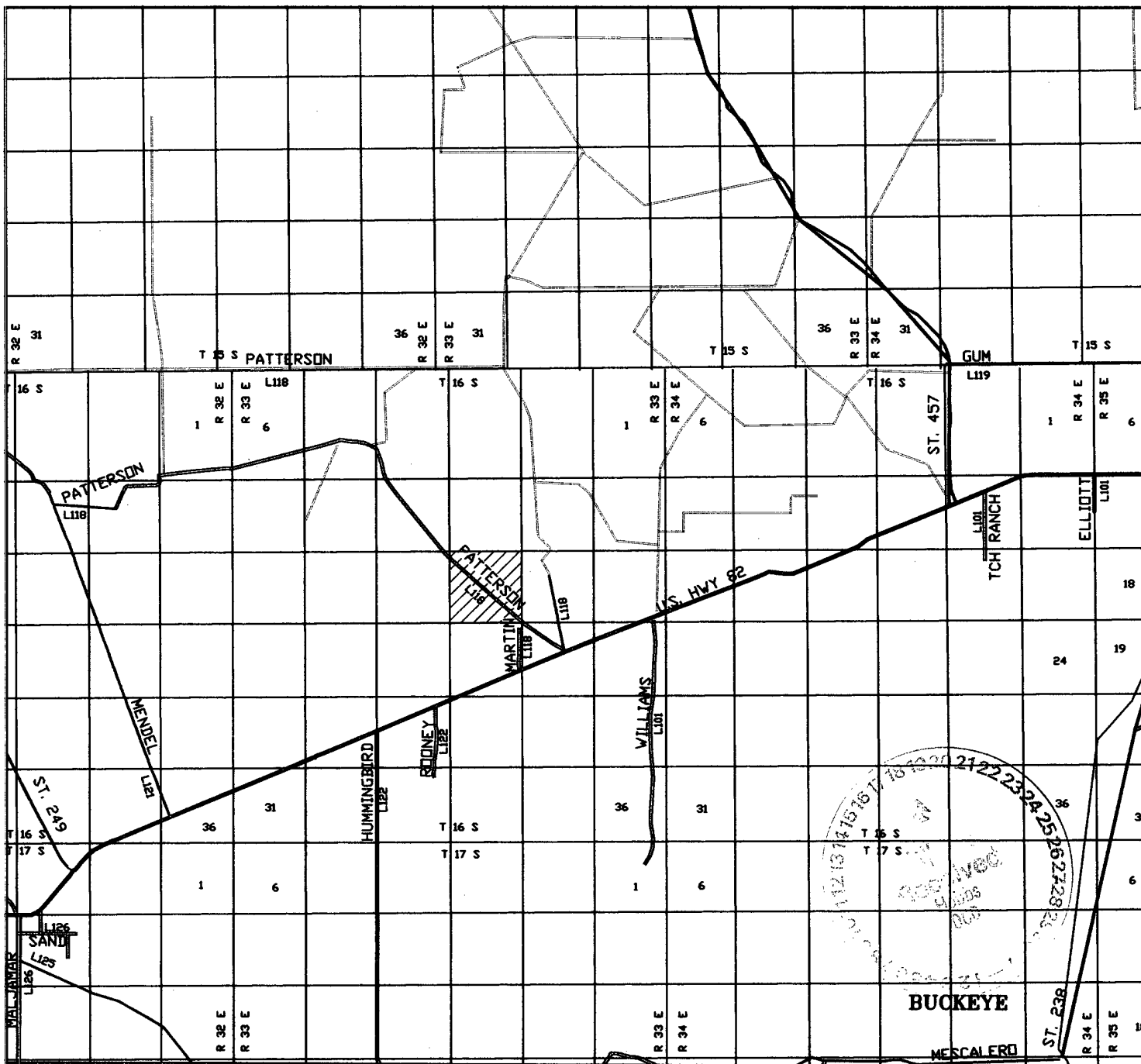
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Survey Date: 04-27-2006

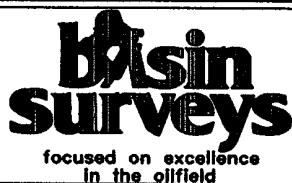
Scale: 1" = 2000'

Date: 05-27-2006

**NADEL AND GUSSMAN
PERMIAN**



ANGLER STATE #2
 Located at 990' FNL & 990' FEL
 Section 15, Township 16 South, Range 33 East,
 N.M.P.M., LEA County, New Mexico.



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: JMS 6537T

Survey Date: 04-27-2006

Scale: 1" = 2000'

Date: 05-27-2006

NADEL AND GUSSMAN
 PERMIAN

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Energy Minerals and Natural Resources

Oil Conservation Division
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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 # 2 API #: 30-025-37874 U/L or Qtr/Qtr: A Sec: 15 T: 16S R: 33E		
County: Lea Latitude: N32° 55' 35.2" Longitude: W103° 38' 43.8" 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"/>		
Pit 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	Below-grade tank 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 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) 0 (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 No	(20 points) (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 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) 0 (0 points)
	Ranking Score (Total Points)	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 ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Date: 05/16/06

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:

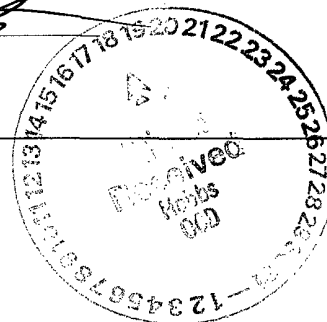
Date: MAY 22 2006

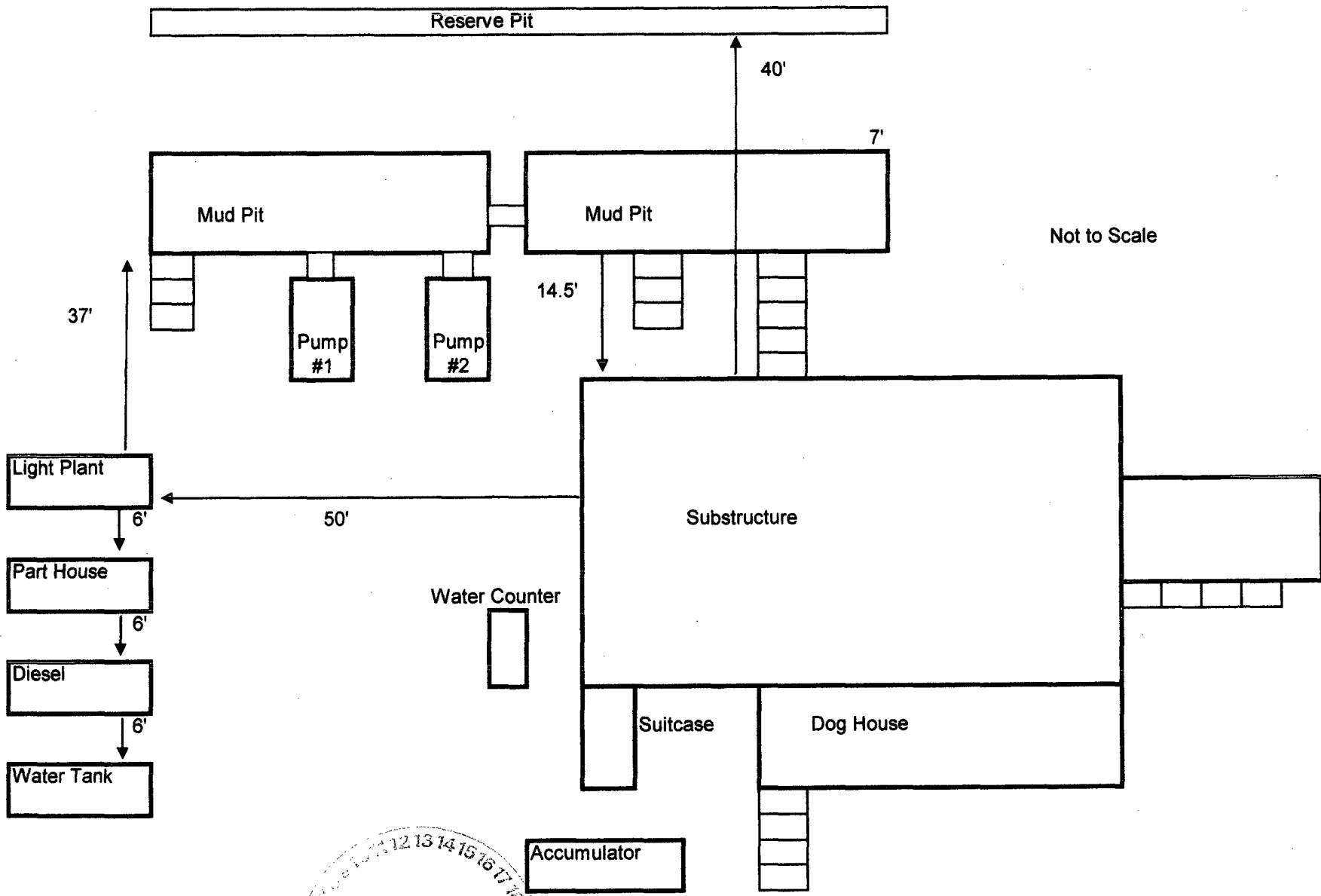
Printed Name/Title

PAUL F. KAUTZ

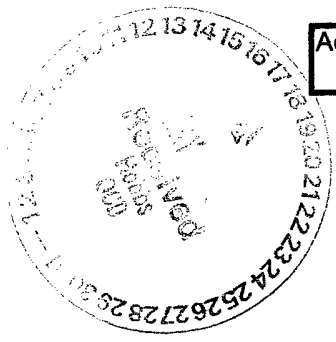
Signature

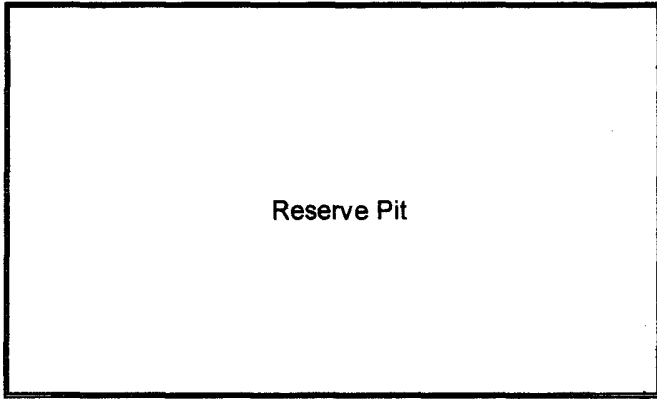
PETROLEUM ENGINEER.





Not to Scale





Flare Pit

60'

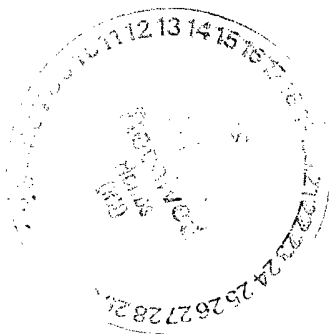
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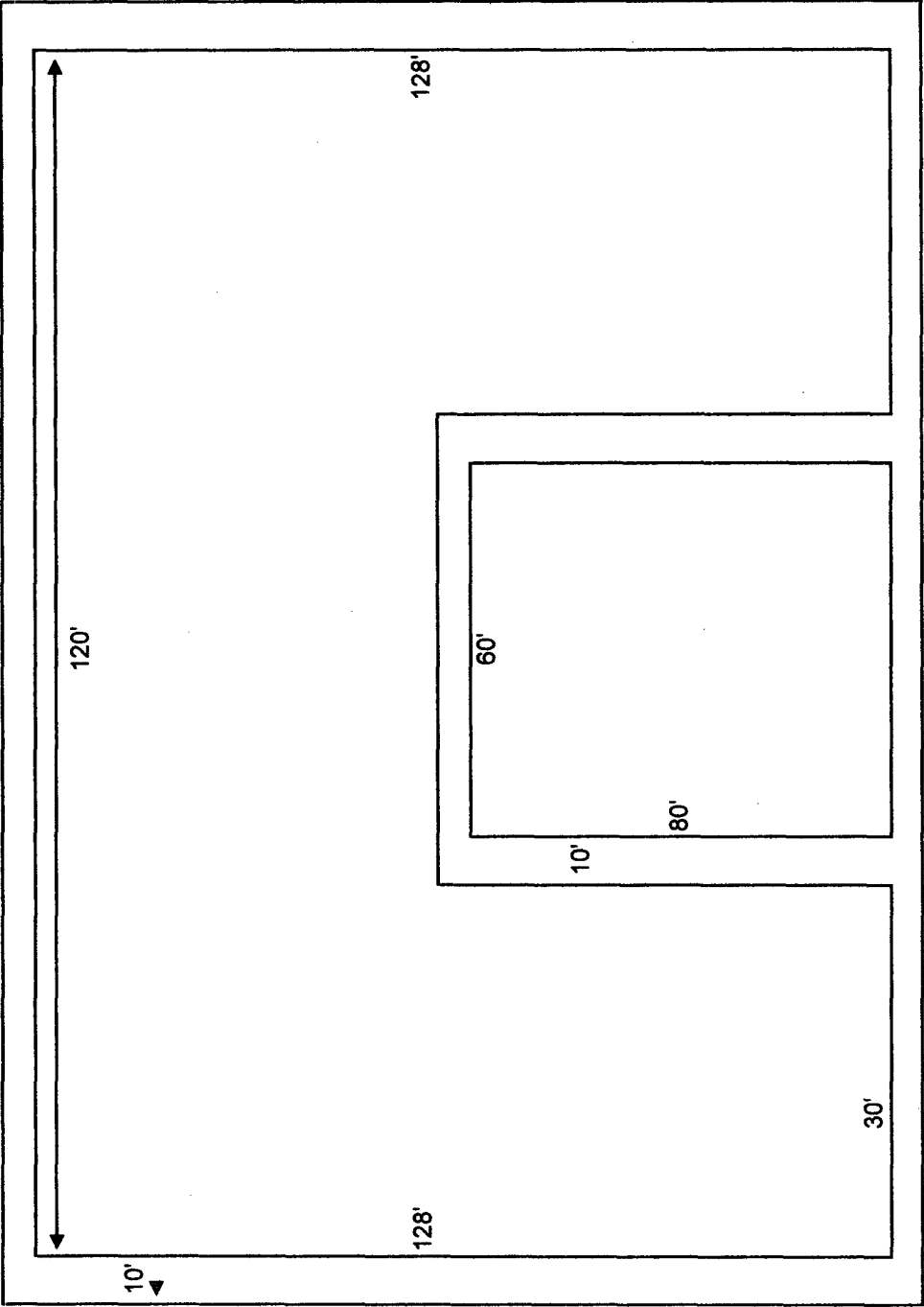
40'

135'

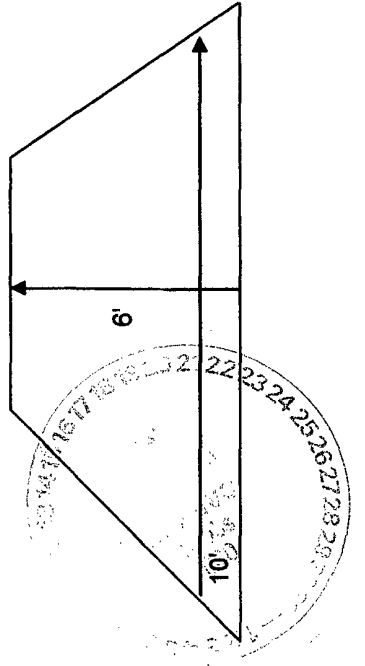
140'


135'





Not to Scale



 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

Sent: Mon 5/22/2006 9:24 AM

All but Apache are okay.

From: Mull, Donna, EMNRD
Sent: Monday, May 22, 2006 8:27 AM
To: Phillips, Dorothy, EMNRD
Cc: Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD
Subject: Financial Assurance Requirement

Dorothy,

Is the Financial Assurance Requirement for these Operators OK?

Cimarex Energy Co of Colorado (162683)
ConocoPhillips Co (217817)
Fasken Oil & Ranch LTD (151416)
Range Operating New Mexico Inc (227588)
Apache Corp (873)
Nadel and Gussman Permian LLC (155615)

I have checked each operator for Inactive wells.

Please let me know. Thanks and have a nice day. Donna