

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

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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-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 NADEL AND GUSSMAN PERMIAN LLC 601 N. MARIENFELD Ste 508 MIDLAND, TX 79701		² OGRID Number 155615
³ Property Code 302788 306668		⁴ API Number 30-025-36680
⁵ Property Name RAPTOR West "3" STATE		⁶ Well No. 1
⁹ Proposed Pool 1 Scharb AIRSTRIP BONE SPRING		¹⁰ Proposed Pool 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
J	3	19-S	34-E		1650	SOUTH	1650	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

Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code O	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3,992
¹⁶ Multiple NO	¹⁷ Proposed Depth 13,920	¹⁸ Formation MORROW	¹⁹ Contractor	²⁰ Spud Date

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
REFER TO	ORIGINAL	C-105			

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.

Set a cibp @ 11,400' above existing wolfcamp perms. Existing perms 11,436 - 11,568 OA.
Cap cibp w/ 35' cmt and pressure test csg/cibp to 500 psi for 30 minutes
Perforate Bone Spring @ 9874- 9988' OA
Acidize, swab test and fracture stimulate if warranted based on swab results.
A 5000 psi bop stack consisting of 1 blind ram and 1 pipe ram will be utilized.

Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Plugback

CONDITIONS OF APPROVAL for Non-Standard Location
Intent to drill ONLY — CANNOT produce until the Non-Standard
Location has been approved by OCD Santa Fe office

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 Operations Manager

E-mail Address: kem@naguss.com

Date: 09/09/09

Phone: 432-682-4429

OIL CONSERVATION DIVISION

Approved by:

Title: PETROLEUM ENGINEER

Approval Date: SEP 24 2009

Expiration Date:

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 30-025-36680	² Pool Code 55610	³ Pool Name SCHARB BONE SPRING
⁴ Property Code 302783	⁵ Property Name RAPTOR WEST "3" STATE	
⁷ OGRD No. 155615	⁸ Operator Name NADEL AND GUSSMAN PERMIAN LLC	⁶ Well Number 3
		⁹ Elevation 3,992 GL

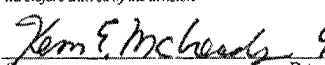
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	3	19-S	34-E		1650	SOUTH	1650	EAST	LEA

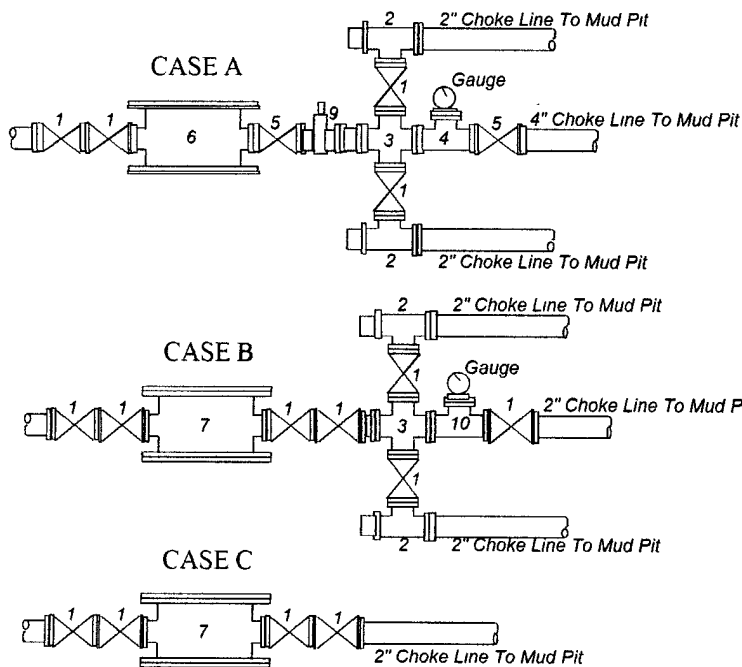
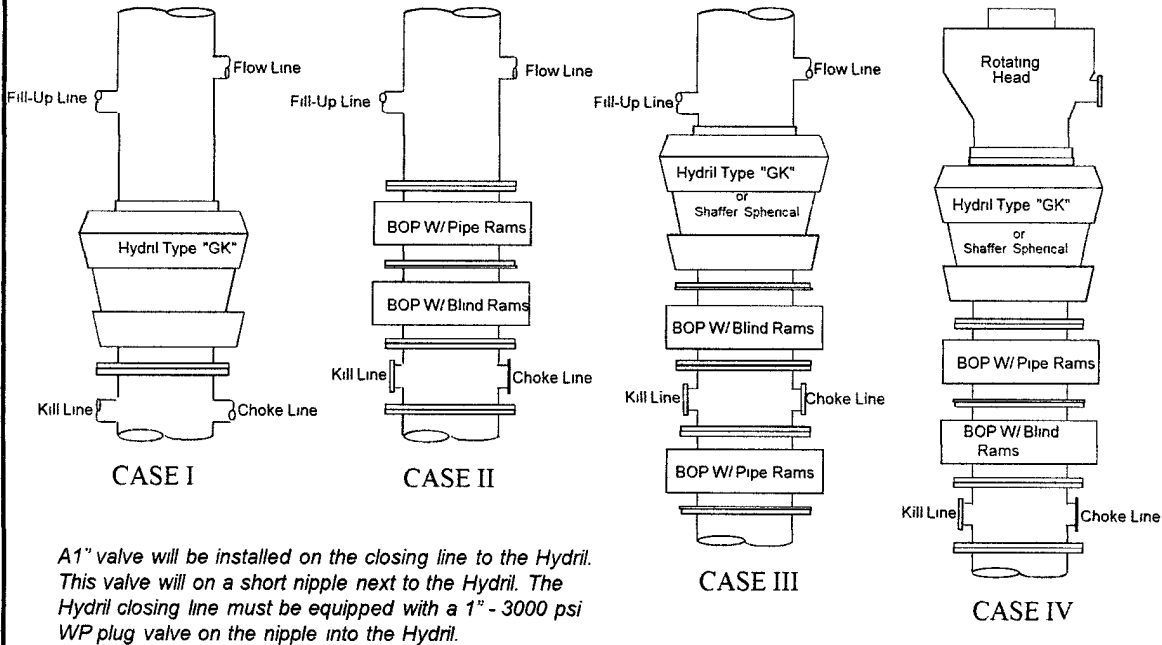
¹¹ Bottom Hole Location If Different From Surface

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 80	¹³ Joint or Infill N	¹⁴ Consolidation Code		¹⁵ 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.

16				¹⁷ OPERATOR CERTIFICATION <i>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.</i>  9/22/09. Signature Date Printed Name KEM MCCREADY REFER TO ORIGINAL C-101 FOR CERTIFIED LOCATION (COPY ATTACHED)
				¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor Certificate Number

Nadel and Gussman Permian LLC
Raptor West "3" State Well #1 Recomplete
MINIMUM BLOWOUT PREVENTER REQUIREMENTS



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

***Rotating head required**

Bradenhead : _____
Mfr: _____
Size: _____ Type: _____

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 & 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

NADEL AND GUSSMAN PERMIAN, L.L.C.

601 N. Marienfeld, Suite #508
Midland, Texas 79701
(432) 682-4429
Fax (432) 682-4325

September 9, 2009

New Mexico Oil and gas Division
1625 N. French Drive
Hobbs, NM 88240

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RE: Raptor West "3" State Well No. 1
1650 FSL 1650 FEL
UL J Sec. 3 T19S R 34E
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 recompletion.

Please contact me if you have any additional questions.

Sincerely,


Kem E. McCready
Operations Engineer