

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

Form C-101
June 16, 2008

RECEIVED

OCT 07 2009

HOBBSOCD

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

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 37863	³ Property Name MOHAWK STATE	³ API Number 30 - 005 - 29108
⁴ Proposed Pool 1 WILDCAT, ATOKA - MORROW (SAN) MO, LOWER PENN		⁴ Proposed Pool 2 CHAVES UPPER PENN, ATOKA, SAN ANDRES

⁷ Surface Location

UL or lot no P	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
	20	8S	33E		660	SOUTH	660	EAST	CHAVES

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4389'
¹⁶ Multiple No	¹⁷ Proposed Depth 11,000'	¹⁸ Formation Mississippian	¹⁹ Contractor (To Be Determined)	²⁰ Spud Date +/- 11/01/2009

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
24"	20"	94#	80'	100	Surface
17-1/2"	13-3/8"	48#	400'	400	Surface
12-1/4"	9-5/8"	40#	3755'	740	Surface
8-3/4"	5-1/2"	17#	11,000'	910	7000'

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 Lower Penn with a projected TD of 11,000'. No H2S is expected, but an H2S contingency letter and plan is attached. A BOP will be installed on the 9 5/8" casing. Will cement to cover all water, oil and gas producing zones.

Mud Program:

0' to 400': 8.4 to 8.8 FW Spud Mud
400' to 3755': 9.8 to 10.2 BW
3755' to 7000': 8.5 to 10.2 FW/Cut BW/BW
7000' to 11,000': 8.8 to 10.6 FW/Cut BW/BW w/ 8 to 15 FL

**Permit Expires 2 Years 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.

Signature: Michelle Serna

Printed name: MICHELLE SERNA

Title: REGULATORY ANALYST

E-mail Address: msena@naguss.com

OIL CONSERVATION DIVISION

Approved by:

Title: PETROLEUM ENGINEER

Approval Date: OCT 15 2009

Expiration Date:

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State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOBBBS, NM 88240

OCT 07 2009

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

HOBBBS

CONSERVATION DIVISION1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505**DISTRICT III**

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT☐ AMENDED REPORT

API Number 30-005-29108	Pool Code 97740	Pool Name WILDCAT, ATOKA-MORROW (GAS)
Property Code 37863 -	Property Name MOHAWK STATE -	Well Number 1 -
OGRID No. 155615 -	Operator Name NADEL AND GUSSMAN PERMIAN, LLC -	Elevation 4389' -

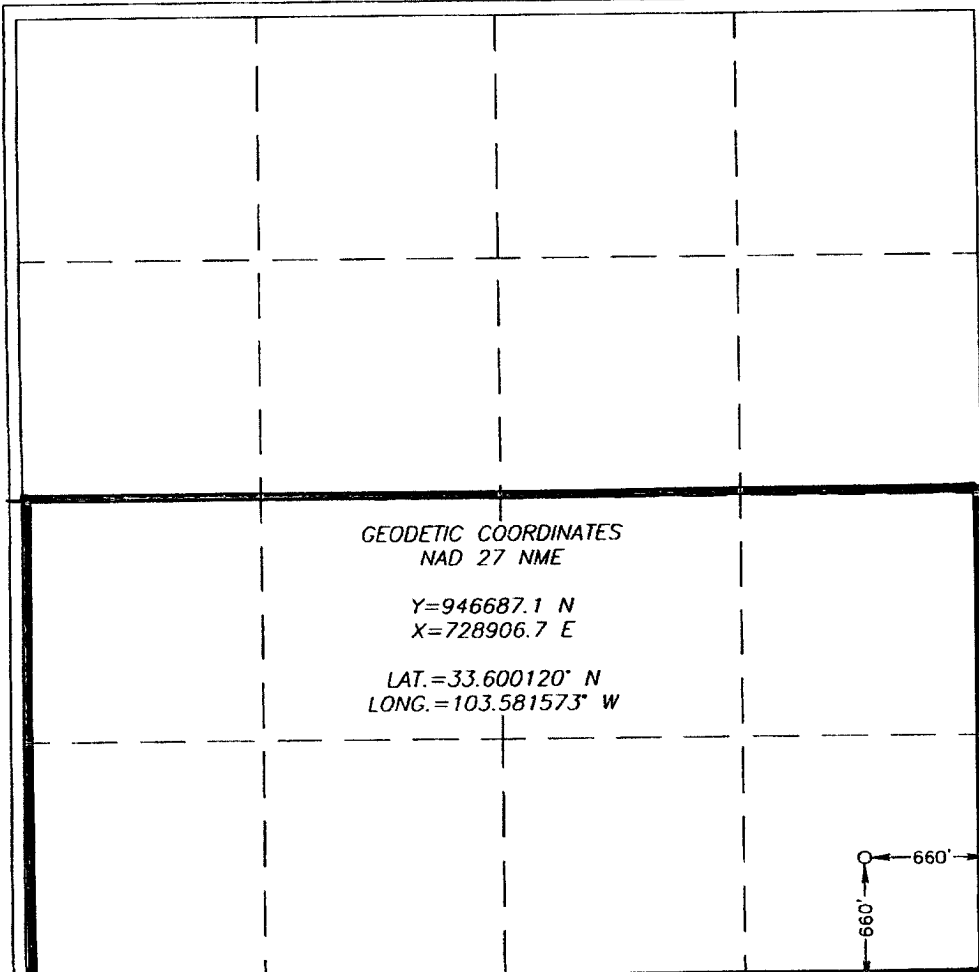
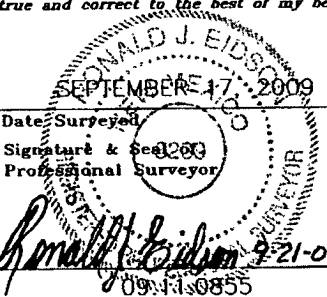
Surface Location

UL or lot No. P	Section 20	Township 8-S	Range 33-E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 660	East/West line EAST	County CHAVES
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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 320	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 that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Michelle Sena 10/01/09 Signature Date Michelle Sena Printed Name
	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 Signature & Seal Professional Surveyor Ronald J. Eidson 9-21-09 09-11-0855 Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239