

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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APR 25 2011

HOBBSOCD

State of New Mexico

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, NM 87505

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APR 20 2011

NMOC D ARTESIA

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 Midland TX, 79701		² OGRID Number 155615
³ Property Code 38597	⁴ Property Name Hawkeye 29 State	⁵ API Number 30-015-29178
⁹ Proposed Pool 1 Chaveroo; San Andres		⁶ Well No. 1
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
D	29	8S	33E		850'	NORTH	800'	WEST	CHAVES

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 N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4,394'
¹⁶ Multiple N	¹⁷ Proposed Depth 5,000'	¹⁸ Formation San Andres	¹⁹ Contractor N/A	²⁰ Spud Date 5/15/11

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8 5/8"	32#	400'	150	Surface
7 7/8"	5 1/2"	17#	5000'	500	Surface

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.

Mud Program:

0' to 300': 8.4 to 8.8 ppg, 80 - 55 visc w/ Fresh water spud mud
300' to 4700': 8.8 to 10.0 ppg, 28-30 visc, w/ brine / cut brine water

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Kurt Hood

Printed name: Kurt Hood

Title: Drilling & Workover Foreman

E-mail Address: kurth@naguss.com

Date: 4-20-11

Phone: 432 - 682 - 4429

OIL CONSERVATION DIVISION

Approved by:

[Signature]

Title:

Geologist

Approval Date:

04/28/11

Expiration Date:

04/28/13

Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RECEIVED
APR 20 2011 Form C-102
Revised October 15, 2009
Submit one copy to appropriate District Office
NMOCU ARTESIA

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-005-29178	Pool Code 97740-12049	Pool Name Chaveroo; San Andres
Property Code 38597	Property Name HAWKEYE "29" STATE	Well Number 1
OGRID No. 155615	Operator Name NADEL & GUSSMAN PERMIAN	Elevation 4392'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	29	8 S	33 E		850	NORTH	800	WEST	CHAVES

Bottom Hole Location If Different From Surface

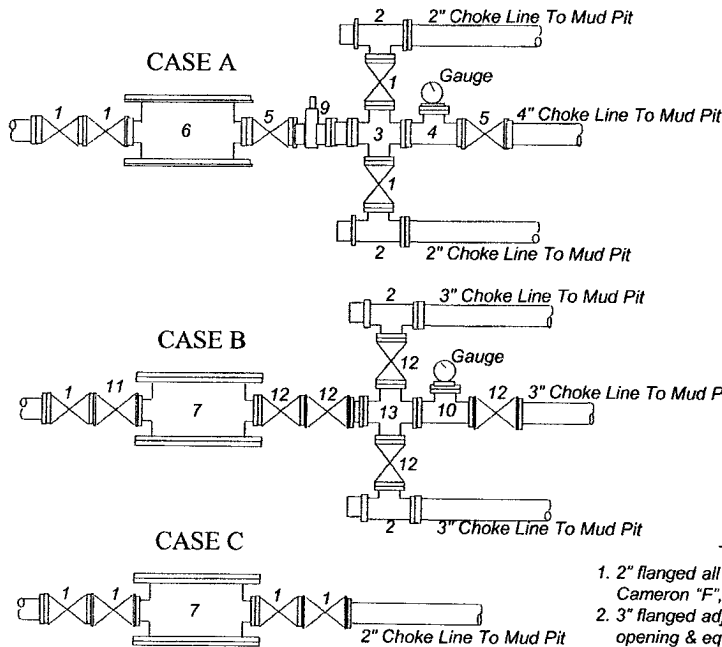
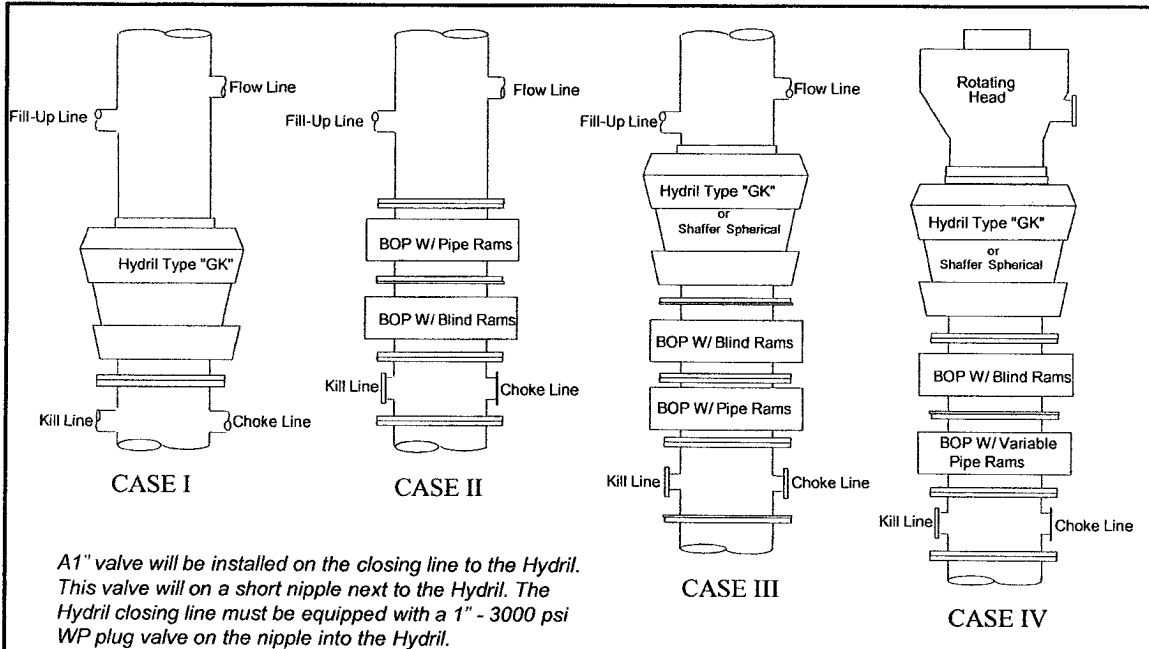
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

	<p>SURFACE LOCATION Lot - N 33°35'45.44" Long - W 103°35'41.64" NMSPC - N 945172.759 E 766191.658 (NAD-83)</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Kurt Hood</i> 4-20-11 Signature Date</p> <p><i>Kurt Hood</i> Printed Name</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p>	
	<p>Date Surveyed <i>APR 12 2011</i></p> <p>Signature of Professional Surveyor <i>[Signature]</i></p> <p>Certificate No. <i>24456</i></p>	
	<p>Basin Surveys 24456</p>	

Nadel and Gussman Permian, LLC

MINIMUM BLOWOUT PREVENTER REQUIREMENTS



BOP SIZE	BOP CASE	WORKING PRESSURE	CHOKE CASE
13-3/8"	III	3000 psi	B
11"	IV	3000 psi	B

***Rotating head required**

Bradenhead : _____

Mfr: _____

Size: _____ Type: _____

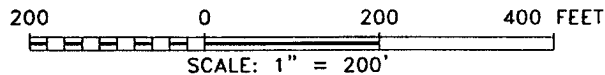
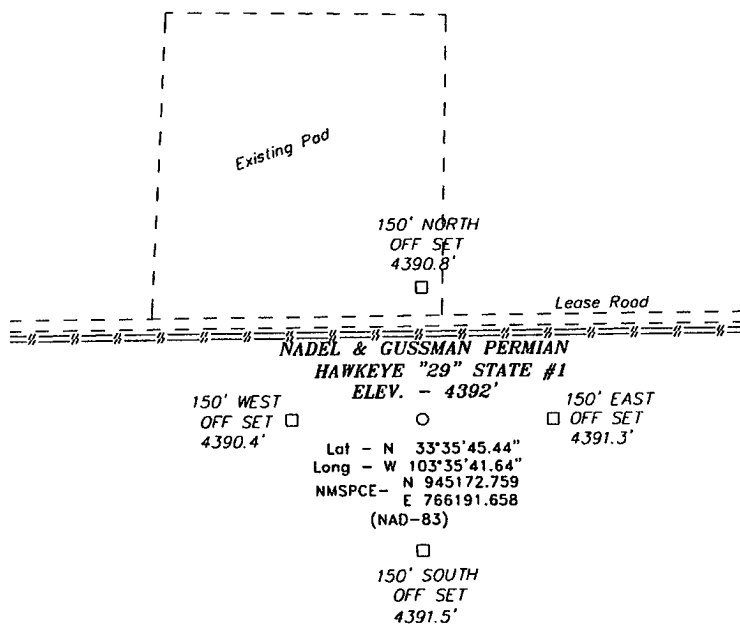
Notes

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.

Legend

1. 2" flanged all steel valve must be either Cameron "F", Halliburton Low Torque or Shaffer Flo-Seal.
2. 3" 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" Flanged Kill inlet, & 3" flanged choke outlet.
8. 2" x 2" flanged steel cross.
9. 4" pressure operated gate valve.
10. 3" flanged steel tee.
11. 2" Flanged check valve
12. 3" flanged all steel valve must be either Cameron "F", Halliburton Low Torque or Shaffer Flo-Seal.
13. 3" x 3" flanged steel cross.

SECTION 12, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM CROSSROADS, GO WEST 13.3 MILES TO
RUIDOSO, GO NORTH ON RUIDOSO FOR 5.3 MILES
TO LEASE ROAD, ON LEASE ROAD GO WEST 0.6
MILES TO PROPOSED LOCATION.

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

W.O. Number: 24456

Drawn By: J. SMALL

Date: 04-13-2011

Disk: JMS 24456

NADEL & GUSSMAN PERMIAN

REF: HAWKEYE "29" STATE #1 / WELL PAD TOPO

THE HAWKEYE "29" STATE #1 LOCATED 850'

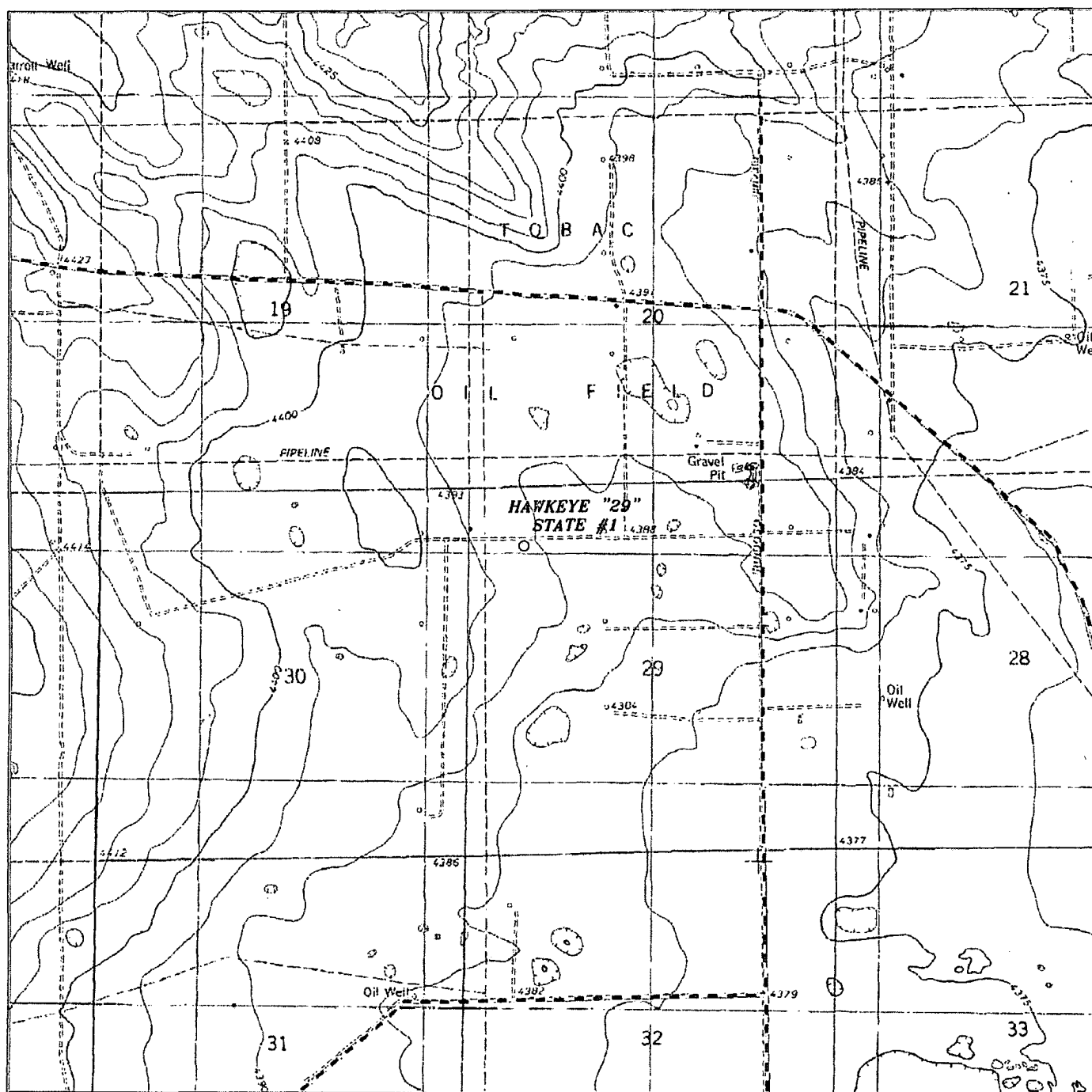
FROM THE NORTH LINE AND 800' FROM THE WEST LINE OF

SECTION 29, TOWNSHIP 8 SOUTH, RANGE 33 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 04-12-2011

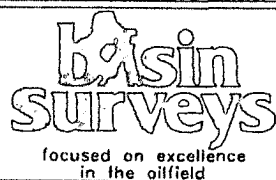
Sheet 1 of 1 Sheets



HAWKEYE "29" STATE #1

Located 850' FNL and 800' FWL

Section 29, Township 8 South, Range 33 East,
N.M.P.M., Chaves County, New Mexico.



P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

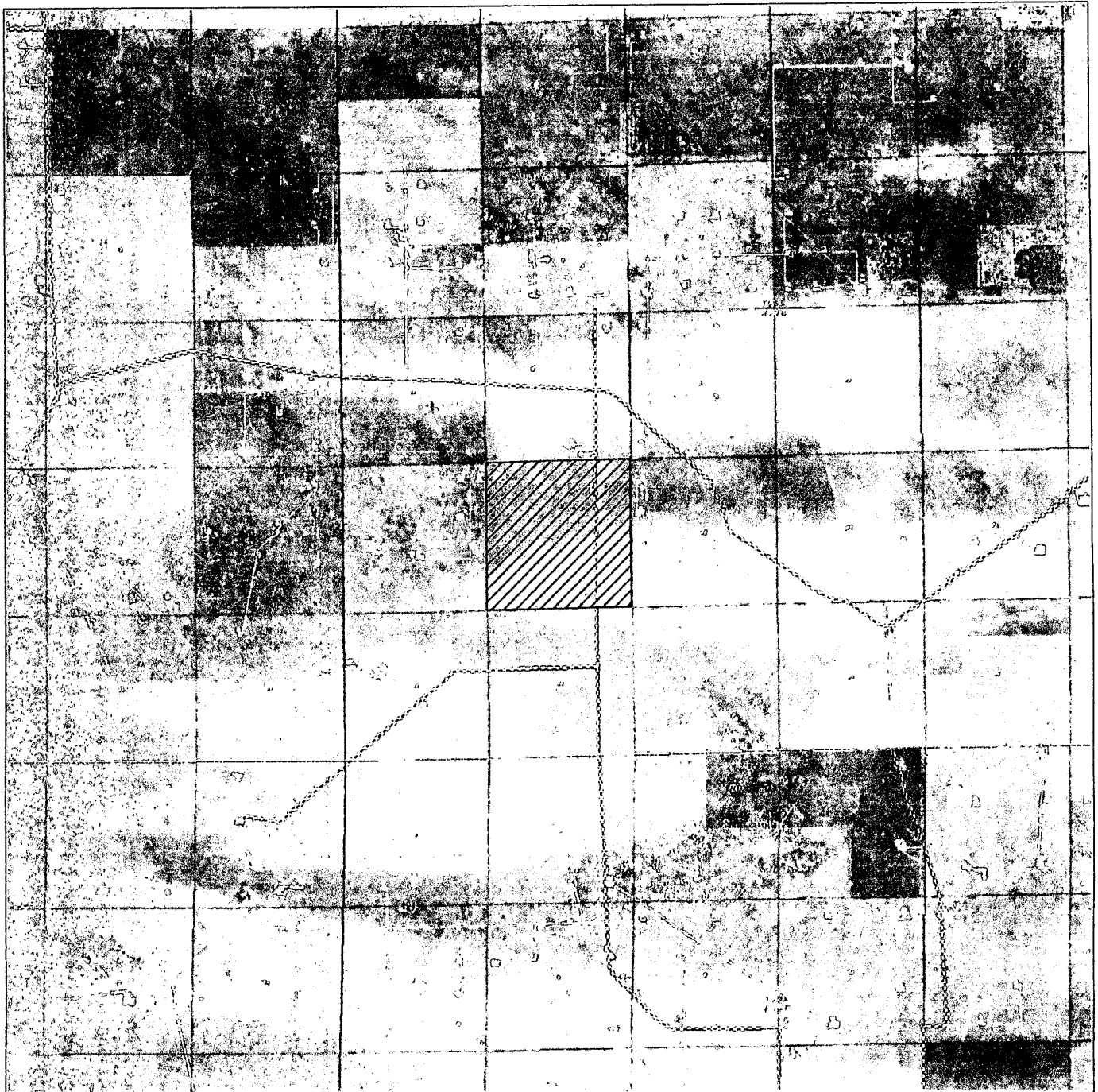
W.O. Number: JMS 24456

Survey Date: 04-12-2011

Scale: 1" = 2000'

Date: 04-13-2011

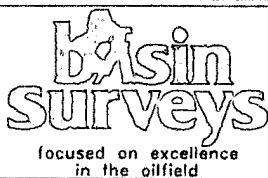
**NADEL &
GUSSMAN
PERMIAN**



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Located 850' FNL and 800' FWL

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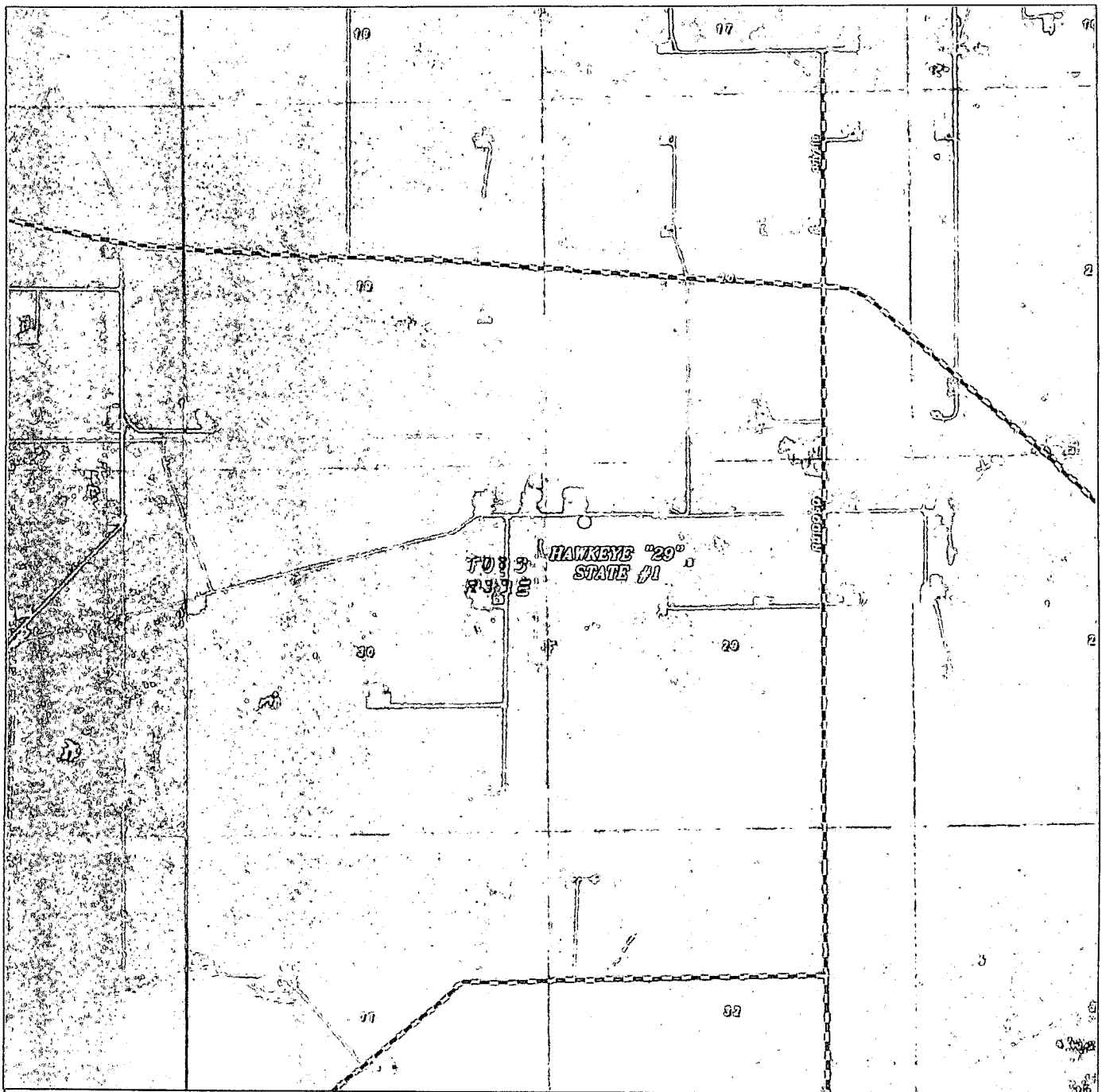
W.O. Number: JMS 24456

Survey Date: 04-12-2011

Scale: 1" = 1 Miles

Date: 04-13-2011

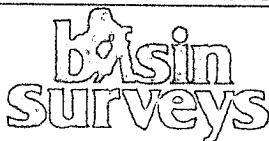
NADEL &
GUSSMAN
PERMIAN



HAWKEYE "29" STATE #1

Located 850' FNL and "800' FWL

Section 29, Township 8 South, Range 33 East,
N.M.P.M., Chaves County, New Mexico.



focused on excellence
in the oilfield

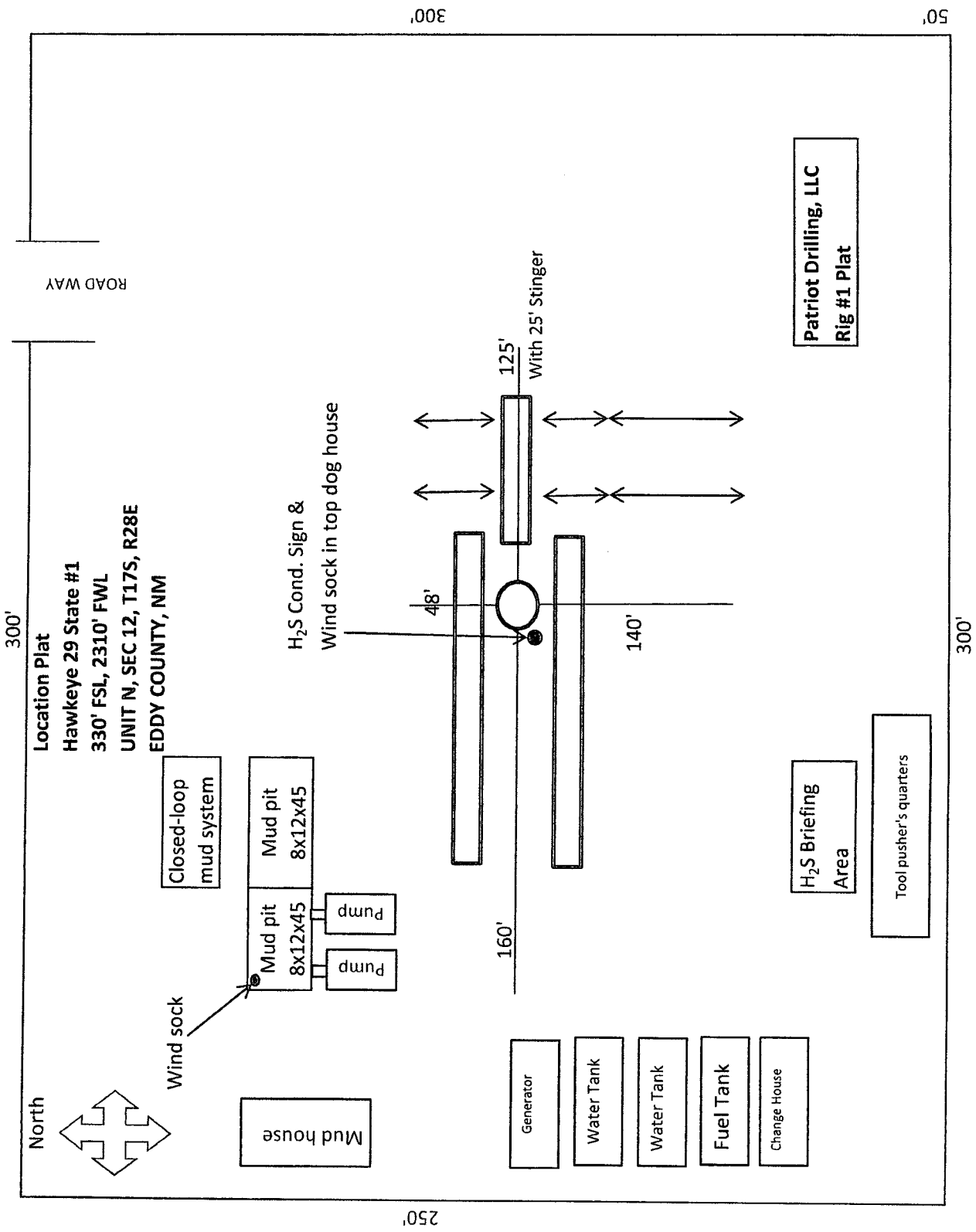
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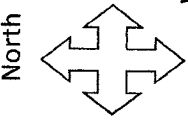
Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND

NADEL &
GUSSMAN
PERMIAN



North



Location Plat

Hawkeye 29 State #1
330' FSL, 2310' FWL
UNIT N, SEC 12, T17S, R28E
EDDY COUNTY, NM

ROAD WAY

Wind sock

Closed-loop
mud system

Mud house

Mud pit
8x12x45

Pump

H₂S Cond. Sign &
Wind sock in top dog house

250'

160'

48'

Generator

Water Tank

Water Tank

Fuel Tank

Change House

140'

125'

With 25' Stinger

H₂S Briefing
Area

Tool pusher's quarters

Patriot Drilling, LLC
Rig #1 Plat

300'

50'

300'

NADEL AND GUSSMAN PERMIAN, L.L.C.
601 N. MARIENFELD STE. 508
MIDLAND, TX 79701
(432) 682-4429 (Office)
(432) 682-4325 (Fax)

4/19/11

Miss Reeves
District 2 Geologist
New Mexico Oil and Gas Division
1301 West Grand Avenue
Artesia, NM 88210

Re: Hawkeye 29 State #1
SHL: 850' FNL & 800' FWL, UL N
Sec. 29, T8S, R33E
Chaves, NM
Rule 118 H2S Exposure

Dear Miss. Reeves,

Nadel and Gussman Permian, LLC 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 the surface casing and will continue monitoring the remainder of the well.

Please contact me if you have any additional questions.

Sincerely,

Kurt Hood
Drilling & Workover Foreman

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APR 25 2011
HOBSUCD

**Hydrogen Sulfide Drilling Operations Plan
Hawkeye 29 State #1
SHL UNIT D, Sec 29, T8S, R33E
850' FNL & 800' FWL
Chaves Co, NM**

1. Company and contract personnel admitted on location should be trained by a qualified H₂S safety instructor to recognize and handle the following:
 - A. Characteristics of H₂S gas
 - 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 knowledge
 - E. Evacuation procedure, routes and first aid support
 - F. Proper use of 30 minutes Pressure-on-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 (high enough to be visible)
 - B. Windsock at briefing area (high enough to be visible)
 - C. Windsock at location entrance
4. Condition Flags and Signs
 - A. H₂S warning signs on lease access road into location
 - B. Flags displayed on sign at location entrance
 1. Green flag indicates "Normal Safe Conditions"
 2. Yellow Flag indicates "Potential Pressure and Danger"
 3. Red Flag indicates "Danger - H₂S Present in High Concentrations" *admit only emergency personnel*
5. Well Control Equipment
 - A. See BOP schematic page
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 radios or cell phones used to communicate off location or minimally in Drilling Foreman's trailer or living quarters
7. Drillstem Testing
 - A. Exhausts watered
 - B. Flare line equipped with electric Igniter/propane pilot light in case gas reaches surface
 - C. If location near dwelling closed DST will be performed
8. Drilling Supervisor required to be familiar with effects of H₂S on tubular goods/mechanical equipment
9. If H₂S encountered, mud system shall be addressed to maintain control of formation. A mud gas separator will be brought into service along with H₂S scavengers, if necessary.

PUBLIC PROTECTION PLAN FOR EMERGENCY CONTACTS

NADEL AND GUSSMAN PERMIAN, LLC (432) 682-4429

Company Personnel

Joel Martin	Drilling Engineer	432-682-4429 432-238-9969
Chris Marquez	Drilling Engineer	432-682-4429 432-202-0942
Keith Cannon	Drilling Supt.	575-623-6601 575-626-1936
Jason Goss	Drilling Engineer	512-784-2613
Kurt Hood	Drilling & Workover	575-513-1499

ARTESIA N.M.

Ambulance	911
State Police	575-746-5000
City Police	575-746-5000
Sheriff's Office	575-746-9888
Fire Department	575-746-5050 or 575-746-5051
N.M.O.C.D	575-748-1283

CARLSBAD N.M.

Ambulance	911
State Police	575-885-3137
City Police	575-885-2111
Sheriff's Office	575-887-7551
Fire Department	575-885-3125 or 575-885-2111
Carlsbad BLM	575-887-6544

HOBBS N.M.

Ambulance	911
State Police	575-392-5588
City Police	575-397-9265
Sheriff's Office	575-396-3611
Fire Department	575-397-9308
N.M.O.C.D	575-393-6161
Hobbs BLM	575-393-3612

Flight for Life (Lubbock Tx)	806-743-9911
Aerocare (Lubbock Tx)	806-747-8923
Med flight air Ambulance (Albuq NM)	505-842-4433
SB air Med Services (Albuq NM)	505-842-4949

Boots & Coots IWC	800-256-9688 or 281-931-8884
Cudd Pressure Control	915-699-0139 or 915-563-3356
BJ Services (Artesia NM)	575-746-3569
(Hobbs NM)	575-392-5556

New Mexico Emergency Response Commission (Santa Fe)	505-476-9600
24 Hour	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635