

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

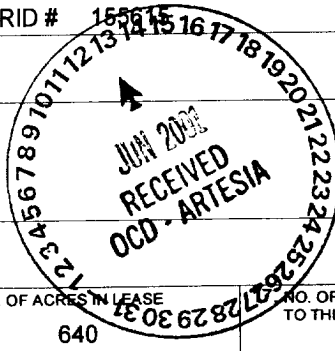
SUBMIT IN 1. "PLICATE"
(Other instructions
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

**NM Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

| | | |
|---|--|---|
| 1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> <i>Plug-Back</i> | | 7. UNIT AGREEMENT NAME |
| b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 8. FARM OR LEASE NAME, WELL NO. Peery Federal #2 |
| 2. NAME OF OPERATOR Nadel and Gussman Permian L.L.C. OGRID # 155615 | | 9. API WELL NO. 30 - 005 - 00515 |
| 3. ADDRESS AND TELEPHONE NO. 601 N. Marienfeld Suite 508, Midland, Texas 79701 | | 10. FIELD AND POOL, OR WILDCAT Little Lucky Lake Devonian |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FSL, 1980' FEL, Unit Letter O At proposed prod. zone 367' FSL, 899' FEL, Unit Letter P | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 29 - T15S - R30E |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 10 miles North of Loco Hills, NM | | 12. COUNTY OR PARISH Chaves |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drilg. unit line, if any) 367' | | 13. STATE New Mexico |
| 16. NO. OF ACRES IN LEASE 640 | | 17. NO. OF ACRES ASSIGNED TO THIS WELL 80 |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1713' | | 20. ROTARY OR CABLE TOOLS rotary |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3960' GL, 3973' DF | | 22. APPROX. DATE WORK WILL START* 08/15/01 |



23. PROPOSED CASING AND CEMENTING PROGRAM

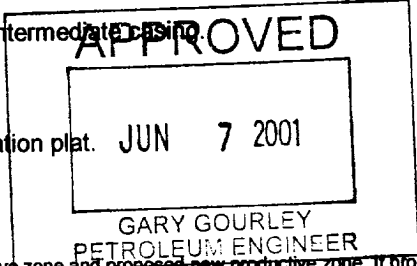
| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|-------------------------------------|
| 17-1/2" | 13-3/8", J-55 | 54.5# | 450' | 650 sx, cement circulated - 2-22-59 |
| 12-1/4" | 9-5/8", H-40 | 36# | 2940' | 1700 sx, cement circulated - 3-1-59 |
| 7-7/8" | 5 1/2", L-80 | 17# | 11,729' MD | 1700 sx, TOC @ 2800'+ |

This well is currently completed as a Morrow gas producer that is shut-in due to a casing leak. It was originally completed on June 6, 1959 in the Ellenberger and Devonian. The operator proposes to abandon the Morrow and recomple to the Devonian:

1. RU Wireline. Spot 35' cement on top of the Uni-VI packer at 9858' with a bailer.
2. Cut and pull the 7" casing as close to the top of the original cement as possible (+/- 9700'). Spot a 25 sx plug on top.
3. Spot a 300' open-hole cement plug at least 300' above the top of the casing stub plug. Planned kickoff depth is at 7300'.
4. Tag plug with a whipstock or motor sub. Directionally drill new hole 1120' to the SE. BH location at 367' FSL and 899' FEL.
5. Run open hole logs, DSTs and directional survey.
6. Run 5-1/2" , 17#, L-80 casing to TD. Cement with ~1700 sx and tie into intermediate casing.
7. Perforate Devonian, acidize and put on pump.

Attachments:

BOP and choke schematics, lease, road and topographical maps and location plat.
Directional trajectory design and 13-point Drilling and Land Use plans



IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *[Signature]* TITLE **R. McNaughton -Operations Engineer** DATE **6-5-01**

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which are the CONDITIONS OF APPROVAL, IF ANY:

KZ

APPROVED BY _____ TITLE _____

***See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OPER. OGRID NO. **155615**
PROPERTY NO. **20036**
POOL CODE **39230**
EFF. DATE **6-25-01**
API NO. **30-005-00515**

JCA

RECEIVED
2011 JUN -7 AM 11:15

RECEIVED
Hobbs
000

District I
1625 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 & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

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 - 005 - 00515 | ² Pool Code 39230 | ³ Pool Name Little Lucky Lake Devonian |
| ⁴ Property Code 20036 | ⁵ Property Name Peery Federal | ⁶ Well Number 2 A |
| ⁷ OGRID No. 155615 | ⁸ Operator Name Nadel and Gussman Permian, LLC | ⁹ Elevation 3960' GL |

¹⁰ Surface Location


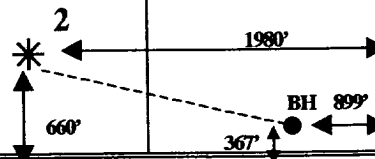
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|---------------|
| O | 29 | 15-S | 30-E | | 660' | South | 1980 | East | Chaves |

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 |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|---------------|
| P | 29 | 15-S | 30-E | | 367' | South | 899' | East | Chaves |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 80 | ¹³ Joint or Infill | 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 | | | | <p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p> Signature</p> <p>Robert McNaughton Printed Name</p> <p>Operations Engineer Title</p> <p>6-5-01 Date</p> |
| | | | | |
| | | | | |
| | | | | |
| | | | | <p>¹⁸ 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 of Survey</p> <p>____ Signature and Seal of Professional Surveyer:</p> |
| | | | | <p></p> <p>2</p> <p>1980'</p> <p>660'</p> <p>367'</p> <p>BH 899'</p> |

Number

Certificate

NADEL AND GUSSMAN PERMIAN, L.L.C.
601 N. Marienfeld, Suite 508
Midland, TX 79701
Office: (915) 682-4429
Fax: (915) 682-4325

June 5, 2001

Bureau of Land Management
Lands & Minerals
2909 W. Second St.
Roswell, New Mexico 88201

Ms. Linda Askwig,

Nadel and Gussman Permian, as operator, requests permission to deepen the Peery Federal No. 2 well. The location is 660' FSL, 1980' FWL, Unit Letter O, Sec 29, T-15-S, R-30-E in Chaves County, NM. The following items are attached:

1. 13 Point Surface Use and Operation Plan,
2. 13 Point Drilling Plan,
3. BOP and Choke Diagrams,
4. Lease and Topographical Maps.
5. Wellbore Drawings
6. Well Trajectory Diagrams


There are no archeological or environmental problems at the well location. If you have any questions, contact Robert McNaughton at 915- 682- 4429.

13 Point Land Use Plan

1. Existing Roads - A road map (**Exhibit #1**) shows the location of this well in relation to CR 217. The well site is approximately 10 miles North of Loco Hills. A larger topographical map is (**Exhibit #2**) shows the location of the well in relationship to the existing county roads and offset wells.
2. Planned Access Roads - We will use existing roads- **Exhibit #2**.
3. Location of Existing Wells - This well was drilled in 1959 and there are four other wells on this lease.
4. Location of Tank Batteries & Lines - we will send all new production to the existing tank battery.
5. Water Supply - A licensed third-party contractor will truck in fresh and salt water from Loco Hills.
6. Source of Construction Material - No new road or location construction will be needed.
7. Methods of Handling Waste Disposal - We will use steel pits for circulation. Cuttings will be hauled off at the end of drilling. Trash will be stored in a trailer on location and will be hauled off by the contractor.
8. Ancillary Facilities - There are no camps or airstrips planned.
9. Well Site Layout - The well location (see NMOCD C-102 Form) is indicated on **Figure 2**.
10. Plans for Restoration of Surface -
 - Reshaped Topography - None - no ground work or new construction will be needed.
 - Caliche Pad - Caliche well pad will remain intact until well is abandoned.
 - Road - The road will remain intact as long as there is production on the lease.
 - Timetable - This well is expected to produce for several years
11. Other Information -
 - Surface Ownership - US Government - BLM
 - Water Wells, Lakes, Streams and Ponds - None known within two miles of the location.
 - Dwellings - None in the immediate area.
 - Archaeological, Historical & Cultural Sites - none
12. Operator's Representative -

Gordon Barker - Drilling Engineer Mob - (915) 238-1269 , Pager (915) 498-1210
Robert McNaughton - Production Engineer- Office (915) 682-4429, Mobile (915) 425-9164
Ernie Little - Foreman - Mobil (505) 390-9472
13. Other facets: none

Certification - I hereby certify that I, or persons under my direct supervision, have inspected the proposed drilling site and access route; that I am familiar with the condition which presently exists; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by a designated construction contractor and sub-contractors in conformity with this plan.



Robert McNaughton
Operations Engineer

13 Point Drilling Plan:

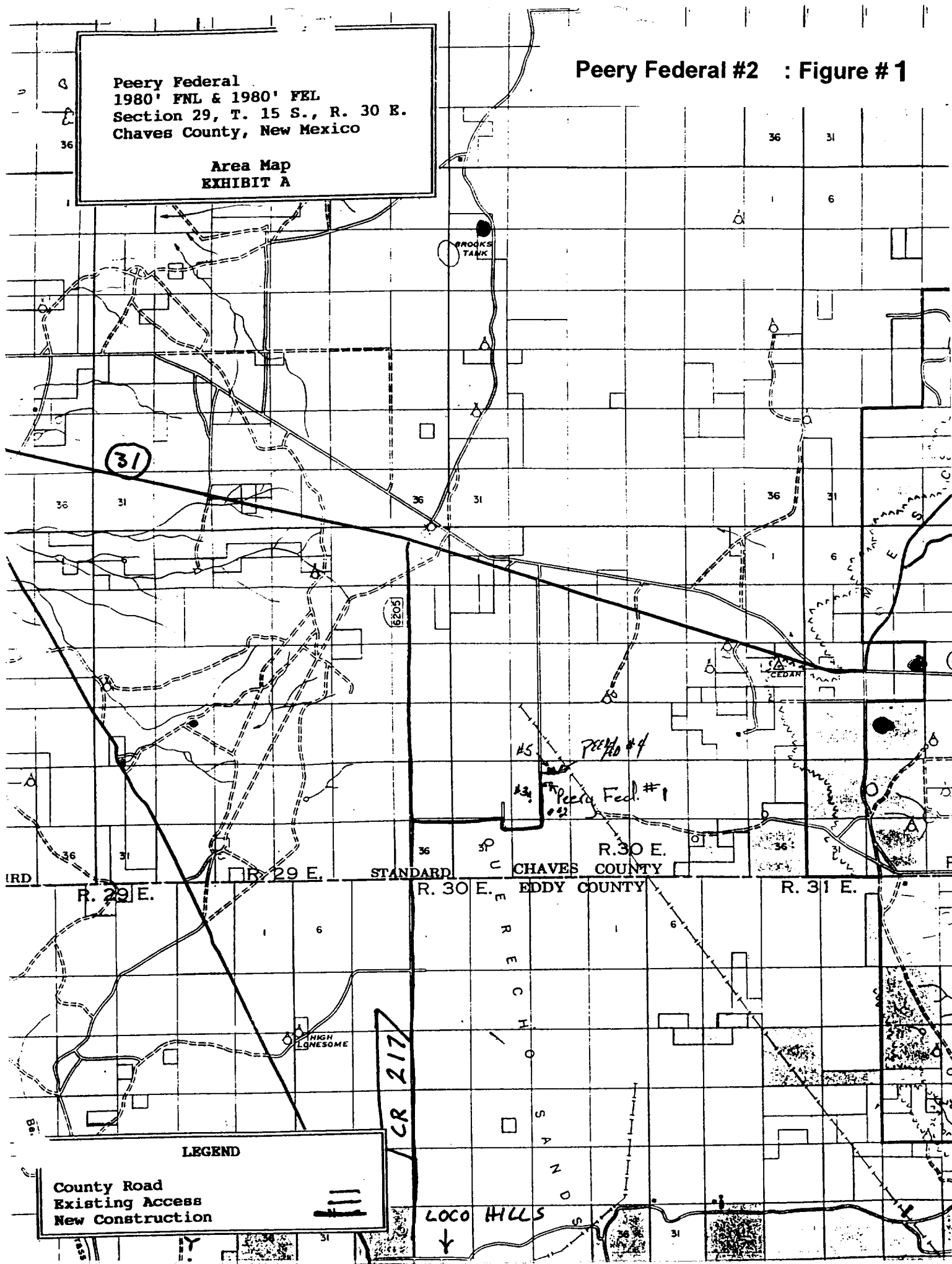
1. Location: 660' FSL, 1980' FEL, Unit Letter O, Sec 29, T-15-S, R-30-E, Chaves County, NM, (Form C-102)
2. Elevation: 3960' GL, 3973' KB
3. Geological Name of Surface Formation: Quaternary formation.
4. Type of Drilling Tools to be utilized: Rotary Tools
5. Proposed Drilling Depth: 11,400' TVD'; 11,729' MD.
6. Tops of Important Geological Markers:

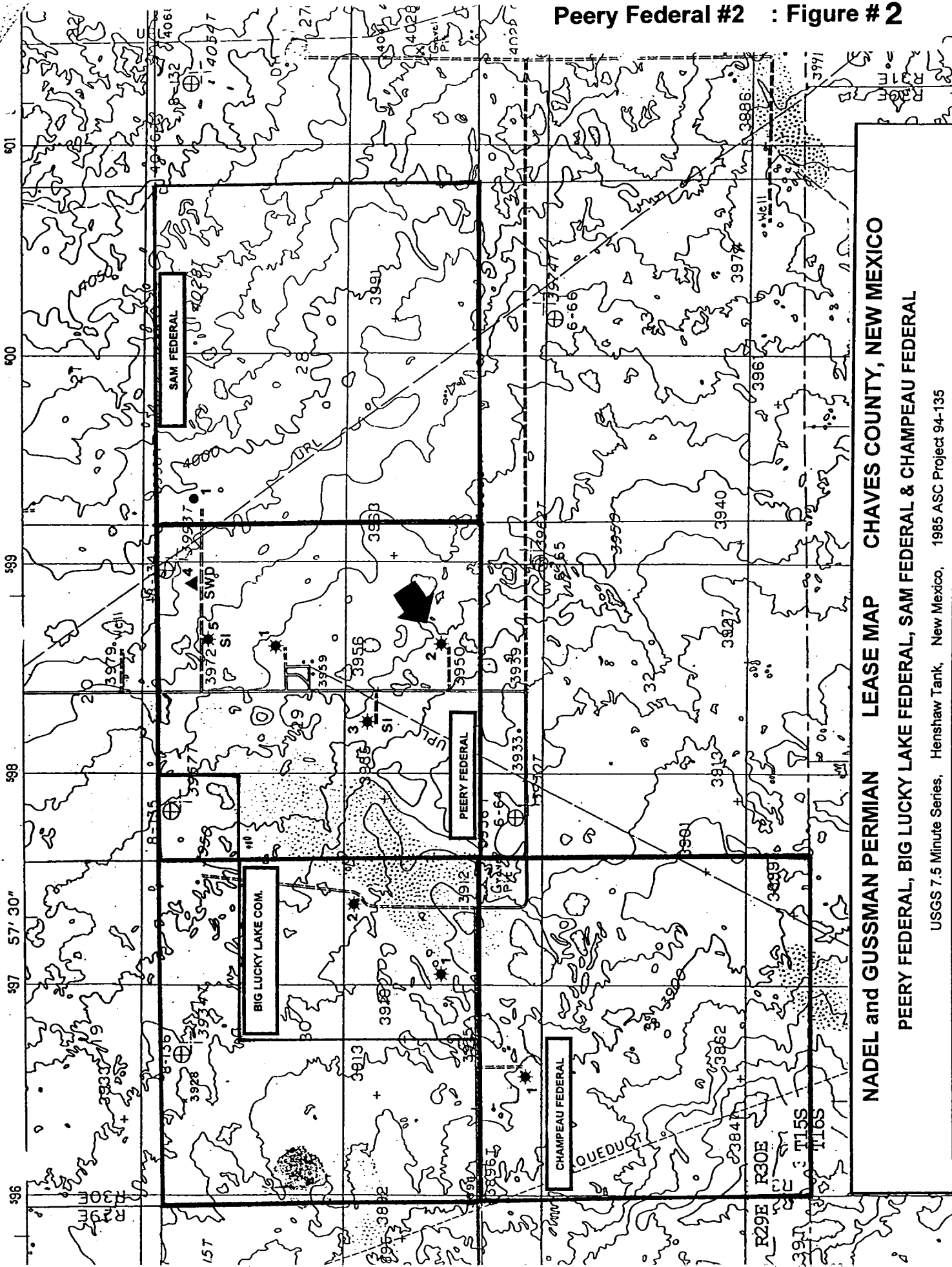
| | | | | | |
|--------|-------|----------|----------|-------------|---------|
| Morrow | 9675' | Devonian | 10,944'' | Ellenberger | 11,989' |
|--------|-------|----------|----------|-------------|---------|
7. Estimated Depth of Anticipated Water, Oil or Gas:

| | | | |
|-----------------------|---------|------------------------|---------------------------|
| Water - shallow sands | < 300', | Gas – Morrow at 9675', | Oil – Devonian at 10,944' |
|-----------------------|---------|------------------------|---------------------------|
8. Casing Program: The surface and intermediate casing strings were cemented to the surface.
 - Cut existing 7" casing at +/- 9700'. Pull out and lay down.
 - 5 1/2", 17#, L 80 @ 11,400' TVD (11,729' MD) - ~ 1700 sx, TOC @ ~2800'
9. Specifications for Pressure Control Equipment: (see attached **diagrams No. 5 & No. 6**)
 This rig will have a series 900 BOP with 5 1/2" pipe rams and blind rams, kill line, choke manifold, Koomey hydraulic controls, and accumulator with remote controls. When nipping up, will test BOP and choke to 1000 psi, will operate BOP once a day or as directed by the company representative.
10. Mud Program: The sidetrack and vertical sections will be drilled with brine with lubricating additives as needed. We will add some salt gel mud to the system prior to running open hole logs.
11. Testing, Logging & Coring Program:
 - a. Testing: DSTs may be run in the Morrow and Devonian.
 - b. Coring: no coring is planned.
 - c. Logging: open hole logs will be run prior to running production casing. The standard suite will be a Dual Lateral/ ML and GR/Density/Neutron combination plus a long-spaced sonic.
12. Potential Hazards: None .
13. Anticipated starting date & duration:
 Plans are to begin deepening operations about August 15, 2001. Approximately 15 days will be required to sidetrack the well and 15 days will be needed for the well preparation and completion.

Peery Federal #2 : Figure # 1

Area Map
EXHIBIT A





NADEL and GUSSMAN PERMIAN LEASE MAP CHAVES COUNTY, NEW MEXICO

PEERY FEDERAL, BIG LUCKY LAKE FEDERAL, SAM FEDERAL & CHAMPEAU FEDERAL

NADEL and GUSSMAN PERMIAN

PEERY FEDERAL #2

660' FSL, 1980' FEL, Unit O, Sec 29, 15S, 30E, Chaves County NM
API # 30 - 005 - 00515

Current Status - Workover

elev: 3960', DF: 3973'

13-3/8", 54.5#, J-55 @ 450'
650 sx, circulated
17-1/2" hole

9-5/8", 36#, H-40 @ 2940'
1700 sx, cement circulated
12-1/4" hole

Tag up on cement plug
Orient drill string with bit on bent sub
Kick off and drill lateral to east

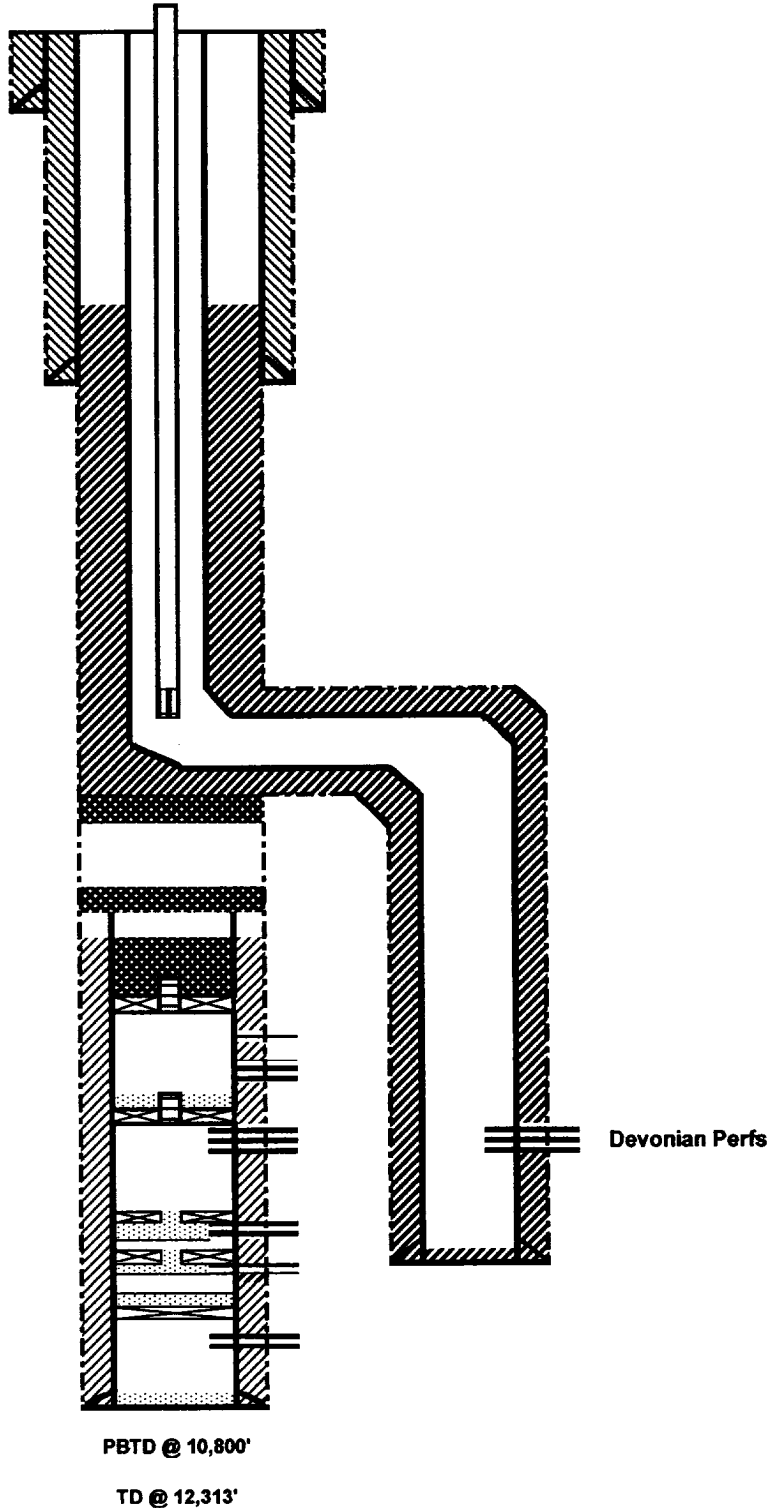
100 sx plug for kick-off

25 sx plug on casing stub

25 sx plug on top of packer

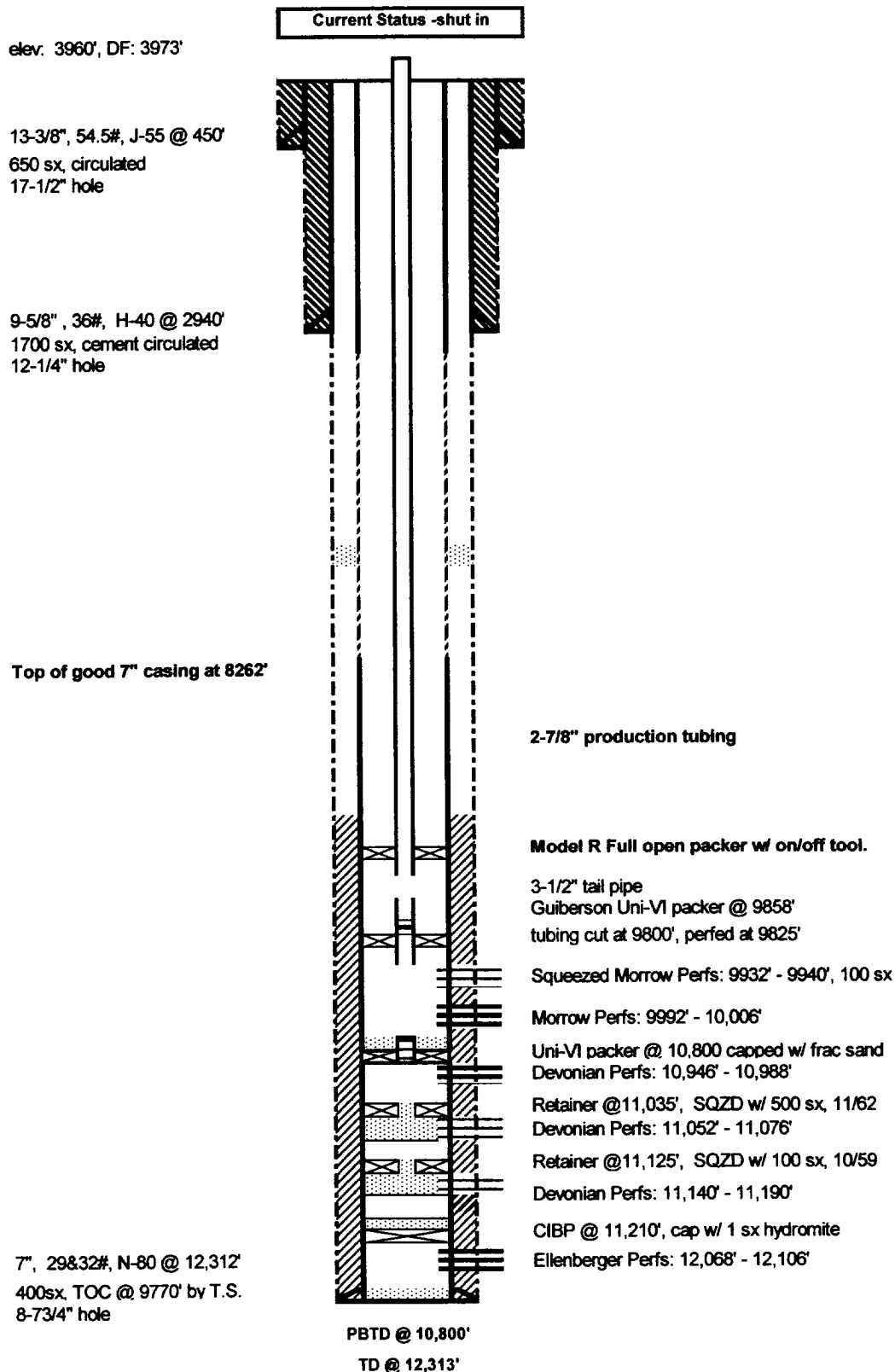
5-1/2", 17#, L-80 casing @ 11,400' TVD
1700 sx, TOC @ 2800'.
7-7/8" hole.

7", 29&32#, N-80 @ 12,312'
400sx, TOC @ 9770' by T.S.
8-3/4" hole



NADEL and GUSSMAN PERMIAN

PEERY FEDERAL #2
 660' FSL, 1980' FEL, Unit O, Sec 29, 15S, 30E, Chaves County NM
 API # 30 - 005 - 00515



NADEL AND GUSSMAN PERMIAN, L.L.C.

Peery Federal No. 2

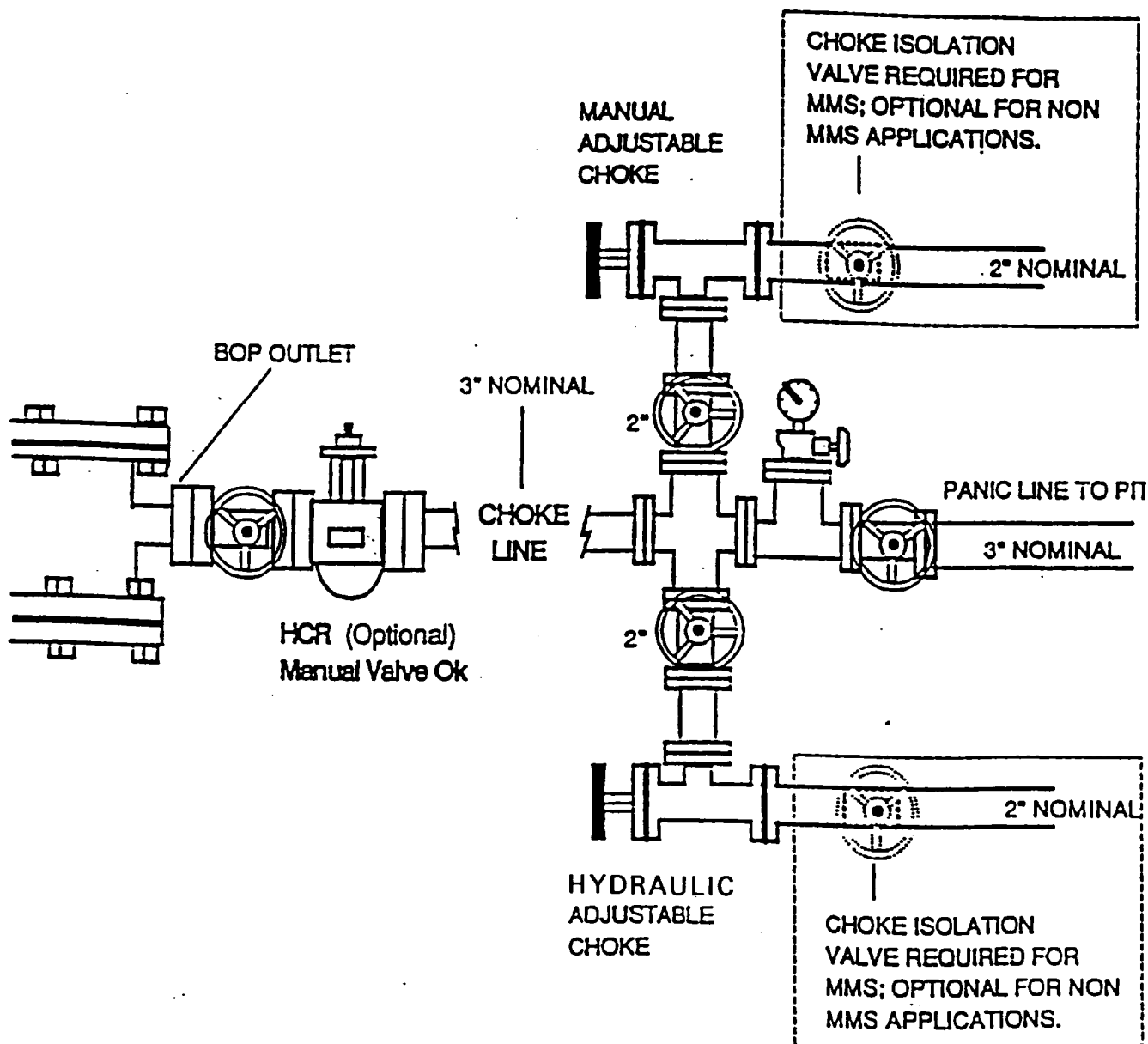
660' FSL, 1980' FEL, Sec 29, T-15-S, R-30-E

Chaves County, NM

DRILLING OPERATIONS

CHOKE MANIFOLD

2M AND 3M SERVICE



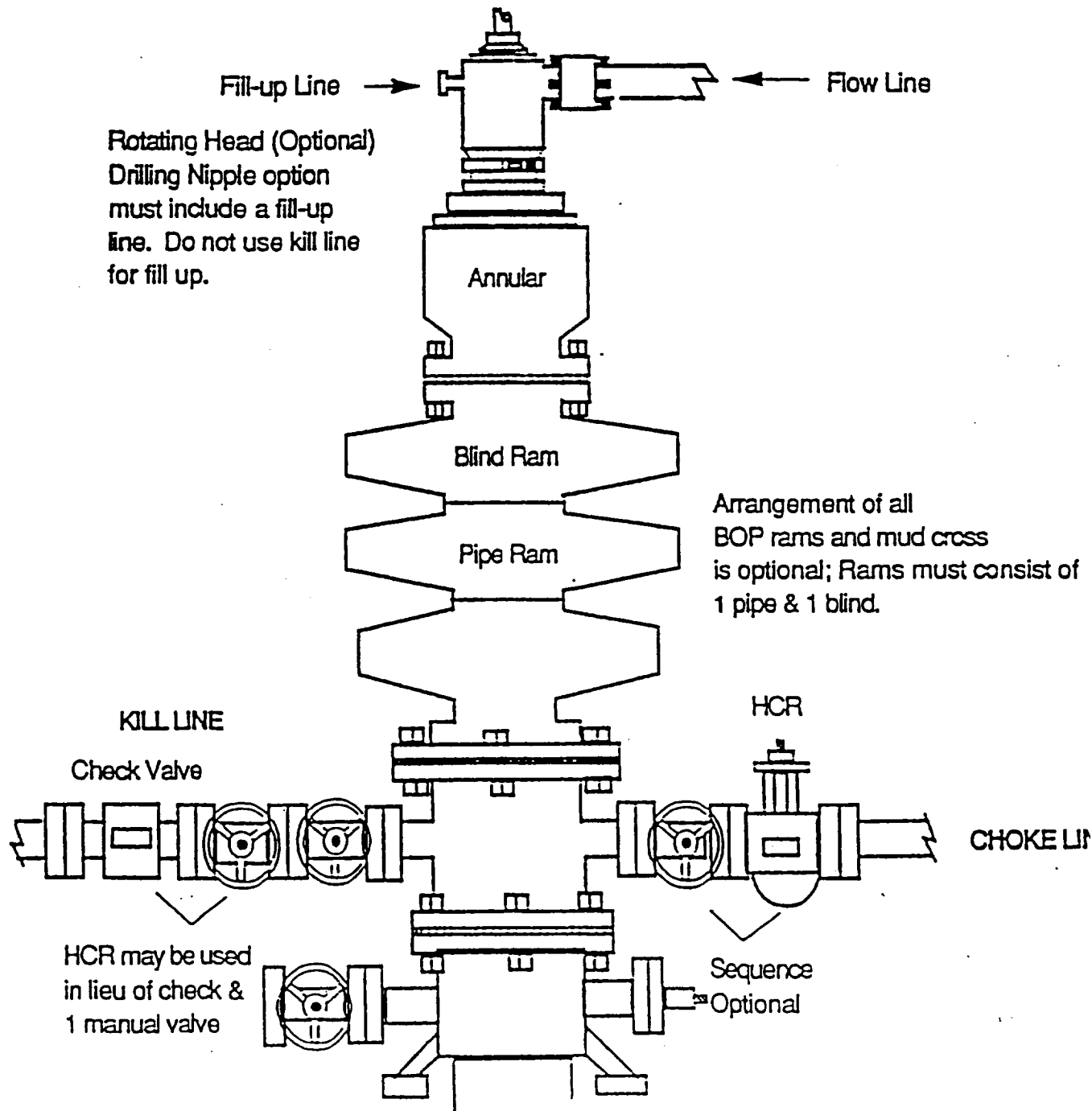
Peery Federal #2 : Figure # 5

NADEL AND GUSSMAN PERMIAN, L.L.C.

Peery Federal No. 2

660' FSL, 1980' FEL, Sec 29, T-15-S, R-30-E

Chaves County, NM



Peery Federal #2 : Figure # 6



Scientific
Drilling

SDI Planning Report

| | | | |
|------------------------------------|---|----------------|---------|
| Company: Nadel and Gussman Permian | Date: 5/25/2001 | Time: 10:34:43 | Page: 1 |
| Field: Little Lucky Lake Devonian | Co-ordinate(NE) Reference: Well: Perry Federal #2, Grid North | | |
| Site: Eddy County, New Mexico | Vertical (TVD) Reference: SITE 0.0 | | |
| Well: Perry Federal #2 | Section (VS) Reference: Site (0.00N,0.00E,105.17A2) | | |
| Wellpath: 1 | Plan: Plan #1 | | |

Field: Little Lucky Lake Devonian

Map System: US State Plane Coordinate System 1927
Geo Datum: NAD27 (Clarke 1866)
Sys Datum: Mean Sea Level

Map Zone: New Mexico, Eastern Zone
Coordinate System: Well Centre
Geomagnetic Model: igrf2000

Site: Eddy County, New Mexico

| | | | |
|------------------------------|------------|----|-----------------------|
| Site Position: | Northings: | ft | Latitude: |
| From: Local Only | Easting: | ft | Longitude: |
| Position Uncertainty: 0.0 ft | | | North Reference: Grid |
| Ground Level: 0.0 ft | | | Grid Convergence: deg |

Well: Perry Federal #2 Slot Name:

| | | | |
|------------------------------|------------|----|------------|
| Well Position: +N/-S 0.0 ft | Northings: | ft | Latitude: |
| +E/-W 0.0 ft | Easting: | ft | Longitude: |
| Position Uncertainty: 0.0 ft | | | |

| | |
|------------------------------------|------------------------------------|
| Wellpath: 1 | Drilled From: Surface |
| Current Datum: SITE | Tie-on Depth: 0.0 ft |
| Magnetic Data: 3/23/2001 | Above System Datum: Mean Sea Level |
| Field Strength: 31374 nT | Declination: -7.13 deg |
| Vertical Section: Depth From (TVD) | Mag Dip Angle: -28.27 deg |
| ft | Direction |
| | deg |
| 10960.0 | 0.0 0.0 105.17 |

| | |
|----------------|--------------------------------|
| Plan: Plan #1 | Date Composed: 3/23/2001 |
| Principal: Yes | Version: 1 |
| | Tied-to: From: Definitive Path |

Plan Section Information

| MD ft | Incl deg | Azimuth deg | TVD ft | +N/-S ft | +E/-W ft | DLS deg/100ft | Built deg/100ft | Turn deg/100ft | TFO deg | Target |
|----------|-------------|----------------|-----------|-------------|-------------|------------------|--------------------|-------------------|------------|--------|
| 7299.0 | 0.37 | 53.61 | 7298.2 | 19.1 | -58.4 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 7300.0 | 0.37 | 53.61 | 7299.2 | 19.1 | -58.4 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 8009.4 | 35.70 | 105.42 | 7963.3 | -36.4 | 149.7 | 5.00 | 4.98 | 7.30 | 52.22 | |
| 9273.7 | 35.70 | 105.42 | 8990.0 | -232.6 | 860.8 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 9976.3 | 0.57 | 104.45 | 9647.3 | -289.8 | 1068.4 | 5.00 | -5.00 | -0.14 | -179.98 | |
| 11289.1 | 0.57 | 104.45 | 10960.0 | -293.0 | 1081.0 | 0.00 | 0.00 | 0.00 | 0.00 | toe |

Section 1 : Start Hold

| MD ft | Incl deg | Azimuth deg | TVD ft | +N/-S ft | +E/-W ft | VS ft | DLS deg/100ft | Built deg/100ft | Turn deg/100ft | TFO deg |
|----------|-------------|----------------|-----------|-------------|-------------|----------|------------------|--------------------|-------------------|------------|
| 7299.0 | 0.37 | 53.61 | 7298.2 | 19.1 | -58.4 | -61.4 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7300.0 | 0.37 | 53.61 | 7299.2 | 19.1 | -58.4 | -61.4 | 0.00 | 0.00 | 0.00 | 0.00 |

Section 2 : Start DLS 5.00 TFO 52.22

| MD ft | Incl deg | Azimuth deg | TVD ft | +N/-S ft | +E/-W ft | VS ft | DLS deg/100ft | Built deg/100ft | Turn deg/100ft | TFO deg |
|----------|-------------|----------------|-----------|-------------|-------------|----------|------------------|--------------------|-------------------|------------|
| 7400.0 | 5.23 | 102.64 | 7399.1 | 18.3 | -53.7 | -56.6 | 5.00 | 4.86 | 49.03 | 52.22 |
| 7500.0 | 10.23 | 104.21 | 7498.1 | 15.1 | -40.6 | -43.2 | 5.00 | 5.00 | 1.57 | 3.21 |
| 7600.0 | 15.23 | 104.76 | 7595.6 | 9.6 | -19.3 | -21.1 | 5.00 | 5.00 | 0.55 | 1.65 |
| 7700.0 | 20.23 | 105.04 | 7690.8 | 1.7 | 10.1 | 9.3 | 5.00 | 5.00 | 0.28 | 1.11 |
| 7800.0 | 25.23 | 105.21 | 7783.1 | -8.3 | 47.4 | 47.9 | 5.00 | 5.00 | 0.17 | 0.85 |
| 7900.0 | 30.23 | 105.33 | 7871.5 | -20.6 | 92.3 | 94.4 | 5.00 | 5.00 | 0.12 | 0.89 |



SDI Planning Report

Company: Nadel and Gussman Permian
Field: Little Lucky Lake Devonian
Site: Eddy County, New Mexico
Well: Perry Federal #2
Wellpath: 1

Date: 5/25/2001 Time: 10:34:43 Page: 2
Co-ordinate(NE) Reference: Well: Perry Federal #2, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Site (0.00N,0.00E,105.17Azi)
Plan: Plan #1

Section 3 : Start Hold

| MD ft | Incl deg | Azimuth deg | TVD ft | +N/-S ft | +E/-W ft | VS ft | DLS deg/100ft | Bull deg/100ft | Turn deg/100ft | TFO deg |
|----------|-------------|----------------|-----------|-------------|-------------|----------|------------------|-------------------|-------------------|------------|
| 8009.4 | 35.70 | 105.42 | 7963.3 | -36.4 | 149.7 | 154.0 | 5.00 | 5.00 | 0.09 | 0.58 |
| 8100.0 | 35.70 | 105.42 | 8036.9 | -50.4 | 200.6 | 206.8 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8200.0 | 35.70 | 105.42 | 8118.1 | -65.9 | 256.9 | 265.2 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8300.0 | 35.70 | 105.42 | 8199.3 | -81.5 | 313.1 | 323.5 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8400.0 | 35.70 | 105.42 | 8280.5 | -97.0 | 369.4 | 381.9 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8500.0 | 35.70 | 105.42 | 8361.7 | -112.5 | 425.6 | 440.2 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8600.0 | 35.70 | 105.42 | 8442.9 | -128.0 | 481.9 | 498.6 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8700.0 | 35.70 | 105.42 | 8524.1 | -143.5 | 538.1 | 556.9 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8800.0 | 35.70 | 105.42 | 8605.3 | -159.1 | 594.4 | 615.3 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8900.0 | 35.70 | 105.42 | 8686.5 | -174.6 | 650.6 | 673.6 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9000.0 | 35.70 | 105.42 | 8767.7 | -190.1 | 706.9 | 732.0 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9100.0 | 35.70 | 105.42 | 8849.0 | -205.6 | 763.1 | 790.4 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9200.0 | 35.70 | 105.42 | 8930.2 | -221.1 | 819.4 | 848.7 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9273.7 | 35.70 | 105.42 | 8990.0 | -232.6 | 860.8 | 891.7 | 0.00 | 0.00 | 0.00 | 0.00 |

Section 4 : Start DLS 5.00 TFO -179.98

| MD ft | Incl deg | Azimuth deg | TVD ft | +N/-S ft | +E/-W ft | VS ft | DLS deg/100ft | Bull deg/100ft | Turn deg/100ft | TFO deg |
|----------|-------------|----------------|-----------|-------------|-------------|----------|------------------|-------------------|-------------------|------------|
| 9300.0 | 34.38 | 105.42 | 9011.5 | -236.6 | 875.4 | 906.8 | 5.00 | -5.00 | 0.00 | -179.98 |
| 9400.0 | 29.38 | 105.42 | 9096.4 | -250.6 | 926.3 | 959.6 | 5.00 | -5.00 | 0.00 | -179.98 |
| 9500.0 | 24.38 | 105.41 | 9185.6 | -262.6 | 969.9 | 1004.8 | 5.00 | -5.00 | 0.00 | -179.98 |
| 9600.0 | 19.38 | 105.41 | 9278.4 | -272.5 | 1005.8 | 1042.1 | 5.00 | -5.00 | -0.01 | -179.98 |
| 9700.0 | 14.38 | 105.40 | 9374.0 | -280.3 | 1033.8 | 1071.1 | 5.00 | -5.00 | -0.01 | -179.97 |
| 9800.0 | 9.38 | 105.38 | 9471.8 | -285.7 | 1053.7 | 1091.7 | 5.00 | -5.00 | -0.02 | -179.96 |
| 9900.0 | 4.38 | 105.31 | 9571.1 | -288.9 | 1065.2 | 1103.7 | 5.00 | -5.00 | -0.07 | -179.94 |

Section 5 : Start Hold

| MD ft | Incl deg | Azimuth deg | TVD ft | +N/-S ft | +E/-W ft | VS ft | DLS deg/100ft | Bull deg/100ft | Turn deg/100ft | TFO deg |
|----------|-------------|----------------|-----------|-------------|-------------|----------|------------------|-------------------|-------------------|------------|
| 9976.3 | 0.57 | 104.45 | 9647.3 | -289.8 | 1068.4 | 1107.0 | 5.00 | -5.00 | -1.13 | -179.87 |
| 10000.0 | 0.57 | 104.45 | 9671.0 | -289.8 | 1068.6 | 1107.2 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10100.0 | 0.57 | 104.45 | 9771.0 | -290.1 | 1069.6 | 1108.2 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10200.0 | 0.57 | 104.45 | 9871.0 | -290.3 | 1070.5 | 1109.2 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10300.0 | 0.57 | 104.45 | 9971.0 | -290.6 | 1071.5 | 1110.2 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10400.0 | 0.57 | 104.45 | 10071.0 | -290.8 | 1072.5 | 1111.2 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10500.0 | 0.57 | 104.45 | 10171.0 | -291.0 | 1073.4 | 1112.2 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10600.0 | 0.57 | 104.45 | 10271.0 | -291.3 | 1074.4 | 1113.2 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10700.0 | 0.57 | 104.45 | 10371.0 | -291.5 | 1075.3 | 1114.2 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10800.0 | 0.57 | 104.45 | 10471.0 | -291.8 | 1076.3 | 1115.2 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10900.0 | 0.57 | 104.45 | 10571.0 | -292.0 | 1077.3 | 1116.1 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11000.0 | 0.57 | 104.45 | 10671.0 | -292.3 | 1078.2 | 1117.1 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11100.0 | 0.57 | 104.45 | 10770.9 | -292.5 | 1079.2 | 1118.1 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11200.0 | 0.57 | 104.45 | 10870.9 | -292.8 | 1080.1 | 1119.1 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11289.1 | 0.57 | 104.45 | 10960.0 | -293.0 | 1081.0 | 1120.0 | 0.00 | 0.00 | 0.00 | 0.00 |

11,729'

11,400'

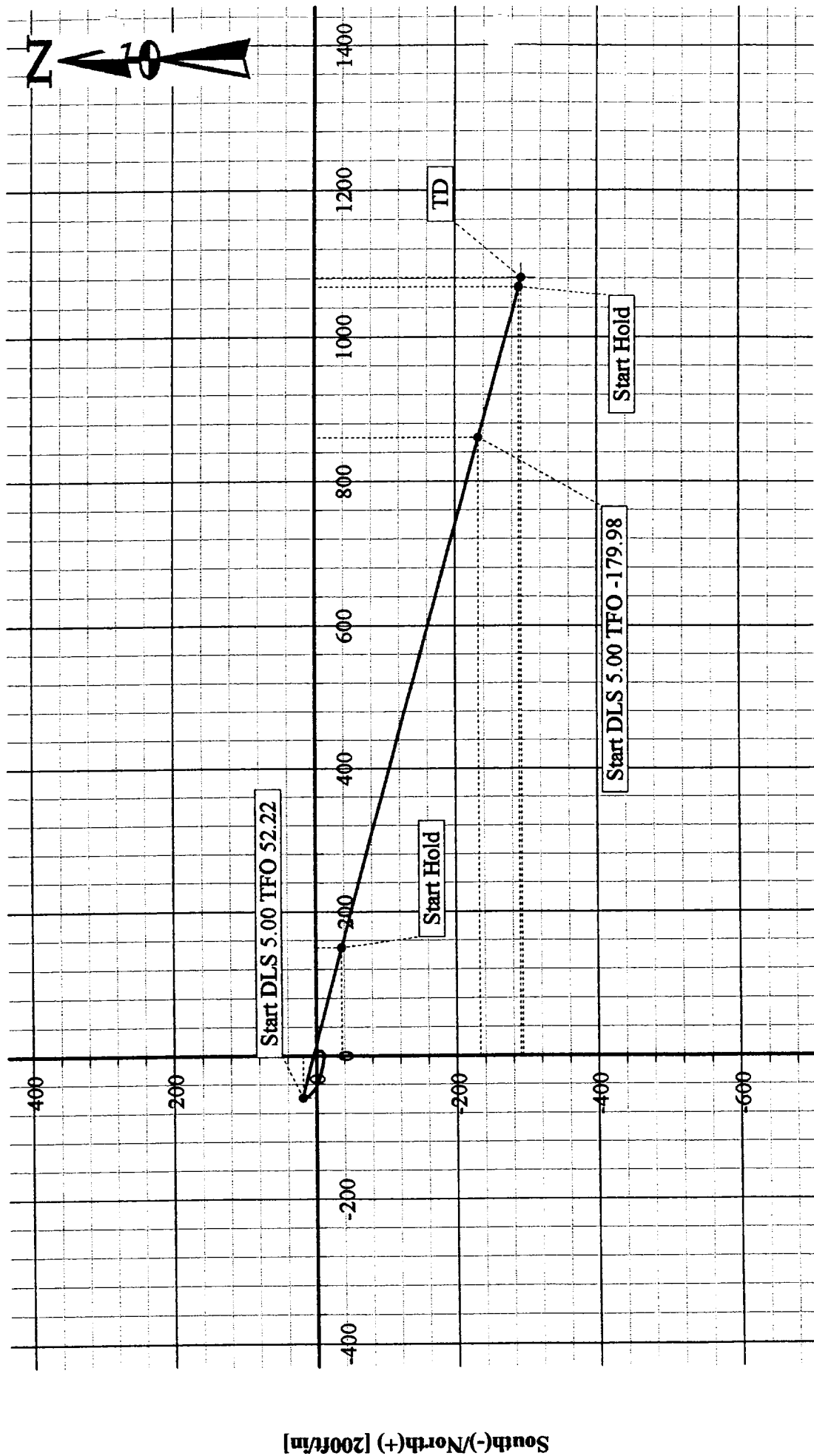
Drill vertical hole to TD



Scientific
Drilling

Nadel and Gussman Permian

Field: Little Lucky Lake Devonian
Site: Eddy County, New Mexico
Well: Perry Federal #2
Plan: Plan #1



West(-)/East(+) [200ft/in]

$\frac{1}{2} \times 100 = 50$
 50%

