| BUREAU OF LAND MANAGEMENT         BUREAU OF LAND MANAGEMENT         BUREAU OF LAND MANAGEMENT         APPLICATION FOR PERMIT TO DRILL OR DEEPEN         6. IF INDIAN, ALLOTTEE OR TRIBE NAME         ILEASE DESIGNATION AND SERIAL NO.         M 9 4 0 8 7         G. IF INDIAN, ALLOTTEE OR TRIBE NAME         ILEASE DESIGNATION AND SERIAL NO.         MULTIPLE OR TRIBE NAME         NULTIPLE OR WELL         OIL       WELL ON         OIL       WELL ON         OTHER       SINGLE         20NE       MULTIPLE         2. NAME OF OPERATOR       OFFICE         Nadel and Gussman Permian L.L.C.       OGRID # 155615         3. ADDRESS AND TELEPHONE NO.       OGRID # 155615         601 N. Marienfeld Suite 508, Midland, Texas 79701       10. FIELD AND POOL, OR WILDCAT         4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)       Nil cat Miss.         At surface       13. STATE         14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*  |   |  |   | RIOR   | (Other ins  | TR.,CATE*<br>tructions on<br>se side)  | FORM APPF<br>OMB NO. 100<br>Expires: Februar  | 04-0136   |
|--|---|--|---|--|---|--|---|---|
| APPLICATION FOR PERMIT TO DRILL OR DEEPEN         C # Brank ALCOTEC OF THE INVEL           1a TYE OF WORK         DRILL X         DEEPEN         True of Work           1a TYE OF WORK         ORILL X         DEEPEN         True of Work           1a TYE OF WORK         Wall, X         OTHER         Service I         Wall, X           1a TYE OF WORK         Wall, X         OTHER         Service I         True of Readows           Nadel and Guessman Permian LLC.         OGRID # 155615         Provement no.         Oass Strift Food Food # 15 Food Food # 15           14 COSTING OF WELL Prevent No.         Service I was Not TELEPHONE NO.         OGRID # 155615         Revents No.           14 COSTING OF WELL Prevent No.         OGRID # 155615         Revents No.         Service I was Not TELEPHONE NO.           14 COSTING OF WELL Prevent No.         Service I was Not TELEPHONE NO.         OB Revents Not TELEPHONE NO.         Not TELEPHONE NO.           15 OFTING FEEL 1380 FEWL, Unit Letter K         15 Food Revent No.         Not No. OF ACRES NLEASE         15 Food Revent No.           15 OFTING FEEL 13300         16 Not ACRES NLEASE         16 Not ACRES NLEASE         Not Makel Make 18 Not No.           16 ORIGARE NOT REVENTION FOR DEASE NOT REVENTION FOR DEASE NLEASE         17 Not OF ACRES NLEASE NOT NOT ACRES NLEASE NLEASE         17 Not OF ACRES NLEASENDED           10 DISK C   |   |  |   |  |   |  |   | ~   |
| APPELICATION FOR PERMIT TO DRUE OR DELEPEN     APPELICATION FOR PERMIT TO DRUE OR DELEPEN     TO WIT ADREEMENT NAME     TO ADDREEMENT NAME     TO WIT ADREEMENT NAME     TO WIT ADREEMENT NAME     TO ADDREEMENT NAME     TO ADDREEMENT NAME     TO THE WILL BOD RELTOR NAME NEELED     TO THE WILL BOD REL      |   |  |   |  |   |  |   |   |
| DRUL X         DEEPEN         7. Unit Addressen Invest           Verter of Verter         Martin R         Roman Construction Name         Report Name           Verter of Verter         Martin R         Roman Construction Name         Report Name           Nade and Guessman Permian LL.C.         OGRID #         155615         P. Antwart, No.           Source of Constructions Name         Martin R         Report Name         Note Proceeding H           No constructions Name         Name         P. Antwart, No.         D D. O. S 21/17/L           601 N. Marienfeld Suite 508, Midland, Texas 78701         Widdata Mids.         10. Resource Name         Name           10. Control of Mark (apport Name)         Unit Letter K         Apploaded pod. zone         11. Sec. 17. No. Of Addata         Name           50. Strate Nucles and Detection Resource Mark Mids         13. Strate         10. No. Of Addata         10. Strate   |   | ATION FOR PER  | MIT TO DR   | ILL OR DEE   | PEN   |  |   |   |
| ONL         CALL         ONLE         SMOLE         MULTPLE         B. Franci on LEASE INJURGE         D. Sources in The State in The  | a. TYPE OF WORK   | RILL 🔀   | DEEPEN  |  |   |  | 7. UNIT AGREEMENT NAME  | Ξ   |
| Weit         Verter         Zone         Description         Description           Nadel and Gussman Permian L.L.C.         OGRID # 155615         9.47 Weithold (Laster New Year))         3.0 - 0.0 S - 2.11110           Additional Control New State regiments 1         3.0 - 0.0 S - 2.11110         10. FEX. Map Pool. General #1           Control Of With Gast         15.7 FEX. (Laster New Weithold (Laster New State regiments 1)         11. FEX. TR. (Laster New Weithold (Laster New State regiments 1)           Addition of the State regiment with a weithold (Laster New State regiments 1)         11. FEX. TR. (Laster New Year)         11. FEX. TR. (Laster New Year)           Addition of the State regiment with weithow of Pool of Proce         10. No of A cole State New State regiments 1)         11. FEX. TR. (Laster New Year)           Addition of the State Regiment of Control of the State Regiment New Year)         13.00         19. Proprosed Derm         20. Pro  |   | 0.0  |   |  |   |  |   |   |
| Nadel and Gussman Permian LLC.       OGRID # 155615       Permitting         Databases of the permian LLC.       OGRID # 155615       Permitting         Databases of the permission own permitting of the permitting of   |   |  |   |  |   |  | -   |   |
| 32.0         |   |  |   |  | EE04E   |  |   | eral #1   |
| 601 N. Marienfeld Suite 508, Midland, Texas 78701       10. FEED AND POOL, OR WURDAT         10 control of Wull regret toom of why of a processore why Star regretements.")       11. SEC AND POOL, OR WURDAT         At propose to do zone same set of Roswell, NM       11. Sec T, R. M. OR R.K.         11. Sec T, R. M. OR R.K.       13. State         12. COUNT OR FROM DECTOR FROM NEAREST TOWN OR POST OFFICE"       12. COUNT OR FROM DECTOR FROM NEAREST TOWN OR POST OFFICE"         13. Instruct FROM REPORTED       19. NO CACRES N LEASE       17. NO CACRES ASSIGNED         15. DETAILSCE TRANK REPORTED       13. State       20.         16. DETAILSCE TRANK REPORTED       13. State       20.         15. DETAILSCE TRANK REPORTED       13. State       20.         16. DETAILSCE TRANK REPORTED       13. State       10. NO CACRES ASSIGNED         16. DETAILSCE TRANK REPORTED       13. State       10. NO CACRES ASSIGNED         16. DETAILSCE TRANK REPORTED       13. State       20.         17. TO THE WEIL       20. ROTARY ON CAMELE TOOLS       20. ROTARY ON CAMELE TOOLS         16. DETAILSCE TRANK NEW STORE REPORT       20. ROTARY ON CAMELE TOOLS       20. ROTARY ON CAMELE TOOLS         17. T12"       13.318", H40       48#       5000'       500 sx. circulated to surface         17. T12"       13.318", H40       48#       5000'       500 sx.   |   |  |   |  | 55015   |  | -   | 71171   |
| LICOLON OF WELL Report basen classes with well accordance with any State requerements :)  A starticity 1990 FSL, 1980 FWL, Unit Letter K  A starticity 1990 FSL, 1980 FSL, 1 |   |  | as 79701  |  |   |  |   |   |
| Alp Bigged prod. zone       11. So THAT         Same       151103 - R30E         14. Destruct in wate S and Detect for PROM MEAREST Town on PROST OFFICE*       12. Country on Prazes       New Mexico         15. Destruct F PROM REGARES TOWN OF PROST OFFICE*       12. Country on Prazes       New Mexico         15. Destruct F PROM REGARES TOWN OF PROST OFFICE*       13. STATE       New Mexico         15. Destruct F PROM REGARES TOWN OF PROST OFFICE*       10. NO OF ACRES IN LEASE       17. NO Prazes       New Mexico         15. Destruct F PROM REPORCED LOATING       19. PROPOSED DESTH       20. ROTARY OR CARE SAGINGED       Total State Tools       Total State Tools         16. Destruct F PROM RePORCED LOATING       na       9,900       20. ROTARY OR CARE SAGINGED       22. APPROX DATE WORK WILL START         21. ELEV TONE (Sinw wenter DF RT, GR #C.)       4104 'GL       02/15/01       20. ROTARY OF CEMENT         23. ELEV TONE (Sinw wenter DF RT, GR #C.)       4104 'GL       02/15/01       22. APPROX DATE WORK WILL START         21. ELEV TONE (Sinw wenter DF RT, GR #C.)       17. TO 'F'' O'''' Sing A''''' O''''''''''''''''''''''''''''''  |   | and and and and a second second  |   | ments.*)   |   |  | Wildcat Mis   | SS.   |
| Alp Bigged prod. zone       11. So THAT         Same       151103 - R30E         14. Destruct in wate S and Detect for PROM MEAREST Town on PROST OFFICE*       12. Country on Prazes       New Mexico         15. Destruct F PROM REGARES TOWN OF PROST OFFICE*       12. Country on Prazes       New Mexico         15. Destruct F PROM REGARES TOWN OF PROST OFFICE*       13. STATE       New Mexico         15. Destruct F PROM REGARES TOWN OF PROST OFFICE*       10. NO OF ACRES IN LEASE       17. NO Prazes       New Mexico         15. Destruct F PROM REPORCED LOATING       19. PROPOSED DESTH       20. ROTARY OR CARE SAGINGED       Total State Tools       Total State Tools         16. Destruct F PROM RePORCED LOATING       na       9,900       20. ROTARY OR CARE SAGINGED       22. APPROX DATE WORK WILL START         21. ELEV TONE (Sinw wenter DF RT, GR #C.)       4104 'GL       02/15/01       20. ROTARY OF CEMENT         23. ELEV TONE (Sinw wenter DF RT, GR #C.)       4104 'GL       02/15/01       22. APPROX DATE WORK WILL START         21. ELEV TONE (Sinw wenter DF RT, GR #C.)       17. TO 'F'' O'''' Sing A''''' O''''''''''''''''''''''''''''''  | At surface 1320' FSI  | L, 1980' FWL, Unit Le  | tter K  |  |   |  |   |   |
| 14. OstTACE M MLES AND DRECTION FROM NEAREST TOWN OR POST OFFICE*       12. COUNTY OR PARISH       13. STATE         10 miles West of Caprock, NM & 4 00 miles East of Roswell, NM       19. NO of ACRES NIEASE       17. NO OF ACRES SNIERED       New Mexic         10 miles West of Caprock, NM & 4 00 miles East of Roswell, NM       19. NO of ACRES NIEASE       17. NO OF ACRES NIEASENED       New Mexic         10 miles West of Caprock, NM & 4 00 miles East of Roswell, NM       19. NO of ACRES NIEASENED       17. NO OF ACRES SNEENED       320         14. UNIT MORE THE MERCETON TO REAM PROFOSED       19. NO of ACRES NIEASENED       10. NOT ACRES NIEASENED       320         18. DISTACE FROM PROFOSED       19. NO of ACRES NIEASENED       10. NOT ACRES NIEASENED       10. NOT ACRES NIEASENED         19. DROPOSED CASING AND CEMENTING PROGRAM       22. APPROX DATE WORK WILL START       02/15/01       02/15/01         21. ELEVITONS (SNW whelle OF RT, GR, esc.)       17.412       13.30°, 14.40       484       5000       500 sx, circulated to surface         7.7/18*       5-1/12*, N-80       17#, 20#       9.900'       1000 sx, TOC @ 5000'**       10. Acces NITACE         7.7/18*       5-1/12*, N-80       17#, 20#       9.900'       1000 sx, TOC @ 5000'**       10. Acces NITACE         The operator proposes to drill to a depth sufficient to test the Atoka formation.       If productive, 5-1/2* casing will be se  | At proposed prod. zone  |  |   |  |   |  |   |   |
| 10 miles West of Caprock, NM       8.40 miles East of Roswell, NM       Chaves       New Mexico         15 Distruct FROM HROPESED       18. NO. OF ACRES IN LEASE       17. NO. OF ACRES ASSIGNED       10. NO. OF ACRES IN LEASE       17. NO. OF ACRES ASSIGNED       10. NO. OF ACRES IN LEASE       10. NO. OF AC  |   |  |   | •  |   |  |   |   |
| 15. Destruct mod microsector<br>processing with the set of t                             |   |  |   |  |   |  |   | New Mexico  |
| PROVED BY VOR LEASE UNE_TTY       1330'       640       320         180 bit is an induction of the lease of the leas   | 5. DISTANCE FROM PROPO  |  |   |  | LEASE   |  | ACRES ASSIGNED  |   |
| 18. DETARGE FROM PROPOSED LOCATION*<br>ON AWARDY NELL DRUKE, CONVERTED       19. PROPOSED DEPTH       20. ROTARY OR CABLE TOOLS<br>rotary         19. PROPOSED DEPTH       9.900       20. ROTARY OR CABLE TOOLS<br>rotary         21. EEVATIONS (INFINITUATIONS)       22. APPROX. DATE WORK WILL START         4104 GL       02/15/01         23.       PROPOSED CASING AND CEMENTING PROGRAM         SIZE OF HOLE       GRADE, SIZE OF CASING         VIELONTING PROFIN       QUANTITY OF CEMENT         17.112*       13.3/8*, H-40       48#         12.114*       9.558, J-55       40#         25.00*       750 sx, circulated to surface         7.7/8*       5-1/2*, N-80*       17#, 20#         9.900*       1000 sx, TOC @ 5000***         The operator proposes to drill to a depth sufficient to test the Atoka formation. If productive, 5-1/2* casing will be set at TD and cemened to approximately 5.000*         emment by oppositive sare the Atoka and Abo formations.       **         * Secondary objectives are the Atoka and Abo formations.       **         * Surface use and operating plans       OPER. OGRID NO. 155.615       SENERAL REQUIREMENTS AND         Statement Accepting Responsibility for Operations       OPER. OGRID NO. 155.615       SENERAL REQUIREMENTS AND         POOL CODE       EFF. DATE 7-10-01      10-01      10-01   | LOCATION TO NEAREST   |  | 1330'   | 640  |   | TOTHIS   |   |   |
| OR APPLIED FOR, ON THIS LEASE, FT.       III2       9,900       IDLaty         22. APPLIED FOR, ON THIS LEASE, FT.       III2       9,900       IDLaty         23.       PROPOSED CASING AND CEMENTING PROGRAM         37.       PROPOSED CASING AND CEMENTING PROGRAM         37.       OLIVITY OF CEMENT       OLIVITY OF CEMENT         17.1/2"       13-3/8", H-40       48#       5000'       500 sx, circulated to surface         17.1/2"       13-3/8", H-40       48#       5000'       750 sx, circulated to surface         12.1/14"       9-5/8, J-55       40#       2500'       750 sx, circulated to surface         12.1/14"       9-5/8, J-55       40#       2500'       750 sx, circulated to surface         12.1/14"       9-5/8, J-50'       17#, 20#       9.900'       1000 sx, TOC @ 5000'**         The operator proposes to drill to a depth sufficient to test the Atoka formation. If productive, 5-1/2" casing will be set at TD and cemend to approximately 5,000'. If non-commercial, the well will be plugged in accordance with federal regulations. A 5000# tree will be nippled up prior to perforating.         * May use more coment to cover uphole zones if prospective or set a DV tool above the Abo.         Attachments:         Surface use and operating plans         Statement Accepting Responsibility for Operations <td>8. DISTANCE FROM PROPO</td> <td>SED LOCATION*</td> <td></td> <td>19. PROPOSED DEP</td> <td>тн</td> <td>20. ROTARY</td> <td>Y OR CABLE TOOLS</td> <td></td>  | 8. DISTANCE FROM PROPO  | SED LOCATION*  |   | 19. PROPOSED DEP   | тн  | 20. ROTARY   | Y OR CABLE TOOLS  |   |
| 4104'GL       02/15/01         PROPOSED CASING AND CEMENTING PROGRAM         Size or HOLE         GRADE SIZE OF CASING         VEIGHT PER POOT         SETTING DEPTH         OLANTITY OF CEMENT         17-1/2"         13-3/8", H-40         48#         SOULANTITY OF CEMENT         OLANTITY OF CEMENT         OLANTITY OF CEMENT         17-1/2"         13-3/8", H-40       48#       500'       750 sx, circulated to surface         12-1/4"       9-5/8, J-55       40#       2500'       750 sx, circulated to surface         10-100 SX, TOC @ 5000'**         The operator proposes to drill to a depth sufficient to test the Atoka formation. If productive, 5-1/2" casing will be set at TD and cemened to approximately 5,000'. If non-commercial, the well will be plugged in accordance with federal regulations. A 5000# tree will be nippled up prior to perforating.         * May use more cement to cover uphole zones if prospective or set a DV tool above the Abo.         Attachments:         Surface use and operating plans         Surface use and proposed new productive zone. If proposal is to drill or theseperation approved poer to perform plan <td></td> <td></td> <td>na</td> <td>9,900</td> <td>)</td> <td></td> <td>rotary</td> <td></td>  |   |  | na  | 9,900  | )   |  | rotary  |   |
| 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", H-40       48#       500'       500 sx, circulated to surface         12-1/4"       9-5/8, J-55       40#       2500'       750 sx, circulated to surface         12-1/4"       9-5/8, J-55       40#       2500'       750 sx, circulated to surface         7-7/6"       5-1/2", N-80*       17#, 20#       9,900'       1000 sx, TOC @ 5000'**         The operator proposes to drill to a depth sufficient to test the Atoka formation. If productive, 5-1/2" casing will be set at TD and cemened to approximately 5,000'. If non-commercial, the well will be plugged in accordance with federal regulations. A 5000# tree will be nippled up prior to perforating.         * Secondary objectives are the Atoka and Abo formations.         * May use more cement to cover uphole zones if prospective or set a DV tool above the Abo.         Attachments:         Surface use and operating plans         Statement Accepting Responsibility for Operations         SPECIAL SUBJECT TO         SPECIAL STIPULATIONS         POPE TY NO. 2 83/6       SPECIAL STIPULATIONS         POOL CODE       EFF. DATE 7.0-01   |   | her DF, RT, GR, etc.)  |   |  |   |  |   | K WILL START  |
| PROPOSED CENTRA PROVENTING PROVINTING PROVENTING PROVENTING PROVENTING PROVENTING PROVINTING PROVENT  |   |  |   |  |   |  | 02/15/01  |   |
| 17.1/2"       13-3/8", H-40       48#       500       500 sx, circulated to surface         12-1/4"       9-5/8, J-55       40#       2500'       750 sx, circulated to surface         7.7/8"       5-1/2", N-80 *       17#, 20#       9,900'       1000 sx, TOC @ 5000'**         The operator proposes to drill to a depth sufficient to test the Atoka formation. If productive, 5-1/2" casing will be set at TD and cemened to approximately 5,000'. If non-commercial, the well will be plugged in accordance with federal regulations. A 5000# tree will be nippled up prior to perforating.         * May use more cement to cover uphole zones if prospective or set a DV tool above the Abo.         Attachments:         Sufface use and operating plans         Statement Accepting Responsibility for Operations         OPER. OGRID NO. 155615         Secolar pipeline and topogr         PERPENT NO. 2 8 3/6         PROPERTY NO. 3 0005 - 2 1/270         Intrue R. McNaughton -Operations Engineer   | 23.   |  | PROPOSED CAS  | SING AND CEMENTI   | NG PROGRA   | M  |   |   |
| 12-1/4"       9-5/8, J-55       40#       2500'       750 sx, circulated to surface         7-7/8"       5-1/2", N-80       17#, 20#       9,900'       1000 sx, TOC @ 5000'''         The operator proposes to drill to a depth sufficient to test the Atoka formation. If productive, 5-1/2" casing will be set at TD and cemened to approximately 5,000' if non-commercial, the well will be plugged in accordance with federal regulations. A 5000# tree will be nippled up prior to perforating.         * Secondary objectives are the Atoka and Abo formations.       **       **       **       **       **       Secondary objectives are the Atoka and Abo formations.         * May use more cement to cover uphole zones if prospective or set a DV tool above the Abo.       **       **       Secondary objectives are the Atoka and Abo formations.         * May use more cement to cover uphole zones if prospective or set a DV tool above the Abo.       **       Secondary objectives are the Atoka and Abo formations.         * May use more cement to cover uphole zones if prospective or set a DV tool above the Abo.       **       Secondary objectives are the Atoka and Abo formations.         * May use more cement to cover uphole zones if prospective or set a DV tool above the Abo.       **       **         Attachments:       Surface use and operating plans       **       **       **         Surface use and in glayouts       OPER. OGRID NO. <u>1/5/5/6/1/5</u> Seconda rew productive zone. If proposal is to drill o  | SIZE OF HOLE  | GRADE, SIZE OF CASING  | WEIGHT PER FO   | DOT SETTI  | NG DEPTH  |  | QUANTITY OF CEMER   | NT  |
| 7-7/8"       5-1/2", N-80 *       17#, 20#       9,900'       1000 sx, TOC @ 5000'**         The operator proposes to drill to a depth sufficient to test the Atoka formation. If productive, 5-1/2" casing will be set at TD and cemened to approximately 5,000'. If non-commercial, the well will be plugged in accordance with federal regulations. A 5000# tree will be nippled up prior to perforating.         * Secondary objectives are the Atoka and Abo formations.       **       May use more cement to cover uphole zones if prospective or set a DV tool above the Abo.         Attachments:       Surface use and operating plans       \$PROPVAL SUBJECT TO         BOP and choke schematics lease, road, pipeline and topogrim       OPER. OGRID NO. 1556(15)       SENERAL REQUIREMENTS AND PROPERTY NO. 283/6         PROPERTY NO. 283/6       SPECIAL STIPULATIONS       POOL CODE         PROPERTY NO. 283/6       SPECIAL STIPULATIONS         POOL CODE       EFF. DATE 7-10-01         IN ABOVE SPACE DESCRIBE PROGRAM       API NO. 3DDOS - 2/1/70       zone and proposed new productive zone. If proposal is to drill or the. Give blowout preventer program, if any.         rule       May be the applicant to condify that the applicant holds legal or equilable life to those rights in the subject lease which would entitle the applicant to conduct operations thereon.         CONOTIONS OF APPROVAL DATE       Approved bes not warming or condify that the applicant holds legal or equilable life to those rights in the subject lease which would entitle the applicant to conduct operations thereon. </td <td>17-1/2"</td> <td>13-3/8", H-40</td> <td></td> <td></td> <td></td> <td></td> <td colspan="2"></td>  | 17-1/2"   | 13-3/8", H-40  |   |  |   |  |   |   |
| The operator proposes to drill to a depth sufficient to test the Atoka formation. If productive, 5-1/2" casing will be set at TD and cemened to approximately 5,000°. If non-commercial, the well will be plugged in accordance with federal regulations. A 5000# tree will be nippled up prior to perforating.  • Secondary objectives are the Atoka and Abo formations.  • May use more cement to cover uphole zones if prospective or set a DV tool above the Abo.  Attachments: Surface use and operating plans Statement Accepting Responsibility for Operations BOP and choke schematics ease, road, pipeline and topogr. H2S drilling operations plan wellsite and rig layouts certified location plats POCL CODE EFF. DATE 7-10-01 NABOVE SPACE DESCRIBE PROGRAI REQUIREMENTS AND POCL CODE EFF. DATE 7-10-01 Crths space for Federal or State office use) PERMIT NO. Approved does not warrant or certify that the applicant holds legal or equilable filte to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  Assistant Field Manager, APPROVED BY   |   |  |   |  |   |  |   |   |
| cemened to approximately 5,000'. If non-commercial, the well will be plugged in accordance with federal regulations. A 5000# tree will be nippled up prior to perforating.  * Secondary objectives are the Atoka and Abo formations. ** May use more cement to cover uphole zones if prospective or set a DV tool above the Abo. Attachments: Surface use and operating plans Statement Accepting Responsibility for Operations BOP and choke schematics lease, road, pipeline and topogra PCPERTY NO. 2, 8,3/6 PCPERTY NO. 3, 8,0/6 PCPERTY NO. 3, 8,0/6 PCPERTY NO. 3, 8,0/6 PCPERTY P | 7-7/8"  | 5-1/2", N-80 *   | 17#, 20#  | ę  | 9,900'  |  | 1000 sx, TOC @ 5  | 000' **   |
| 24. SIGNED   | cemened to approxi  |  | mmercial, the we  | II will be plugged   | in accordar   | nce with fed   | crainegulations. A bo   |   |
| (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 would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:         Approved by       /S/LARRY D. BRAY         Approved by       TITLE  | cemened to approxin<br>be nippled up prior to<br>* Secondary object<br>** May use more cer<br>Attachments:<br>Surface use and op<br>Statement Accepting<br>BOP and choke sch<br>lease, road, pipeline<br>H2S drilling operatio<br>wellsite and rig layou<br>certified location plat   | o perforating.<br>tives are the Atoka and<br>ment to cover uphole zo<br>perating plans<br>g Responsibility for Ope<br>lematics<br>and topogritor<br>ons plan<br>uts PROP<br>ts PROP<br>ts PROP<br>RIBE PROGRAL A DL MI   | Abo formations.<br>ones if prospective<br>rations<br>. OGRID NO<br>ERTY NO. 2<br>CODE<br>DATE _7-10   | e or set a DV too<br>. <u> 556 </u><br>283/6   | APPRC<br>GENEI<br>SPECI   | Abo.<br>DVAL SUE<br>RAL REQ<br>AL STIPL  | BJECT TO<br>UIREMENTS AN<br>ALATIONS  | D,  |
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RECEIVED

JAN 11 00

BLM Roswerl, MM

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II 611 South First, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

#### State of New Mexico

Energy, Minerals and Natural Resources Department

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

□ AMENDED REPORT

|                    | Number  | 1170                                | 3   | Pool Code<br>WILDCAT MISSISSIPPIAN |           |          |                                |          |  |                                 |  |
|--------------------|---|-------------------------------------|---|------------------------------------|-----------|----------|--------------------------------|----------|--|---------------------------------|--|
| Property (<br>283, | <sup>Code</sup>   |                                     | Property Name Well Number<br>OASIS "15" FEDERAL 1       |                                    |           |          |                                |          |  |                                 |  |
| OGRID No.<br>15561 |   |                                     | NAD   | DEL ANI                            | -         | tor Name | PERMIAN, L.L.                  | C.       |  | Eleva<br>410                    |  |
|                    |   |                                     |   |                                    | Surfac    | e Loca   | ation                          | _        |  |                                 |  |
| UL or lot No.      | Section   | Township                            | Range   | Lot Idn                            | Feet from |          | North/South line               | P        | eet from the   | East/West line                  | County                                   |
| K                  | 15  | 10 S                                | 30 E  |                                    | 133       | 30       | SOUTH                          |          | 1980   | WEST                            | CHAVES                                   |
|                    |   |                                     | Bottom  | Hole Lo                            | cation If | Diffe    | rent From Sur                  | fac      | e  |                                 |  |
| UL or lot No.      | Section   | Township                            | Range   | Lot Idn                            | Feet from | n the    | North/South line               | F        | eet from the   | East/West line                  | County                                   |
| Dedicated Acres    | Joint o   | r Infill Co                         | nsolidation (   | Code O                             | der No.   |          | l                              | <u>i</u> |  |                                 | I  |
| 320                |   |                                     |   |                                    |           |          |                                |          |  |                                 |  |
| NO ALLO            | WABLE W   |                                     |   |                                    |           |          | INTIL ALL INTER<br>APPROVED BY |          |  | EN CONSOLIDA                    | ATED                                     |
|                    |   |                                     |   |                                    |           |          |                                |          | I hereby<br>contained herein<br>best of my know<br>Signature<br><u>Robert Mo</u><br>Printed Name<br><u>Operation</u><br>Title<br><u>I - 10 -</u><br>Date | <u>eNaughton</u><br>ns Engineer | formation<br>ete to the                  |
| -                  | <br> | Lat - N33<br>Lon - W1<br>4104.5<br> | 5°26'32.5"<br>03°52'15.8"<br>- 4102.2<br><br><br>4102.5 |                                    |           |          |                                |          | on this plat wa<br>actual surveys<br>supervison and<br>correct to the<br>Novem<br>Date Surveyer<br>Signature a<br>Professioner<br>Certificate            | ICNES T                         | I notes of<br>under my<br>true and<br>f. |

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

January 10, 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 drill the Oasis "15" Federal No. 1 well. The proposed location at is 1330' FSL, 1980' FWL, Unit Letter K, Sec 15, T-10-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. Lease Responsibility Statement,
- 4. BOP and Choke Diagrams,
- 5. Lease and Topographical Maps,
- 6. Archeological Survey and
- 7. Location Photographs.

Please note that this application covers the drilling only and not the flowline. We are looking at several gas transmission and processing options but we have not chosen one yet.

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

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## 13 Point Land Use Plan

- Existing Roads A highway map (Exhibit #1) shows the location of this well in relation to US 380. The well site is approximately 40 miles east of Roswell and 10 miles west of Caprock. A larger topographical map is (Exhibit #2) shows the location of the well in relationship to the existing county road.
- 2. <u>Planned Access Roads</u> We propose a1200' caliche road which is shown on **Exhibits #3** & **#4**. No cattle guards or gates will be needed since this is unfenced grazing land.
- 3. Location of Existing Wells This is the first well on a new lease. The nearest offset producer is a shut in gas well approximately 2 miles to the north. There are no wells presently being drilled within a two-mile radius.
- 4. Location of Tank Batteries, Production Facilities & Lines -
  - Battery we anticipate gas production from the Atoka and Abo, with minimal produced oil or water. We will build a battery with two 210 Bbl steel tanks, one for oil and one for water. We will also have a Stack-Pack separator on location.
  - Water Disposal all produced fluids will be hauled off lease by road. There are no plans for oil pipelines, LACT units or SWD lines.
  - Gas Pipeline this application covers the drilling location only, not the gas pipeline. We are evaluating a number of transmission options but have not chosen one yet.
  - Electrical we do not anticipate a need for electrical service on the lease at this time.
- 5. Location & Type- of Water Supply Fresh and salt water will be trucked in from Roswell or Tatum by a third-party contractor.
- 6. <u>Source of Construction Material</u> Primary source of caliche will be the reserve pit area of the new drilling location. There are several alternate caliche pits in the area. Pits will be designated after consulting with the BLM specialists and paying the proper mineral royalties.
- 6. <u>Methods of Handling Waste Disposal</u> Enclosed drill site plat (**Exhibit #5**) indicates location of drilling pits, reserve pit & trash trailer. After sufficient time has elapsed to allow drilling fluids to dry, all pits will be closed and leveled. All trash and debris will be removed from the location.
- 7. Ancillary Facilities There are no camps or airstrips planned.
- 8. Well Site Layout The well site (see NMOCD C-102 Form) has been staked and is also indicated on the enclosed maps (Exhibits #2, #3 & #4). The drilling site is a sand dunes area, covered by sparse native vegetation (see color photos). The drilling pad will be covered with 6" caliche with measurements as per attached drawing.

2

#### Cross section – Before and After is shown below:



- 9. Plans for Restoration of Surface Commercial Well:
  - <u>Reshaped Topography</u> Rubbish will be hauled off upon completion of drilling operations. All future rubbish will be removed by the subcontractor generating same.
  - <u>Caliche Pad</u> Caliche drilling pad will remain intact until well is abandoned.
  - <u>Road</u> The road will remain intact as long as there is production on the lease.
  - <u>Timetable</u> This well is expected to produce for several years
  - <u>Plans for Restoration of Surface Plugged and Abandoned Well</u>:
     Surface will be restored in accordance with all regulations in effect at the time of abandonment.

#### 10. Other Information -

- <u>Topography</u> generally rough sand dunes with some grass and dispersed bushes.
- <u>Soil Characteristics</u> unconsolidated sand.
- <u>Flora</u> sparse grass and weeds
- <u>Fauna</u> rabbits, mice, rats, birds and snakes. This are is subject to stipulations for prairie chickens and endangered sand lizards.
- <u>Other Surface Use Activities</u> leased grazing land.
- <u>Surface Ownership</u> US Government
- <u>Water Wells</u> none known within a 1 mile radius of the location
- <u>Lakes, Streams, Ponds</u> None known within two miles of the location. Preferential surface drainage is to the southwest. In the event of a spill, it is unlikely that any produced fluid will reach any navigable waters of the US. However, a firewall will be built around the battery and, if necessary, a separate SPCC plan will be prepared under Federal guidelines: 40 CFR Sections 109, 110, 113 and 114 and Section 311 of the Clean Water Act.
- <u>Dwellings</u> None in the immediate area.

- <u>Archaeological Sites</u> none based on the survey run by Southern New Mexico Archeological Services, Inc. over the proposed location and proposed road.. Cultural Resource Use Permit Holder suggests clearance for this drilling operation.
- Historical Sites none
- Cultural Sites none
- 11. Operator's Representative -

| Gordon Barker                            | -Mobile Phone -                               | (915) 277-0294                                     |
|--|---|--|
| Drilling Engineer                        | Pager   | (915) 498-1210                                     |
| Robert McNaughton<br>Production Engineer | -Office Phone<br>Mobile Phone -<br>Home Phone | (915) 682-4429<br>(915) 277-0363<br>(915) 694-2553 |
| Ernie Little                             | Mobil Phone                                   | (505) 390-9472                                     |
| Foreman                                  | Home Phone                                    | (505) 392-4907                                     |

- 12. Other facets: none
- 13. <u>Certification</u> 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 Curt's Construction Company or their contractors and sub-contractors in conformity with this plan

Robert McNaughton Operations Engineer

# **13 Point Drilling Plan:**

- 1. Location: 1330' FSL & 1980' FWL Sec. 15, T10S, R30E, Chaves County, New Mexico (Form C-102)
- 2. Elevation: 4104' GL, 4122' KB
- 3. Geological Name of Surface Formation: Halocene aeolian sands
- 4. Type of Drilling Tools to be utilized; Rotary Tools
- 5. Proposed Drilling Depth: 9,900'

#### 6. Tops of Important Geological Markers;

| Rustler Anhy | 1,000' | San Andres | 3,000' | Atoka | 9,300' |
|--------------|--------|------------|--------|-------|--------|
| Yates        | 1,600' | Abo        | 6,550' | Miss. | 9,600' |
| TD           | 9,900' |            |        |       |        |

#### 7. Estimated Depth of Anticipated Water, Oil or Gas:

| Oil and Water | - Delaware | 1,000' |
|---------------|------------|--------|
| Gas           | - Abo      | 6,550' |
| Gas           | - Atoka    | 9,300' |

#### 8. Casing Program:

| • | 13 <sup>5</sup> / <sub>8</sub> " | 48#      | H-40         | a        | 500'   | 500 sx, circulated to surface |
|---|----------------------------------|----------|--------------|----------|--------|-------------------------------|
| • | 9 <sup>5/</sup> 8"               | 40#      | K-55 or J 55 | à        | 2500'  | 750 sx, circulated to surface |
| • | $5^{1}/_{2}$ "                   | 17#, 20# | N 80         | <u>a</u> | 9,900' | 1000 sx, TOC @ ~5000' **      |

The surface and intermediate casing strings will be cemented to the surface. \*\*The TOC behind the production casing will be determined after running open hole logs.

## 9. Specifications for Pressure Control Equipment: (see attached diagrams No. 6, No. 7)

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 nippling 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:

Spud and drill with fresh water to a depth of approx. 500'. Drill out from under surface casing with 10# brine water mud to the intermediate casing at 2500'. Drill out cement and drill to 6,500' with fresh water while maintaining a Ph of 10. Drill from 6,500' to TD with cut brine at 9.4 to 9.8 PPG. Use starch for filtrate control and mix pre-hydrated freshwater gel slurry to clean and condition hole prior to running electric logs.

## 11. Testing, Logging & Coring Program:

- a. Testing: We expect to run DSTs in the Atoka and Abo.
- 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.
- d. Depending on the sand quality, a FMI and/or formation tester may be run.
- e. Logs will not be run through the intermediate hole section.

#### 12. Potential Hazards:

None.

#### 13. Anticipated starting date & duration:

Plans are to begin drilling operations about February 15, 2001; approximately 34 days will be required to drill the well and 8 days will be needed for the completion.



PERMIAN, L.L.C.

(505) 393-7316 - Office

(505) 392-3074 - Fax

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focused on excelle

Date: 11\_16\_2000

Scale: 1'' = 2 MILES



OASIS "15" FEDERAL #1 Located at 1330' FSL and 1980' FWL Section 15, Township 10 South, Range 30 East, N.M.P.M., Chaves County, New Mexico.

Scale: 1" = 2000'

Date: 11-16-2000



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: 0622AA - KJG CD#3 Survey Date: 11-14-2000

NADEL AND GUSSMAN PERMIAN, L.L.C.



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| R & Vall   |  |  | a etal   |  |   |  |

# NADEL AND GUSSMAN PERMIAN, L.L.C.

OASIS "15" Federal No. 1

1330' FSL, 1980' FWL, Sec 15, T-10-S, R-30-E

Chaves County, NM



N A C









Oasis 15 Federal #1: Figure # 8

#### UNITED STATES DEPARTMENT OF THE INTERIOR Bureau of Land Management Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201-1287

## Statement Accepting Responsibility for Operations

Operator Name:Nadel and Gussman Permian L.L.C.Address:601 N. Marienfeld Suite 508City, State:Midland, TexasZip Code:79707

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land, or portion thereof, as described below:

Lease Name: Oasis "15" Federal

Lease Number: NM- NM 94087

Legal Description of Land: All of Section 15, T-10-S, R-30-E, NMPM, Chaves County, New Mexico.

Formations: All depths, all formations

Bond Coverage: Statewide

BLM Bond File Number: NM2427

Authorized Signature:

Name: Robert McNaughton Title: Operations Engineer

Date: January 10, 2001

## Oasis 15 Federal #1 - Chaves Co. NM



Location Photos: Above - well stake and surrounding topography. Below - looking north from existing lease road showing typical geography and vegetation.



# SNMAS

SOUTHERN NEW MEXICO ARCHAEOLOGICAL SERVICES, INC. Post Office Box 1 Bent, New Mexico 88314 Office (505) 671-4797 Fax (505) 671-4760

December 21, 2000

Nadel and Gussman Permian, L.L.C. Mr. Gordon Barker 601 N. Marienfeld, Suite 508 Midland, Texas 79701

Dear Mr. Barker;

Enclosed is our cultural resource report for the following Nadel and Gussman Permian L.L.C. proposed project:

A Class III Cultural Resources Inventory The Oasis "15" Federal Number 1 Proposed Well Location and Access Road Section 15, T.10S., R.30E Chaves County, New Mexico

A records check was completed at the Bureau of Land Management, Roswell District, Carlsbad Resources Area Office, and the State of New Mexico Archaeological Records Management Section. The record check of T. 10S., R.30E., Section 15 and within one mile revealed no previously recorded sites. During the current inventory one isolated occurrence was encountered in the project area, recorded and its research potential exhausted in the field.

Archaeological clearance is recommended for the proposed Oasis "15" Federal Number 1 well location and access road, with no stipulations

If you have any questions regarding the report, please do not hesitate to contact me. Thank you.

Sincerely,

Doralene Sanders Office Manager

|  | TITLE PAGE/ABSTRACT<br>NEGATIVE SITE REPORT  |   |
|--|--|---|
|  | ROSWELL DISTRICT   | · · ·   |
| BLM/ RDO 1/95  | Page 1   |   |
| 1. BLM Report No.  | 2. (Accepted)<br>(Rejected)  | 3. NMCRIS No. 72865   |
| 4. Title of Report (Project<br>A Cultural Resource<br>Of the Proposed Oa<br>Well Location and A<br>Section 15, T.10S., R<br>Chaves County, New   | e Inventory<br>sis "15" Federal Number 1<br>Access Road<br>3.30E   | <ul> <li>5. Project Date(s)<br/>December 15, 2000</li> <li>6. Report Date<br/>December 19, 2000,</li> </ul> |
| Address: PO Box 1 Bent, Ne<br>Author's Name: Doralene Sa   | lers<br>o Archaeological Services, Inc.<br>ew Mexico 88314<br>nders                                      | 8. Permit No.<br>145-2920-00-G<br>Consultant Report #   |
| Field Personnel Names: Joe I<br>Phone No. (505) 671-4797<br>10. SPONSOR NAME AND   | D ADDRESS:   | SNMAS-00NM- 457<br>11. FOR BLM USE  |
| Individual Responsible: Gord<br>Name: Nadel and Gussman F<br>Address: 601 Marienfeld, Su<br>Midland, Texas 79701<br>Phone: (915) 682-4429  | Permian, L.L.C.  | 12. ACREAGE:Total No. of acresSurveyed6.42Per SurfaceOwnership:Federal6.42StatePrivate                      |
| <ul> <li>a. State: New Mexico</li> <li>c. BLM District: Roswell</li> <li>d. Nearest City or Town: Ca</li> <li>e. Location: T.10S., R.30E S</li> <li>Well Pad 1'4s: SESWNESW</li> <li>Access Road 1'4s: NWSESW</li> </ul> | Field Office: Roswell<br>prock, New Mexico<br>Sec. 15, Well Pad footages: 1330<br>V, SWSENESW, NENWSESW, | ) ft FSL and 1980 ft FWL<br>, NWNESESW  |

## Page 2

g. Area: Block:

| Impact:    | 200' X 200 ft           |
|------------|-------------------------|
| Surveyed:_ | <u>400 ft X 400 ft</u>  |
| Impact _   | <u>50 ft X 1187 ft</u>  |
| Surveyed:  | <u>100 ft X 1187 ft</u> |

14. a. Records Search:

Location: ARMS HPD. BLM Carlsbad Date: December 13, 2000 Date: December 15, 2000

List by LA # All sites within .25 miles of the project: None

## b. Description of Undertaking:

The Oasis "15" Federal No. 1 well location is staked in Section 15, T.10S., R.30E at 1330 ft FSL and 1980 ft FWL. The impact area for the proposed well location is an area of 200 ft by 200 ft. The proposed access road is 1187 ft long with an impact area of 50 ft by 1187 ft. The proposed access road begins at an existing lease road and trends 1187 ft northeast entering the proposed well location approximately 50 ft north of the southwest corner.

c. Environmental Setting NRCS soil designation: vegetative community: etc.: The area is of prominent dunes 1-2 m tall, deep deflation basins with unconsolidated, aeolian (Halocene Period) sands. The area is covered in yucca, sand sage and various grasses. Elevation is approximately 4103 ft. The location lies about 8 miles west of the Caprock Llano Estacado in an undulating erosional plain with coppice dunes 1 to 4 m high.

## d. Field Methods:

**Transect Intervals**: 8 zigzag transects across staked well pad at 15 m (50 ft) intervals **Crew Size**: one **Time in Field**: 2 hours **Collections**: NONE

15. Cultural Resource Findings: Identification and description: (Location shown on project map)

Isolate one consists of a complete tertiary core reduction flake of beige chert exhibiting a single facet platform, no use-wear, and no cortex. The artifact measures  $3 \times 2 \times 0.6$  cm in size. Located in an area of one to two meter tall dunes, in a deflation basin measuring approximately  $6 \times 9$  m. The immediate area is vegetated with grasses and yucca. Slope is 2 degrees. Found in the NW1/4NW1/4NE1/4SE1/4SW1/4, in Section 15, T.10S., R.30E.

Page 3

16. Management Summary (Recommendations):

During the cultural resource inventory, one isolated occurrence was located and documented, and its research potential was exhausted in the field. Therefore, archaeological clearance is recommended for the Nadel and Gussman Permian L.L.C. proposed Oasis "15" Federal Number 1 well location and access road, with no stipulations

I certify the information provided above is correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist: Signature

Joe Ben Sanders Date: <u>December 19, 2000</u> Principal Investigator

The above completes a negative report. If eligible of potentially eligible properties are involved, then the above will be the title page and abstract for a complete report



Figure 1. Survey Area Nadel and Gussman Permian L.L.C. The Proposed Oasis "15" Federal Number 1 Well Location and Access Road Section 15, T.10S., R.30E USGS Mescalero Point NE 1973 7.5' topo map Chaves County, New Mexico Scale 1:24,000

Southern New Mexico Archaeological Services, Inc.

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ELF CONFIDENTED DES NOT ABOVE DATE DOES NOT ANDICATE WHEN CONFIDENTIAL LOGS CONFIDENTIAL LOGS