

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised March 17, 1999

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Nadel and Gussman Permian 601 N. Marienfeld, Suite 508, Midland, Texas 79701		² OGRID Number 155615
		³ API Number 30 - 025 -35364
³ Property Code 27140	⁵ Property Name E. L. HARROD	⁶ Well No. 1

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
U	5	16-S	35-E		910'	South	660'	West	Lea

⁸ Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
U	5	16-S	35-E		660'	South	660'	West	Lea
⁹ Proposed Pool 1 Townsend (Morrow), 86400					¹⁰ Proposed Pool 2 Townsend (Atoka)				

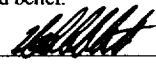
¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4052' GL
¹⁶ Multiple No	¹⁷ Proposed Depth 13,500'	¹⁸ Formation Morrow	¹⁹ Contractor	²⁰ Spud Date ~2/15/00

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
24"	20"	96#	40'	40	Circulated
17-1/2"	13-3/8"	48#, H-40	400'	550	Circulated
12-1/4"	9-5/8"	36#, J-55	4,500'	1650	Circulated
8-3/4"	5-1/2"	17 & 20#, N-80	13,500'	1300	8000'

² 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 Morrow at a projected TD of 13,100'. Secondary objectives are the Atoka and Strawn. A BOP schematic is attached and a 5000 psi tree will be nipped up prior to perforating. A DV tool may be used if zones above the Strawn are prospective. The Morrow will be completed with through-tubing or tubing conveyed guns. Will notify NMOCD in sufficient time to witness cementing the 8-5/8" casing and minimum WOC time will be 12 hours.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 	OIL CONSERVATION DIVISION	
Printed name: Robert T. McNaughton	Approved by: ORIGINAL SIGNED BY CARY WINK	
Title: Operations Engineer	Title: FIELD REP II	
Date: 1-24-01	Approval Date: JAN 30 2001	Expiration Date:
Phone: 915 - 682 - 4429	Conditions of Approval: Attached <input type="checkbox"/>	