

Submit 3 Copies To Appropriate District Office
 District I
 1625 N French Dr, Hobbs, NM 88240
 District II
 1301 W Grand Ave, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd, 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-103
 May 27, 2004

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



WELL API NO.	30-015-31808
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	CEDAR 32 STATE COM
8. Well Number	#1
9. OGRID Number	258462
10. Pool name or Wildcat	CEDAR LAKE MORROW

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator: NADEL AND GUSSMAN HEYCO, LLC

3. Address of Operator: PO BOX 1936 ROSWELL NM 88202-1936

4. Well Location
 Unit Letter H : 1980 feet from the NORTH line and 660 feet from the EAST line
 Section 32 Township 17S Range 31E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3726' GL

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

MAR 27 2008
 OGD-ARTESIA

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL. <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: RECOMPLETION WITHIN SAME RESERVOIR <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

REPERFORATE THE EXISTING MORROW PAY 11680-92' (39)
 FRAC MORROW 11680-92 DOWN TUBING AT 10-15 BPM USING FOAM CARRYING 10,000 LBS 30/60 SINTER LITE.
 IF DECISION IS MADE TO ABANDON CURRENT MORROW PERFS, WILL SET A CEMENT RETAINER AT APPROX 11620', AND SQUEEZE WITH 50 SX. CLASS "H" WITH FLUID LOSS CONTROL FOLLOWED BY 50 SX. CLASS "H" NEAT.
 PERF THE LOWER MORROW 11762-78' (51) AND ACIDIZE WITH 750 GALS. NE FE 7.5% HCL. IF DECISION MADE TO FRAC, L. MORROW 11762-78' WILL BE FRACED DOWN TUBING AT 10-15 BPM USING 60Q C02 FOAM AND APPROX. 10,000 LBS 18/40 VERSAPROP.
 IF DECISION IS MADE TO ABANDON LOWER MORROW, SET CIBP IN 11670'-11675' RANGE AND PERF THE UPPER MORROW 11662-64' (18).
 IF DECISION IS MADE TO ACIDIZE, ACIDIZE WITH 250 GALS. NE FE 7.5% HCL.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Larry D. Lusk TITLE PRODUCTION ANALYST DATE 3/26/08

Type or print name _____ E-mail address: tlusk@heycoenergy.com Telephone No. 505.623.6601

APPROVED BY: Signed By Mike Beaman TITLE Field Supervisor DATE APR 24 2008

Conditions of Approval (if any): _____

Accepted for record NMOCD