

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

NOV -4 2009

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

NMOCD ARTESIA

5. Lease Serial No.

NMLC029388B

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No

1. Type of Well



Oil Well



Gas Well



Other

2. Name of Operator

NADEL AND GUSSMAN HEYCO, LLC

8. Well Name and No

AJ 11 Federal #2

3a. Address

PO BOX 1936 ~ ROSWELL NM 88202-1936

3b. Phone No. (include area code)

505/623/6601

9. API Well No.

30-015--26158

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1650' FSL & 660' FEL, Sec. 11 NESE, T18S, R31E

10. Field and Pool, or Exploratory Area

Tamano, Bone Spring

11. County or Parish, State

Eddy, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BLM Bond No. NMB000520

Surety Bond No. B004230

Objective: Abandon Bonespring and test Grayburg formation

CIBP @ 6800'

Current Perforations: 6418-6426 (27), 6509-6519 (32), 6532-6539 (24)

Propose to set CIBP at 5900' and dump 35' of cmt to abandon Bonespring formation.

Perforate Grayburg formation @ 4334'-4360', 0.39", 1 spf.

Acidize with 15% HCL, and test. If a satisfactory oil show is present, perform fracture treatment with approximately 50,000#'s prop and PWOP for test.

Set composite bridge plug @ 4250'.

Perforate Grayburg formation @ 4170'-4178', 0.39", 2 spf.

Acidize with 15% HCL and test. If a satisfactory oil show is present, perform fracture treatment with approximately 30,000#'s prop and PWOP for test.

After testing is complete, drill out bridge plug @ 4250' and produce both zones together.

Work is expected to commence by December 1, 2009 and be complete by January 31, 2010.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Tamary R. Link

Title Production Tech

Signature

Date

10/14/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

NOV 2 2009

/s/ Dustin Winkler

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any false or fraudulent statements or representations as to any matter within its jurisdiction.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

(Instructions on page 2)

Nadel and Gussman HEYCO, LLC
NMLC-029388-B – AJ 11 Federal #2
API: 30-015-26158
Eddy County, New Mexico

RE: Plug back and Recomplete NOI – Conditions of Approval

There is to be no surface disturbance beyond the existing pad. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site. Possible H2S in the Grayburg formation.

1. Dump bail 35' of cement on top of CIBP at 6800'.
2. Set new CIBP between 50'-100' above the top of the upper most perf (6418'). Dump bail 35' of cement on top.
3. Spot a 160' plug from 5950'-5790'.
4. Perf, acidize, and frac as proposed in sundry.
5. Submit subsequent report and completion report once work is completed. Please include an accurate 'after' diagram of the well with the subsequent report.

If the work extends beyond 21 day after the proposed January 31, 2010 completion date, the BLM office is to be notified and a possible change of COA may be required.

DHW 110209