

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. 30-015-37109
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No VB-0407
7. Lease Name or Unit Agreement Name Loving 2 State
8. Well Number 4
9. OGRID Number 258462
10. Pool name or Wildcat Herradura Bend; Delaware, East
11. Elevation (Show whether DR, RKB, RT, GR, etc) 3035' GR

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	RECEIVED AUG 19 2010 NMOCD ARTESIA
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 F 1850 feet from the North line and 2310 feet from the West line Section 2 Township 23S Range 28E NMPM County Eddy	
11. Elevation (Show whether DR, RKB, RT, GR, etc) 3035' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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 _____	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input 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 <input type="checkbox"/>		OTHER: Completion Sundry <input checked="" 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

6-16-2010-MIRU wireline Run CBL TOC @ Surface, PBTD @ 6398' Perforate 6364-6380, 0 40", 34 holes-Bone Spring
6-17-10-Acidize 6364-6380 w/ 1000 gal 15% NEFE + 68 BS
6-28-10-Frac 6364-6380 w/ 37,996 gal 30# x-link + 74,687#'s prop
7-2-10-Place well on pump testing production from 6364-6380
8-4-10-Set CIBP @ 6310 Perforate 6201-6254, 0 4", 26 holes-Delaware
8-5-10-Acidize 6201-6254 w/ 1500 gal 15% NEFE + 52 BS
8-14-10-Frac 6201-6254 w/68,634 gal 25# x-link + 135,307#'s prop
8-17-10-Place well on pump testing production from 6201'-6254' -Delaware

Anticipate testing Delaware zone for 2 months Will then MIRU PU, DO BP, and co-produce Bonespring and Delaware Initial production for Delaware zone only to follow in subsequent report Will file application for down hole comingle production once production rate is determined for Delaware Zone

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 Darryl R. Link TITLE PRODUCTION ANALYST DATE 8/17/10

Type or print name _____ E-mail address: tlink@heycoenergy.com Telephone No 575 623 6601
For State Use Only

APPROVED BY: David Gray TITLE Compliance Officer DATE 8-19-10
Conditions of Approval (if any):

sundry to include +bg. detail - wt, grade # of joints.