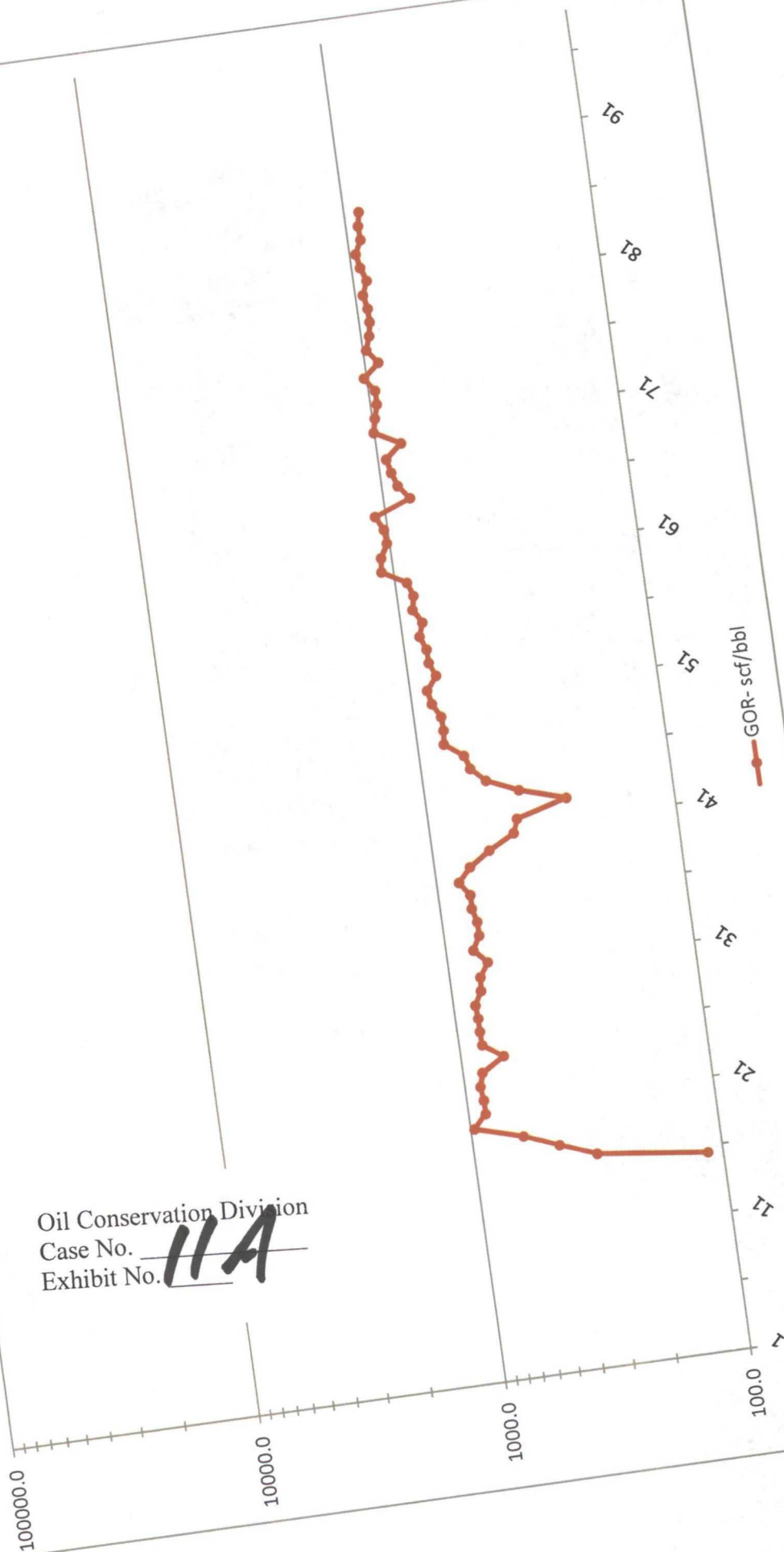


Nadel & Gussman HEYCO, LLC Taylor 12 Federal 10
GOR- scf/bbl-5 Day Average

Oil Conservation Division
Case No. 11A
Exhibit No. 11A



District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-109
Revised August 1, 2011

Instructions on
Reverse Side

APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 19.15.20.16 NMAC.

If discovery is claimed for more than one zone, separate forms must be filed for each.

Operator		Address	
Lease Name		Well No.	County
Well Location			
Unit Letter _____: _____ Feet from The _____ Line and _____ Feet			
From the _____		Line of Section _____	Township _____ Range _____ NMPM _____
Suggested Pool Names (<i>List in order of Preference</i>)			
1. _____		2. _____ 3. _____	
Name of Producing Formation	Perforations	Depth of Top Perf from GL	Date of Filing Form C-104
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool?	If yes, Give Date of Filing	Date Well was Spudded	Date Compl. Ready to Prod.
Total Depth	Plugged Back Depth	Depth Casing Shoe	Tubing Depth
Elevation (<i>Gr., DF, RKB, RT, etc.</i>)			
Oil Well Potential (<i>Test to be taken only after all load oil has been recovered</i>)			
_____ Bbls, Oil Per Day Based On _____ Bbls In _____ Hours; _____ Bbls Water Per Day Based on _____ Bbls			
In _____	Hours; Gas Production During Test:	MCF; Gas-Oil Ratio	Method Of Producing Choke Size

NEAREST PRODUCTION TO THIS DISCOVERY (*Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation*):

Pool Name	Name of Producing Formation	Top of Pay	Bottom of Pay	Currently Producing?
Horizontal Distance and Direction from Subject Discovery Well to the Nearest well in this Pool		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool		

NEAREST COMPARABLE PRODUCTION (*Includes past and present oil or gas production for this pay or formation only*):

Pool Name	Top of Pay	Bottom of Pay	Currently Producing
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well?	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County
--	--

Is the Subject Well Multiple-Completion?	Is Discovery Allowable Requested for Other Zone(s)?	If Yes, Name all Such Formations
--	---	----------------------------------

(Continue on reverse side)

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Division of such intent in writing within ten days after receiving a copy of this application.

Remarks:

OPERATOR CERTIFICATION

I hereby certify the all rules and regulations of the New Mexico Oil Conservation Division have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well, I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

Signature

Title

Date

Printed Name

Telephone No.

E-mail Address

INSTRUCTIONS: File one copy of Form C-109 with attachments with appropriate district office and one copy with attachments with the Santa Fe Office.

Attachments: (See Rule 19.15.20.16 NMAC for details)

- 1) Map showing all wells within a two-mile radius of discovery well.
- 2) Electrical log with tops and bottoms of producing formations marked.
- 3) A sub-surface structure map if application is based on horizontal separation.
- 4) Geological cross-section.
- 5) Summary of reservoir data.
- 6) Evidence that all operators (listed above) owning leases within one mile of this well have been furnished a copy of this application.