

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well Oil Well Gas Well Dry Other

b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resvr. .
Other _____

2. Name of Operator **Nadel and Gussman HEYCO, LLC**

3. Address **P.O. Box 1936, Roswell, NM 88202-1936** 3a. Phone No. (include area code) **575-623-6601**

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface **400' FNL & 380' FEL, Unit A**
At top prod. interval reported below
At total depth

5. Lease Serial No. **NMNM-106718**

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No. **Taylor 12 Federal #10**

9. AFI Well No. **30-015-39468**

10. Field and Pool, or Exploratory **Delaware; Young North**

11. Sec., T., R., M., on Block and Survey or Area **12, T18S, R31E**

12. County or Parish **Eddy** 13. State **NM**

14. Date Spudded **10/18/2011** 15. Date T.D. Reached **10/28/2011** 16. Date Completed **11/15/2011**
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)* **'GL 3796'**

18. Total Depth: MD **5500'** 19. Plug Back T.D.: MD **5407'** 20. Depth Bridge Plug Set: MD
TVD TVD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit report)
Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sks. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|------------------------------|-------------------|-------------|---------------|
| 11" | 8 5/8" | 32# | 0 | 1010' | | 350 sx "C" | | Surface | 0 |
| 7 7/8" | 5 1/2" | 17# | 0 | 5500' | | 1,000 sx "C" | | TOC@1254' | 0 |

24. Tubing Record

| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|--------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|
| 2 7/8" | 5032 | TA @ 4977 | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|-------------|-----|--------|---------------------|------|-----------|--------------|
| A) Delaware | | | 5060-5146' | .39 | 45 | open |
| B) | | | | | | |
| C) | | | | | | |
| D) | | | | | | |

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

| Depth Interval | Amount and Type of Material |
|----------------|--|
| 5060-5146 | 2000 gals 15% NEFE, 106,260 gals 25# X-Link +248,435 #'s 20/40 |

28. Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| 11/18/2011 | 11/30/2011 | 24 | → | 31 | 45 | 172 | 39 | | Pumping |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | Prod |
| n/a | SI | | → | 31 | 45 | 172 | 39 | | |

28a. Production - Interval B

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | SI | | → | | | | | | |

*(See instructions and spaces for additional data on page 2)

Oil Conservation Division
Case No. 3
Exhibit No. 3

28b. Production - Interval C

| | | | | | | | | | |
|---------------------|----------------------|--------------|----------------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
| Choke Size | Thg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate → | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |

28c. Production - Interval D

| | | | | | | | | | |
|---------------------|----------------------|--------------|----------------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
| Choke Size | Thg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate → | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

| Formation | Top | Bottom | Descriptions, Contents, etc. | Name | Top |
|---------------------------|------|--------|---|--------------|-------------|
| | | | | | Meas. Depth |
| Delaware Brushy Canyon | 5060 | 5166 | Light Brown-Light grey Ss fine grained oil & gas | Rustler | 955 |
| | | | | Base Salt | 2200 |
| | | | | Yates | 2440 |
| | | | | Seven Rivers | 2830 |
| | | | | Queen | 3540 |
| | | | | Grayburg | 4055 |
| | | | | San Andres | 4485 |
| Delaware | 4840 | | | | |
| Brushy Canyon | 4985 | | | | |

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)
 Geologic Report
 DST Report
 Directional Survey
 Sundry Notice for plugging and cement verification
 Core Analysis
 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Tammy R. Link Title Production Analyst

Signature _____ Date 12/05/2011

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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.