

ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED
 NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 2009 JUN 15 PM 2:28
 2220 St. Francis Drive, Santa Fe, NM 87505



30-025
 S. Taylor 13 Fed #5
 Madel and
 Gussman Heyco

ADMINISTRATIVE APPLICATION CHECKLIST

6046

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

C. lby Booth
 Print or Type Name

[Signature]
 Signature

LANDMAN
 Title

6/12/09
 Date

C.booth@heycoenergy.com
 e-mail Address

NADEL AND GUSSMAN HEYCO, LLC

500 North Main Street, Suite 1
Roswell, New Mexico 88201
Phone: (575) 623-6601
Fax: (575) 627-2427

June 12, 2009

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Attn: David Brooks

Re: Non-Standard Location Application
South Taylor 13 Federal No. 5 Well
Section 13, T-18-S, R-31-E
1697 FSL & 1600 FEL
Shugart Yates Seven Rivers Queen Grayburg Pool
Lea County, New Mexico

Dear Mr. Brooks:

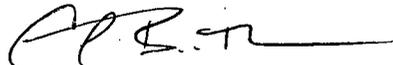
Per our recent telephone conversation, Nadel and Gussman HEYCO, L.L.C. (NGH) respectfully requests an exception for Non-Standard Location. The proposed location for South Taylor 13 Federal No. 5 Well is 1697 FSL & 1600 FEL, Section 13, T-18-S, R-31-E, Unit J. The well is set to be completed in the Shugart Yates Seven Rivers Queen Grayburg Pool. Special pool rules do not apply to this pool. According to OCD guidelines, the proposed location is unorthodox by approximately 50', being 280' from the east quarter-quarter line of the NW/4 SE/4.

NGH originally proposed a legal location in the NW/4 SE/4. However, due to a multiple line pipeline right-of-way NGH decided to move the location, resulting in the Non-Standard Location. In this area directional drilling is neither economic nor practical.

Please find enclosed a land plat reflecting the offset acreage. The acreage being encroached on (by 50') is the NE/4 SE/4 of Section 13. NGH owns and operates the offset acreage and all interests are the same. In addition, please find enclosed, a copy of the C-102 submitted for this well.

Once again we respectfully request the approval of a Non-Standard Location. Thank you for your assistance in this matter and if additional information is needed, please contact me at 575-623-6601.

Sincerely,



Colby Booth
Landman

CB/vr
enclosures

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
11885 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-37092	Pool Code	Pool Name
Property Code	Property Name SOUTH TAYLOR 13 FEDERAL	Well Number 5
OGRID No.	Operator Name NADEL AND GUSSMAN HEYCO, LLC	Elevation 3733'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	13	18-S	31-E		1697	SOUTH	1600	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION

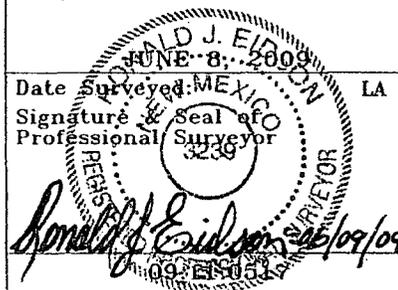
I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Surveyed: **JUNE 8, 2009** LA
 Signature & Seal of Professional Surveyor

 Signature: *Ronald J. Eidson* 06/09/09

Certificate No. Gary G. Eidson 12641
 Ronald J. Eidson 3239

GEODETIC COORDINATES
NAD 27 NME

Y=635082.2 N
X=658105.5 E

LAT.=32.744880° N
LONG.=103.819109° W

