

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
 June 19, 2008

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

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|---|
| WELL API NO. 30-015-38569 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Cannonball |
| 8. Well Number #1H |
| 9. OGRID Number 258462 |
| 10. Pool name or Wildcat Atoka Glorieta-Yeso |

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 Gas Well Other

2. Name of Operator
Nadel and Gussman HEYCO, LLC

3. Address of Operator
P.O. Box 1936, Roswell, NM 88202

4. Well Location
 Unit H: 2310' feet from the North line and 330' feet from the East line
 Unit E: 2282' feet from the North line and 341' feet from the West line
 Section 20 Township 18S Range 26E NMPM EDDY County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3411' GR

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

| | | | |
|--|--|--|--|
| NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> | | SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: Production Sundry <input checked="" type="checkbox"/> | |

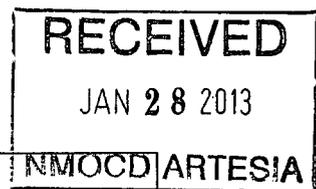
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

11/12/2012 to 11/18/2012 – Drill 6-1/4" hole to TD of 6,933' MD (2,510' TVD). Pump Hi-Vis sweep. LD directional BHA and run 4-1/2" 13.5 #/ft Packers Plus liner to TD with liner top @ 2,330' MD. Drop ball and set packers. Rig release at midnight.

11/19/2012 to 12/17/2012 – Well SI waiting on completion operations.

12/18/2012 – Run CBL/GR/CCI from 2,330' to surface. Found TOC @ surface. Open first port at 6,810' with 4,209 psi. Establish injection and shut down.

12/19/2012 – Prepare location for stimulation operations.



Spud Date: 11/4/2012

Rig Release Date: 11/19/2012

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Larry R. Link TITLE Production Analyst DATE 1/24/2013

Type or print name: Tammy R. Link E-mail address: tlink@heycoenergy.com PHONE: 575-623-6601

For State Use Only
 APPROVED BY: [Signature] TITLE Dist # Supervisor DATE 1/31/2013

Conditions of Approval (if any):