

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. 30-015-23001
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 LOCO HILLS WELCH
8. Well Number 2
9. OGRID Number 258462
10. Pool name or Wildcat Empire Morrow South (Gas)

**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 & GUSSMAN HEYCO, LLC

3. Address of Operator  
PO BOX 1936  
ROSWELL NM 88202-1936 575/623-6601

4. Well Location  
 Unit Letter N : 660 feet from the SOUTH line and 1980 feet from the WEST line  
 Section 4 Township 18S Range 29E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3521.2' GR

Pit or Below-grade Tank Application  or Closure

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
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: Recomplete <input checked="" type="checkbox"/>		OTHER: <input 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.

- RIH with bit and drill out plugs @ 3,530' & 6,000'.
- RIH & set CIBP @ 7,400'.
- Dump bail 35' of Class H cement on top of CIBP.
- Pressure test plug and casing to 2,500 psi.
- Run GR/CCL/CBL from 7,300' to 300'.
- Perforate the C Bench of 2nd Bone Spring interval from 7,243' to 7,295' select fire @ 2 SPF (18 total holes).
- Spot and break down perforations with 15% NEFE HCL.
- Swab test for oil cut and inflow.
- Stimulate interval with hydraulic fracture stimulation down 3 1/2" tubing and under packer if swab tests indicate a productive interval.
- Place well on pumping production.

**NM OIL CONSERVATION**  
 ARTESIA DISTRICT  
 SEP 25 2014  
 RECEIVED

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 Larry R. Zitt TITLE PRODUCTION ANALYST DATE 9/16/14

Type or print name AP Wade E-mail address: tlink@heycoenergy.com Telephone No. 575.623.6601

APPROVED BY: AP Wade TITLE District Supervisor DATE 9/25/2014

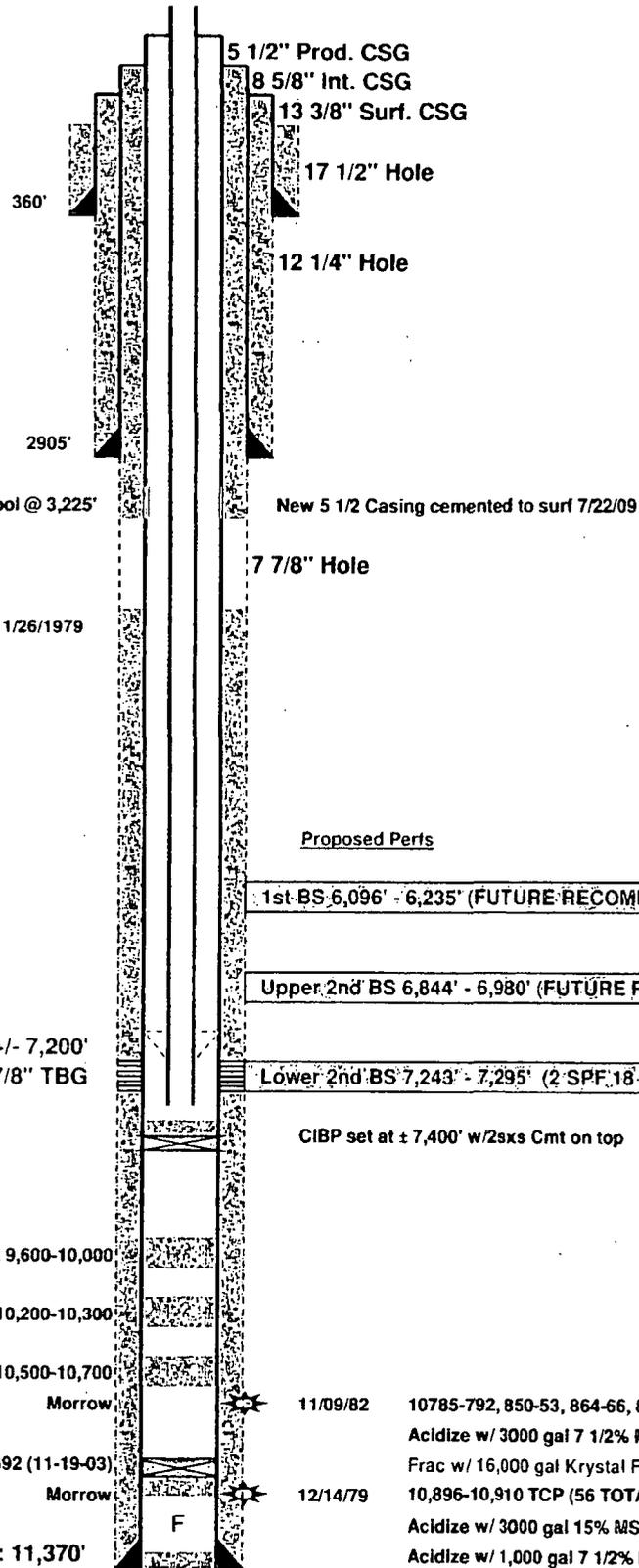
Conditions of Approval (if any):

**Loco Hills Welch #2**  
 #529900-002  
 Empire Morrow South Field  
 API #30-015-23001  
 N-004-18S-29E Eddy County  
 660' FSL & 1980' FWL  
 GL: 3,521' KB-15.0'  
 Nadel & Gussman HEYCO LLC

Wellbore Status as of : 08/21/2013

Spud: 10/18/1979  
 TD: 11/23/1979 11,425'  
 Completed: 12/13/1979  
 PBTD: 11/19/2003 10,892'

Proposed (Production)



<b>Surface Casing:</b>		
Bit size - 17 1/2"		
360' - 13 3/8" 54.5# STC		
Cmtd w/ 350 CL C + 20yds RM		
TOC-SURF		
<b>Intermediate Casing:</b>		
Bit size - 12 1/4"		
2,905' - 8 5/8" 24# & 28# STC		
Cmtd w/ L-900 sx + T-200 sx		
+ 4.5 yds Redi Mix		
TOC-SURF		
<b>Production Casing:</b>		
Bit size - 7 7/8"		
11,425' - 5 1/2"		
Weight	Grad/Conn	Set @
17#	J-55/LTC	3,250
17#	N-80/LTC	3,853
17#	J-55/STC	8,307
17#	N-80/LTC	11,425
<b>Production Cement</b>		
L-600 sx H Lite		
T-400 sx H		
Marker jt @ 9,750, 9,951, 10,148		
TOC-5,930 by CTS on 11/26/79		

prepared by Rakesh P.  
 updated by LMO

**DRAWING NOT TO SCALE**

Tbg/Rod configuration as of 7/22/09  
 None

5 1/2 Casing Patch + DV Tool @ 3,225'

New 5 1/2 Casing cemented to surf 7/22/09

TOC @ 5930' by Temp Survey 11/26/1979

7 7/8" Hole

Proposed Perfs

1st BS 6,096' - 6,235' (FUTURE RECOMPLETION)

Upper 2nd BS 6,844' - 6,980' (FUTURE RECOMPLETION)

Lower 2nd BS 7,243' - 7,295' (2 SPF, 18 shots Total)

TAC set @ +/- 7,200'  
 +/- 7,300', 2 7/8" TBG

CIBP set at ± 7,400' w/2sxs Cmt on top

7/11/09 CMT plug set 9,600-10,000'

7/11/09 CMT plug set 10,200-10,300'

7/11/09 CMT plug set 10,500-10,700'

Morrow

Cmt Retainer @ 10,892 (11-19-03)

Morrow

11/09/82 10785-792, 850-53, 864-66, 876-79 (30 TOTAL)

Acidize w/ 3000 gal 7 1/2% MMR + 500 scf/bbl N2 + 60 BS

Frac w/ 16,000 gal Krystal Frac + 26,500#'s prop + 65 tons CO2

12/14/79 10,896-10,910 TCP (56 TOTAL) SQZ'D 11/06/82

Acidize w/ 3000 gal 15% MSR-100 + 1000 scf/bbls N2 + 88 BS

Acidize w/ 1,000 gal 7 1/2% NEFE + 1000 scf/bbl N2

Fish 14' 2 3/8" sub + TCP Gun @ 11337

PBTD: 11,370'  
 TD 11,425'

**Loco Hills Welch #2**  
 #529900-002  
 Empire Morrow South Field  
 API.#30-015-23001  
 N-004-18S-29E Eddy County  
 660' FSL & 1980' FWL  
 GL: 3,521' KB-15.0'  
 Nadel & Gussman HEYCO LLC

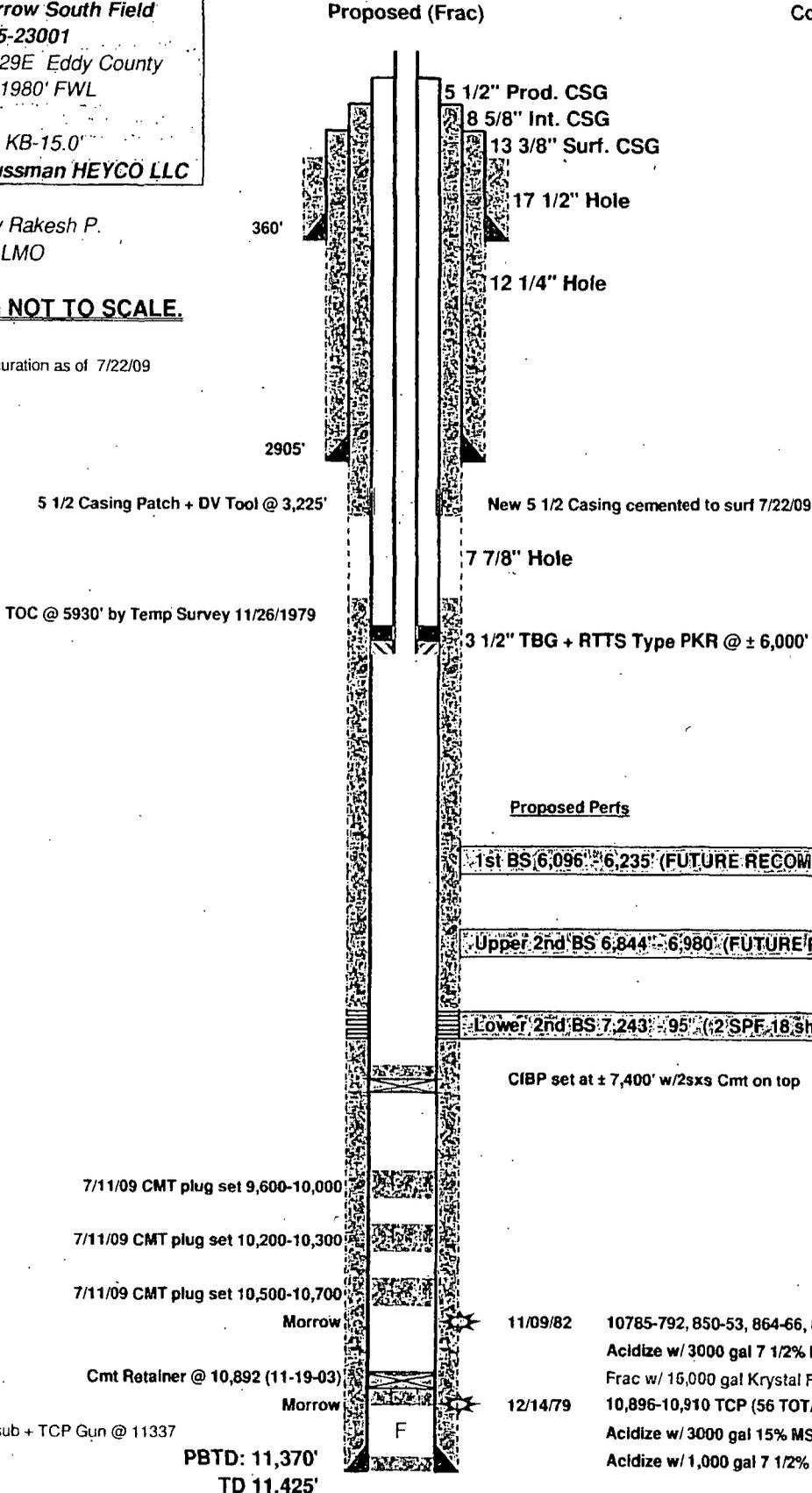
Wellbore Status as of : 08/21/2013

Spud: 10/18/1979  
 TD: 11/23/1979 11,425'  
 Completed: 12/13/1979  
 PBTD: 11/19/2003 10,892'

prepared by Rakesh P.  
 updated by LMO

**DRAWING NOT TO SCALE.**

Tbg/Rod configuration as of 7/22/09  
 None



<b>Surface Casing:</b>		
Bit size: 17 1/2"		
360' - 13 3/8" - 54 5# STC		
Cmtd w/ 350 CL C + 20yds RM		
TOC SURF		
<b>Intermediate Casing:</b>		
Bit size: 12 1/4"		
2,905' - 8 5/8" - 24# & 28# STC		
Cmtd w/ L-900 sx + T-200 sx		
+ 4.5 yds Red. Mix		
TOC SURF		
<b>Production Casing:</b>		
Bit size: 7 7/8"		
11,425' - 5 1/2"		
Weight	Grad/Conn	Set @
17#	J-55/LTC	3,250
17#	N-80/LTC	3,853
17#	J-55/STC	8,307
17#	N-80/LTC	11,425
<b>Production Cement:</b>		
L-600 sx H-Lite		
T-400 sx H		
Marker jt @ 9,750, 9,951, 10,148		
TOC-5,930 by CTS on 11/26/79		

Fish 14' 2 3/8" sub + TCP Gun @ 11337

PBTD: 11,370'  
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**Loco Hills Welch #2**  
**#529900-002**  
**Empire Morrow South Field**  
 API #30-015-23001  
 N-004-18S-29E Eddy County  
 660' FSL & 1980' FWL  
  
 GL: 3,521' KB-15.0'  
**Nadel & Gussman HEYCO LLC**

Wellbore Status as of : 06/28/13

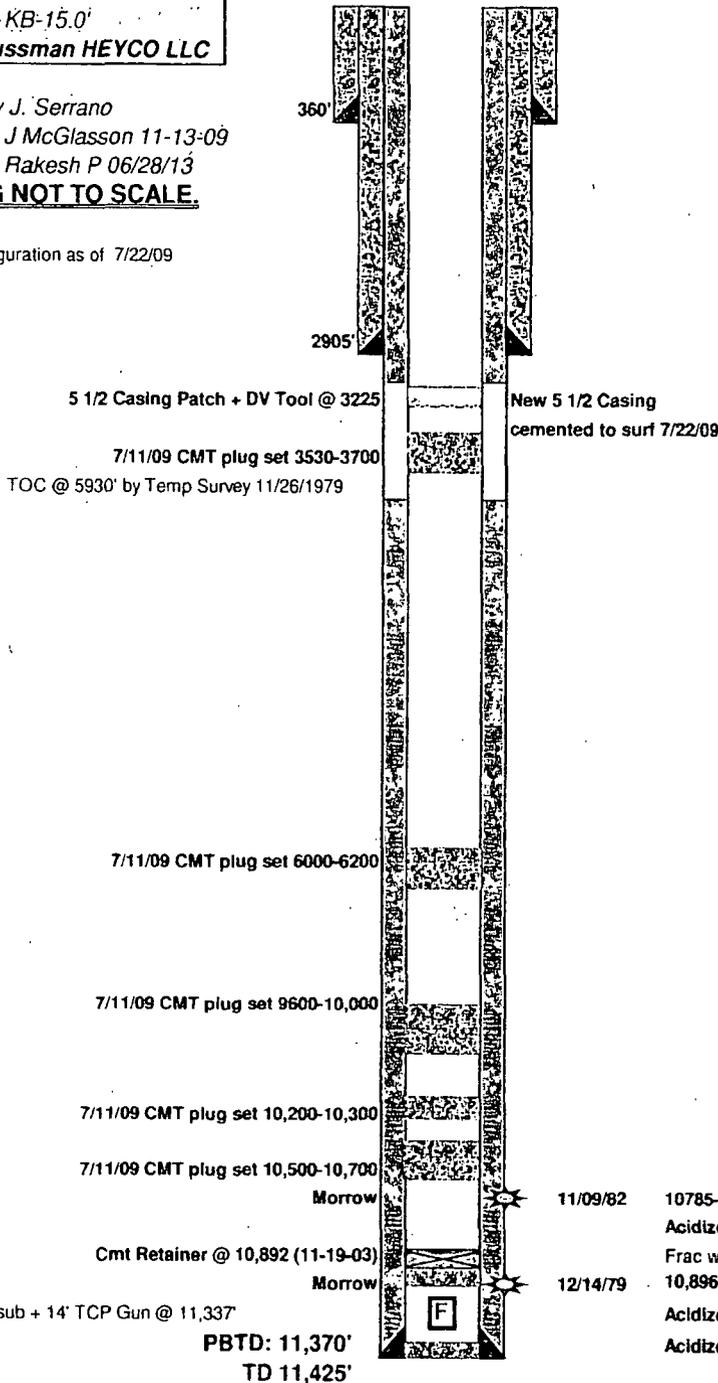
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 Completed: 12/13/1979  
 PBD: 11/19/2003 10,892'

Current

prepared by J. Serrano  
 Updated by J McGlasson 11-13-09  
 Updated by Rakesh P 06/28/13  
**DRAWING NOT TO SCALE.**

Tbg/Rod configuration as of 7/22/09  
 None

Surface Casing		
Bit size - 17 1/2"		
360' 13 3/8" 54.5# STC		
Cmid w/ 350 CL C 20yds RM		
TOC SURF		
Intermediate Casing		
Bit size - 12 1/4"		
2905' 8 5/8" 24# & 28# STC		
Cmid w/ L-900' sx T-200' sx		
4.5 yds Redi Mix		
TOC SURF		
Production Casing		
Bit size - 7 7/8"		
11,425' 5 1/2"		
Weight	Grad/Conn	Set @
17#	J-55/LTC	3250'
17#	N-80/LTC	3853'
17#	J-55/STC	8307'
17#	N-80/LTC	11,425'
Production Cement		
L-600' sx H Lite		
T-400' sx H		
Marker Jt @ 9750, 9951, 10148		
TOC-5930 by CTS on 11/26/79		



Fish 14' 2 3/8" sub + 14' TCP Gun @ 11,337'

**PBD: 11,370'**  
**TD 11,425'**

11/09/82 10785-792, 850-53, 864-66, 876-79 (30 TOTAL)  
 Acidize w/ 3000 gal 7 1/2% MMR + 500 scf/bbl N2 + 60 BS  
 Frac w/ 16,000 gal Krystal Frac + 26,500#s prop + 65 tons CO2  
 10,896-10,910 TCP (56 TOTAL) SQZ'D 11/06/82  
 12/14/79 Acidize w/ 3000 gal 15% MSR-100 + 1000 scf/bbls N2 + 88 BS  
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**NM OIL CONSERVATION**  
State of New Mexico ARTESIA DISTRICT  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

RECEIVED  
September 25 2014

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-23001	<sup>2</sup> Pool Code 76400	<sup>3</sup> Pool Name Empire; Morrow, South (Gas)
<sup>4</sup> Property Code 305040	<sup>5</sup> Property Name Loco Hills Welch	
<sup>7</sup> OGRID No. 258462	<sup>8</sup> Operator Name NADEL AND GUSSMAN HEYCO, LLC	<sup>6</sup> Well Number 2
<sup>9</sup> Elevation 3521.2'		

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	4	18S	29E		660'	South	1980'	West	Eddy

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p style="text-align: right;"><i>Tammy R. Link</i> Signature <span style="float: right;">Date 9/16/2014</span></p> <p>Printed Name: Tammy R. Link</p>
	<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p>
 Loco Hills Welch #2	<p>Certificate Number</p>