

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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

Form C-101
June 16, 2008

JUN - 2 2009 *RN*

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

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Nadel and Gussman HEYCO, LLC P.O. Box 1936 Roswell N.M. 88202		² OGRID Number 258462
³ Property Code 12960 305042	⁴ Property Name Loving 2 State	⁵ API Number 30 - 015 - 37110
⁹ Proposed Pool 1 Lower Brushy <306707>		¹⁰ Proposed Pool 2 Bone Spring <150117>

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	2	23S	28E		900'	NORTH	1980'	WEST	EDDY

⁸ Proposed 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
C	2	23S	28E		900'	NORTH	1980'	WEST	EDDY

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3052'
¹⁶ Multiple Y	¹⁷ Proposed Depth 8000	¹⁸ Formation Bone Spring	¹⁹ Contractor	²⁰ Spud Date 8/19/2009

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36#	400'	200 sx	Surface
7 7/8"	5 1/2"	15 5#	8000'	1050 sx	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Mud Program:

0' to 400': 8.4 to 9.0 ppg, 80 - 55 visc w/ Fresh water spud mud
400' to 8000': 9.4 to 10.2 ppg, 28-30 visc, w/ brine / cut brine water / Sweeps

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:



Printed name:

Keith Cannon

Title:

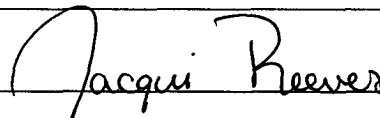
Drilling Superintendent

E-mail Address:

kcannon@heycoenergy.com

OIL CONSERVATION DIVISION

Approved by:



Title:

Geologist

Approval Date:

6/3/2009

Expiration Date:

6/3/2011

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
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
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-37110	Pool Code 30670	Pool Name Herradura Bend; Delaware, East
Property Code 12960 30 50 42	Property Name LOVING "2" STATE	Well Number 3
OGRID No. 258462	Operator Name NADEL AND GUSSMAN HEYCO, LLC.	Elevation 3058'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	2	23-S	28-E		900	NORTH	1980	WEST	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
C	2	23-S	28-E		900	North	1980	West	Eddy
Dedicated Acres 40	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

LOT 4 VB-0407 39.61 AC	LOT 3 39.56 AC	LOT 2 39.51 AC	LOT 1 39.46 AC
<p>GEODETIC COORDINATES NAD 27 NME Y=487291.5 N X=584522.6 E LAT.=32.339383° N LONG.=104.059663° W</p>			
<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Keith Cannon</i> 5/20/09 Signature Date Keith Cannon Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>May 12 2009 Date Surveyed Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 5/18/09 09110445 Certificate No. GARY EIDSON 12841 RONALD J. EIDSON 3239</p>			

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

1220 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

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-37110	Pool Code 15011	Pool Name Culebra Bluff Bone Spring, South
Property Code 12960 30 50 42	Property Name LOVING "2" STATE	Well Number 3
OGRID No. 258462	Operator Name NADEL AND GUSSMAN HEYCO, LLC.	Elevation 3058'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Bottom Hole Location If Different From Surface

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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

LOT 4 VB-0407 39.61 AC	LOT 3 900' 39.56 AC	LOT 2 39.51 AC	LOT 1 39.46 AC
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=487291.5 N X=584522.6 E</p> <p>LAT.=32.339383° N LONG.=104.059663° W</p>			

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.

Keith Cannon 5/20/09
Signature Date

Keith Cannon
Printed Name

SURVEYOR CERTIFICATION

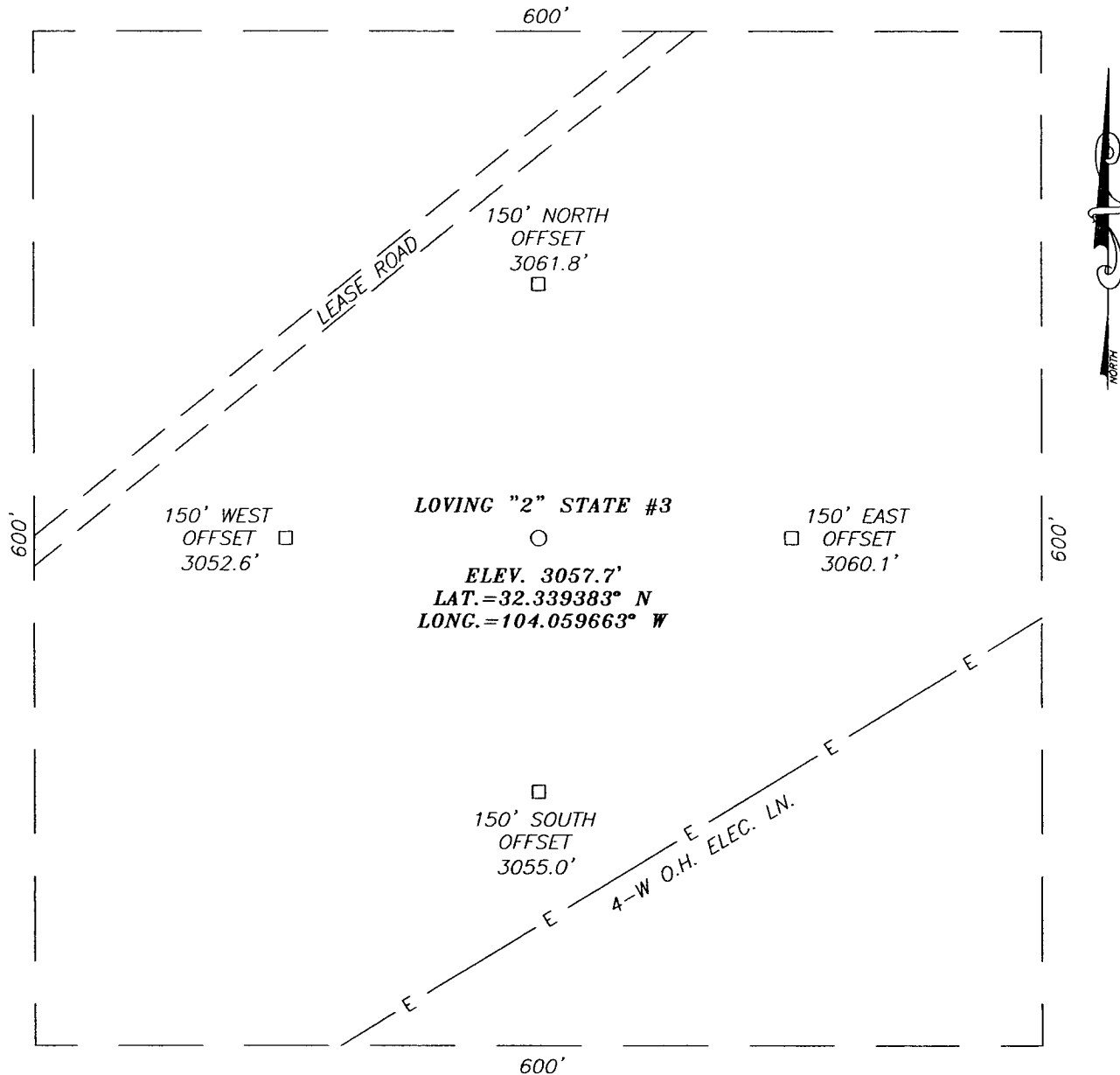
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

RONALD J. EIDSON
Date Surveyed 5/18/09 AR

Signature & Seal of Professional Surveyor
Ronald J. Eidson

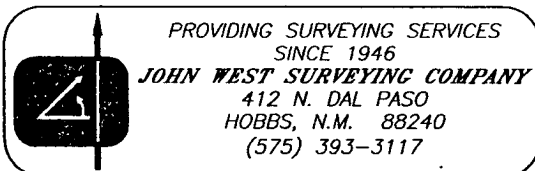
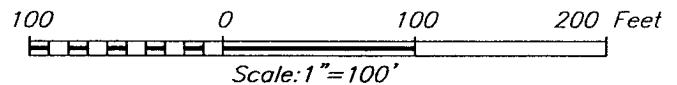
Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

SECTION 2, TOWNSHIP 23 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. RD. #31 (POTASH MINES) AND U.S. REFINERY (CO. RD. #605), GO NORTH NORTHWEST ON U.S. REFINERY ROAD APPROX. 2.5 MILES. TURN LEFT AND GO SOUTHWEST ON LEASE ROAD APPROX. 0.1 MILE. THIS LOCATION IS SOUTH OF ROAD APPROX. 180 FEET.

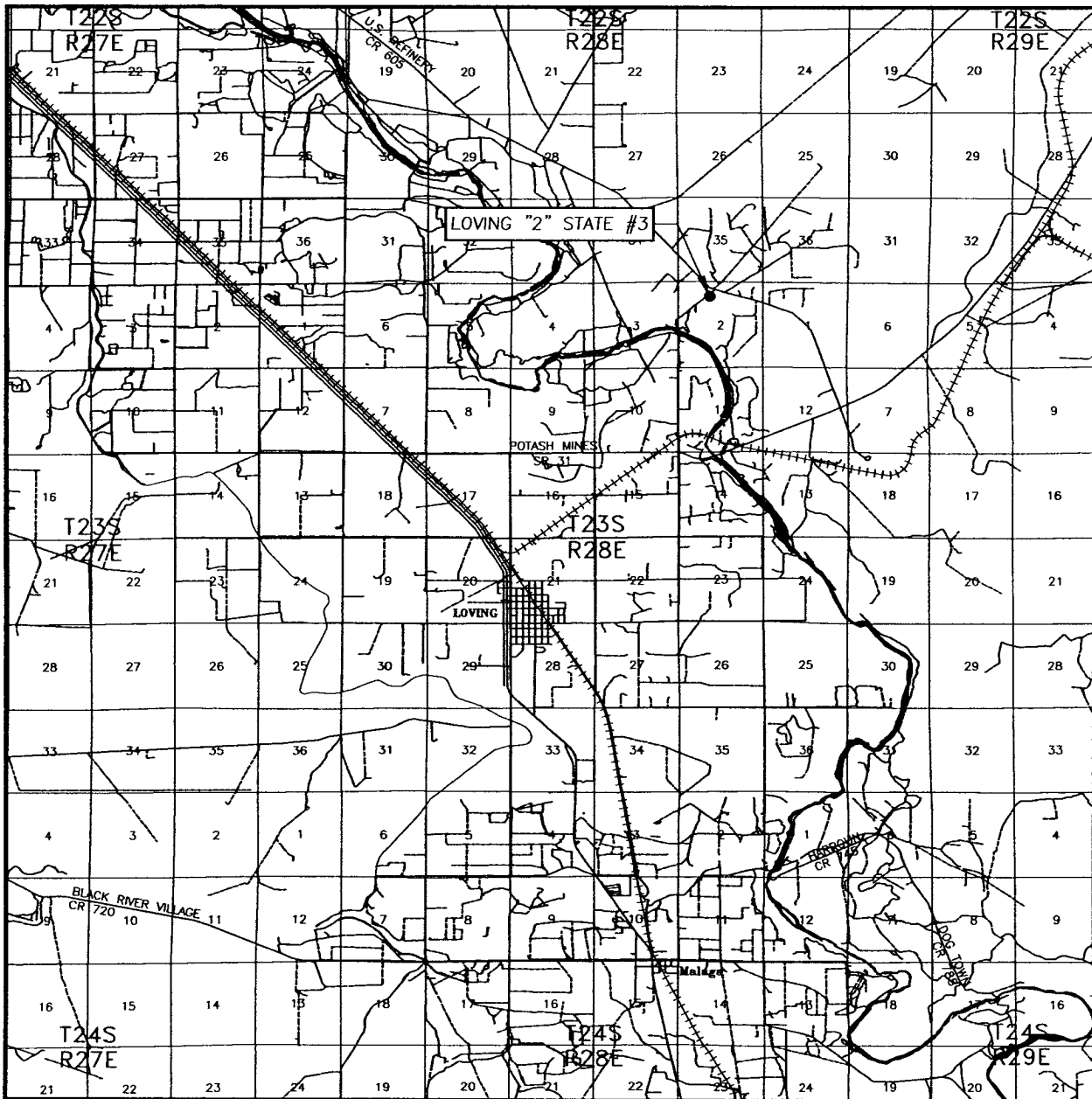


NADEL AND GUSSMAN HEYCO, LLC.

LOVING "2" STATE #3 WELL
 LOCATED 900 FEET FROM THE NORTH LINE
 AND 1980 FEET FROM THE WEST LINE OF SECTION 2,
 TOWNSHIP 23 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 5/12/09	Sheet 1 of 1 Sheets
W.O. Number: 09.11.0445	Dr By: AR
Date: 5/15/09	09110445
	Scale: 1"=100'

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 2 TWP. 23-S RGE. 28-E

SURVEY N.M.P.M.

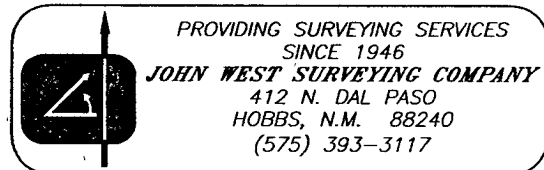
COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 900' FNL & 1980' FWL

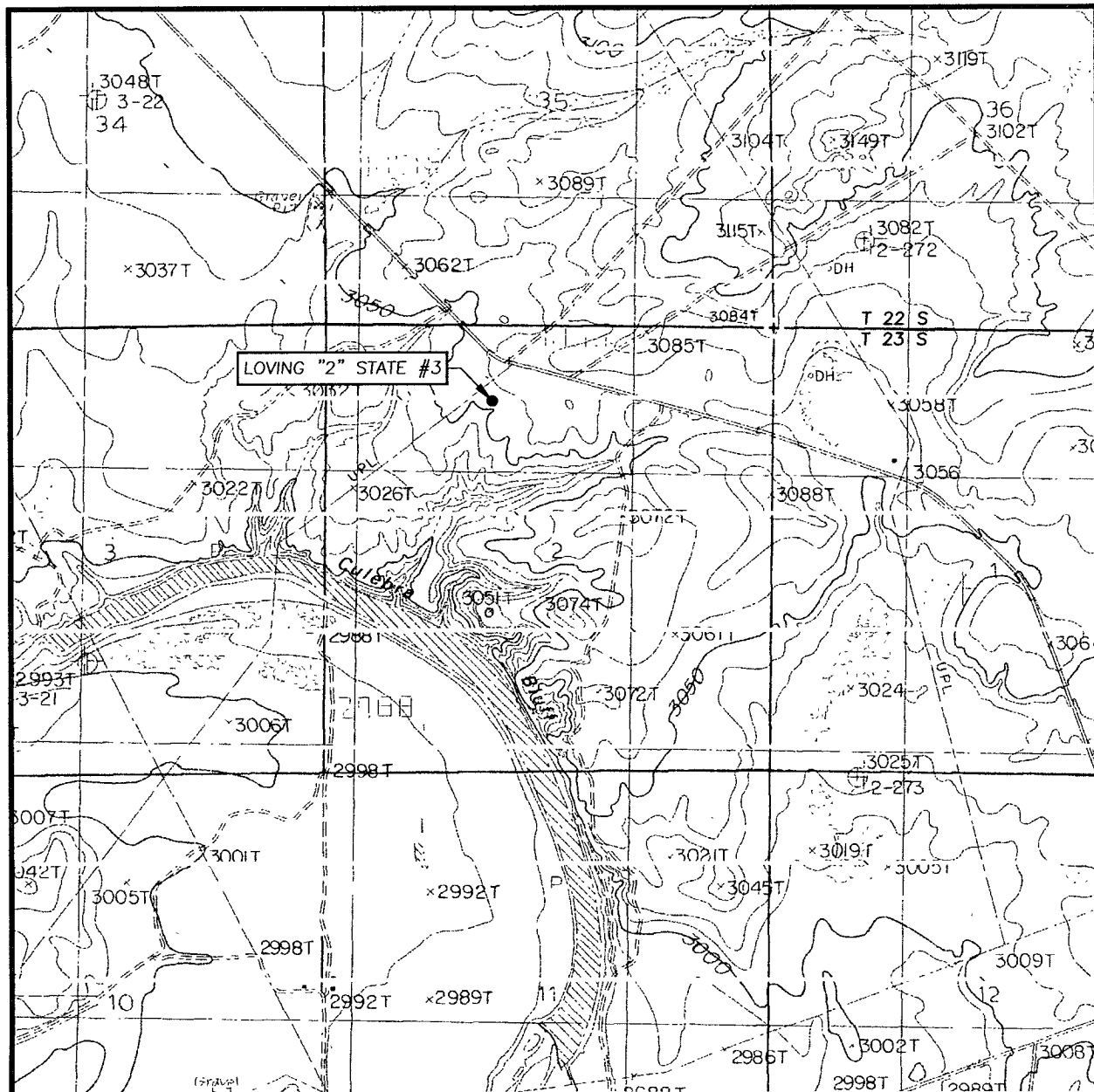
ELEVATION 3058'

OPERATOR NADEL AND GUSSMAN
HEYCO, LLC.

LEASE LOVING "2" STATE



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
LOVING, N.M. - 10'

SEC. 2 TWP. 23-S RGE. 28-E

SURVEY _____ N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 900' FNL & 1980' FWL

ELEVATION 3058'

OPERATOR NADEL AND GUSSMAN
HEYCO, LLC.

LEASE LOVING "2" STATE

U.S.G.S. TOPOGRAPHIC MAP
LOVING, N.M.

