Copies To Appropriate District State of New Mexico Form C-103 May 27, 2004 Energy, Minerals and Natural Resources District I WELL API NO. 1625 N French Dr., Hobbs, NM 88240 30-015-37109 District II OIL CONSERVATION DIVISION 1301 W Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease District III 1220 South St. Francis Dr. STATE X FEE 1000 Rio Brazos Rd , Aztec, NM 87410 Santa Fe. NM 87505 6. State Oil & Gas Lease No. District IV 1220 S. St Francis Dr , Santa Fe, NM VB-0407 87505 7. Lease Name or Unit Agreement Name 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 Loving 2 State PROPOSALS) Well Number 1. Type of Well: Oil Well X Gas Well Other 4 2. Name of Operator OGRID Number NADEL AND GUSSMAN HEYCO, I 258462 JUN - 8 2010 3. Address of Operator Pool name or Wildcat PO BOX 1936 Herradura Bend; Delaware, East ROSWELL NM 88202-1936 NMOCD ARTESIA 4. Well Location 1850 North 2045 Unit Letter line and West feet from the feet from the line Township 23S **NMPM** Section Range 28E County Eddy 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3035' GR Pit or Below-grade Tank Application 🔲 or Closure 🔲 Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water Pit Liner Thickness: Below-Grade Tank: Volume bbls: Construction Material 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK □ PLUG AND ABANDON REMEDIAL WORK ALTERING CASING □ TEMPORARILY ABANDON **CHANGE PLANS** COMMENCE DRILLING OPNS. P AND A PULL OR ALTER CASING MULTIPLE COMPL П CASING/CEMENT JOB OTHER: See Attached Csg and Cmt Report OTHER: 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. 5/27/10 Spud well at 1"30 pm, did call and notified Mike Bratcher with OCD. 5/1/2810 TD 12 1/4" hole at 400'. Total pipe ran 11 Jts of 9 5/8" 36# J-55 STC csg ran with 5 centralizers. Set csg at 400'. Lead 210 sk, "C'+1%CACL 2 + .25%R-38, CMT Wt 14.80, yeild 1.32, gal/sk 6.32. No problems w/ csg or cmt jobs. Bump Plug @ 5:05 am 5/28/10. Plug did not hold, shut head in w/500 psi Circ 12 sks to pit. Attached Summary Csg Report and Csg Tally and other misc

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

TITLE PRODUCTION ANALYST

DATE 6/07/2010

Type or print name

E-mail address: tlink@heycoenergy com

Telephone No. 575.623.6601

TITLE Field Supervisor

DATE 6-11-2010

Conditions of Approval (if any)