



Western Drilling, Inc.
415 W. Wall Street, Suite 1750, Midland, TX 79701
(432) 683-1700 Fax (432) 683-1703

INCLINATION REPORT

DATE: 07/06/2010

WELL NAME AND NUMBER: Hill Billy Cave 8 St. 1
LOCATION:
OPERATOR: Nadel & Gussman HEYCO
DRILLING CONTRACTOR: Western Drilling, Inc.

The undersigned hereby certifies that they are an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

DEGREE:	DEPTH:	DEGREE:	DEPTH:	DEGREE:	DEPTH:
1/4	180'	1/2	4539'		
3/4	550'	3/4	4959'		
1/2	979'	1	5377'		
1	1479'				
1-1/4	1957'				
1	2479'				
1/4	2904'				
1/2	3352'				
1-1/4	3563'				
1/4	4012'				
1/4	4456'				

Drilling Contractor:

Western Drilling, Inc.

By: _____
Marty K. Green
Contract Administrator

Subscribed and sworn to before me on this _____ day of _____, 2010.

By: _____

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.	30-015-37906
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	B-4918-103
7. Lease Name or Unit Agreement Name	Hillbilly Cave 8 State
8. Well Number	#1
9. OGRID Number	258462
10. Pool name or Wildcat	EMPIRE GLORIETA-YESO, East

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 _____

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
PO BOX 1936
ROSWELL NM 88202-1936

4. Well Location
Unit Letter M : 330 feet from the SOUTH line and 330' feet from the West line
Section 8 Township 17S Range 29E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3636' GR

RECEIVED
JUL 13 2010
NMOCD ARTESIA

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
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: <input type="checkbox"/>		OTHER: Inclination Report and logs <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.

See Attached the following:

Inclination Report, Job Log from Rising Star and Dual Laterolog, Spectral Gamma Ray Dual Spaced Neutron Spectral Density Log, Borehole Volume Plot and Cement Bond Log.

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 Laurel L. Lott TITLE PRODUCTION ANALYST DATE 7/12/2010

Type or print name _____ E-mail address: tlink@heycoenergy.com Telephone No. 575.623.6601
For State Use Only

APPROVED BY: Jaqueline Resendiz TITLE Geodpise DATE 7/15/2010
Conditions of Approval (if any): _____