

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

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**

|   |   |  |
|---|---|--|
| <sup>1</sup> Operator Name and Address<br>Nadel and Gussman HEYCO, LLC<br>P.O. Box 1936<br>Roswell N.M. 88202 |   | <sup>2</sup> OGRID Number<br>258462 ✓                      |
| <sup>3</sup> Property Code<br>305002 ✓  | <sup>4</sup> Property Name<br>Aid State ✓ | <sup>5</sup> API Number<br>30-015-38463 ✓                  |
| <sup>9</sup> Proposed Pool 1<br>EMPIRE: GLORIETA ( 96210 ) ✓  |   | <sup>10</sup> Proposed Pool 2<br>RED LAKE: QUEEN ( 51340 ) |

**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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| J             | 13      | 17S      | 28E   |         | 2310'         | NORTH            | 2310'         | EAST           | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| J             | 13      | 17S      | 28E   |         | 2310'         | NORTH            | 2310'         | EAST           | EDDY   |

**Additional Well Information**

|                                     |  |                                   |                                      |   |
|-------------------------------------|--|-----------------------------------|--------------------------------------|---|
| <sup>11</sup> Work Type Code<br>N ✓ | <sup>12</sup> Well Type Code<br>O ✓    | <sup>13</sup> Cable/Rotary<br>R ✓ | <sup>14</sup> Lease Type Code<br>S ✓ | <sup>15</sup> Ground Level Elevation<br>3716' ✓ |
| <sup>16</sup> Multiple<br>Y         | <sup>17</sup> Proposed Depth<br>5450 ✓ | <sup>18</sup> Formation<br>TUBB   | <sup>19</sup> Contractor<br>N/A      | <sup>20</sup> Spud Date<br>4/1/11               |

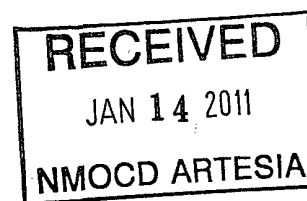
**21 Proposed Casing and Cement Program**

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 12 1/4"   | 9 5/8"      | 36#                | 300'          | 175sx           | Surface       |
| 7 7/8"    | 5 1/2"      | 17#                | 5450'         | 1250 sx         | Surface       |
|           |             |                    |               |                 |               |
|           |             |                    |               |                 |               |
|           |             |                    |               |                 |               |

<sup>22</sup> 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 300': 8.4 to 8.8 ppg, 80 – 55 visc w/ Fresh water spud mud  
300' to 5450': 8.8 to 10.0 ppg, 28-30 visc, w/ brine / cut brine water



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

Signature:

Printed name: JJ McGlasson

Title: Completions Engineer

E-mail Address: [jmcglasson@heycoenergy.com](mailto:jmcglasson@heycoenergy.com)

Date: 1/12/2011

Phone: 575 – 623-6601

**OIL CONSERVATION DIVISION**

Approved by:

Title:

Approval Date:

2/16/2011

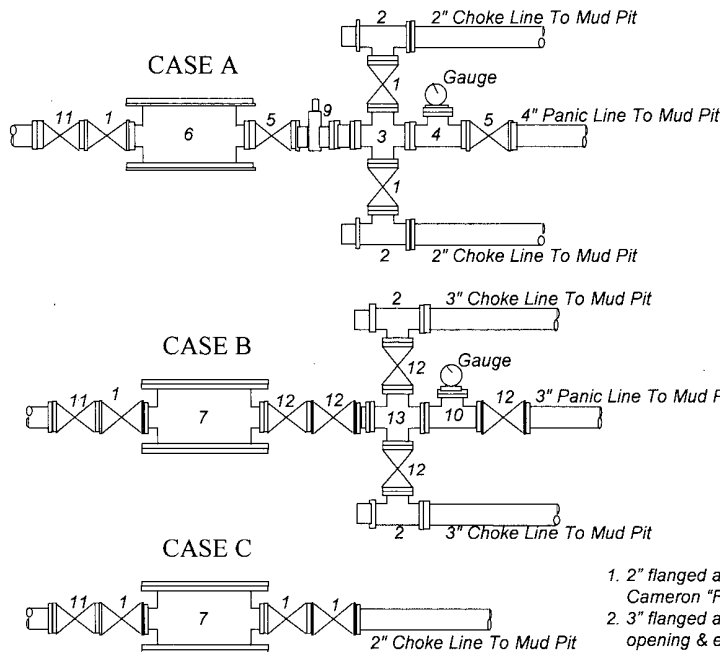
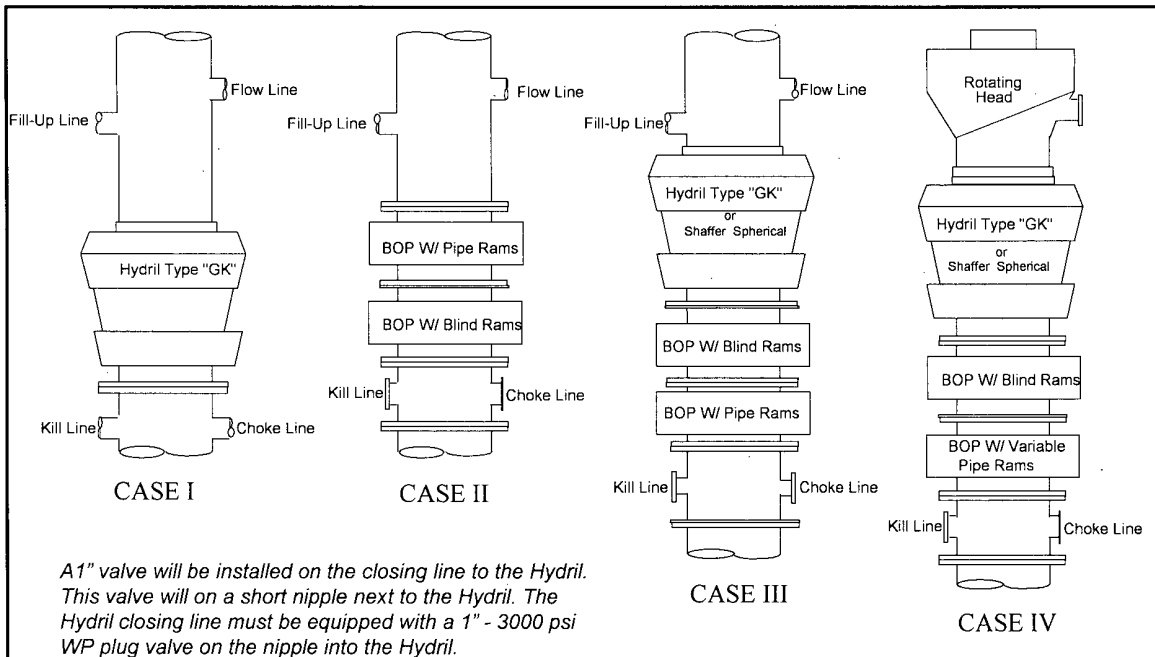
Expiration Date:

2/16/2013

Conditions of Approval Attached ☐

# Nadel and Gussman Heyco, LLC

## MINIMUM BLOWOUT PREVENTER REQUIREMENTS



| BOP SIZE | BOP CASE | WORKING PRESSURE | CHOKE CASE |
|----------|----------|------------------|------------|
| 13-3/8"  | I        | 2000 psi         | B          |
| 9"       | II       | 3000 psi         | B          |

**\*Rotating head required**

Bradenhead : \_\_\_\_\_

Mfr: \_\_\_\_\_

Size: \_\_\_\_\_ Type: \_\_\_\_\_

### Legend

1. 2" flanged all steel valve must be either Cameron "F", Halliburton Low Torque or Shaffer Flo-Seal.
2. 3" flanged adjustable chokes, min. 1" full opening & equipped with hard trim.
3. 4" x 2" flanged steel cross.
4. 4" flanged steel tee.
5. 4" flanged all steel valve (Type as in no. 1).
6. Drilling Spool with 2" x 4" flanged outlet.
7. Drilling Spool with 2" Flanged Kill inlet, & 3" flanged choke outlet.
8. 2" x 2" flanged steel cross.
9. 4" pressure operated gate valve.
10. 3" flanged steel tee.
11. 2" Flanged check valve
12. 3" flanged all steel valve must be either Cameron "F", Halliburton Low Torque or Shaffer Flo-Seal.
13. 3" x 3" flanged steel cross.

### Notes

Choke manifold may be located in any convenient position. Use all steel fittings throughout. Make 90° turns with bull plugged tees only. No field welding will be permitted on any of the components of the choke manifold and related equipment upstream of the chokes. The choke spool and all lines and fittings must be at least equivalent to the test pressure of the preventers required. Independent closing control unit with clearly marked controls to be located on derrick floor near driller's position.

**NADEL AND GUSSMAN HEYCO, L.L.C.**  
**P.O. BOX 1936**  
**ROSWELL N.M. 88202**  
**(575) 623-6601 (Office)**  
**(575) 624-5321 (Fax)**

1/12/2011

Miss Reeves  
District 2 Geologist  
New Mexico Oil and Gas Division  
1301 West Grand Avenue  
Artesia, NM 88210

**Re: Aid State #11**  
**2310' FNL & 2310' FEL**  
**Unit Letter J, Sec. 13, T17S, R28E**  
**Eddy, NM**  
**Rule 118 H2S Exposure**

Dear Miss. Reeves

Nadel and Gussman Heyco, LLC have evaluated this well and we do not expect to encounter hydrogen sulfide. However, we will employ a third party monitoring system. We will begin monitoring prior to drilling out the intermediate casing and will continue monitoring the remainder of the well.

Please contact me if you have any additional questions.

Sincerely,

JJ McGlasson  
Completions Engineer

**Hydrogen Sulfide Drilling Operations Plan**  
**Aid State #11**  
**UNIT J, Sec 13, T17S, R28E**  
**2310' FNL & 2310' FEL**  
**Eddy Co. N.M.**

1. Company and contract personnel admitted on location should be trained by a qualified H<sub>2</sub>S safety instructor to the recognize and handle following:
  - A. Characteristics of H<sub>2</sub>S gas
  - B. Physical effects and hazards
  - C. Proper use of safety equipment and life support systems
  - D. Principle and operation of H<sub>2</sub>S detectors, warning system and briefing knowledge
  - E. Evacuation procedure, routes and first aid support
  - F. Proper use of 30 minutes Pressure-on-Demand Air Pack
2. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse
3. Windsock and/or Wind Streamers
  - A. Windsock at mud pit area (high enough to be visible)
  - B. Windsock at briefing area (high enough to be visible)
  - C. Windsock at location entrance
4. Condition Flags and Signs
  - A. H<sub>2</sub>S warning signs on lease access road into location
  - B. Flags displayed on sign at location entrance
    1. Green flag indicates "Normal Safe Conditions"
    2. Yellow Flag indicates "Potential Pressure and Danger"
    3. Red Flag indicates "Danger - H<sub>2</sub>S Present in High Concentrations" *admit only emergency personnel*
5. Well Control Equipment
  - A. See Exhibit #5.
6. Communication
  - A. While working under masks chalkboards will be used for communication
  - B. Hand signals will be used where chalk board is inappropriate
  - C. Two -way radios or cell phones used to communicate off location or minimally in Drilling Foreman's trailer or living quarters
7. Drillstem Testing
  - A. Exhausts watered
  - B. Flare line equipped with electric Igniter/propane pilot light in case gas reaches surface
  - C. If location near dwelling closed DST will be performed
8. Drilling Supervisor required to be familiar with effects of H<sub>2</sub>S on tubular goods/mechanical equipment
9. If H<sub>2</sub>S encountered, mud system shall be addressed to maintain control of formation. A mud gas separator will be brought into service along with H<sub>2</sub>S scavengers, if necessary.

PUBLIC PROTECTION PLAN FOR EMERGENCY CONTACTS

**NADEL AND GUSSMAN HEYCO, LLC** (575) 623-6601

**Company Personnel**

|              |                   |              |
|--------------|-------------------|--------------|
| Joel Martin  | Drilling Enrineer | 432-682-4429 |
|              |                   | 432-238-9969 |
| Keith Cannon | Drilling Supt.    | 575-623-6601 |
|              |                   | 575-626-1936 |

**ARTESIA N.M.**

|                  |                              |
|------------------|------------------------------|
| Ambulance        | 911                          |
| State Police     | 575-746-5000                 |
| City Police      | 575-746-5000                 |
| Sheriff's Office | 575-746-9888                 |
| Fire Department  | 575-746-5050 or 575-746-5051 |
| N.M.O.C.D        | 575-748-1283                 |

**CARLSBAD N.M.**

|                  |                              |
|------------------|------------------------------|
| Ambulance        | 911                          |
| State Police     | 575-885-3137                 |
| City Police      | 575-885-2111                 |
| Sheriff's Office | 575-887-7551                 |
| Fire Department  | 575-885-3125 or 575-885-2111 |
| Carlsbad BLM     | 575-887-6544                 |

**HOBBS N.M.**

|                  |              |
|------------------|--------------|
| Ambulance        | 911          |
| State Police     | 575-392-5588 |
| City Police      | 575-397-9265 |
| Sheriff's Office | 575-396-3611 |
| Fire Department  | 575-397-9308 |
| N.M.O.C.D        | 575-393-6161 |
| Hobbs BLM        | 575-393-3612 |

|                                     |              |
|-------------------------------------|--------------|
| Flight for Life (Lubbock Tx)        | 806-743-9911 |
| Aerocare (Lubbock Tx)               | 806-747-8923 |
| Med flight air Ambulance (Albuq NM) | 505-842-4433 |
| SB air Med Services (Albuq NM)      | 505-842-4949 |

|                          |                              |
|--------------------------|------------------------------|
| Boots & Coots IWC        | 800-256-9688 or 281-931-8884 |
| Cudd Pressure Control    | 915-699-0139 or 915-563-3356 |
| BJ Services (Artesia NM) | 575-746-3569                 |
| (Hobbs NM)               | 575-392-5556                 |

|   |              |
|---|--------------|
| New Mexico Emergency Response Commission (Santa Fe) | 505-476-9600 |
| 24 Hour   | 505-827-9126 |
| New Mexico State Emergency Operations Center        | 505-476-9635 |

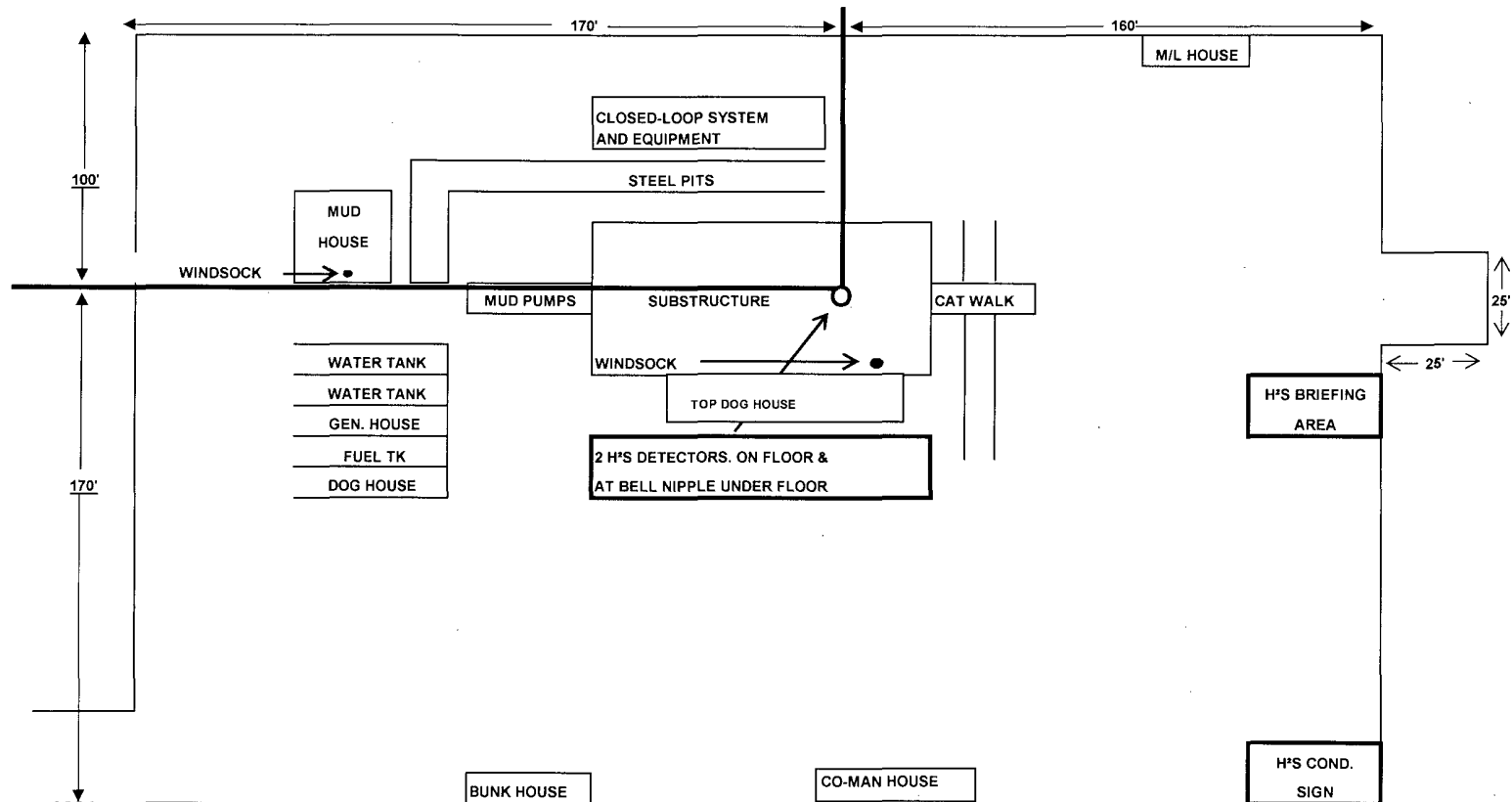
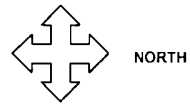
# EXHIBIT "D" LOCATION DIAGRAM

Aid State #11

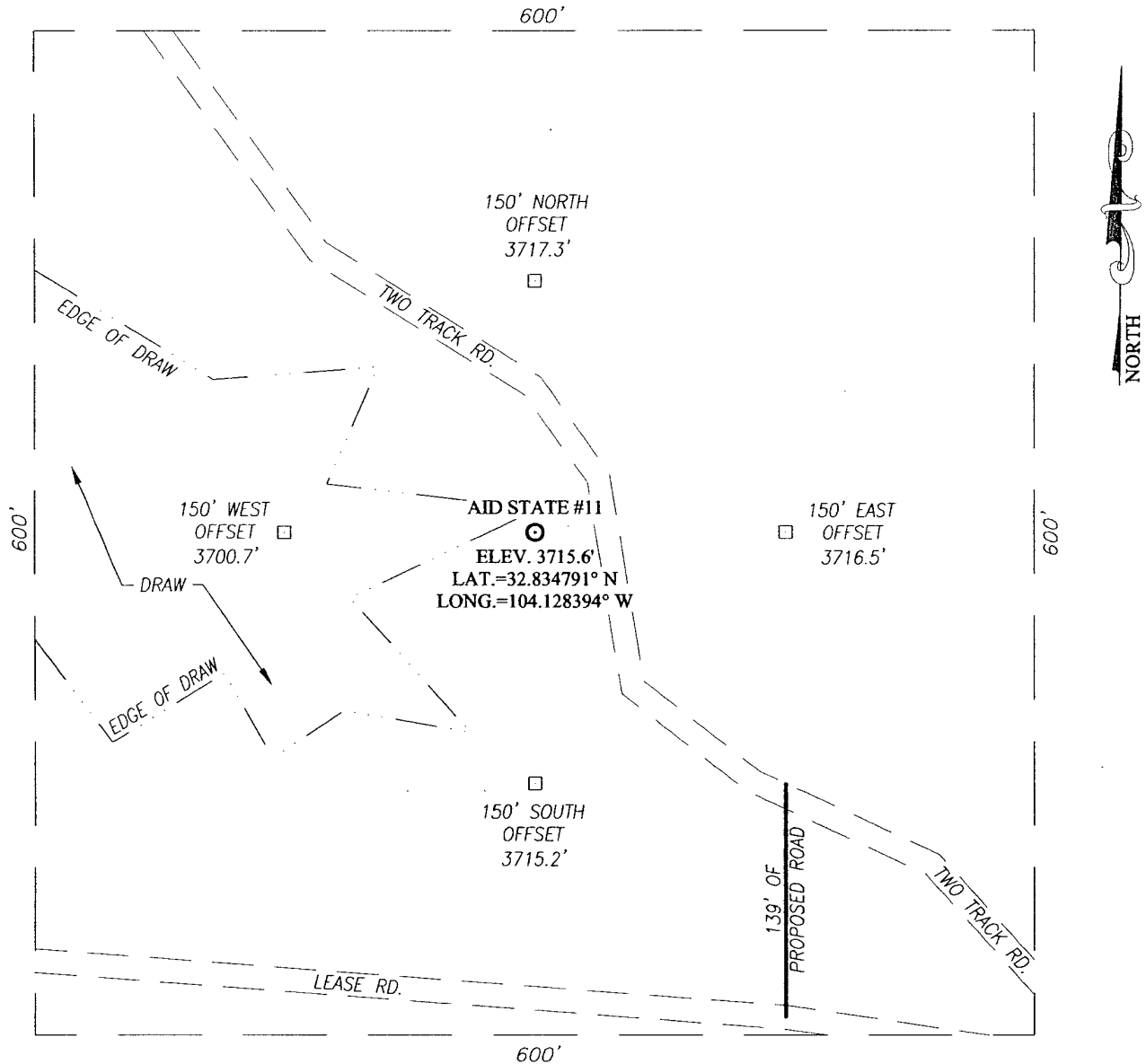
2310' FNL & 2310' FEL

UNIT J, SEC 13, T17S, R28E

EDDY COUNTY, NM

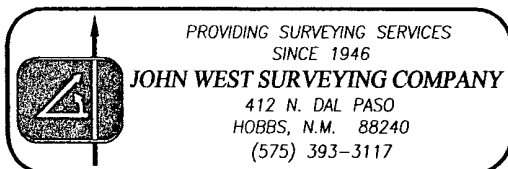
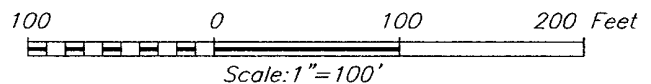


**SECTION 13, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,**  
 EDDY COUNTY NEW MEXICO



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF ST. HWY. #82 AND CO. RD. #211 (OLD LOCO ROAD), GO NORTH ON CO. RD. #211 APPROX. 0.5 MILES. TURN LEFT AND GO SOUTHWEST APPROX. 1.0 MILE. TURN RIGHT AND GO NORTH APPROX. 1.3 MILES. TURN LEFT AND GO NORTHWEST APPROX. 0.4 MILES TO A PROPOSED ROAD SURVEY. FOLLOW PROPOSED ROAD SURVEY STAKES NORTH APPROX. 139 FEET. THIS LOCATION STAKE IS APPROX. 212 FEET NORTHWEST.

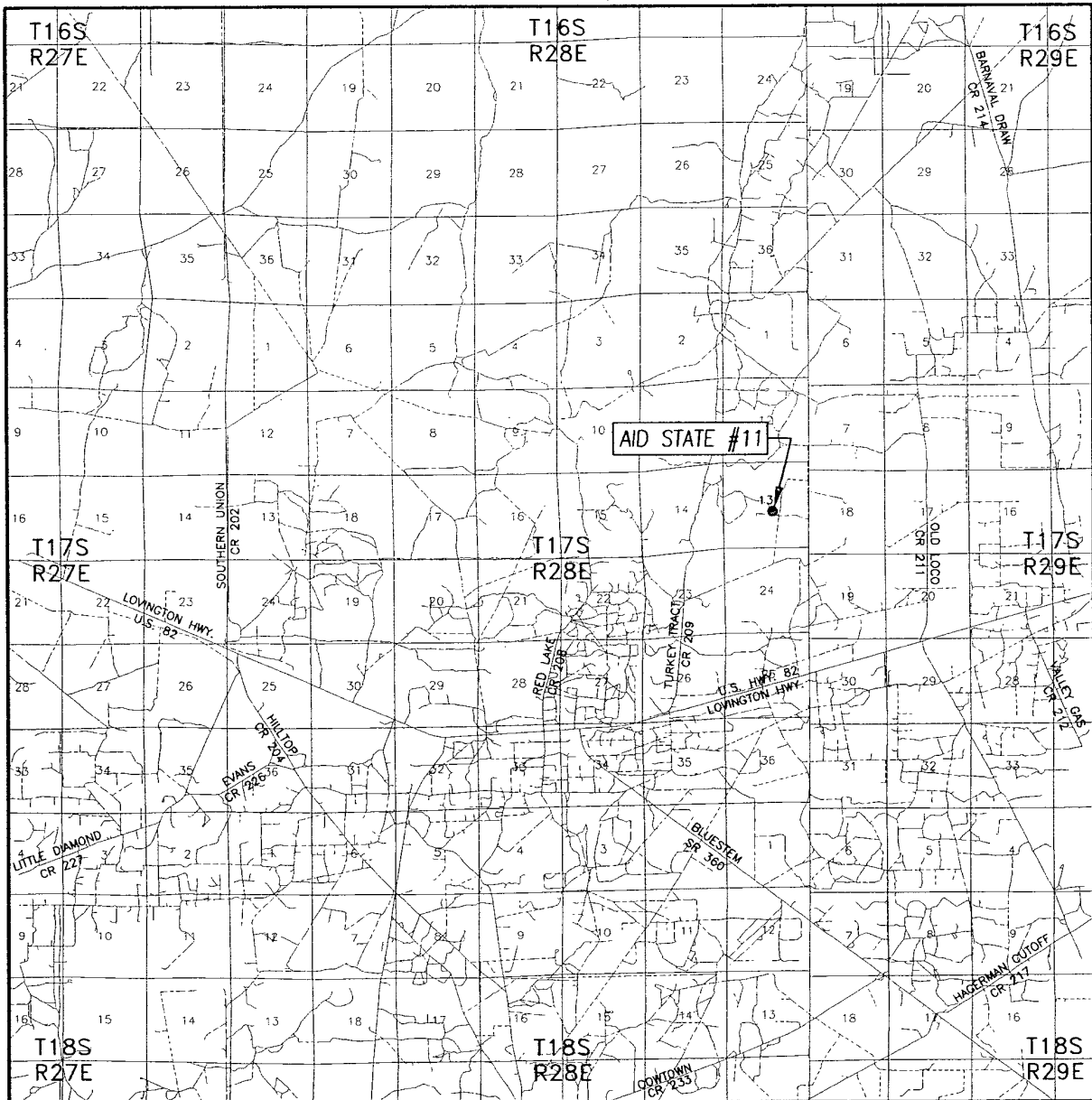


**NADEL AND GUSSMAN HEYCO, LLC**

AID STATE #11 WELL  
 LOCATED 2310 FEET FROM THE SOUTH LINE  
 AND 2310 FEET FROM THE EAST LINE OF SECTION 13,  
 TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO

|                         |                     |
|-------------------------|---------------------|
| Survey Date: 11/23/10   | Sheet 1 of 1 Sheets |
| W.O. Number: 10.11.1752 | Dr. By: DSS         |
| Date: 12/1/10           | Rel. W.O.: 10111752 |
|                         | Scale: 1"=100'      |

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 13 TWP. 17-S RGE. 28-E

SURVEY N.M.P.M.

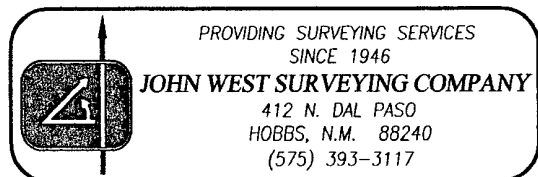
COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2310' FSL & 2310' FEL

ELEVATION 3716'

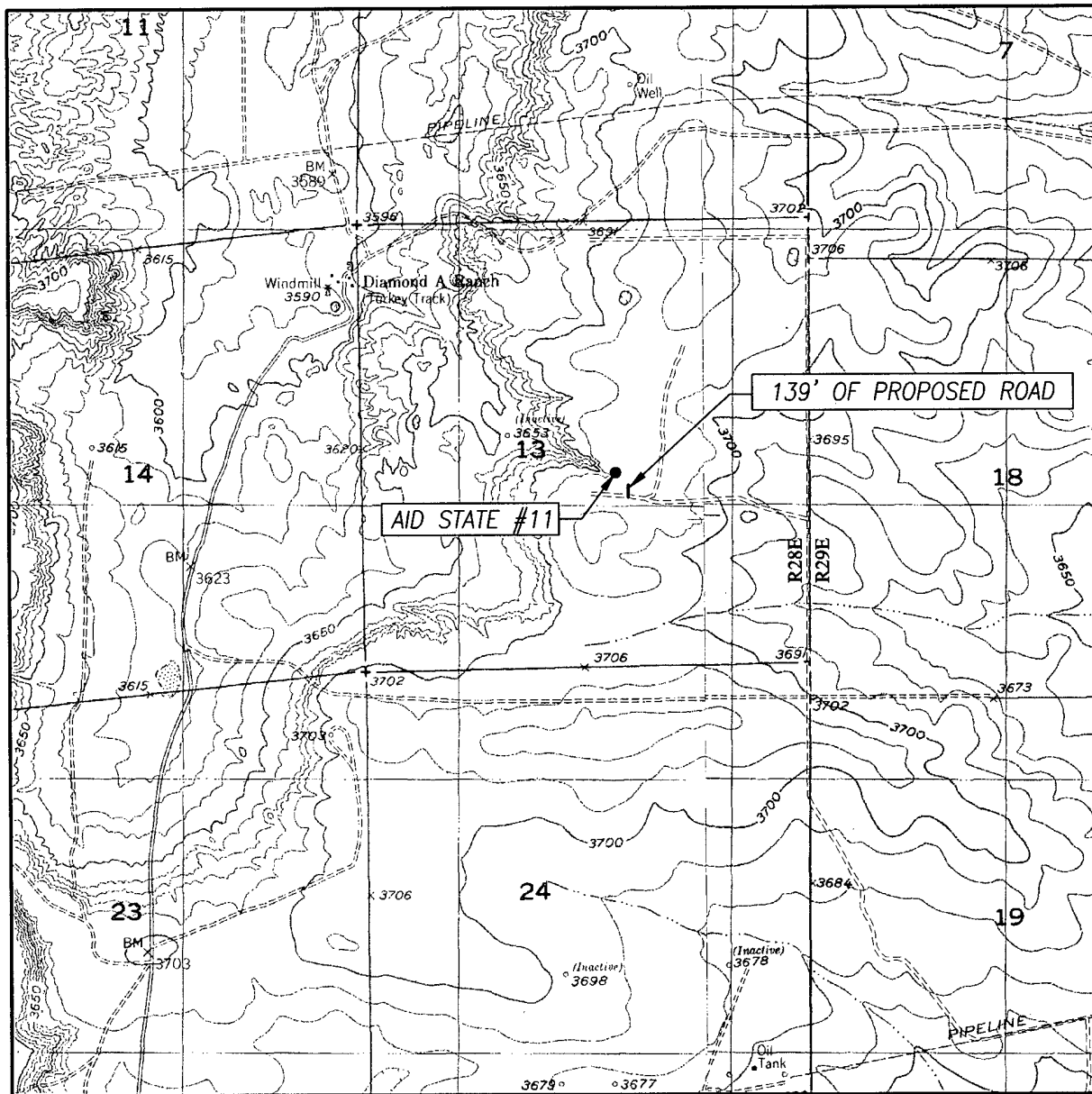
OPERATOR NADEL AND GUSSMAN HEYCO, LLC

LEASE AID STATE





# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
RED LAKE, N.M. - 10'  
RED LAKE SE, N.M. - 10'

SEC. 13 TWP. 17-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2310' FSL & 2310' FEL

ELEVATION 3716'

OPERATOR NADEL AND GUSSMAN HEYCO, LLC

LEASE AID STATE

U.S.G.S. TOPOGRAPHIC MAP  
RED LAKE, N.M.

