

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 Nadel and Gussman HEYCO, LLC P.O. Box 1936 Roswell N.M. 88202		<sup>2</sup> OGRID Number 258462 ✓
<sup>3</sup> Property Code 38513 -	<sup>4</sup> Property Name Nickel Plate 16 State Com	<sup>5</sup> APL Number 30-015-38502 -
<sup>9</sup> Proposed Pool 1 Glorietta		<sup>10</sup> Proposed Pool 2

<sup>7</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
I	16	18S	26E		1880'	SOUTH	330'	EAST	EDDY

<sup>8</sup> 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
L	16	18S	26E		1980'	SOUTH	330'	WEST	EDDY

Additional Well Information

<sup>11</sup> Work Type Code N ✓	<sup>12</sup> Well Type Code O ✓	<sup>13</sup> Cable/Rotary R ✓	<sup>14</sup> Lease Type Code S ✓	<sup>15</sup> Ground Level Elevation 3354' ✓
<sup>16</sup> Multiple Y	<sup>17</sup> Proposed Depth 7075' MD/ 2575' TVD	<sup>18</sup> Formation Glorietta	<sup>19</sup> Contractor N/A	<sup>20</sup> Spud Date ASAP

<sup>21</sup> Proposed Casing and Cement Program

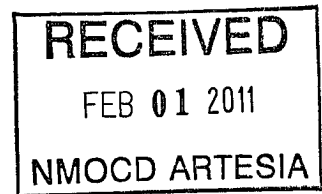
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36#	1400'	850sx	Surface
8 3/4"	5 1/2"	17#	2936' MD	None*	N/A
7 7/8"	4 1/2"	11.6#	7060' MD	None*	

<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 1400': 8.4 to 8.8 ppg, 80 - 55 visc w/ Fresh water spud mud  
1400' to 7060': 8.8 to 10.0 ppg, 28-30 visc, w/ brine / cut brine water

\*\*Casing Cement - will utilize a Packers Plus type open hole system to complete well.  
If H2s is encountered, will set ECP @ +/- 2300', cement 2300' to surface with 700 sx Class C



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

Signature:

*Keith Cannon*

Printed name: Keith Cannon

Title: Drilling Superintendent

E-mail Address: kcannon@heycoenergy.com

Date: 2/1/2011

Phone: 575 - 623-6601

OIL CONSERVATION DIVISION

Approved by:

*Archie D. Chamberlain*

Title:

*Chamberlain*

Approval Date: 2/24/2011

Expiration Date: 2/24/2013

Conditions of Approval Attached

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

2/1/2011

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

**Re: NICKEL PLATE 16 STATE COM #1**  
**SHL: 1880' FSL & 330' FEL, UL I**  
**BHL: 1980' FSL & 330' FWL, UL L**  
**Sec. 16, T18S, R26E**  
**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,

Keith Cannon  
Drilling Superintendent

**Hydrogen Sulfide Drilling Operations Plan**  
**NICKEL PLATE 16 STATE COM #1**  
**SHL: UNIT I, Sec 16, T18S, R26E**  
**1880' FSL & 330' 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. Windssock and/or Wind Streamers
  - A. Windssock at mud pit area (high enough to be visible)
  - B. Windssock at briefing area (high enough to be visible)
  - C. Windssock 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 BOP schematic page
  
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.**

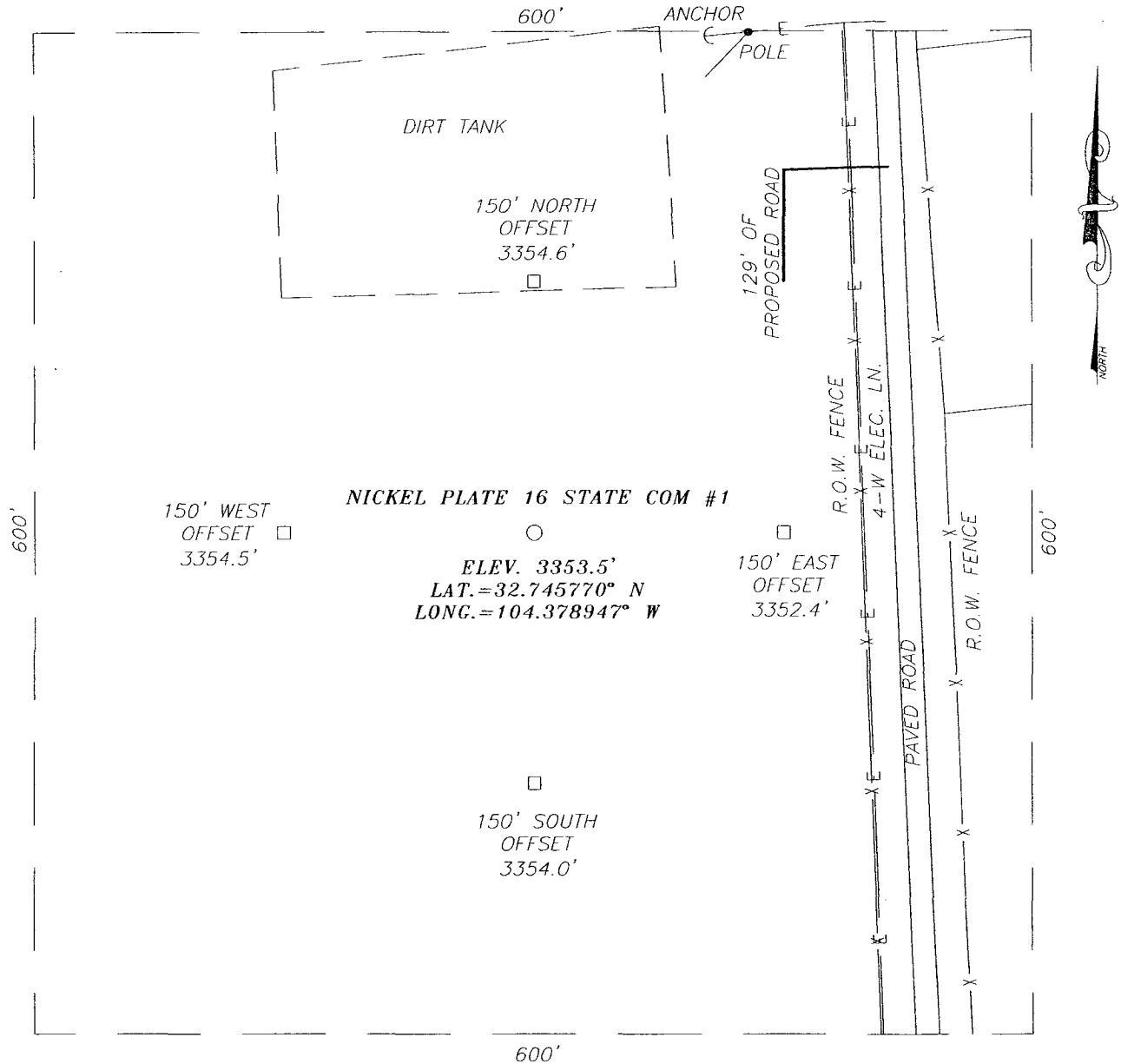
Ambulance	911
State Police	575-392-5588
City Police	575-397-9265
Sheriff's Office	575-396-3611
Fire Department	575-397-9308
N.M.O.C.D	575-393-6161
Hobbs BLM	575-393-3612

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

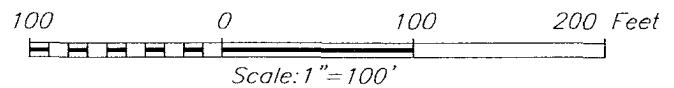
New Mexico Emergency Response Commission (Santa Fe)	505-476-9600
24 Hour	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635

**SECTION 16, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.,**  
 EDDY COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF U.S. HWY. #285 AND CO. RD. #39 (FOUR DINKUS ROAD), GO EAST ON CO. RD. #39 FOR APPROX. 1.0 MILE. GO SOUTH 0.6 MILES TO A PROPOSED ROAD SURVEY. FOLLOW ROAD SURVEY WEST 63 FEET AND SOUTH 66 FEET TO THE LOCATION.



**NADEL AND GUSSMAN HEYCO, LLC**

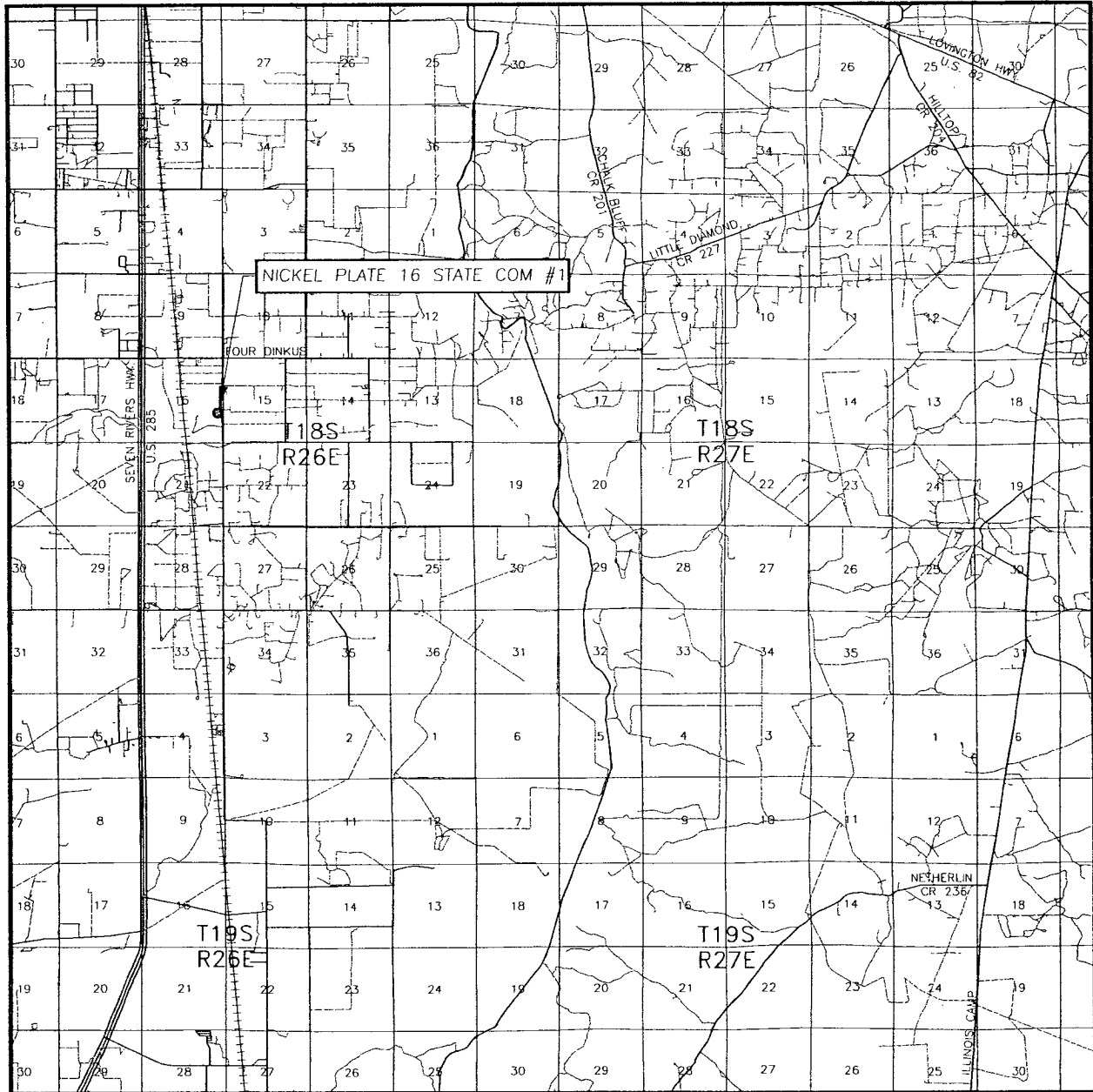
NICKEL PLATE 16 STATE COM #1 WELL  
 LOCATED 1880 FEET FROM THE SOUTH LINE  
 AND 330 FEET FROM THE EAST LINE OF SECTION 16,  
 TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

Survey Date: 12/29/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1908	Dr By: LA
Date: 1/4/11	10111908
	Scale: 1"=100'




PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

# VICINITY MAP



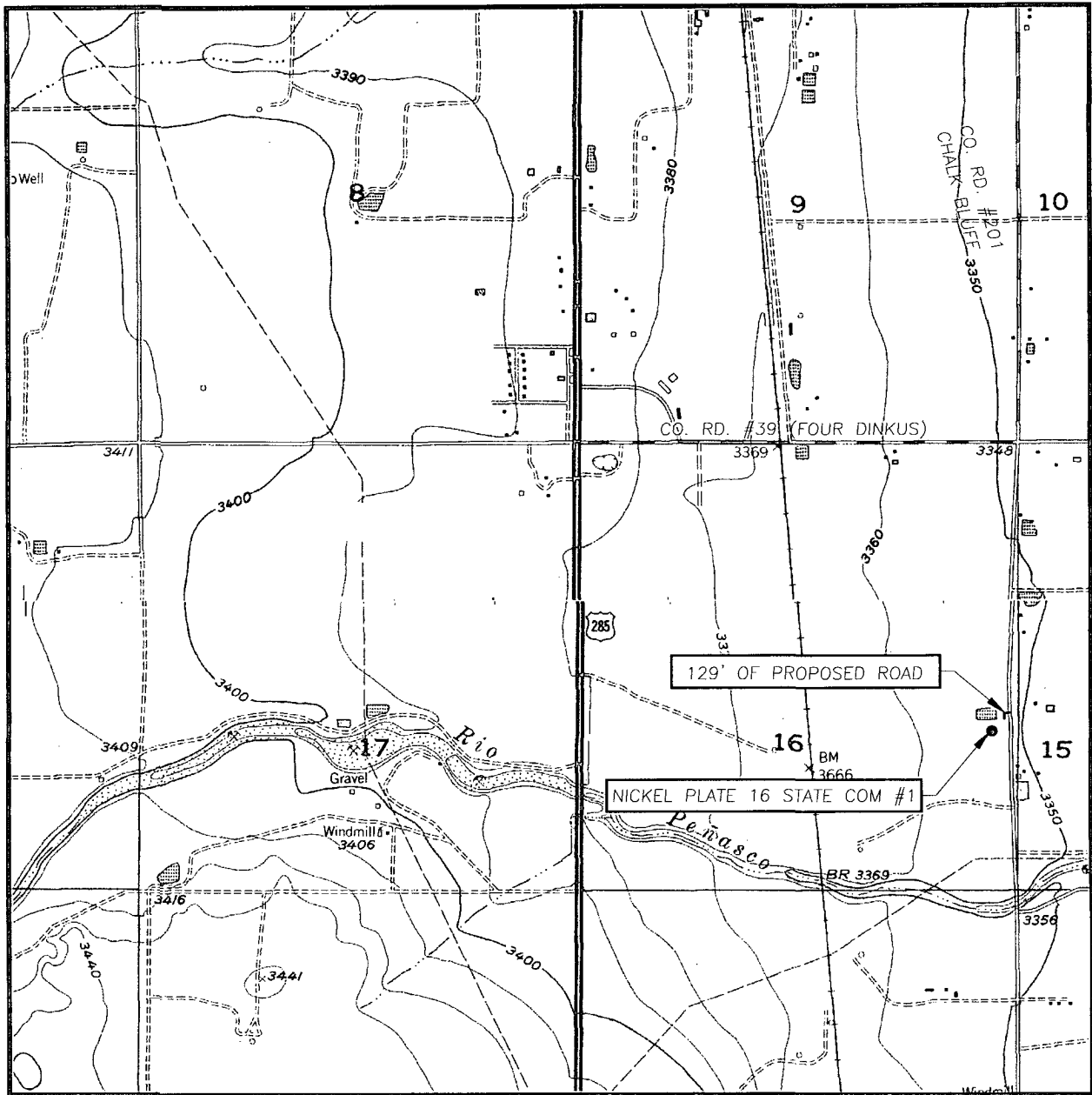
SCALE: 1" = 2 MILES

SEC. 16 TWP. 18-S RGE. 26-E  
 SURVEY N.M.P.M.  
 COUNTY EDDY STATE NEW MEXICO  
 DESCRIPTION 1880' FSL & 330' FEL  
 ELEVATION 3354'  
 OPERATOR NADEL AND GUSSMAN HEYCO, LLC  
 LEASE NICKEL PLASTE 16 STATE COM



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# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
 ARTESIA, N.M. - 10'  
 DAYTON, N.M. - 10'

SEC. 16 TWP. 18-S RGE. 26-E

SURVEY \_\_\_\_\_ N.M.P.M.

COUNTY EDDY STATE NEW MEXICO


DESCRIPTION 1880' FSL & 330' FEL

ELEVATION 3354'

OPERATOR NADEL AND GUSSAMAN HEYCO, LLC

LEASE NICKEL PLATE 16 STATE COM

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



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