

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

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 38494	⁴ Property Name Rock Island 16 State	⁵ API Number 30-015-33504
⁹ Proposed Pool 1 Glorietta		¹⁰ Proposed Pool 2

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
D	16	18S	26E		510'	NORTH	330'	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
A	16	18S	26E		510'	NORTH	330'	EAST	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 3382'
¹⁶ Multiple Y	¹⁷ Proposed Depth 7060' MD/ 2585' TVD	¹⁸ Formation Glorietta	¹⁹ Contractor N/A	²⁰ Spud Date 4/1/11

²¹ Proposed Casing and Cement Program

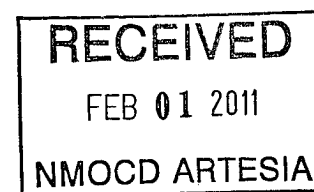
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36#	1400'	850sx	Surface
8 3/4"	5 1/2"	17#	2936' MD	None*	N/A
7 7/8"	4 1/2"	11.6#	7060' MD	None*	

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 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



²³ 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:

Gregory R.

Title:

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: Rock Island 16 State 2
SHL: 510' FNL & 330' FWL UL D
BHL: 510' FNL & 330' FEL UL A
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

Rock Island 16 State 2

SHL: UNIT D, Sec 16, T18S, R26E

510' FNL & 330' FWL

Eddy Co. N.M.

1. Company and contract personnel admitted on location should be trained by a qualified H₂S safety instructor to the recognize and handle following:
 - A. Characteristics of H₂S gas
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems
 - D. Principle and operation of H₂S 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. H₂S Detection and Alarm Systems
 - A. H₂S 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. H₂S 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 - H₂S 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 H₂S on tubular goods/mechanical equipment
9. If H₂S encountered, mud system shall be addressed to maintain control of formation. A mud gas separator will be brought into service along with H₂S 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

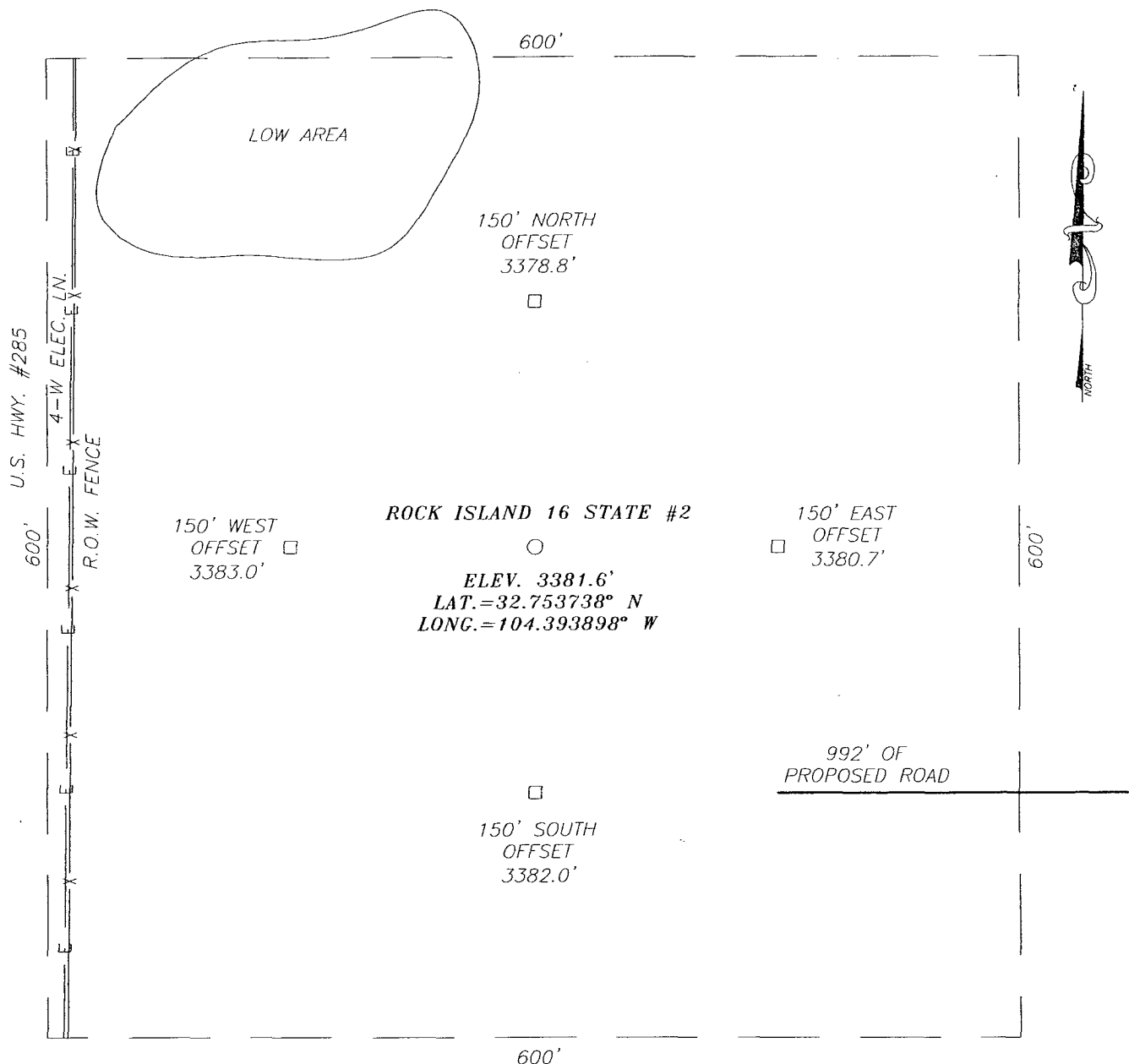
Boots & Coots IWC	800-256-9688 or 281-931-8884
Cudd Pressure Control	915-699-0139 or 915-563-3356
BJ Services (Artesia NM)	575-746-3569
(Hobbs NM)	575-392-5556

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.,

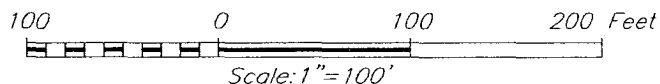
EDDY COUNTY,

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. 0.2 MILES. GO SOUTH 645 FEET TO AN PROPOSED ROAD SURVEY. TURN RIGHT AND FOLLOW PROPOSED ROAD 992 FEET TO THIS LOCATION.



NADEL AND GUSSMAN HEYCO, LLC

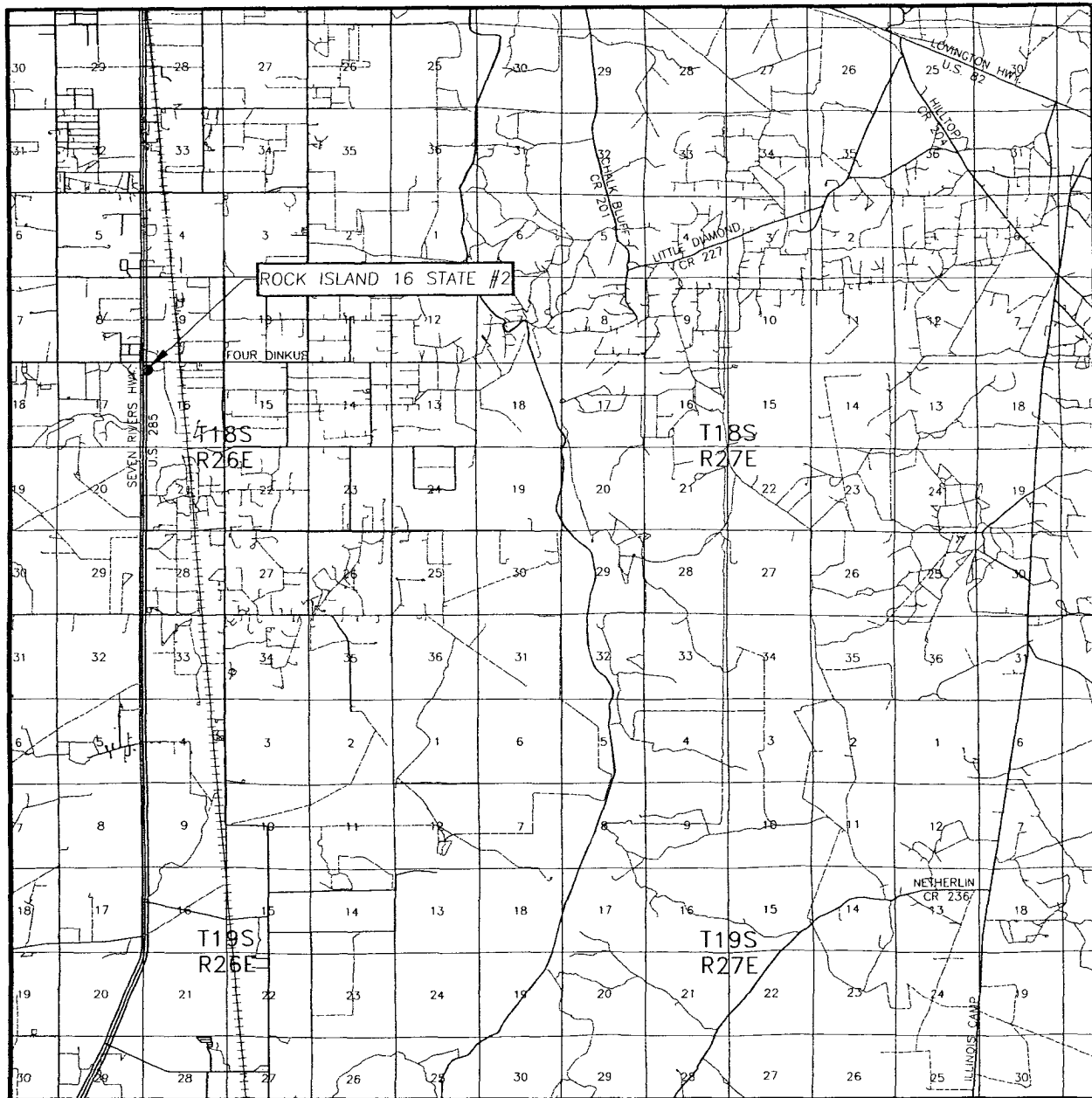
ROCK ISLAND 16 STATE #2 WELL
LOCATED 510 FEET FROM THE NORTH LINE
AND 330 FEET FROM THE WEST LINE OF SECTION 16,
TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Survey Date: 12/28/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1907	Dr By: LA
Date: 1/4/11	10111907
	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.

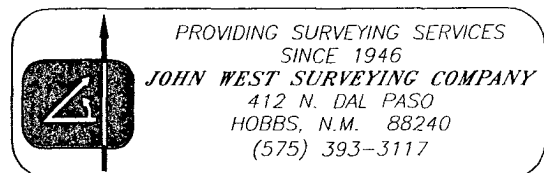
COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 510' FNL & 330' FWL

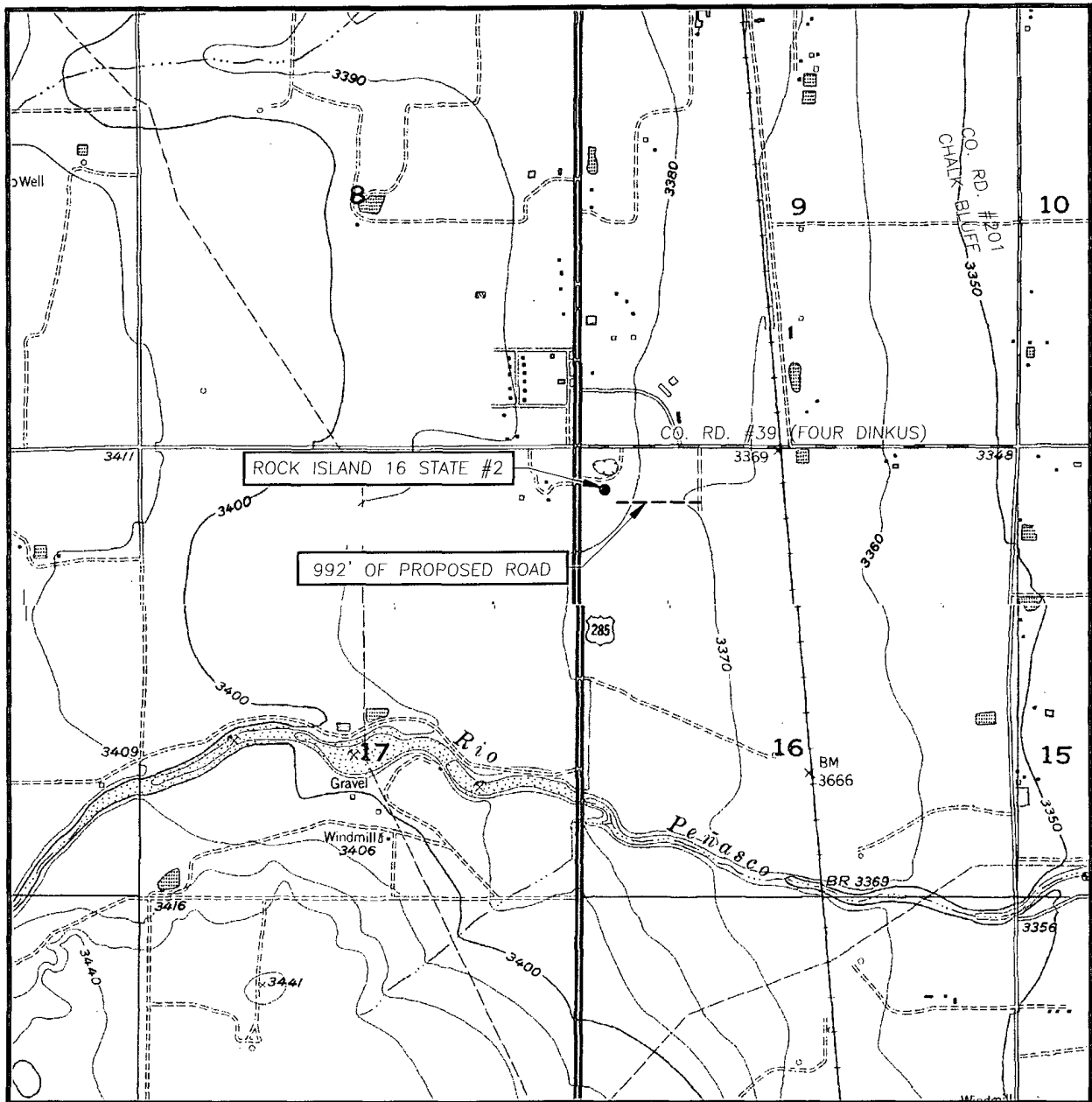
ELEVATION 3382'

OPERATOR NADEL AND GUSSMAN
HEYCO, LLC

LEASE ROCK ISLAND 16 STATE



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

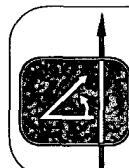
DESCRIPTION 510' FNL & 330' FWL

ELEVATION 3382'

OPERATOR NADEL AND GUSSAMAN
HEYCO, LLC

LEASE ROCK ISLAND 16 STATE

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



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