

DATE IN 10-17-11	SUSPENSE	ENGINEER DB	LOGGED IN 10.18.11	TYPE NSL	APP NO. 1179138449
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



*Nadel and Hurman Heyes  
Taylor Deep 12 Fed #9*

## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

*Eddg/Fed*

### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication.  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify \_\_\_\_\_

*H-12-185-31E*

*26108*

### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
[B] ☐ Offset Operators, Leaseholders or Surface Owner  
[C] ☐ Application is One Which Requires Published Legal Notice  
[D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,  
[F] ☐ Waivers are Attached

### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note:** Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address

RECEIVED OCD

2011 OCT 17 P 10: 27

**NADEL AND GUSSMAN HEYCO, LLC**

500 North Main Street, Suite 1

Roswell, New Mexico 88201

Phone: (575) 623-6601

Fax: (575) 627-2427

October 13, 2011

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505  
Attn: David Brooks

Re: Non-Standard Location Application  
Taylor Deep 12 Federal No. 9 Well  
Section 12, T-18-S, R-31-E  
2540 FNL & 660 FEL  
Tamano-Bone Springs Pool  
Lea County, New Mexico

Dear Mr. Brooks:

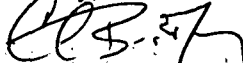
*under*  
Per our recent telephone conversation, Nadel and Gussman HEYCO, L.L.C. (NGH) respectfully requests an exception for Non-Standard Location. The proposed location for the Taylor Deep 12 Federal #9 Well is 2540' FNL & 660' FEL, Section 12, T-18-S, R-31-E, Unit H. The well is set to be completed in the Tamano-Bone Springs Pool. Special pool rules do not apply to this pool. According to OCD guidelines, the proposed location is unorthodox by approximately 230', being 100' from the south quarter-quarter line of the SE/4 NE/4.

NGH originally proposed a legal location in the SE/4 NE/4. However, due to Sand Dune Lizard and Prairie Chicken habitat the BLM would not approve the originally proposed location, resulting in the Non-Standard Location. In this area directional drilling is neither economic nor practical.

Please find enclosed a land plat reflecting the offset acreage. The acreage being encroached on (by 230') is the NE/4 SE/4 of Section 12. NGH owns and operates the offset acreage and all interests are the same. In addition, please find enclosed, a copy of the C-102 submitted for this well.

Once again we respectfully request the approval of a Non-Standard Location. Thank you for your assistance in this matter and if additional information is needed, please contact me at 575-623-6601.

Sincerely,



Colby Booth  
Landman

CB/vr  
Enclosures

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240  
DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210  
DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
DISTRICT IV  
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised July 16, 2010  
Submit to Appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
	58040	Tamano-Bone Springs
Property Code	Property Name	Well Number
26108	TAYLOR DEEP 12 FEDERAL	9
OGRID No.	Operator Name	Elevation
258462	NADEL AND GUSSMAN HEYCO, LLC	3776'

Surface Location

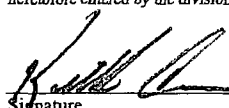
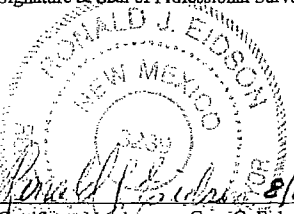
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	12	18-S	31-E		2540	NORTH	660	EAST	EDDY

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=641415.7 N X=659008.0 E LAT.=32.762277° N LONG.=103.816074° W</p>	<p>DETAIL</p> <p>3778.0' 3780.7' 3773.7' 3773.6'</p> <p>600' 600'</p> <p>NMNM-106718</p> <p>S.L. 660'</p> <p>SEE DETAIL</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p> Signature Date</p> <p>Keith Cannon Printed Name</p> <p>kcannon@heycoenergy.com E-mail Address</p>
		<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>AUGUST 5, 2011</p> <p>Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor:</p> <p> Certificate Number Gary G. Eidson 12641 Ronald J. Eidson 3239</p> <p>LA TWSC W.O.: 11.11.1696</p>

