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

E-mail Address:

kcannon@heycoenergy.com

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe. NM 87505 Form C-101 June 16, 2008 JUN - 2 2009

Submit to appropriate District Office



☐ AMENDED REPORT District IV Santa Fe, NM 87505 1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address OGRID Number Nadel and Gussman HEYCO, LLC 258462 P.O. Box 1936 Roswell N.M. 88202 Property Name Loving 2 State Property Code 10 Proposed Pool 2 Proposed Pool 1 <u>′</u>30 610> Bone Spring (15011) Lower Brushy **Surface Location** UL or lot no Range Feet from the North/South line Feet from the East/West line County Section Township Lot Idn F 238 28E 1850' NORTH 2045 WEST **EDDY** 2 <sup>8</sup> Proposed Bottom Hole Location If Different From Surface UL or lot no Lot Idn Feet from the North/South line East/West line County Section Township Range Feet from the NORTH EDDY 1850 2045 WEST F 23S 28E Additional Well Information 11 Work Type Code 12 Well Type Code 3 Cable/Rotary 4 Lease Type CodeS 15 Ground Level Elevation 3052 N S 19 Contractor <sup>20</sup> Spud Date 6 Multiple 18 Formation <sup>7</sup> Proposed Depth 9/19/2009 Bone Spring <sup>21</sup> Proposed Casing and Cement Program Setting Depth Sacks of Cement Estimated TOC Hole Size Casing Size Casing weight/foot 12 1/4" 9 5/8" 36# 400°  $200 \, \mathrm{sx}$ Surface -7 7/8" 5 1/2" 15.5# 8000?  $1050 \, \mathrm{sx}$ 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 400': 8.4 to 9.0 ppg, 80 - 55 visc w/ Fresh water spud mud 400' to 8000': 9.4 to 10.2 ppg, 28-30 visc, w/ brine / cut brine water / Sweeps <sup>23</sup> I hereby certify that the information given above is true and complete to the OIL CONSERVATION DIVISION best of my knowledge and belief. Signature: Approved by: Printed name: Title: Keith Cannon Expiration Date: Title. Approval Date: **Drilling Superintendent** 

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 86240

Energy, Minerals and Natural Resources Department

DISTRICT II 1301 W. GRAND AVENUE, ARTESIA, NM 88210 OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR.

Revised October 12, 2005 Submit to Appropriate District Office

Date Surveyed Signature & Seal of Professional Surveyor

09/171,0453

RONALD J. EIDSON

12641

3239

Certificate No. GARY EIDSON

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, New Mexico 87505

State Lease — 4 Copies Fee Lease — 3 Copies

Form C-102

DISTRICT IV	DR., SANTA FE,	NM 87505	WELL LO	CATION	AND	ACREA	AGE DEDICATI	ON PLAT	□ AMEND	ED REPOR
API Number			1 _	Pool Code Pool Name						
30-015-37109			5	30 670 Herradura Bend: Delaura						
Property (				Υ.		erty Nam		/	√ Well Nu	ımber 7
12960		19			OVING		STATE '		4	
OGRID N			NA	DET AN		ator Nam	HEYCO, LLC	•	Elevati 303	
25846	2		IVA	DEL AN		e Loca		· •	303	<u> </u>
UL or lot No.	Section	Township	Range	Lot Idn	Feet fro		North/South line	Feet from the	East/West line	County
F	2	23-S	28-E		185	_ /	NORTH	2045	WEST	EDDY
				Hole Lo	L		erent From Sur			1 200.
UL or lot No.	Section	Township	Range	Lot Idn	Feet fro		North/South line	Feet from the	East/West line	County
F	2	23 <b>-</b> S	28-E	, and the	185		North .	2045	West	Eddy
Dedicated Acres		L,	onsolidation (	Code Or	der No.		NOI CII	2043	West	Ludy
40							•		•	
L	WADIE W	TIT DE A	CCICNED 1	TO THIS	COMPLE	PION II	NTIL ALL INTER	POTO HAVE DE	TEN CONCOLID	TED
NO ALEO	WADLE W						APPROVED BY		EN CONSOLIDA	A L E D
LOT 4	LOT 4 LOT 3 LOT 2 LOT 1 OPERATOR CERTIFICAT					TION				
39.61 AC		39.56 AC		39.51 AC		39.46 AC	herein is true my knowledge i organization ell or unleased mi including the p or has a right location pursua owner of such or to a volunta	5/2 Date	e best of this this interest e land e location this th an interest, or a e entered	
		Gi	EODETIC CC NAD 27 Y=4863 X=5845	7 NME 41.9 N	 ES			I hereby of shown on this p notes of actual under my super true and correct	R CERTIFICAT  certify that the well  color was plotted from  surveys made by m  vision, and that the  t to the best of my	location m field ne or same is

LONG.=104.059505° W

#### State of New Mexico

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II 1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT IV

### OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

Form C-102

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505	WELL LOCATION AND	ACKEAGE DEDICATION		□ AMENDED REPORT
API Number	Pool Code	Culebra Bluff.	Pool Name	_
30-015-37109	96617 )5011	Cwebra Bluff; Herradura Bend;	Bone Spr	ing, South
Property Code		perty Name		Well Number
12960 305042	LOVING	"2" STATE		4
OGRID No.	Ope	rator Name		Elevation
258462	NADEL AND GU	SSMAN HEYCO, LLC.		3035'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	2	23-S	28-E		1850	NORTH	2045	WEST	EDDY

#### Bottom Hole Location If Different From Surface

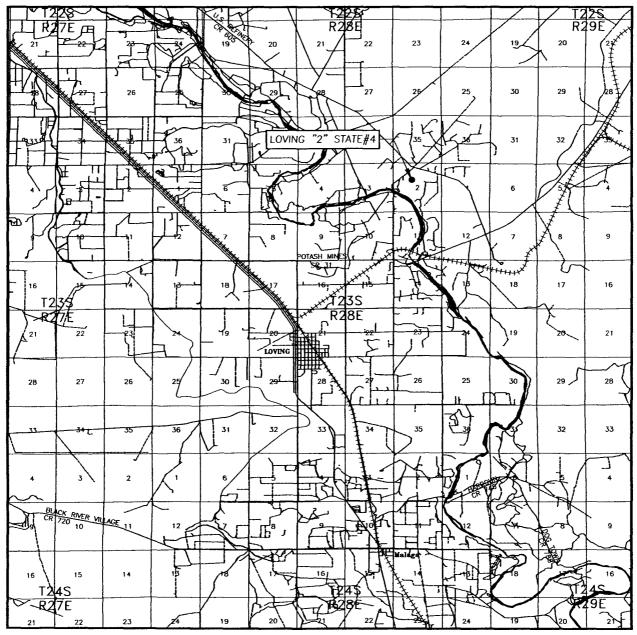
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	2	23-S	28-E		1850	North	2045	West	Eddy
Dedicated Acres Joint or Infill Consolidation Code Order No.						,2			
40									

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

	OK A NON-STANDA		AFFROVED BI I	
LOT 4	LOT 3	LOT 2	LOT 1	OPERATOR CERTIFICATION
VB-0407	-1850'			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,
39 61 AC	39.56 AC	39.51 AC	39.46 AC	or to a voluntary pooling agreement or a compulsory pooling order heretofore entered
2045'				SURVEYOR CERTIFICATION
	GEODETIC COO NAD 27 N Y=486341.	NME 9 N		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.
	X=584573	.7 E		Second D. E. Com
	LAT.=32.336. LONG.=104.05			Date Surveyed N MC AR Signature & Seal of Professional Surveyor 9  OPEN DESCRIPTION  Certificate No. GARY EIDSON 12641  RONALD J. EIDSON 3239

SECTION EDDY C	<b>2, TOWNSHIP</b> OUNTY,	23 SC	OUTH, RANG	GE 28		I.M.P.M., W MEXICO	
			600'				
		0	' NORTH FFSET 045.1' □			идени	
,009	150' WEST OFFSET □ 3032.7'	ELEV. LAT.=32	2" STATE #4 O 3034.7' .336773° N 4.059505° W	150' □ OFF3 303.	SET	,009	
		OF.	□ SOUTH FSET 17.4'				
. DIRECTIONS TO	LOCATION		500'				
FROM THE INTE MINES) AND U. NORTHWEST ON MILES. TURN LI	RSECTION OF ST. RD. #31 S. REFINERY (CO. RD. #60 I U.S. REFINERY ROAD APP EFT AND GO SOUTHWEST (C	05), GO PROX. 2.5 DN LEASE	100 <b>Б</b> . <b>Н Н Н</b>	Scale:1 "=		200 Feet	
SOUTH PAST TH APPROX. 1140	O.1 MILE. TURN LEFT AND HE LOVING "2" STATE #3 I FEET TO THIS LOCATION.  POVIDING SURVEYING SERVICES SINCE 1946	WELL	AND 2045 FE TOWNSHIP	LOVING "2" ST. 1850 FEET FR EET FROM THE	ATE #4 WELL ROM THE NORTH WEST LINE OF S NGE 28 EAST, N.	LINE ECTION 2,	
JOHN	WEST SURVEYING COMPAI 412 N. DAL PASO	VY	Survey Date: 5/12/09				
	HOBBS, N.M. 88240 (575) 393—3117	J	W.O. Number: 09.		By: AR	Rev 1:N/A	
		/	Date: 5/15/09		09110453	Scale:1"=100'	

## VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 2 TWP. 23-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 1850' FNL & 2045' FWL

ELEVATION 3035'

NADEL AND GUSSMAN

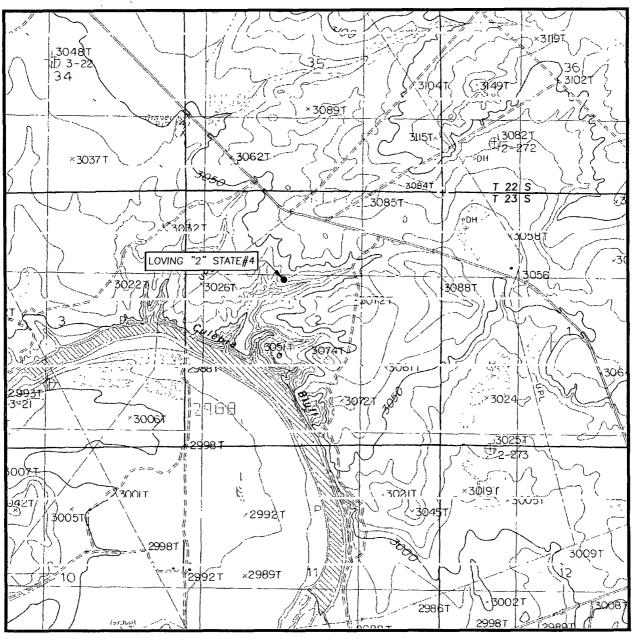
OPERATOR HEYCO, LLC.

LEASE LOVING "2" STATE



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

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

LOVING, N.M.

CONTOUR INTERVAL: LOVING, N.M. - 10'

SEC2_	TWP. <u>23-S</u> RGE. <u>28-E</u>
SURVEY	N.M.P.M.
COUNTY	EDDY STATE NEW MEXICO
DESCRIPTION	ON_1850'_FNL_&_2045'_FWL
ELEVATION	3035'
OPERATOR	NADEL AND GUSSMAN HEYCO, LLC.
LEASE	LOVING "2" STATE
U.S.G.S. T	OPOGRAPHIC MAP



PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117