

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS  
HOBBS OCD

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

SEP 19 2011

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM-40450
2. Name of Operator NADEL AND GUSSMAN HEYCO, LLC		6. If Indian, Allottee or Tribe Name
3a. Address PO BOX 1936 ~ ROSWELL NM 88202-1936	3b. Phone No. (include area code) 575/623/6601	7. If Unit or CA/Agreement, Name and/or No
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 360' FNL & 330' FWL, Sec. 7: T18S, R32E		8. Well Name and No. Bola 7 Federal #5
		9. API Well No. 30-025-39841
		10. Field and Pool, or Exploratory Area Young Delaware North
		11. County or Parish, State Lea, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Site Security Plat</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BLM Bond No. NMB000520  
Surety Bond No. B004230

See Site Security Plat attached.

*Diagram not As per onshore order #3*

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Tammy Link	Title Production Anlyast
Signature <i>Tammy Link</i>	Date 08/25/2011

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by <i>Rejected</i> Is/ JD Whitlock Jr	Title LLET	Date 7/19/11
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office CFO	<i>KAS</i>

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

*Handwritten mark*

Bola 7 Federal 5  
 360' FNL & 330' FWL  
 SEC 7, T18S, R32E  
 LEA COUNTY, NM

THIS LEASE IS SUBJECT TO THE SITE SECURITY PLAN  
 FOR SOUTHEAST NEW MEXICO OPERATIONS. THE PLAN  
 IS LOCATED AT  
 NADEL AND GUSMAN HEYCO, LLC  
 500 NORTH MAIN SUITE ONE  
 ROSWELL, NM

- ➔ DIRECTION OF FLOW
- ⬡ P1 PRODUCTION VALVE
- ⬡ S1 SALES VALVE
- ⬡ C1 CIRCULATING VALVE
- ⬡ E1 EQUALIZING VALVE
- ⬡ F FILL LINE
- ⬡ O OIL LINE
- ⬡ G GAS LINE
- ⬡ W WATER LINE
- ⬡ V VENT VALVE
- ⬡ L1 LOAD LINE

PRODUCTION LINE VALVES  
 SEALED OPEN WHILE PRODUCING  
 SEALED CLOSED DURING SALES

SALES LINE VALVES  
 SEALED CLOSED WHILE PRODUCING  
 OPEN DURING SALES

