

8/11/08 DATE IN	SUBPENSE	BROOKS ENGINEER	8/11/08 LOGGED IN	NSL TYPE	PKURO822438842 APP NO.
--------------------	----------	--------------------	----------------------	-------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Nadel & Gussman Heyco LLC
Pearsall & 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]

[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 _____

[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.

Emerald Johnson
 Print or Type Name

Emerald Johnson
 Signature

Landman
 Title

8-11-08
 Date

E.johnson@naguss.com
 e-mail Address

2008 AUG 11 AM 10:18
 RECEIVED

NADEL AND GUSSMAN HEYCO, LLC

500 North Main Street, Suite 1
Roswell, New Mexico 88201
Phone: (575) 623-6601
Fax: (575) 627-2427

RECEIVED
2008 AUG 7 PM 3 44

August 6, 2008

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

Re: Non Standard Location Application
Pearsall 6 Federal No. 9 Well
Section 6, T-18-S, R-32-E
1750 FSL & 1060 FEL
Young; Bone Spring North
Lea County, New Mexico

Dear Mr. Brooks:

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 Pearsall 6 Federal No. 9 Well is 1750 FSL & 1060 FEL, Section 6, T-18-S, R-32-E, Unit I. The well is set to be completed in the Young; Bone Spring North Pool. Special pool rules do not apply to this pool. According to OCD guidelines, the proposed location is unorthodox by approximately 70', being 260' from the west quarter-quarter line of the NE/4 SE/4.

NGH originally proposed a location in the NE/4 SE/4 that was not unorthodox. However, due to topography and sand dune issues, the BLM requested that NGH move the 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 is the NW/4 SE/4 of Section 6. 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 432-682-4429.

Sincerely,



Emerald Johnson
Landman

FWL 990 FSL 1650 FEL 990 FSL 660 FEL 990 FSL 380 FEL 990 FSL 688 FWL 990 FSL 2310 FWL 660 FS 660 FE

330 FSL 840 FEL
 1 2 3

5

6

1

LEGEND

- ABDN LOC
- ◊ D&A
- ◻ FUTURE LOC
- ACTIVE LOC
- OIL WELL
- OIL WELL WO
- PLUGGED OIL WELL
- * GAS WELL

ORTHODOX
 40 ACRE
 SPACING
 AREA

1

CHOLLA '1' FEDERAL LEASE

1980 FS 1650 FE
 1980 FSL 560 FEL
 930 FSL 660 FEL
 250 FS 250 FE

2260 FNL 400 FEL
 BHL
 BONE SPRING

BONE SPRING
 2
 BONE SPRING

PEARSALL '6'

(NADAL & GUSSMAN HEYCO) Op. Deep
 (DEVON) Op. Shallow

1830 FNL 1980 FWL
 1

2280 FSL 990 FWL
 4

1830 FSL 1640 FWL
 3

1487 FSL 2350 FEL
 6

990 FSL 2310 FWL
 5

QUEEN

660 FSL 1980 FEL
 2
 BONE SPRING

LUCKY LIZARD
 660 FSL 1037 FEL
 2

6

OPEN

OPEN

330'

LASSOED LIZARD
 430 FNL 2310 FEL
 1

LUCKY LIZARD
 1650 FNL 990 FEL
 1

330 FNL 990 FWL
 2

660 FN 660 FW
 1

ON-GRBG

1954 FN 527 FW
 2
 ON-GRBG

1980 FS 660 FW
 1
 ON-GRBG

660 FS 660 FW
 3
 ON-GRBG

WALKER FED. LEASE

990 FSL 2310 FWL
 2

Scale 1:12000.



MADE AND GUSSMAN - HEYCO	
LEA COUNTY	
PEARSALL '6' FEDERAL LEASE	
SECTION 6, T18S-R32E	
DATE WHEN THIS RECORD WAS FILED	NOV 11 2008

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

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

OIL CONSERVATION DIVISION

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

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
	65350	Young; Bone Spring North
Property Code	Property Name	Well Number
258462	PEARSALL 6 FEDERAL	9
OGRID No.	Operator Name	Elevation
	NADEL AND GUSSMAN HEYCO, LLC	3826'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	6	18-S	32-E		1750	SOUTH	1060	EAST	LEA

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

LOT 4	LOT 3	LOT 2	LOT 1
40.94 AC	40.02 AC	40.04 AC	40.05 AC
LOT 5	GEODETIC COORDINATES NAD 27 NME Y=645722.8 N X=663895.0 E LAT.=32.774049° N LONG.=103.800106° W		
40.95 AC			
LOT 6			
40.97 AC			
LOT 7			
40.99 AC			

NMNM-100590

OPERATOR CERTIFICATION

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.

Signature _____ Date _____

Printed Name _____

SURVEYOR CERTIFICATION

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.

Date Surveyed APR 22 2008
Signature & Seal of Professional Surveyor *Ronald J. Eidson*
Professional Surveyor 3239
RECEIVED APR 29 2008

Certificate No. Gary G. Eidson 12641
Ronald J. Eidson 3239