

**NADEL AND GUSSMAN HEYCO, LLC**  
500 N. Main Street, Suite One - P. O. Box 1936  
Roswell, New Mexico 88202-1936  
(575) 623-6601 – Fax (575) 627-2427

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2012 MAR -6 P 12: 46

February 29, 2012

Bureau of Land Management  
Carlsbad Field Office  
620 E. Greene St.  
Carlsbad, New Mexico 88220

Attention: Deputy Minerals Manager for Oil and Gas

Re: Young Deep Unit  
Contract #14-08-0001-18042  
T-18S, R-32E, N.M.P.M.  
Lea County, New Mexico  
2012 Plan of Development  
and Operation

Ladies & Gentlemen:

Nadel and Gussman HEYCO, LLC (NGH) as Unit Operator, submits its 2012 Plan of Development and Operation (in triplicate) as prescribed by Section 10 of the Young Deep Unit Agreement. This plan covers the Bone Spring, Delaware, Wolfcamp and Morrow Formations and Participating Areas within the Young Deep Unit.

In this regard, we are enclosing a current unit map showing all existing wells, roads and flowlines, and maps showing the current participating area boundaries. **Confidential** maps showing geologic data pertinent to the producing formations are also enclosed. A complete well listing showing the status of all wells thru 2011 is also included. NGH has also submitted the correct documentation and is currently waiting on approval for a power line to be constructed from the YDU #5 well to the YDU #39 well to electrify the pumpjack on the YDU #39.

Nearly all of the Young Deep Unit wells produce from the Bone Spring Fm. in the Young, North Pool. Exceptions are the three water injection wells (YDU #5, YDU 3 Fed. #1 and YDU #16 (currently inactive)) utilized for Bone Spring Carbonate pressure maintenance, two wells producing from the Delaware Mountain Group (YDU #28 and #34), one current Wolfcamp producer (YDU #1). The following unit wells have been permanently plugged: YDU #3 (12/4/1984), YDU #19 (6/16/1986), YDU #35 (6/12/1992), YDU 3 Fed. #3 in (8/6/1993), YDU #27 (12/15/1993), YDU 4 Fed. #1 (8/8/1996), and the YDU #2 (8/17/2005). NGH has also plugged and abandoned the YDU #4 well as well as the YDU 3 #4 well, as previously discussed in the plan development submitted for the year 2011. See the enclosed status list of Unit wells.

NGH is currently evaluating recent technological advances in stimulation and horizontal drilling and is establishing a new internal economic guideline for successful economic well completions utilizing such technology. The tight Bone Spring Sands in the northern Delaware Basin of Southeast New Mexico, which produce in the Unit, have seen aggressive industry activity in the last 2 years, driven by horizontal drilling and fracture stimulation advances. NGH is hesitant to proceed quickly with horizontal drilling plans because of the results from the re-entry of the plugged YDU #14 in 2005. This horizontal lateral (the #14H) in the Bone Spring 2<sup>nd</sup> Sand (see attached Unit Type Log) was drilled as a slim hole out of the existing 5 1/2" casing. A thorough review of the drilling and completion operations and production data has determined that drilling new laterals in old wells is unsuitable for infill development of the Young Deep Unit because of mechanical and pressure limitations, therefore, NGH will not be re-entering additional YDU wells for the drilling of slimhole horizontal laterals in 2012. NGH has, however, internally proposed a horizontal test in the S/2S/2 of Section 10 for a late 2012 or 2013 drilling program. Devon has drilled a horizontal 2<sup>nd</sup> Bone Spring Sand offset location to the Unit in the N/2N/2 of Section 15, T18S-R32E. A successful economic completion in this test would compel NGH to drill the YDU #40H sooner to minimize possible competitive drainage.

In January, 2012, NGH successfully completed a workover of the YDU #39 well into the Bone Spring 2<sup>nd</sup> Sand, and it is currently producing from that zone. Originally completed in 2007 as a 12,500' Morrow producer in the SE/4 of Section 10, T18S-R32E, this workover supports the proposed horizontal well. Additionally, in 2012 NGH will continue to evaluate the Young Deep Unit #14, #16, #33 wells, which are currently inactive, for possible workovers or ultimate plugging.

Based on the information submitted herewith, NGH respectfully requests the Bureau of Land Management approve this 2012 Plan of Development and Operation. We will be glad to supply further information if such is required.

Respectfully submitted,



Colby Booth, Landman  
Nadel and Gussman HEYCO, LLC

CSB/GKY/vr  
Enclosures

YDUPOD2012.doc/Land:YDU#3

✓xc: Oil Conservation Division (w/encl.)  
1220 S. St. Francis Dr.  
Santa Fe, New Mexico 87505  
Attn: Sr. Petroleum Geologist

**DOI Bureau of Land Management - CARLSBAD FIELD OFFICE  
YOUNG DEEP UNIT POD ATTACHMENTS**

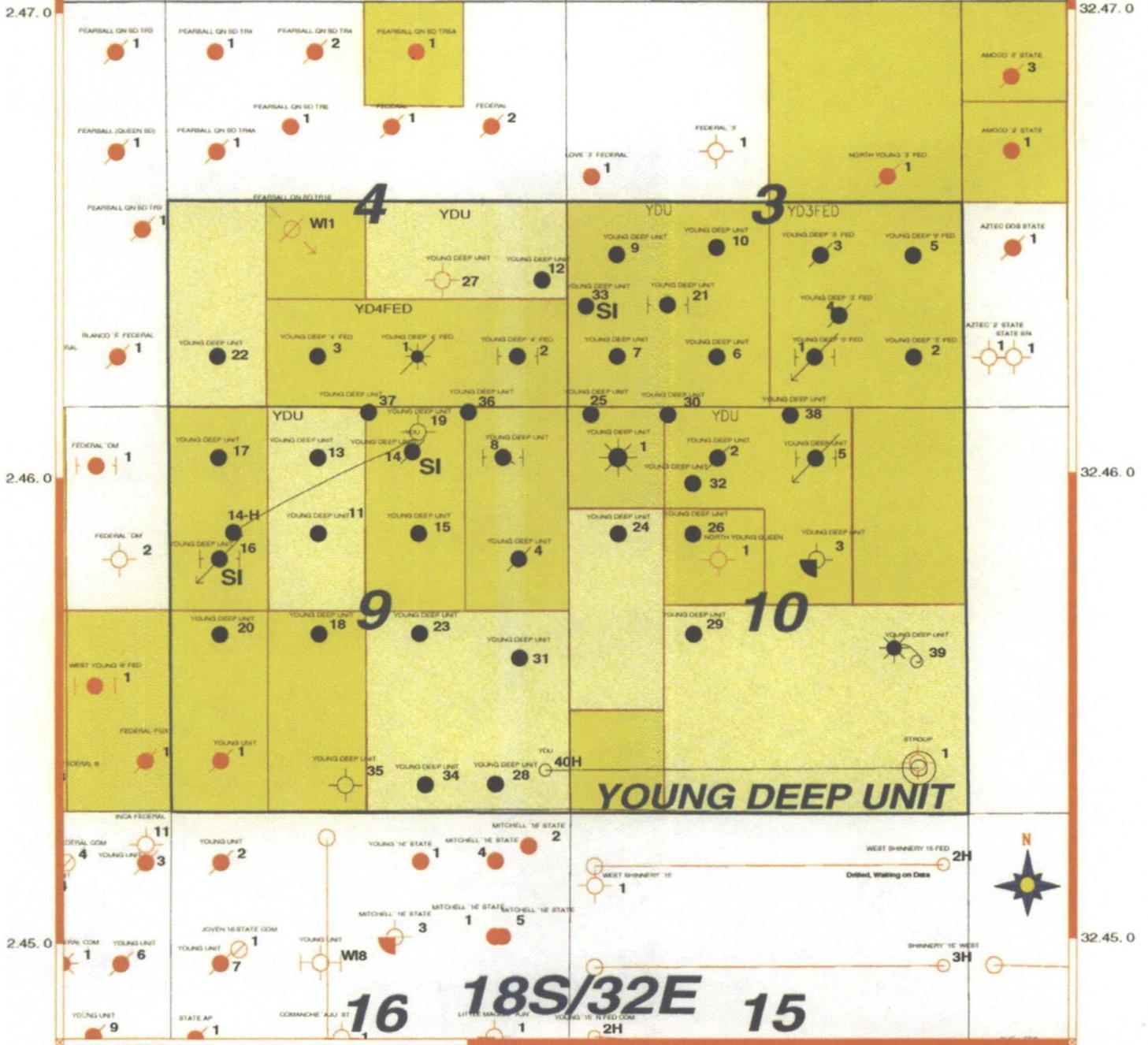
**Status of all Wells within the Unit**

| <b>#</b> | <b>WELL NAME AND NUMBER</b> | <b>API NUMBER</b> | <b>COMP DATE</b> | <b>PROD ZONE</b> | <b>STATUS</b>         |
|----------|-----------------------------|-------------------|------------------|------------------|-----------------------|
| 1.       | YOUNG DEEP UNIT 1           | 30025266400003    | 10/30/1990       | WOLFCAMP         | ACTIVE                |
| 2.       | YDU 2                       | 30025271210000    | 8/17/2005        | BONE SPRING      | P&A                   |
| 3.       | YDU 3                       | 30025272290000    | 12/04/1984       |                  | D&A - PLUGGED         |
| 4.       | YDU 4                       | 30025273000000    | 7/2/1981         | BONE SPRING      | PLUGGED 2011          |
| 5.       | YDU 5                       | 30025273360000    | 10/31/1983       |                  | ACTIVE-WIW            |
| 6.       | YDU 6                       | 30025274770001    | 4/21/1994        | BONE SPRING      | ACTIVE                |
| 7.       | YDU 7                       | 30025275470001    | 11/29/1994       | BONE SPRING      | ACTIVE                |
| 8.       | YDU 8                       | 30025275350201    | 11/19/1987       | BONE SPRING      | ACTIVE                |
| 9.       | YDU 9                       | 30025284000001    | 10/23/2009       | BONE SPRING      | ACTIVE                |
| 10.      | YDU 10                      | 30025284730000    | 2/3/1984         | BONE SPRING      | ACTIVE                |
| 11.      | YDU 11                      | 30025287930001    | 12/25/1993       | BONE SPRING      | ACTIVE                |
| 12.      | YDU 12                      | 30025308660000    | 4/6/1990         | BONE SPRING      | ACTIVE                |
| 13.      | YDU 13                      | 30025289660000    | 12/20/1985       | BONE SPRING      | ACTIVE                |
| 14.      | YDU 14H                     | 30025290150101    | 12/16/2005       | BONE SPRING      | INACTIVE - UNDER EVAL |
| 15.      | YDU 15                      | 30025290460000    | 7/5/1985         | BONE SPRING      | ACTIVE                |
| 16.      | YDU 16                      | 30025290470000    | 3/30/1993        | BONE SPRING      | INACTIVE-WIW          |
| 17.      | YDU 17                      | 30025290600000    | 4/17/1985        | BONE SPRING      | ACTIVE                |
| 18.      | YDU 18                      | 30025313590000    | 9/27/1991        | BONE SPRING      | ACTIVE                |
| 19.      | YDU 19                      | 30025292780000    | 6/16/1986        |                  | D&A - PLUGGED         |
| 20.      | YDU 20                      | 30025309240000    | 11/21/1990       | BONE SPRING      | ACTIVE                |
| 21.      | YDU 21                      | 30025322880001    | 9/4/2009         | BONE SPRING      | ACTIVE                |
| 22.      | YDU 22                      | 30025292530000    | 7/6/1985         | BONE SPRING      | ACTIVE                |
| 23.      | YDU 23                      | 30025298960000    | 1/9/1988         | BONE SPRING      | ACTIVE                |
| 24.      | YDU 24                      | 30025307830000    | 7/26/1990        | BONE SPRING      | ACTIVE                |
| 25.      | YDU 25                      | 30025331730000    | 1/22/1996        | BONE SPRING      | ACTIVE                |
| 26.      | YDU 26                      | 30025309520000    | 10/5/1990        | BONE SPRING      | ACTIVE                |
| 27.      | YDU 27                      | 30025309760000    | 12/15/1993       |                  | D&A - PLUGGED         |
| 28.      | YDU 28                      | 30025310480000    | 4/3/1992         | DELAWARE         | ACTIVE                |
| 29.      | YDU 29                      | 30025312990000    | 9/12/1991        | BONE SPRING      | ACTIVE                |
| 30.      | YDU 30                      | 30025331740000    | 12/22/1995       | BONE SPRING      | ACTIVE                |
| 31.      | YDU 31                      | 30025310930000    | 5/13/1991        | BONE SPRING      | ACTIVE                |
| 32.      | YDU 32                      | 30025333150000    | 4/14/1996        | BONE SPRING      | ACTIVE                |
| 33.      | YDU 33                      | 30025334620000    | 8/24/1996        | BONE SPRING      | INACTIVE - UNDER EVAL |
| 34.      | YDU 34                      | 30025314670000    | 12/24/1991       | DELAWARE         | ACTIVE                |
| 35.      | YDU 35                      | 30025315960000    | 6/12/1992        |                  | D&A - PLUGGED         |
| 36.      | YDU 36                      | 30025336420000    | 11/28/1996       | BONE SPRING      | ACTIVE                |
| 37.      | YDU 37                      | 30025336430000    | 12/14/1996       | BONE SPRING      | ACTIVE                |
| 38.      | YDU 38                      | 30025338640000    | 12/25/1997       | BONE SPRING      | ACTIVE                |
| 39.      | YDU 39                      | 30025381790000    | 4/6/2007         | BONE SPRING      | ACTIVE - RECOMPL 2012 |
| 40.      | YDU 40                      | 30025-            |                  | BONE SPRING      | PROPOSED NEW DRILL    |
| 41.      | YOUNG DEEP UNIT 3 FED 1     | 30025273690000    | 12/1/1990        | BONE SPRING      | ACTIVE-WIW            |
| 42.      | YDU 3 FED-2                 | 30025289070000    | 11/19/1984       | BONE SPRING      | ACTIVE                |
| 43.      | YDU 3 FED-3                 | 30025275340000    | 8/6/1993         | BONE SPRING      | P&A                   |
| 44.      | YDU 3 FED-4                 | 30025284810000    | 4/18/1984        | BONE SPRING      | PLUGGED 2011          |
| 45.      | YDU 3 FED-5                 | 30025287180000    | 6/30/1984        | BONE SPRING      | ACTIVE                |
| 46.      | YDU 4 FED-1                 | 30025268130000    | 8/8/1996         | BONE SPRING      | P&A                   |
| 47.      | YDU 4 FED-2                 | 30025276790102    | 5/7/1995         | BONE SPRING      | ACTIVE                |
| 48.      | YDU 4 FED-3                 | 30025292680000    | 10/3/1985        | BONE SPRING      | ACTIVE                |

**SUMMARY**

| YDU WELLS WITH INDIVIDUAL TANKS  | YDU WELLS GOING TO YDU 1 - BATTERY  | YDU WELLS GOING TO YDU 11 - BATTERY                                    | YDU WELLS BY PARTICIPATING AREA                                   |
|--|---|--|---|
| YOUNG DEEP UNIT 1<br>YDU 12<br>YDU 14H<br>YDU 18<br>YDU 20<br>YDU 23<br>YDU 24<br>YDU 25<br>YDU 28<br>YDU 29<br>YDU 30<br>YDU 31<br>YDU 32<br>YDU 33<br>YDU 34<br>YDU 36<br>YDU 37<br>YDU 38<br>YDU 39 | YDU 6<br>YDU 7<br>YDU 8<br>YDU 9<br>YDU 10<br>YDU 21<br>YDU 26<br>YDU 4 FED-2   | YDU 4 (PLUGGED 2011)<br>YDU 11<br>YDU 13<br>YDU 15<br>YDU 17<br>YDU 22 | <b>MORROW:</b><br>NONE CURRENTLY<br><br><b>WOLFCAMP:</b><br>YDU 1 |
| YDU 29<br>YDU 30<br>YDU 31<br>YDU 32<br>YDU 33<br>YDU 34<br>YDU 36<br>YDU 37<br>YDU 38<br>YDU 39   | YDU 25<br>YDU 30<br>YDU 32<br>YDU 33  | YDU 3 FED 2<br>YDU 3 FED 4 (P & A 2011)<br>YDU 3 FED 5                 | <b>DELAWARE:</b><br>YDU 28<br>YDU 34                              |
| YDU 38<br>YDU 39   | YDU 36<br>YDU 37  | YDU 4 FED 3  | <b>BONE SPRING:</b><br>ALL OTHERS                                 |
| 2009 UNIT ACTIVITY   | YDU 21 - ADD PAY WORKOVER<br>YDU 9 - ADD PAY WORKOVER   |  |   |
| 2010 UNIT ACTIVITY   | MAINTENANCE ONLY - EVALUATE 2009 WO's   |  |   |
| 2011 UNIT ACTIVITY   | YDU 3 FED 4 - P&A<br>YDU 4 - P&A  |  |   |
| 2012 PLANNED ACTIVITY  | RECOMPLETE YDU #39 TO BONE SPRING FM - WORK DONE 1/2012<br>DRILL YDU 40H HORIZONTAL 2ND BONE SPRING SAND TEST<br>EVALUATE HZ FOR OFFSET DEVELOPMENT - #41H & #42H |  |   |

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UNIT WELLS IN BLACK  
 NON-UNIT WELLS IN RED

Scale 1:24000.



|  |  |                |             |
|--|--|----------------|-------------|
| <b>LEGEND</b><br><ul style="list-style-type: none"> <li>• Abandoned Location</li> <li>✦ Dry and Abandoned</li> <li>* Gas Well</li> <li>○ Location - Active or Proposed</li> <li>• Oil Well</li> <li>✦ Plugged and Abandoned Oil Well</li> <li>✦ Oil Well converted to water injector</li> <li>• Oil Well Workover</li> <li>* Gas Well Plugged and Abandoned</li> <li>✦ Injector - Plugged</li> </ul> | <b>NADEL and GUSSMAN HEYCO, LLC</b>  |                |             |
|  | <b>YOUNG DEEP UNIT</b><br><b>T-18-S, R-32-E</b><br><b>LEA COUNTY, NEW MEXICO</b> |                |             |
|  | Suzi Yahney  | 1" = 2,000 ft. | 2/29/2012   |
|  | UNIT Wells BLACK   | Scale 1:24000. | YDU_POD.gpf |

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32.47.0

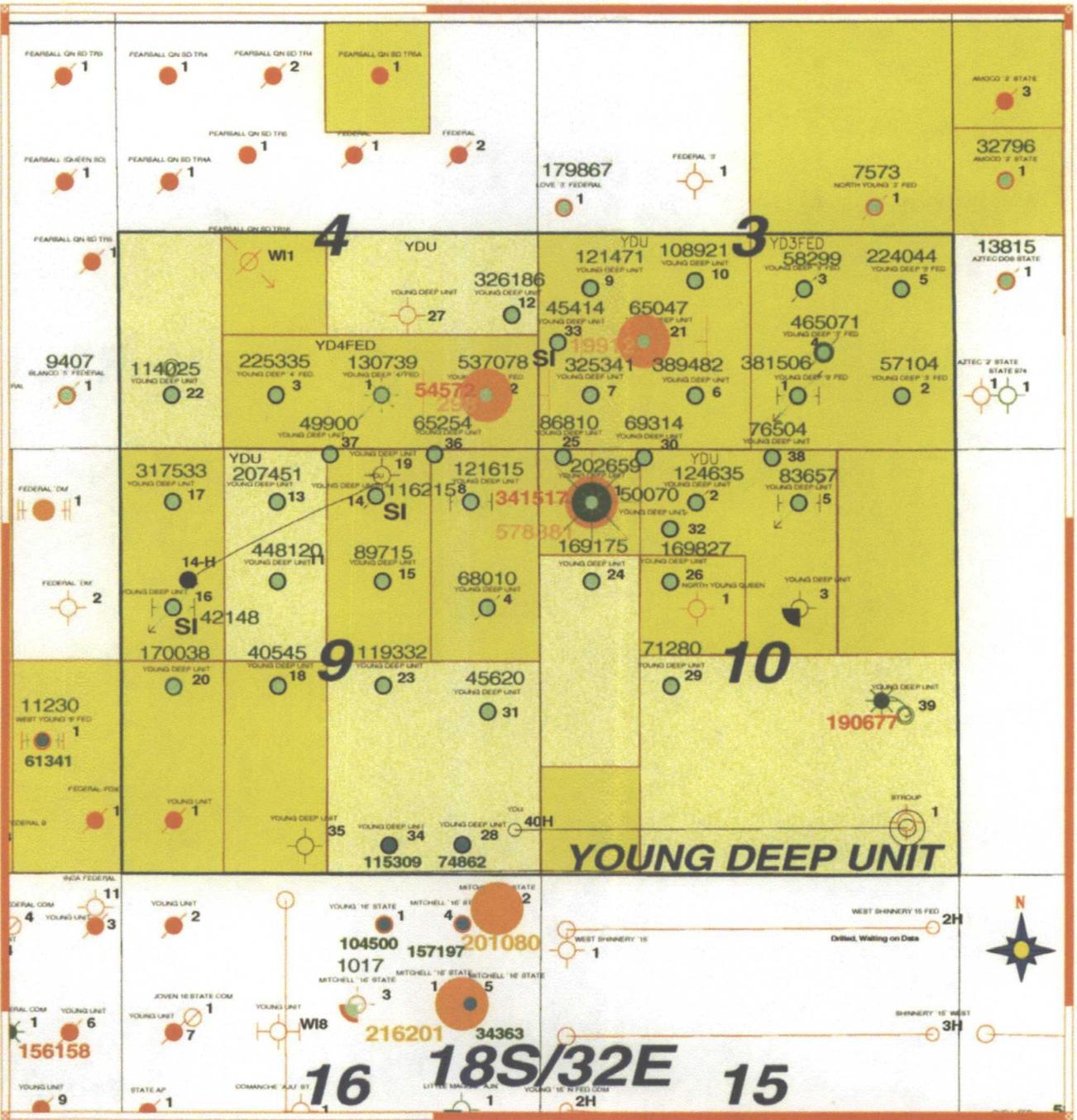
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Scale 1:24000.

- DELaware OIL PRODUCTION - BO
- BONE SPRING OIL PRODUCTION - BO
- WOLF CAMP OIL PRODUCTION - BO
- MORROW GAS PRODUCTION - MCRG



### LEGEND

- Abandoned Location
- ◇ Dry and Abandoned
- \* Gas Well
- Location - Active or Proposed
- Oil Well
- ✱ Plugged and Abandoned Oil Well
- ✱ Oil Well converted to water injector
- ⊙ Oil Well Workover
- ✱ Gas Well Plugged and Abandoned
- ✱ Injector - Plugged

## NADEL and GUSSMAN HEYCO, LLC

### YOUNG DEEP UNIT

#### T-18-S, R-32-E, LEA COUNTY, NM

#### Cumulative Production by Fm.

Suzi Yahney

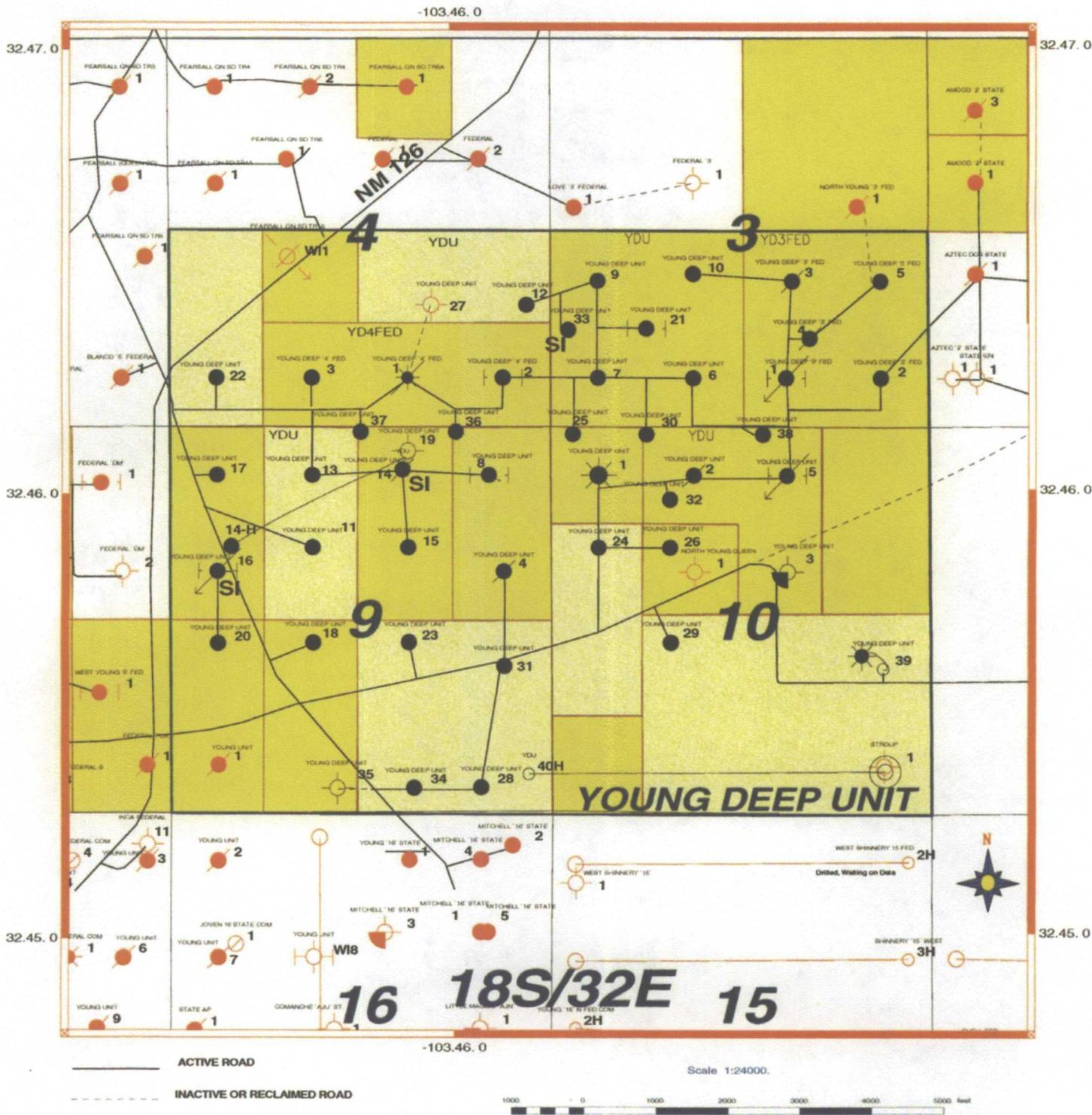
1" = 2,000 ft.

2/29/2012

YDU\_PROD\_CUM

Scale 1:24000.

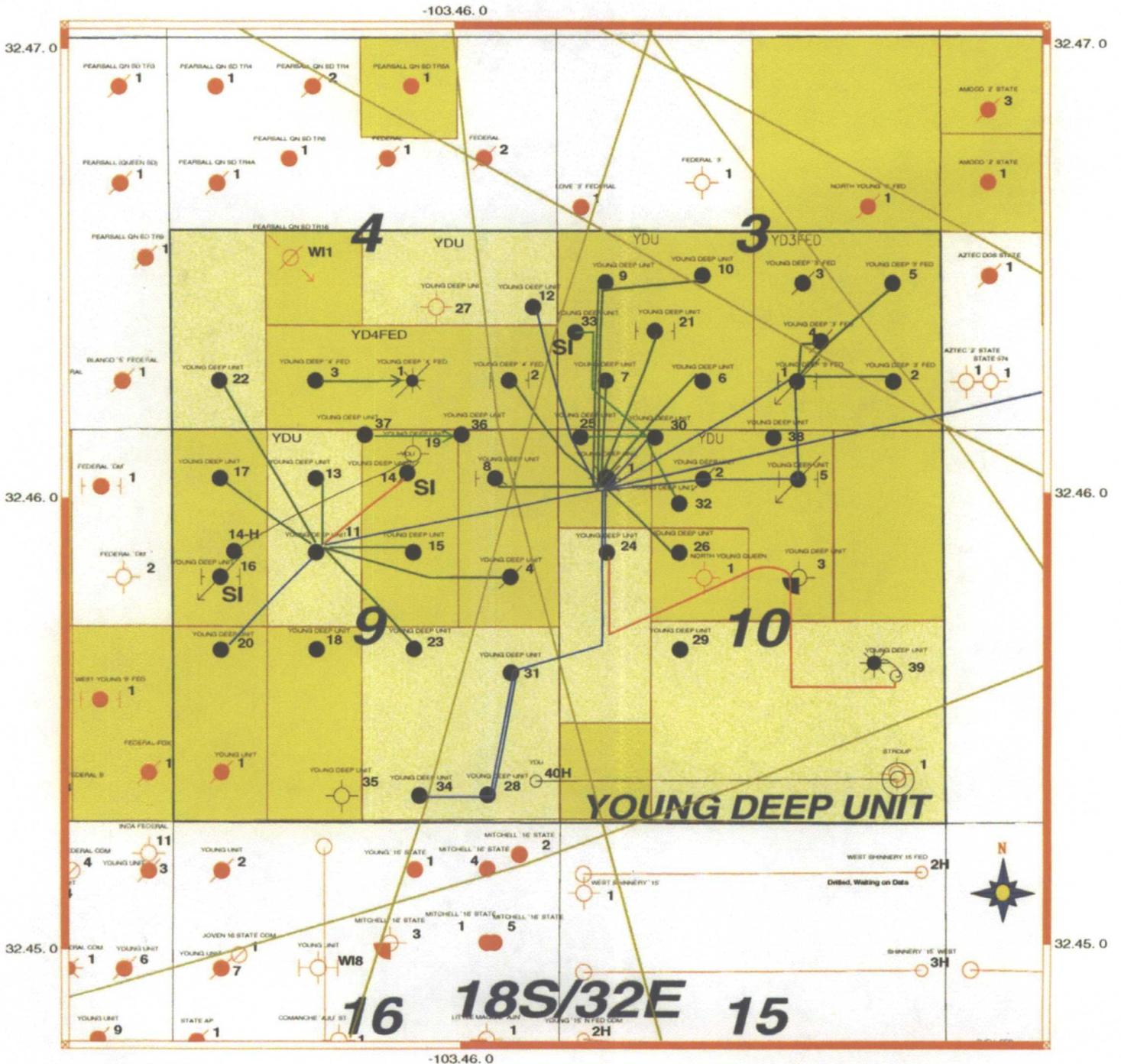
YDU\_POD2.gpf



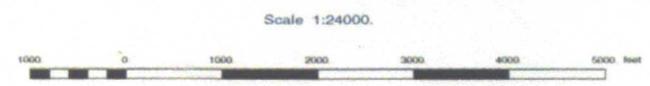
| LEGEND |                                      |  |
|--------|--------------------------------------|--|
| •      | Abandoned Location                   |  |
| ◊      | Dry and Abandoned                    |  |
| *      | Gas Well                             |  |
| ◦      | Location - Active or Proposed        |  |
| •      | Oil Well                             |  |
| ■      | Plugged and Abandoned Oil Well       |  |
| ⊗      | Oil Well converted to water injector |  |
| •      | Oil Well Workover                    |  |
| *      | Gas Well Plugged and Abandoned       |  |
| ⊗      | Injector - Plugged                   |  |

|   |                |              |
|---|----------------|--------------|
| <b>NADEL and GUSSMAN HEYCO, LLC</b>   |                |              |
| <b>YOUNG DEEP UNIT</b><br><b>T-18-S, R-32-E, LEA COUNTY, NM</b><br><b>Roads</b> |                |              |
| Suzi Yahney   | 1" = 2,000 ft. | 2/29/2012    |
| YDU_YDROADS   | Scale 1:24000. | YDU_POD3.gpf |



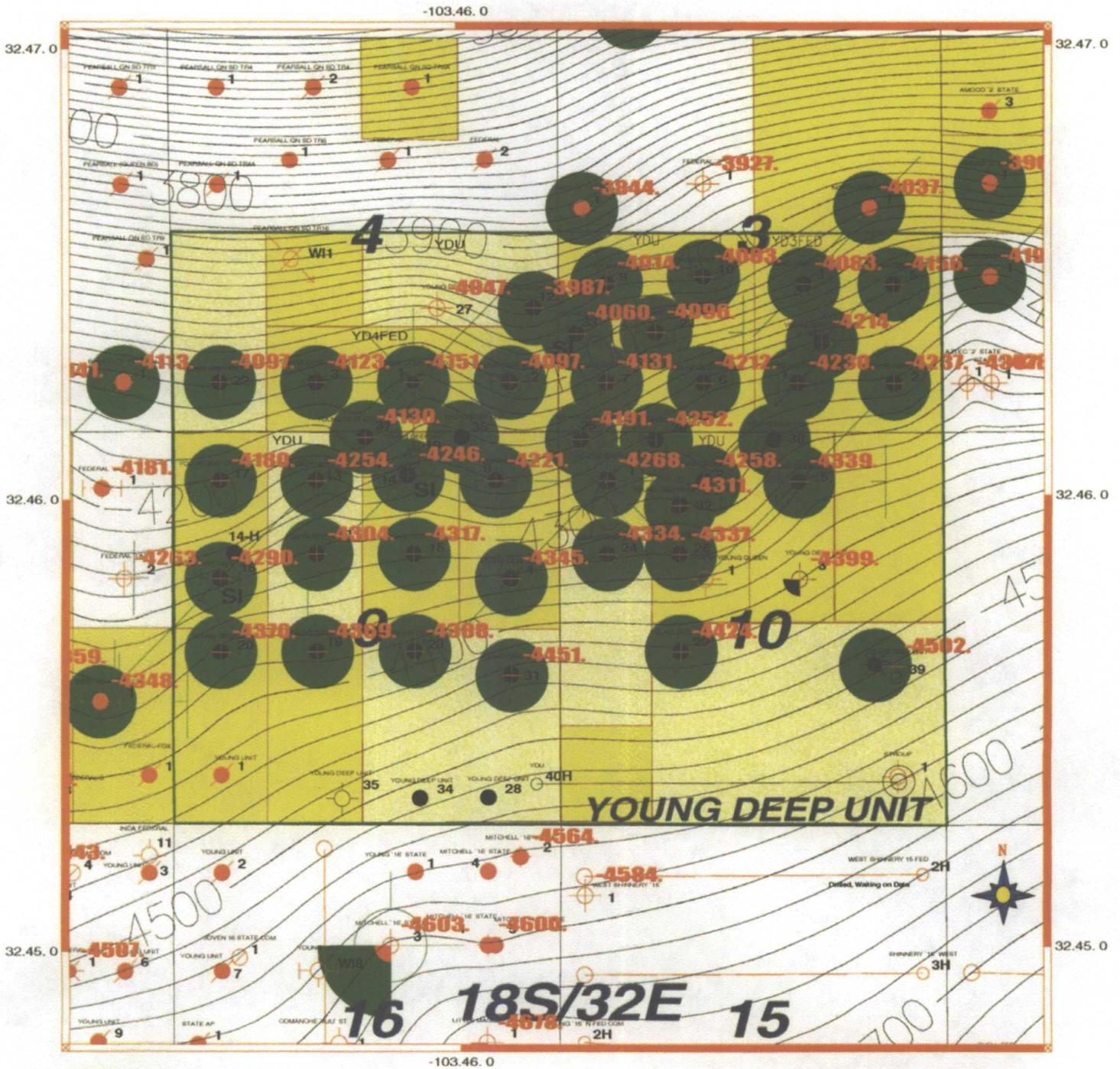
- YDU OIL GATHERING LINES
- YDU OIL GATHERING LINES
- 3RD PARTY PIPELINES
- YDU PRESSURE MAINTENANCE SYSTEM WATER LINES
- YDU GAS GATHERING LINES



| LEGEND |                                      |  |
|--------|--------------------------------------|--|
| ◦      | Abandoned Location                   |  |
| ◊      | Dry and Abandoned                    |  |
| *      | Gas Well                             |  |
| ◦      | Location - Active or Proposed        |  |
| •      | Oil Well                             |  |
| ⊠      | Plugged and Abandoned Oil Well       |  |
| ⊠      | Oil Well converted to water injector |  |
| •      | Oil Well Workover                    |  |
| ⊠      | Gas Well Plugged and Abandoned       |  |
| ⊠      | Injector - Plugged                   |  |

|   |                |              |
|---|----------------|--------------|
| <b>NADEL and GUSSMAN HEYCO, LLC</b>   |                |              |
| <b>YOUNG DEEP UNIT<br/>T-18-S, R-32-E, LEA COUNTY, NM<br/>Pipelines and Flowlines</b> |                |              |
| Suzi Yahney   | 1" = 2,000 ft. | 2/29/2012    |
| YDU_YDUPIPE   | Scale 1:24000. | YDU_POD4.gpf |

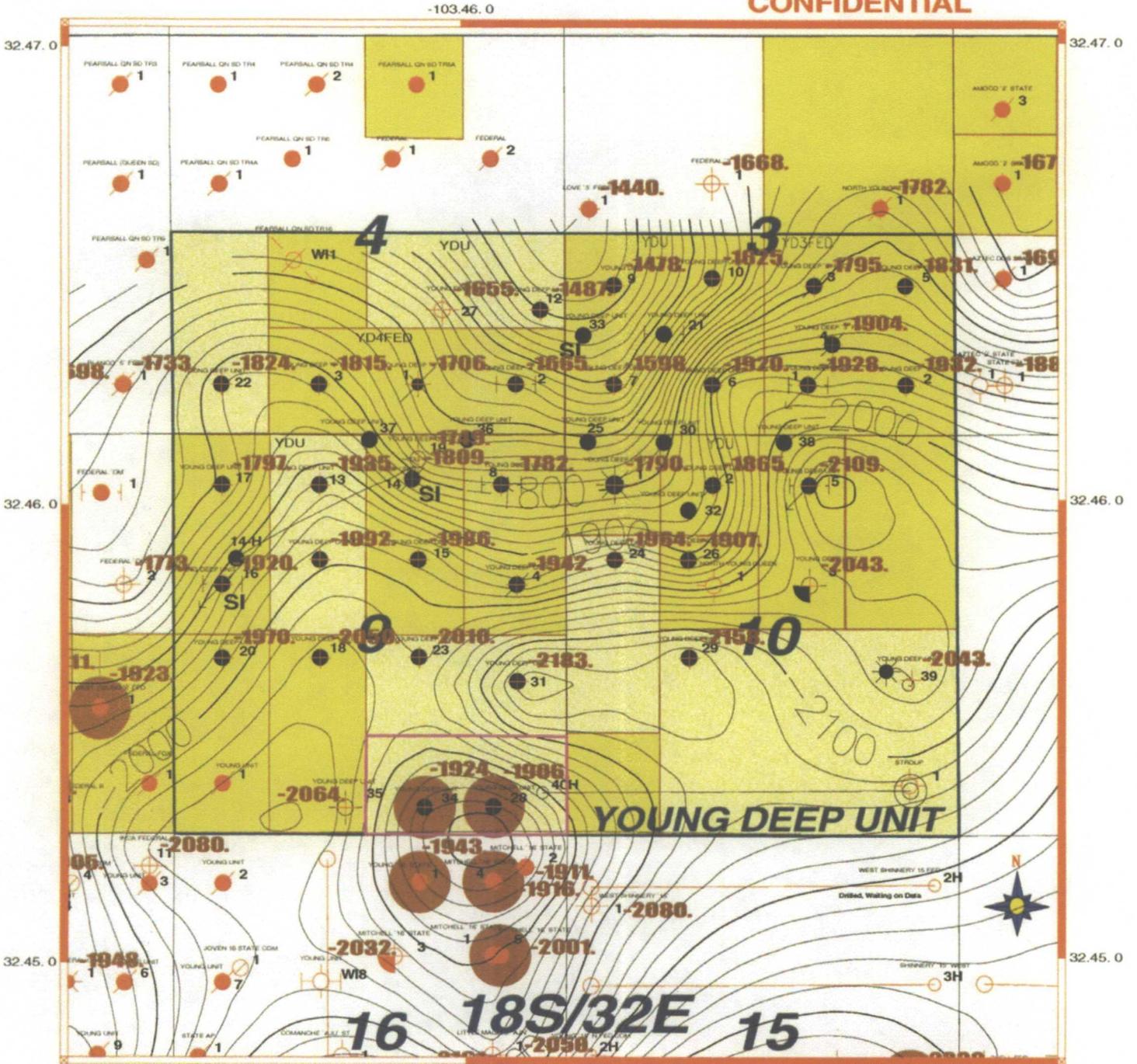


BONE SPRING PARTICIPATING AREA (Full Unit Area)  
 WELLS WITH BONE SPRING PRODUCTION

Scale 1:24000.



|  |  |                |           |          |                |              |  |
|--|--|----------------|-----------|----------|----------------|--------------|--|
| <p style="text-align: center;"><b>LEGEND</b></p> <ul style="list-style-type: none"> <li>• Abandoned Location</li> <li>⋄ Dry and Abandoned</li> <li>* Gas Well</li> <li>○ Location - Active or Proposed</li> <li>• Oil Well</li> <li>⊘ Plugged and Abandoned Oil Well</li> <li>⊙ Oil Well converted to water injector</li> <li>⊙ Oil Well Workover</li> <li>⊘ Gas Well Plugged and Abandoned</li> <li>⊙ Injector - Plugged</li> </ul> | <p style="font-size: 1.2em; font-weight: bold;">NADEL and GUSSMAN HEYCO, LLC</p> <p style="font-size: 1.5em; font-weight: bold;">YOUNG DEEP UNIT</p> <p style="font-size: 1.2em; font-weight: bold;">T-18-S, R-32-E - LEA COUNTY, NM</p> <p style="font-size: 1.2em; font-weight: bold;">T/BONE SPRING "B" CARBONATE</p> |                |           |          |                |              |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">C I = 20 FT.</td> <td style="width: 33%;">1" = 2,000 ft.</td> <td style="width: 33%;">2/29/2012</td> </tr> <tr> <td>YDU_BSPG</td> <td>Scale 1:24000.</td> <td>YDU_POD6.gpf</td> </tr> </table>   | C I = 20 FT.   | 1" = 2,000 ft. | 2/29/2012 | YDU_BSPG | Scale 1:24000. | YDU_POD6.gpf |  |
| C I = 20 FT.   | 1" = 2,000 ft.   | 2/29/2012      |           |          |                |              |  |
| YDU_BSPG   | Scale 1:24000.   | YDU_POD6.gpf   |           |          |                |              |  |



-103.46.0

Scale 1:24000.



**LEGEND**

- Abandoned Location
- ✧ Dry and Abandoned
- \* Gas Well
- Location - Active or Proposed
- Oil Well
- # Plugged and Abandoned Oil Well
- ⊗ Oil Well converted to water injector
- ⊙ Oil Well Workover
- ⊗ Gas Well Plugged and Abandoned
- ⊗ Injector - Plugged

**NADEL and GUSSMAN HEYCO, LLC**

**YOUNG DEEP UNIT  
T-18-S, R-32-E - LEA COUNTY, NM  
T/U. BRUSHY CANYON DLWR MARKER**

C I = 20 FT.

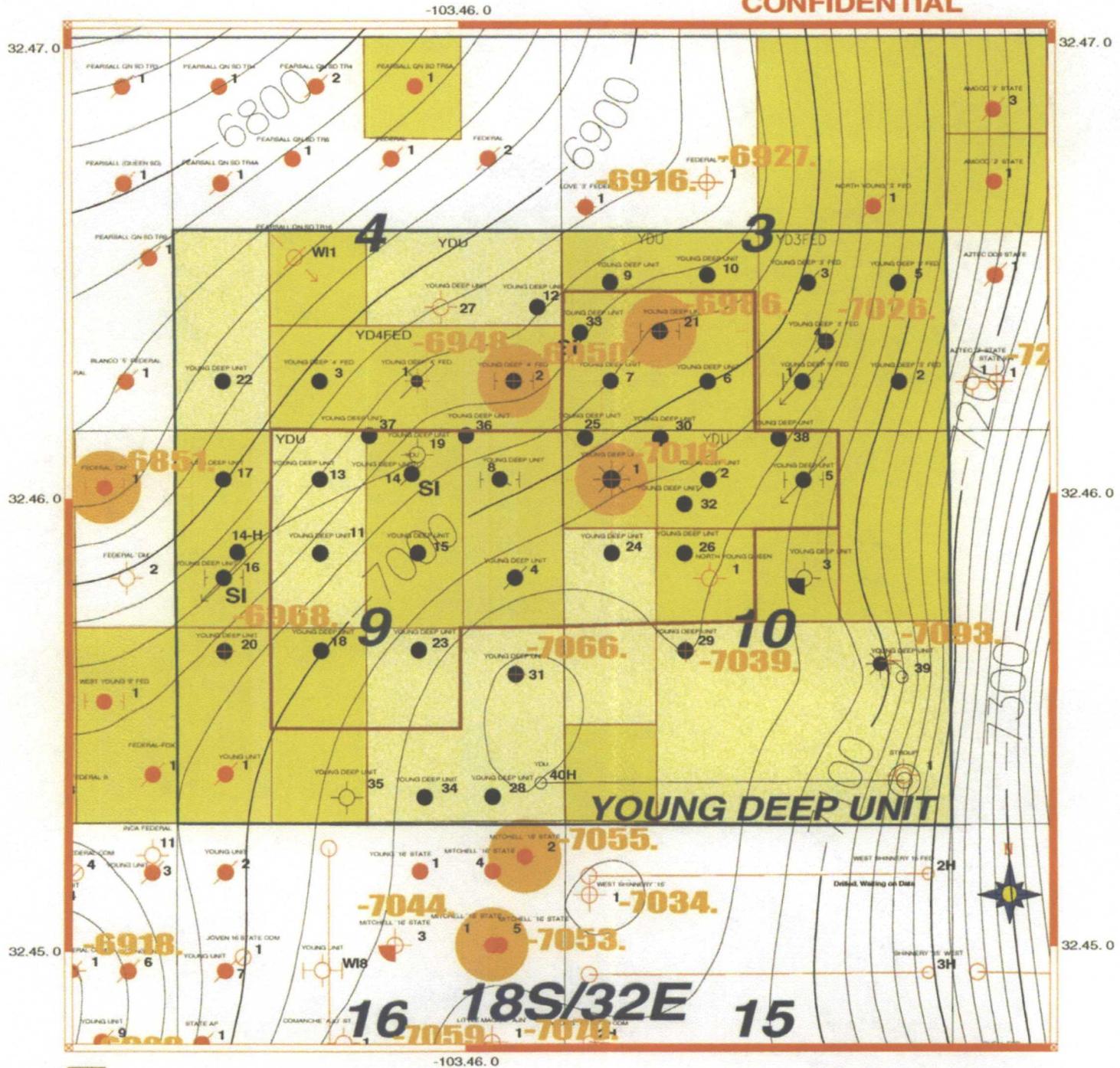
1" = 2,000 ft.

2/29/2012

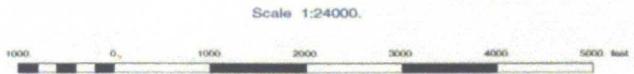
YDU\_DLWR

Scale 1:24000.

YDU\_POD5.gpf

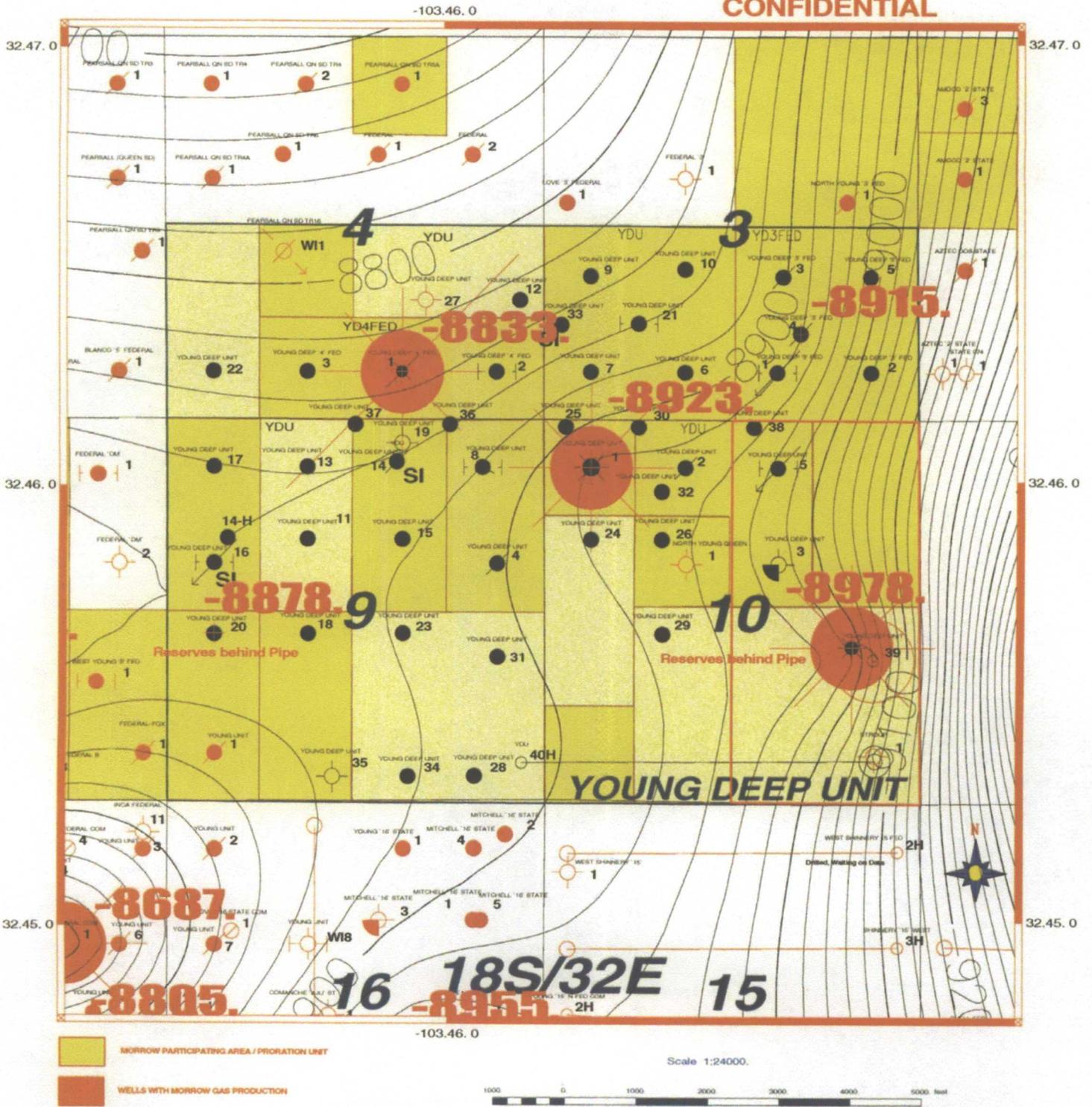


- WOLF CAMP PARTICIPATING AREA
- WELLS WITH WOLF CAMP PRODUCTION



| LEGEND |                                      |
|--------|--------------------------------------|
| •      | Abandoned Location                   |
| ◊      | Dry and Abandoned                    |
| *      | Gas Well                             |
| ○      | Location - Active or Proposed        |
| •      | Oil Well                             |
| ✕      | Plugged and Abandoned Oil Well       |
| ◊      | Oil Well converted to water injector |
| •      | Oil Well Workover                    |
| ✕      | Gas Well Plugged and Abandoned       |
| ◊      | Injector - Plugged                   |

|  |                |              |
|--|----------------|--------------|
| <h2>NADEL and GUSSMAN HEYCO, LLC</h2> <h3>YOUNG DEEP UNIT</h3> <h3>T-18-S, R-32-E - LEA COUNTY, NM</h3> <h3>STRUCTURE AT BASE WOLF CAMP FM.</h3> |                |              |
| CI = 20 FT   | 1" = 2,000 ft. | 2/29/2012    |
| YDU_PLVS   | Scale 1:24000. | YDU_POD7.gpf |



**MORROW PARTICIPATING AREA / PROPRATION UNIT**

**WELLS WITH MORROW GAS PRODUCTION**

Scale 1:24000.



**LEGEND**

- Abandoned Location
- ◊ Dry and Abandoned
- \* Gas Well
- Location - Active or Proposed
- Oil Well
- \* Plugged and Abandoned Oil Well
- ◊ Oil Well converted to water injector
- Oil Well Workover
- \* Gas Well Plugged and Abandoned
- ◊ Injector - Plugged

**NADEL and GUSSMAN HEYCO, LLC**

**YOUNG DEEP UNIT  
T-18-S, R-32-E - LEA COUNTY, NM  
STRUCTURE T/ LOWER MORROW**

C I = 20 FT.

1" = 2,000 ft.

2/29/2012

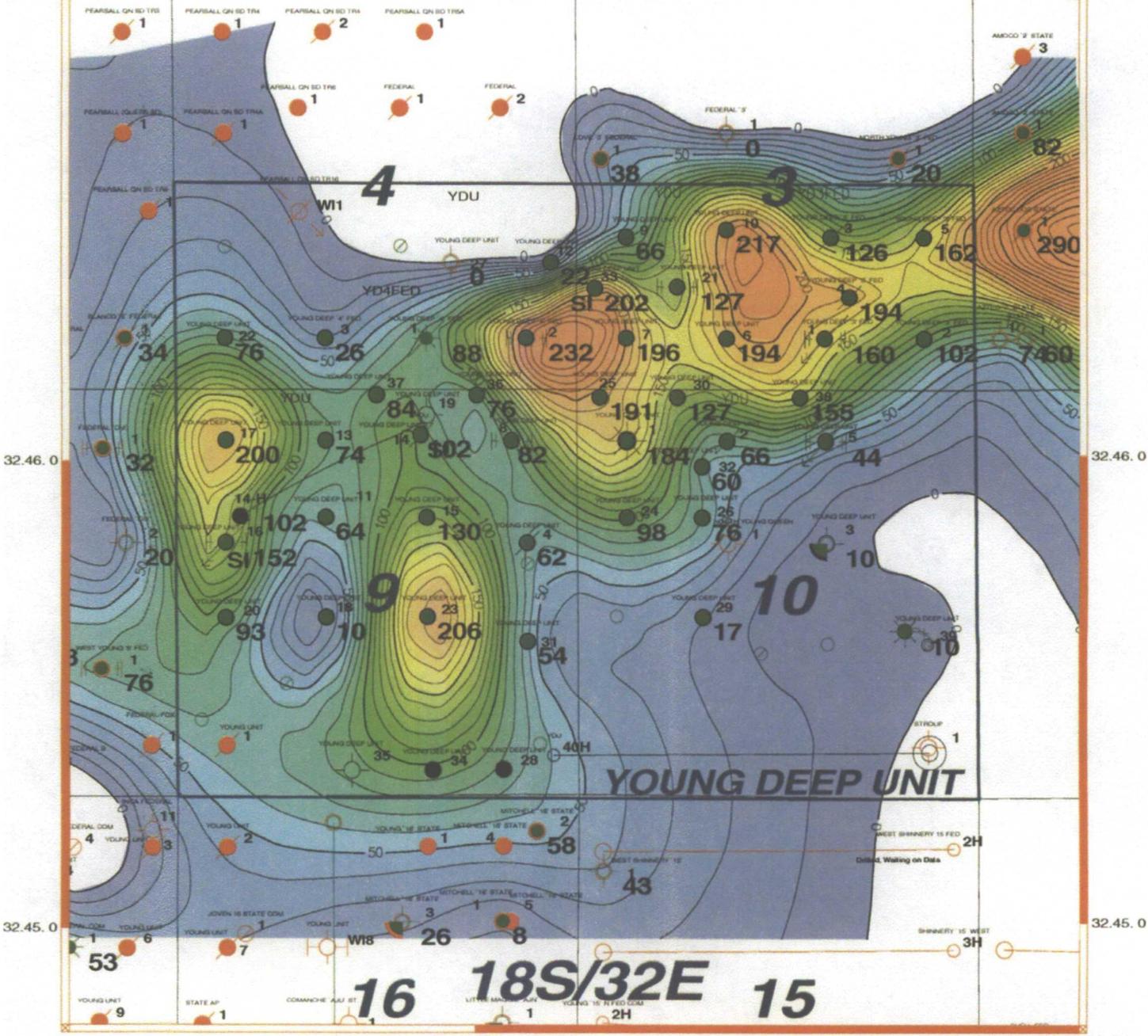
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32.47.0 32.47.0



32.46.0 32.46.0 32.45.0 32.45.0

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Scale 1:24000.

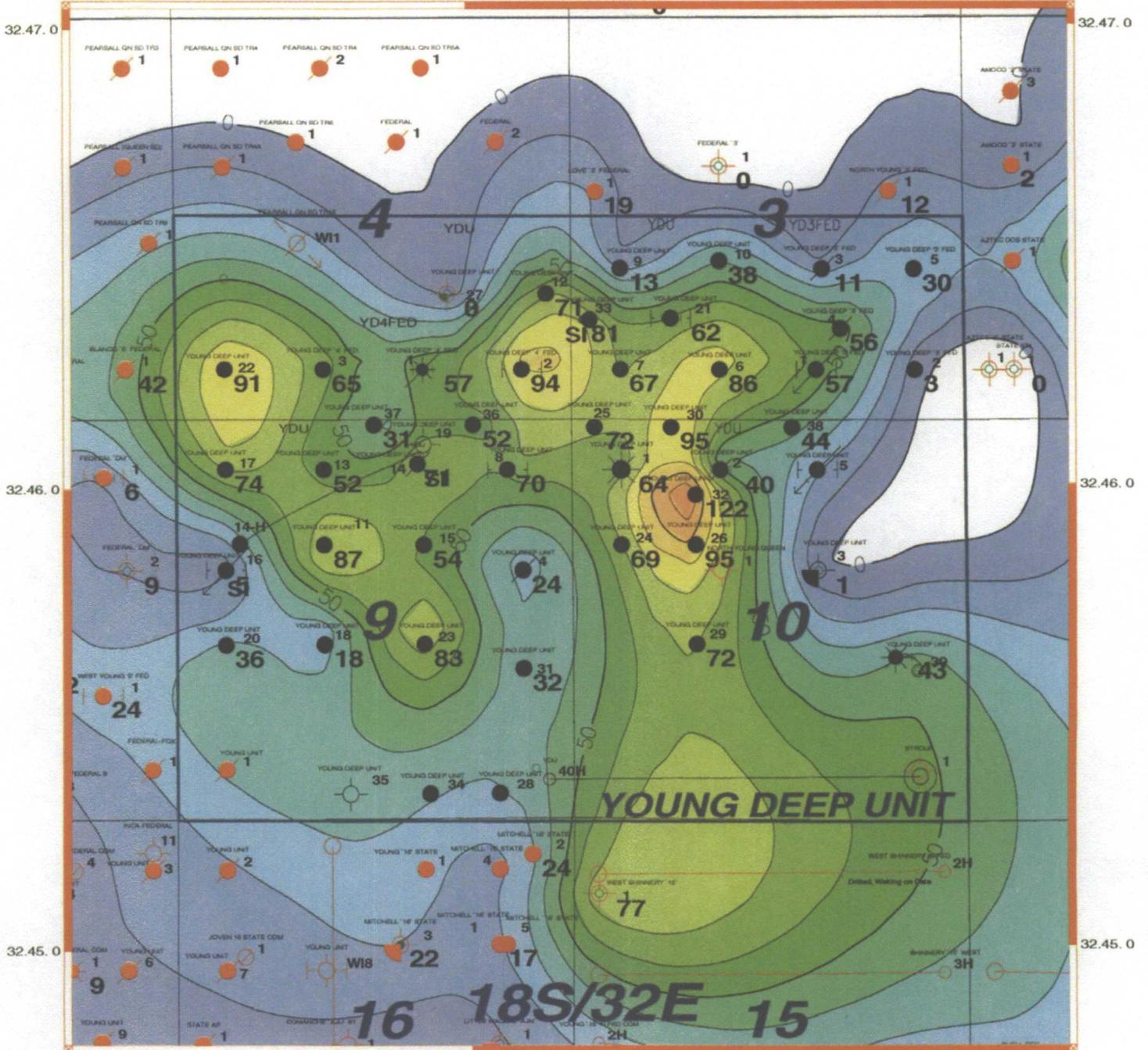


**LEGEND**

- Abandoned Location
- ⋄ Dry and Abandoned
- \* Gas Well
- Location - Active or Proposed
- Oil Well
- ⊠ Plugged and Abandoned Oil Well
- ⊡ Oil Well converted to water injector
- ⊢ Oil Well Workover
- ⊣ Gas Well Plugged and Abandoned
- ⊤ Injector - Plugged

|  |                |              |
|--|----------------|--------------|
| <b>NADEL and GUSSMAN HEYCO, LLC</b>              |                |              |
| <b>YOUNG DEEP UNIT</b>                           |                |              |
| <b>T-18-S, R-32-E, LEA COUNTY, NM</b>            |                |              |
| <b>Bone Spring "B" Carbonate Porosity &gt;6%</b> |                |              |
| CI = 10 FT.                                      | 1" = 2,000 ft. | 2/29/2012    |
| YDU_BSPGB  | Scale 1:24000. | YDU_POD9.gpf |

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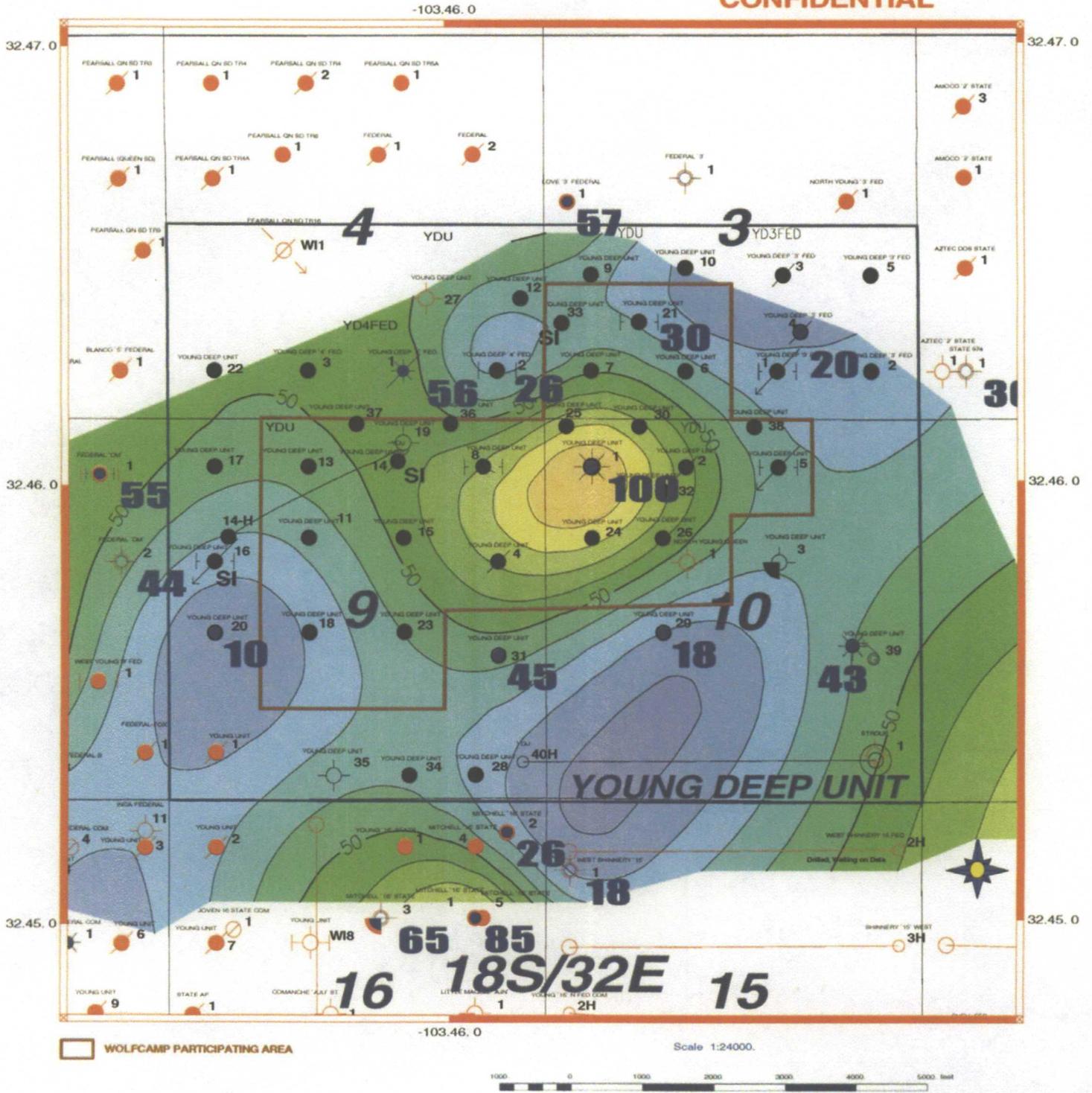


-103.46.0

Scale 1:24000.



| LEGEND       |                                      |   |               |                |           |            |                |               |
|--------------|--------------------------------------|---|---------------|----------------|-----------|------------|----------------|---------------|
| ◦            | Abandoned Location                   | <p><b>NADEL and GUSSMAN HEYCO, LLC</b></p> <p><b>YOUNG DEEP UNIT</b><br/> <b>T-18-S, R-32-E, LEA COUNTY, NM</b><br/> <b>Bone Spring 2nd Sd Pay - Porosity &gt;10%</b></p> <table border="1"> <tr> <td>C I = 10 FT.</td> <td>1" = 2,000 ft.</td> <td>2/29/2012</td> </tr> <tr> <td>YDU_BSPG2C</td> <td>Scale 1:24000.</td> <td>YDU_POD10.gpf</td> </tr> </table> | C I = 10 FT.  | 1" = 2,000 ft. | 2/29/2012 | YDU_BSPG2C | Scale 1:24000. | YDU_POD10.gpf |
| C I = 10 FT. | 1" = 2,000 ft.                       |   | 2/29/2012     |                |           |            |                |               |
| YDU_BSPG2C   | Scale 1:24000.                       |   | YDU_POD10.gpf |                |           |            |                |               |
| ⊕            | Dry and Abandoned                    |   |               |                |           |            |                |               |
| *            | Gas Well                             |   |               |                |           |            |                |               |
| ◦            | Location - Active or Proposed        |   |               |                |           |            |                |               |
| •            | Oil Well                             |   |               |                |           |            |                |               |
| ⊗            | Plugged and Abandoned Oil Well       |   |               |                |           |            |                |               |
| ⊕            | Oil Well converted to water injector |   |               |                |           |            |                |               |
| ⊕            | Oil Well Workover                    |   |               |                |           |            |                |               |
| ⊗            | Gas Well Plugged and Abandoned       |   |               |                |           |            |                |               |
| ⊗            | Injector - Plugged                   |   |               |                |           |            |                |               |

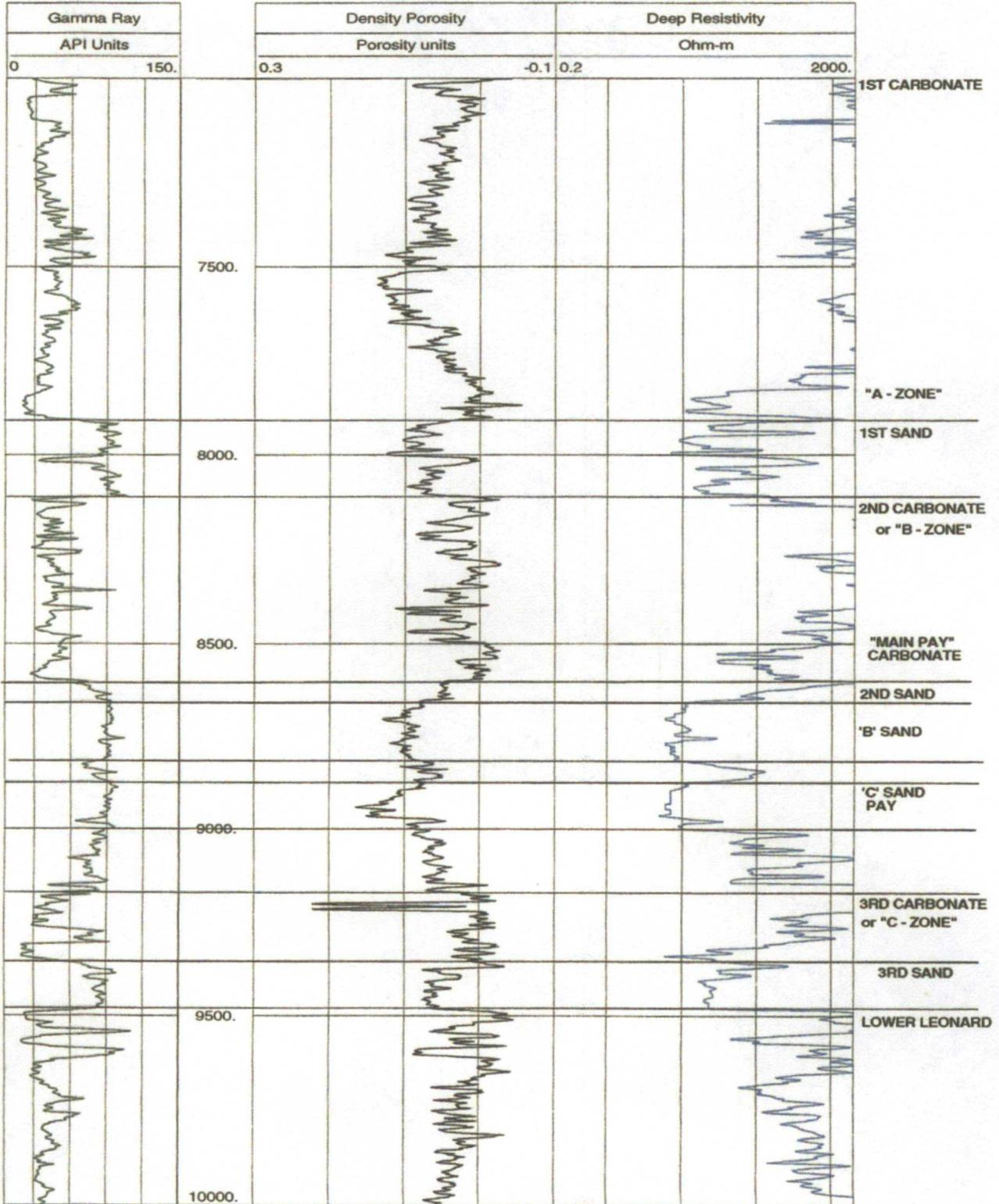


**LEGEND**

- Abandoned Location
- ◊ Dry and Abandoned
- \* Gas Well
- Location - Active or Proposed
- Oil Well
- ✕ Plugged and Abandoned Oil Well
- ◊ Oil Well converted to water injector
- Oil Well Workover
- ✕ Gas Well Plugged and Abandoned
- ◊ Injector - Plugged

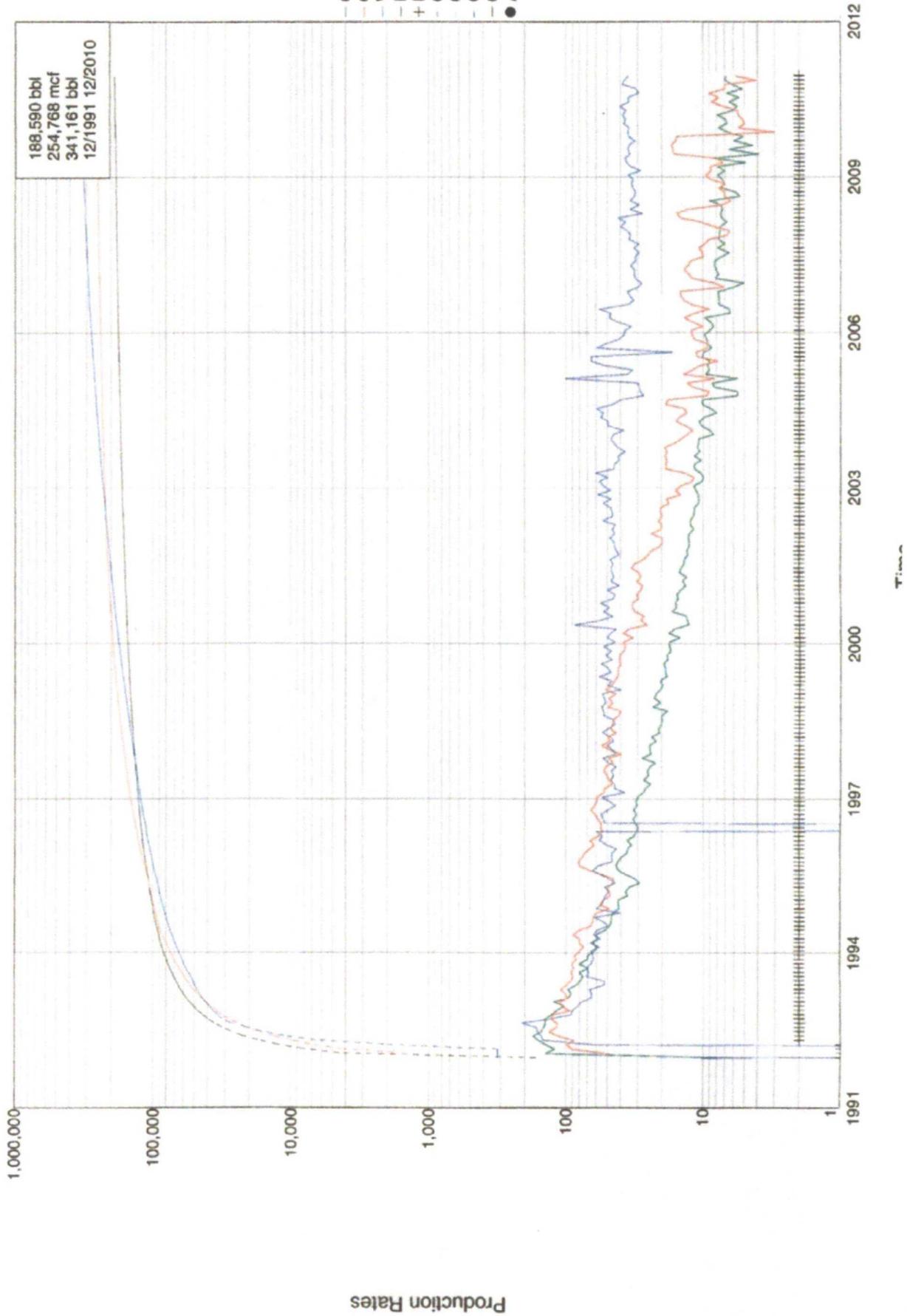
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|---|----------------|---------------|
| <b>NADEL and GUSSMAN HEYCO, LLC</b>     |                |               |
| <b>YOUNG DEEP UNIT</b>                  |                |               |
| <b>T-18-S, R-32-E - LEA COUNTY, NM</b>  |                |               |
| <b>GROSS ISOPACH LOWER WOLFCAMP PAY</b> |                |               |
| CI = 10 FT.                             | 1" = 2,000 ft. | 2/29/2012     |
| YDU_WFMPAF                              | Scale 1:24000. | YDU_POD11.gpf |

# NADEL and GUSSMAN HEYCO YOUNG DEEP UNIT #1



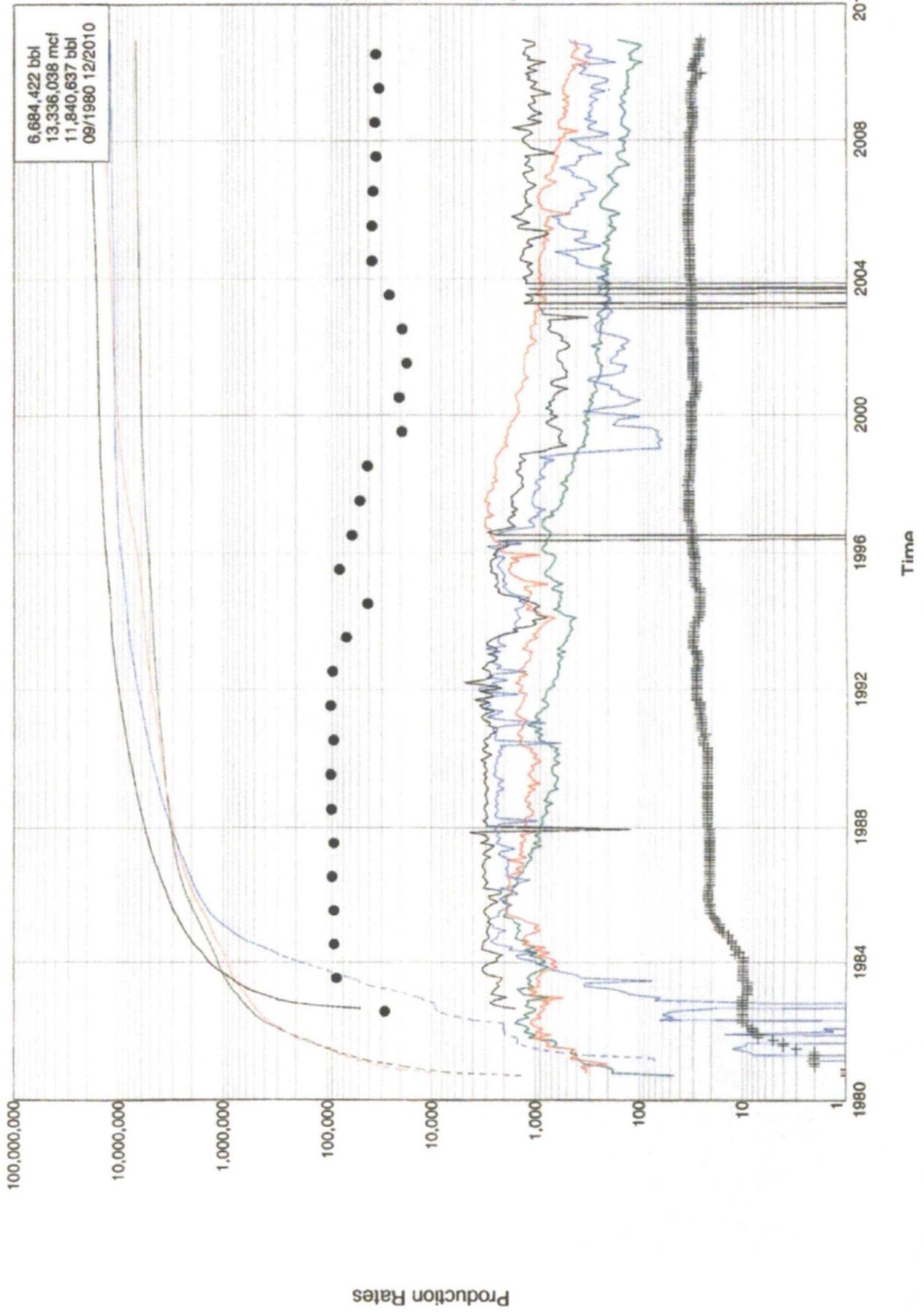
Lease Name: YOUNG DEEP UNIT  
 County, State: LEA, NM  
 Operator: NADEL & GUSSMAN HEYCO LLC  
 Field: YOUNG NORTH  
 Reservoir: DELAWARE  
 Location:

YOUNG DEEP UNIT NADEL & GUSSMAN HEYCO LLC YOUNG NORTH DELAWARE



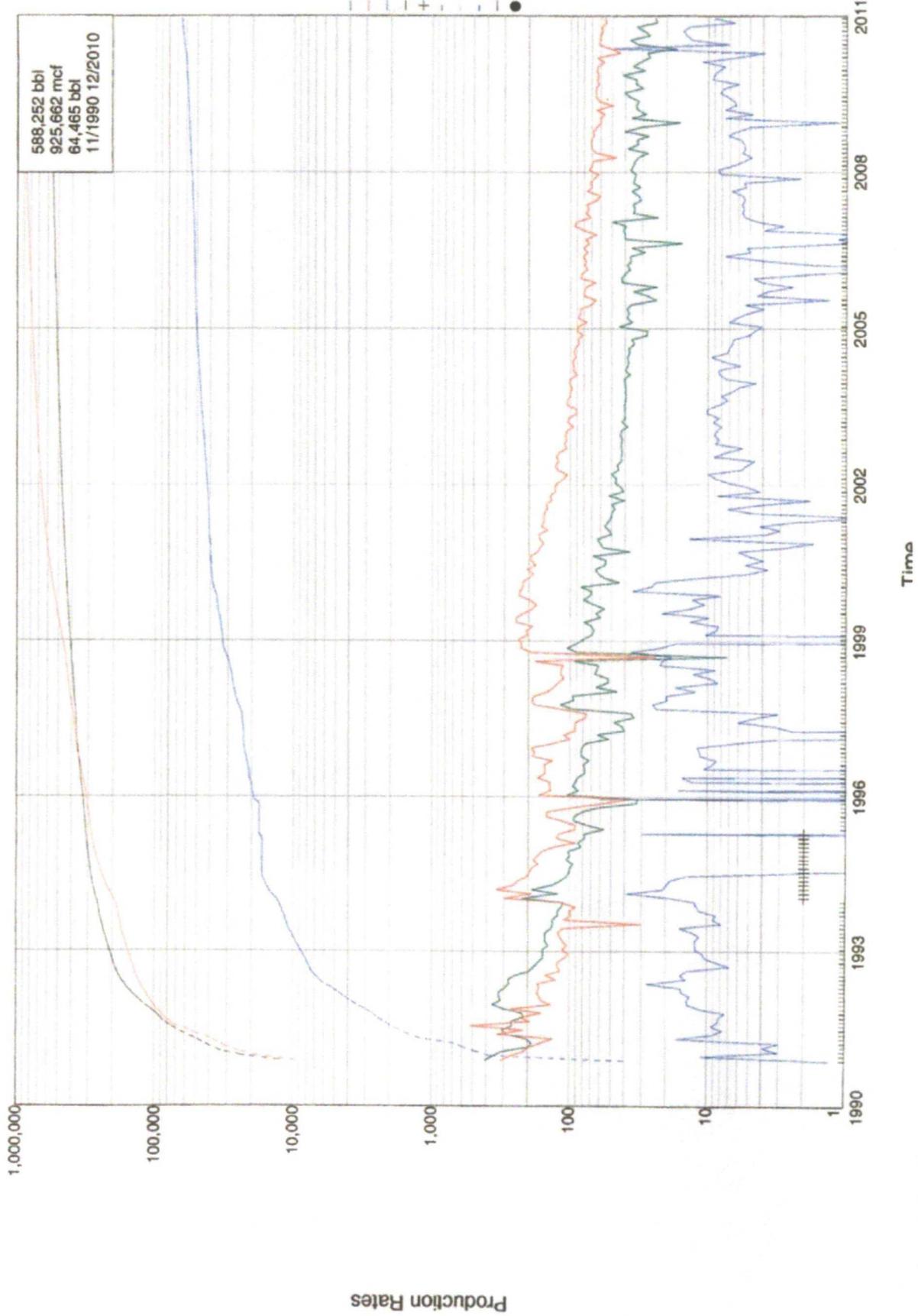
Lease Name: YOUNG DEEP UNIT  
 County, State: LEA, NM  
 Operator: NADEL & GUSSMAN HEYCO LLC  
 Field: YOUNG NORTH  
 Reservoir: BONE SPRING  
 Location: 9 18S 32E

YOUNG DEEP UNIT NADEL & GUSSMAN HEYCO LLC YOUNG NORTH BONE SPRING



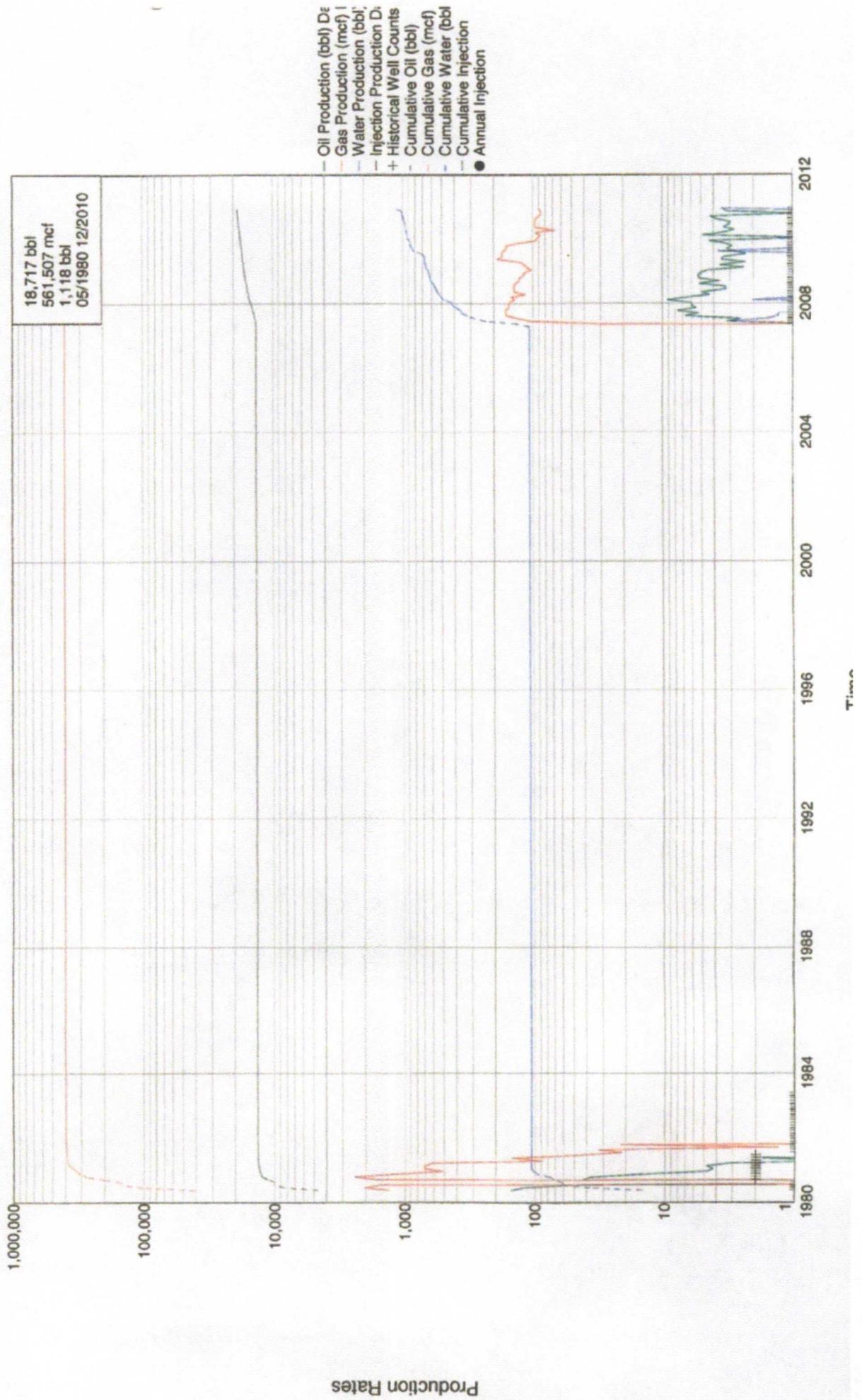
Lease Name: YOUNG DEEP UNIT  
 County, State: LEA, NM  
 Operator: NADEL & GUSSMAN HEYCO LLC  
 Field: YOUNG  
 Reservoir: WOLFCAMP  
 Location: 10 18S 32E NW NW

YOUNG DEEP UNIT NADEL & GUSSMAN HEYCO LLC YOUNG WOLFCAMP



Lease Name: YOUNG DEEP UNIT  
 County, State: LEA, NM  
 Operator: NADEL & GUSSMAN HEYCO LLC  
 Field: YOUNG  
 Reservoir: MORROW  
 Location: 10 18S 32E C NE SE

YOUNG DEEP UNIT NADEL & GUSSMAN HEYCO LLC YOUNG MORROW



Lease Name: YOUNG DEEP UNIT  
 County, State: LEA, NM  
 Operator: NADEL & GUSSMAN HEYCO LLC  
 Field: YOUNG  
 Reservoir: MORROW  
 Location: 10 18S 32E C NE SE

YOUNG DEEP UNIT NADEL & GUSSMAN HEYCO LLC YOUNG MORROW

