

OCD-ARTESIA

ATS-12-29

Form 3160-3
(August 2007)FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT


APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No	
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. Taylor Deep 12 Federal #9 C 305 663	
2. Name of Operator Nadel and Gussman HEYCO, LLC		9. API Well No. 30-015-39764	
3a. Address P.O. Box 1936 Roswell N.M. 88202	3b. Phone No (include area code) (575) 623-6601	10. Field and Pool, or Exploratory TAMANO; Bone Spring	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 2540' FNL & 660' FEL At proposed prod. zone Same UNORTHODOX LOCATION		11. Sec., T. R. M. or Blk. and Survey or Area Sec 12, 18S, R31E SE/4 NE/4 C 38040	
14. Distance in miles and direction from nearest town or post office* 10 miles South Maljamar, N.M.		12. County or Parish Eddy	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of acres in lease 320	17. Spacing Unit dedicated to this well 40	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2140'	19. Proposed Depth 9375'	20. BLM/BIA Bond No. on file NMB000520	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3776' GL	22. Approximate date work will start* 01/01/2012	23. Estimated duration 45 days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

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| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) Keith Cannon	Date 10/11/2011
Title Drilling Superintendent		
Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed) CARLSBAD FIELD OFFICE	Date DEC 07 2011
Title FIELD MANAGER		

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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.

(Continued on page 2)

*(Instructions on page 2)

Capitan Controlled Water Basin

Approval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR
CONDITIONS OF APPROVAL