

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-015-23001 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name LOCO HILLS WELCH |
| 8. Well Number 2 |
| 9. OGRID Number 258462 |
| 10. Pool name or Wildcat Empire Morrow South (Gas) |

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other
2. Name of Operator
NADEL & GUSSMAN HEYCO, LLC
3. Address of Operator
PO BOX 1936
ROSWELL NM 88202-1936 575/623-6601

4. Well Location
Unit Letter N : 660 feet from the SOUTH line and 1980 feet from the WEST line
Section 4 Township 18S Range 29E NMMP County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3521.2' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Recomplete ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1. RIH with bit and drill out plugs @ 3,530' & 6,000'.
2. RIH & set CIBP @ 7,400'.
3. Dump bail 35' of Class H cement on top of CIBP.
4. Pressure test plug and casing to 2,500 psi.
5. Run GR/CCL/CBL from 7,300' to 300'.
6. Perforate the C Bench of 2nd Bone Spring interval from 7,243' to 7,295' select fire @ 2 SPF (18 total holes).
7. Spot and break down perforations with 15% NEFE HCL.
8. Swab test for oil cut and inflow.
9. Stimulate interval with hydraulic fracture stimulation down 3 1/2" tubing and under packer if swab tests indicate a productive interval.
10. Place well on pumping production.

NM OIL CONSERVATION
ARTESIA DISTRICT

SEP 25 2014

RECEIVED

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Larry R. Zitt TITLE PRODUCTION ANALYST DATE 9/16/14

Type or print name For State Use Only APR 2014 E-mail address: tlink@heycoenergy.com Telephone No. 575.623.6601

APPROVED BY: APR 2014 TITLE Dist # Supervisor DATE 9/25/2014

Conditions of Approval (if any):

Loco Hills Welch #2

#529900-002

Empire Morrow South Field

API #30-015-23001

N-004-18S-29E Eddy County

660' FSL & 1980' FWL

GL: 3,521' KB-15.0'

Nadel & Gussman HEYCO LLC

prepared by Rakesh P.
updated by LMO**DRAWING NOT TO SCALE**

Tbg/Rod configuration as of 7/22/09

None

Wellbore Status as of : 08/21/2013

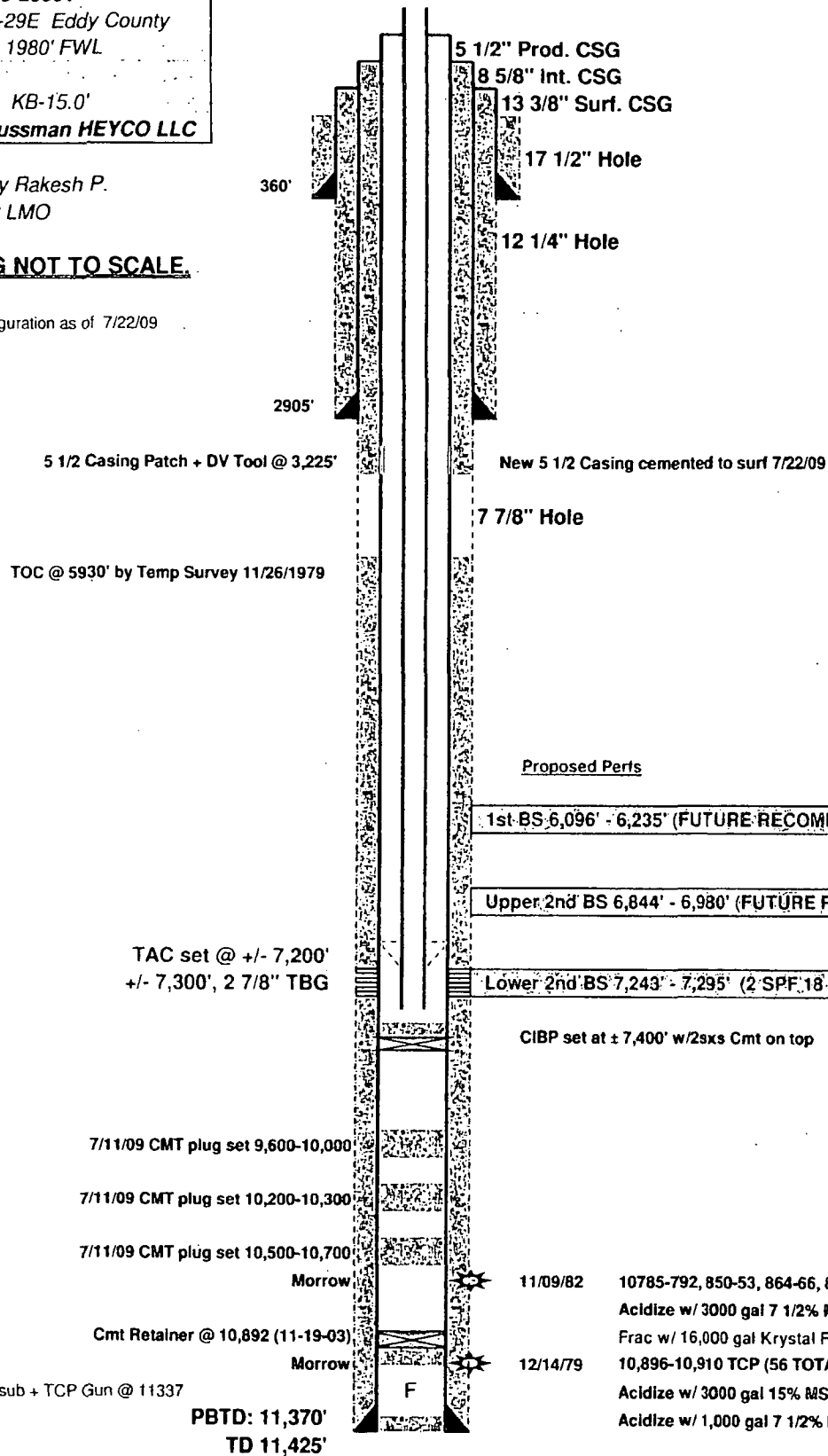
Proposed (Production)

Spud: 10/18/1979

TD: 11/23/1979 11,425'

Completed: 12/13/1979

PBTD: 11/19/2003 10,892'

**Surface Casing:**

Bit size - 17 1/2"

360' - 13 3/8" 54.5# STC

Cmtd w/ 350 CL C + 20yds RM

TOC-SURF

Intermediate Casing:

Bit size - 12 1/4"

2,905' - 8 5/8" 24# & 28# STC

Cmtd w/ L-900 sx + T-200 sx

+ 4.5 yds Redi Mix

TOC-SURF

Production Casing:

Bit size - 7 7/8"

11,425' - 5 1/2"

| Weight | Grad/Conn | Set @ |
|--------|-----------|--------|
| 17# | J-55/LTC | 3,250 |
| 17# | N-80/LTC | 3,853 |
| 17# | J-55/STC | 8,307 |
| 17# | N-80/LTC | 11,425 |

Production Cement

L-600 sx H Lite

T-400 sx H

Marker jt @ 9,750, 9,951, 10,148

TOC-5,930 by CTS on 11/26/79

11/09/82 10785-792, 850-53, 864-66, 876-79 (30 TOTAL)

Acidize w/ 3000 gal 7 1/2% MMR + 500 scf/bbl N2 + 60 BS

Frac w/ 16,000 gal Krystal Frac + 26,500#'s prop + 65 tons CO2

12/14/79 10,896-10,910 TCP (56 TOTAL) SQZ'D 11/06/82

Acidize w/ 3000 gal 15% MSR-100 + 1000 scf/bbls N2 + 88 BS

Acidize w/ 1,000 gal 7 1/2% NEFE + 1000 scf/bbl N2

Loco Hills Welch #2

#529900-002

Empire Morrow South Field

API #30-015-23001

N-004-18S-29E Eddy County

660' FSL & 1980' FWL

GL: 3,521' KB-15.0'

Nadel & Gussman HEYCO LLC

prepared by Rakesh P.

updated by LMO

DRAWING NOT TO SCALE.

Tbg/Rod configuration as of 7/22/09

None

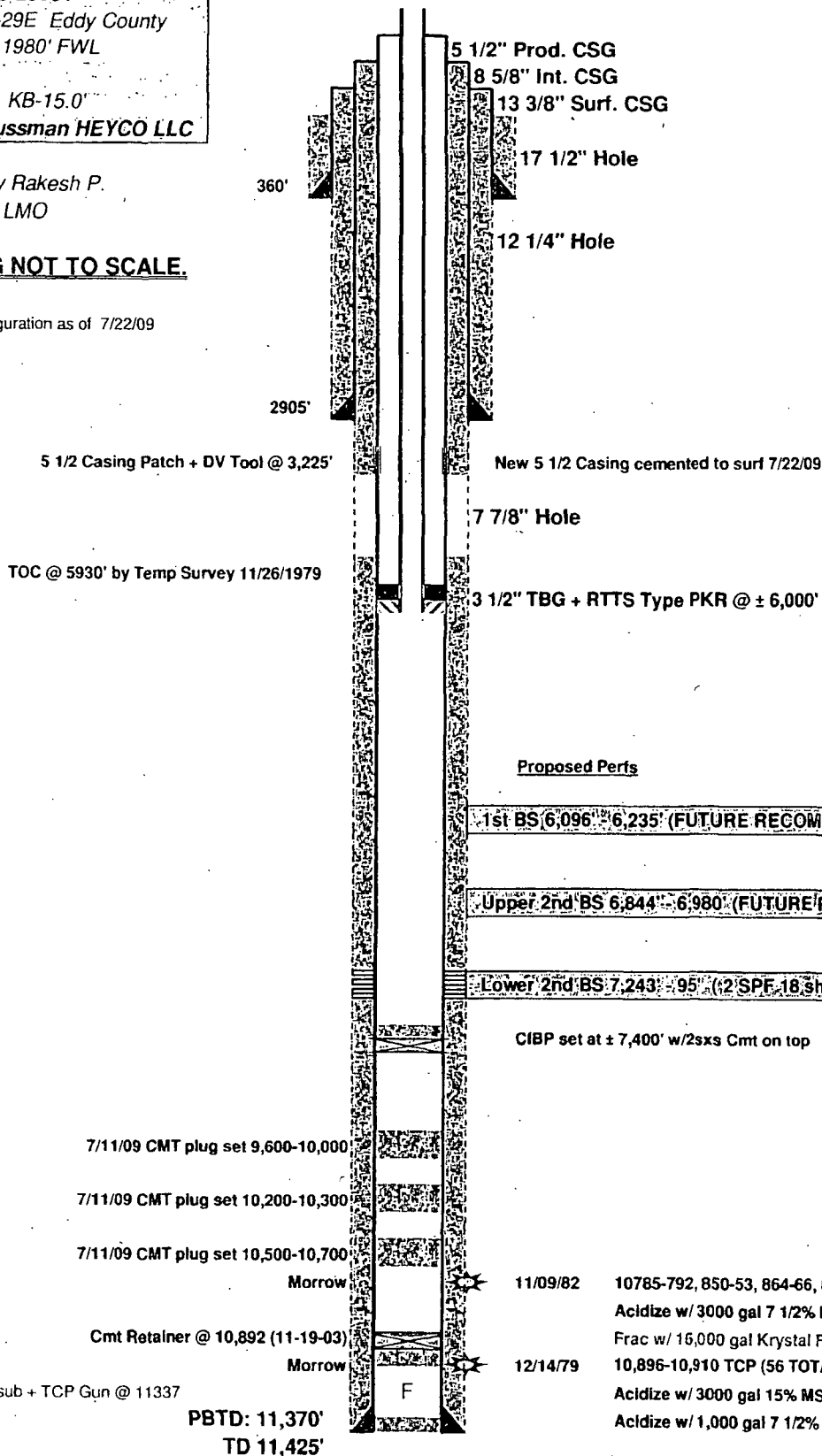
Wellbore Status as of : 08/21/2013

Spud: 10/18/1979

TD: 11/23/1979 11,425'

Completed: 12/13/1979

PBTD: 11/19/2003 10,892'

Proposed (Frac)**Surface Casing:**

Bit size 17 1/2"

360' 13 3/8" 54.5# STC

Cmt'd w/ 350 CL C + 20yds RM

TOC SURF

Intermediate Casing:

Bit size 12 1/4"

2,905' - 8 5/8" 24# & 28# STC

Cmt'd w/ L-900 sx + T-200 sx

+ 4.5 yds Red Mix

TOC SURF

Production Casing:

Bit size 7 7/8"

11,425' - 5 1/2"

| Weight | Grad/Conn | Set @ |
|--------|-----------|---------|
| 17# | J-55/LTC | 3,250' |
| 17# | N-80/LTC | 3,853' |
| 17# | J-55/STC | 8,307' |
| 17# | N-80/LTC | 11,425' |

Production Cement:

L-600 sx H Lite

T-400 sx H

Marker jt @ 9,750, 9,951, 10,148'

TOC-5,930' by CTS on 11/26/79

Fish 14' 2 3/8" sub + TCP Gun @ 11337

Loco Hills Welch #2
#529900-002
Empire Morrow South Field
 API #30-015-23001
 N-004-18S-29E Eddy County
 660' FSL & 1980' FWL

 GL: 3,521' KB-15.0'
Nadel & Gussman HEYCO LLC

Wellbore Status as of : 06/28/13

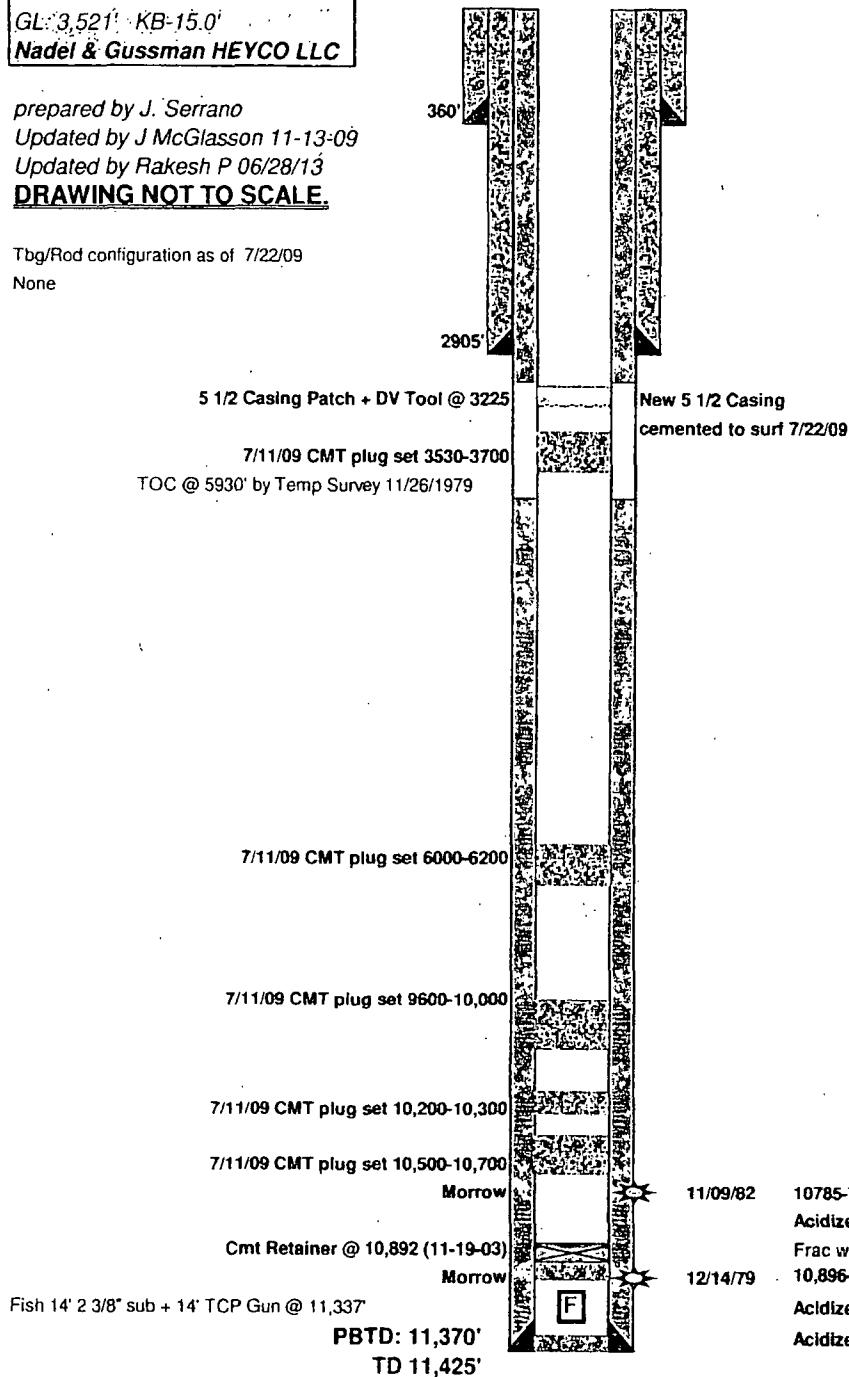
Current

Spud: 10/18/1979
 TD: 11/23/1979 11,425'
 Completed: 12/13/1979
 PBTD: 11/19/2003 10,892'

prepared by J. Serrano
 Updated by J McGlasson 11-13-09
 Updated by Rakesh P 06/28/13
DRAWING NOT TO SCALE.

Tbg/Rod configuration as of 7/22/09
 None

| Surface Casing | | |
|-------------------------------|-----------|---------|
| Bit size: 17 1/2" | | |
| 360' 13 3/8" 54.5# STC | | |
| Cmtd w/ 350 CL C 20yds RM | | |
| TOC SURF | | |
| Intermediate Casing | | |
| Bit size: 12 1/4" | | |
| 2905' 8 5/8" 24# & 28# STC | | |
| Cmtd w/ L-900 sx T-200 sx | | |
| + 4.5 yds Redi Mix | | |
| TOC SURF | | |
| Production Casing | | |
| Bit size: 7 7/8" | | |
| 11,425' 5 1/2" | | |
| Weight | Grad/Conn | Set @ |
| 17# | J-55/LTC | 3250' |
| 17# | N-80/LTC | 3853' |
| 17# | J-55/STC | 8307' |
| 17# | N-80/LTC | 11,425' |
| Production Cement | | |
| L-600 sx H Lite | | |
| T-400 sx H | | |
| Marker Jt @ 9750, 9951, 10148 | | |
| TOC-5930 by CTS on 11/26/79 | | |



11/09/82 10785-792, 850-53, 864-66, 876-79 (30 TOTAL)
 Acidize w/ 3000 gal 7 1/2% MMR + 500 scf/bbl N2 + 60 BS
 Frac w/ 16,000 gal Krystal Frac + 26,500#s prop + 65 tons CO2
 12/14/79 10,896-10,910 TCP (56 TOTAL) SQZ'D 11/06/82
 Acidize w/ 3000 gal 15% MSR-100 + 1000 scf/bbls N2 + 88 BS
 Acidize w/ 1,000 gal 7 1/2% NEFE + 1000 scf/bbl N2

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

NM OIL CONSERVATION
 State of New Mexico ARTESIA DISTRICT
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

| | | |
|---|--|---|
| ¹ API Number 30-015-23001 | ² Pool Code 76400 | ³ Pool Name Empire; Morrow, South (Gas) |
| ⁴ Property Code 305040 | ⁵ Property Name Loco Hills Welch | ⁶ Well Number 2 |
| ⁷ OGRID No. 258462 | ⁸ Operator Name NADEL AND GUSSMAN HEYCO, LLC | ⁹ Elevation 3521.2' |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 4 | 18S | 29E | | 660' | South | 1980' | West | Eddy |

¹¹ 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|

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.

| | | |
|--|---|--|
| | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date 9/16/2014 Printed Name: Tammy R. Link | |
| | ¹⁸ 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 of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____ | |
| | | |
| | | |