

JUL 30 2009

RM

Submit 3 Copies To Appropriate District  
OfficeState of New Mexico  
Energy, Minerals and Natural ResourcesForm C-103  
May 27, 2004

**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

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## OIL CONSERVATION DIVISION

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

WELL API NO. 30-015-37068
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Aid State
8. Well Number #2
9. OGRID Number 258462
10. Pool name or Wildcat EMPIRE GLORIETA-YESO

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator NADEL AND GUSSMAN HEYCO, LLC	
3. Address of Operator PO BOX 1936 ROSWELL NM 88202-1936	
4. Well Location Unit Letter <u>O</u> : <u>330</u> feet from the <u>SOUTH</u> line and <u>1650</u> feet from the <u>EAST</u> line Section <u>13</u> Township <u>17S</u> Range <u>28E</u> NMPM County <u>EDDY</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3704' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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: ☐

## SUBSEQUENT REPORT OF:

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

OTHER: Inclination Report and Logs ☒

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.

See Attached Inclination Report and Spectral Gamma Ray Dual Spaced Neutron SPECTRAL Density Log and Dual Laterolog .

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 NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Darryl R. Link TITLE PRODUCTION ANALYST DATE 7/27/09Type or print name \_\_\_\_\_ E-mail address: tlink@heycoenergy.com Telephone No. 505.623.6601  
For State Use OnlyAPPROVED BY: [Signature] TITLE Geologist DATE 7/30/09  
Conditions of Approval (if any):

New Mexico  
OIL AND GAS DIVISION

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<b>INCLINATION REPORT</b> (One Copy Must Be Filed With Each Completion Report)		6. District
1. FIELD NAME (as per Records or Wildcat) <b>Kool Aid</b>	2. LEASE NAME <b>Aid State</b>	7. Lease Number. (Oil completions only)
3. OPERATOR <b>Nadel &amp; Gussman Heyco, LLC</b>		8. Well Number <b>30-015-37068</b>
4. ADDRESS <b>601 North Marienfeld Street, Suite 508 Midland, Texas 79701-4365</b>		9. Identification Number (Gas completions only)
5. LOCATION (Section, Block, and Survey) <b>1650' FEK &amp; 330' FSL Sec. 13 T17S R28E</b>		10. County <b>Eddy</b>

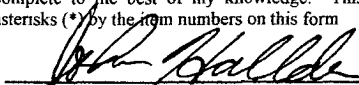
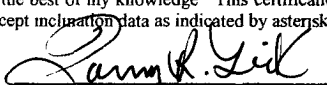
**RECORD OF INCLINATION**

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle x100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
293	293	1.00	1.75	5.12	5.12
545	252	1.00	1.75	4.41	9.53
989	444	1.00	1.75	7.77	17.30
1467	478	0.50	0.87	4.15	21.45
1944	477	1.00	1.75	8.34	29.79
2421	477	1.00	1.75	8.34	38.13
2899	478	1.00	1.75	8.36	46.49
3376	477	1.00	1.75	8.34	54.83
3853	477	0.75	1.31	6.24	61.07
4329	476	0.75	1.31	6.23	67.30
4800	471	0.75	1.31	6.17	73.47
5287	487	1.25	2.18	10.61	84.08

If additional space is needed, use the reverse side of this form.

17. Is any information shown on the reverse side of this form? ☐ yes ☒ no
18. Accumulative total displacement of well bore at total depth of 5287 feet = 84.08 feet.
- \*19. Inclination measurements were made in - ☐ Tubing ☐ Casing ☒ Open hole ☐ Drill Pipe
20. Distance from surface location of well to the nearest lease line 330 feet.
21. Minimum distance to lease line as prescribed by field rules 330 feet.
22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? No

(If the answer to the above question is "yes," attach written explanation of the circumstances )

<p><b>INCLINATION DATA CERTIFICATION</b></p> <p>I declare under penalties prescribed in Sec 91 143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form</p> <p> Signature of Authorized Representative <b>John Halldorson Vice President/Operations</b> Name of Person and Title (type or print) <b>Eagle Rock Drilling, Inc.</b> Name of Company Telephone: <b>432-553-8209</b> Area Code</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I declare under penalties prescribed in Sec 91 143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.</p> <p> Signature of Authorized Representative <b>Production Analyst</b> Name of Person and Title (type or print) <b>Nadel and Gussman Heyco, LLC</b> Operator Telephone: <b>575-623-6601</b> Area Code</p>
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Railroad Commission Use Only:

Approved By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

\* Designates items certified by company that conducted the inclination surveys.