

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
 June 19, 2008

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

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.)		WELL API NO. 30-015-38569
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Nadel and Gussman HEYCO, LLC		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 1936, Roswell, NM 88202		7. Lease Name or Unit Agreement Name Cannonball
4. Well Location Unit H : 2310' from the North line and 330' from the East line Unit E : 2282' from the North line and 341' from the West line Section 20 Township 18S Range 26E NMPM EDDY County		8. Well Number #1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3411' GR		9. OGRID Number 258462
10. Pool name or Wildcat Atoka; Glorieta Yeso (3250)		

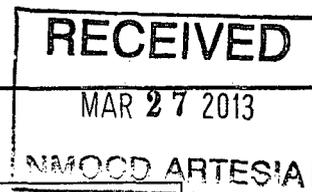
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input checked="" type="checkbox"/> OTHER Request to Flare <input checked="" type="checkbox"/>
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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.

Request to temporarily flare well due to curtailment notice given by DCP Midstream. They have notified us that the Cannonball #1H will need to be curtailed on Aril 1st through 15th, 2013.

See Attached C-129 Requesting Permit to Flare.



Spud Date: 11/4/2012

Rig Release Date: 11/19/2012

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

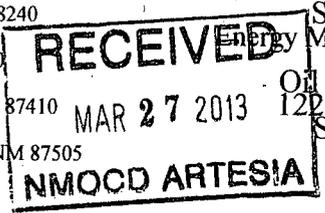
SIGNATURE Tammy R. Link TITLE _____ DATE 3/26/13

Type or print name: Tammy R. Link E-mail address: tlink@heycoenergy.com PHONE: 575-623-6601
 For State Use Only

APPROVED BY: RDado TITLE Dist. ASperm DATE 3/29/13

Conditions of Approval (if any):
 SEE ATTACHED COA'S

District I
1625 N. French Dr., Hobbs, NM 88240
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811 S. First St., Artesia, NM 88210
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State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

NFO Permit No. _____ (For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12
(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

A. Applicant NADEL AND GUSSMAN HEYCO, LLC

whose address is P.O. Box 1936, Roswell, NM 88202-1936

hereby requests an exception to Rule 19.15.18.12 for 15 days or until
middle of April, Yr 2013, for the following described tank battery (or LACT):

Name of Lease Cannonball #1H Name of Pool Atoka; Glorieta Yeso

Location of Battery: Unit Letter H Section 20 Township 18S Range 26E

Number of wells producing into battery 1

B. Based upon oil production of 132 barrels per day, the estimated * volume
of gas to be flared is 3,840 (256 mcf x 15 days) MCF; Value \$19,315 (3,840 mcf x \$5.03) per day.

C. Name and location of nearest gas gathering facility:
DCP Midstream Artesia Gas Plant

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: Notice from DCP notifying us that curtailment
cycle will begin on April 1st through 15th, 2013 on this well.

OPERATOR
I hereby certify that the rules and regulations of the Oil Conservation
Division have been complied with and that the information given above
is true and complete to the best of my knowledge and belief.
Signature Tammy R. Link
Printed Name
& Title Tammy R. Link
E-mail
Address tlink@heycoenergy.com
Date 3/26/13 Telephone No. 575-623-6601

OIL CONSERVATION DIVISION
Approved Until May 15 - 2013
By RD Wade
Title Dist II Supervisor
Date 3/28/2013

* Gas-Oil ratio test may be required to verify estimated gas volume.

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 SOUTH FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL for FLARING or VENTING GAS

1. Venting gas is absolutely not allowed.
2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
3. Flared volumes of gas are to be metered & reported.
4. Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
5. Flares WILL NOT be left unattended.
6. No flaring operations to be conducted during red-flag days.
<http://www.gacc.nifc.gov/swcc> (go to "Predictive Services" on SWCC website) to check for red flag warnings.
7. Follow safe practices for flaring guidelines.
8. Permit may be rescinded at any time by NMOCD.
9. If well is able to be connected to a gas gathering system, it will be done so as soon as possible.
10. Flaring of gas is prohibited. The State Forester grants an exception to the prohibition on open fires for the flaring of natural gas when the following conditions are met. Unless flaring is needed for safety purposes, flaring pursuant to this exception shall not be done on days that are "red flag days" as determined by the National Weather Service or on days when the sustained wind is in excess of 25 miles per hour in the area.
11. 1. The day is not a "red flag day" as determined by the National Weather Service and the sustained wind is not in excess of 25 miles per hour in the area.

- 12.2. The local fire department and county dispatch are notified at least 24 hours in advance of anticipated releases that will result in flaring. If flaring is done by an automated system then the schedule of flaring shall be provided to the local fire department and county dispatch. The area is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of one and one half times the height of the stack.
- 13.3. At least one adult is on site with communications equipment adequate to reach county dispatch and the local fire department in the event of a fire. The individual should also be equipped with a shovel and a water backpack pump or other equipment to deliver water to suppress a fire.
- 14.4. If flaring is to take place at an unmanned facility, then the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

Your initials here

RDade

3/28/13

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



March 19, 2013

FOR IMMEDIATE RELEASE

Contact: Jim Winchester (505)231-8800 E-Mail: jim.winchester@state.nm.us

Notice to Oil and Gas Facilities and Operators Flaring Gas in New Mexico

SANTA FE, NM – The Oil Conservation Division (OCD) encourages all oil and gas facilities with flare stacks and well operators that are flaring gas to upgrade their *Fire Awareness Programs* this year. New Mexico State Forestry reports that 460 fires have burned 25,475 acres on state and private land in calendar year 2012.

Forecasts remain dismal this spring with fewer chances for normal precipitation, particularly in southwestern New Mexico and southeastern Arizona. Temperatures could also be higher than normal.

Open flames and gas flares should be monitored carefully and oil and gas operators should create a defensible space to help prevent wildfires. Defensible Space is the area around a structure where combustible vegetation that can spread fire has been cleared, reduced or replaced. This space acts as a barrier between a structure and an advancing wildfire.

During the course of the upcoming fire season, it may become necessary for New Mexico State Forestry to issue fire restriction on State and private land. Log on to www.nmforestry.com for updates or call your local district office.

New Mexico State Forestry offers the following guidelines for establishing effective defensible space:

- Create a "Lean, Clean and Green" firebreak area by removing flammable vegetation and growth within 30 feet of each structure. Single trees and shrubs may be retained if they are well spaced, pruned and placed so they avoid the spread of fire. Maintain an irrigation system for any vegetation near structures.
- Keep grass and weeds mowed.
- Prune lower tree limbs to at least 6 feet up to 15 feet (or lower 1/3 of branches on smaller trees).
- Remove vegetation and debris around propane tanks.

For the latest fire weather information please visit USDA Forest Service website:

<http://activefiremaps.fs.fed.us/current.php>

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The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.