

District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-10
June 16, 2001

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN,
PLUGBACK, OR ADD A ZONE**

¹ Operator Name and Address Nadel and Gussman HEYCO, LLC P O Box 1936 Roswell NM 88202		² OGRID Number 258462
		³ API Number 30-015-38142
³ Property Code 305002	⁵ Property Name Aid State	⁶ Well No # 8
⁹ Proposed Pool 1 Tubb		¹⁰ Proposed Pool 2 Grayburg

7 Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	13	17S	28E		990'	NORTH	330'	EAST	EDDY

8 Proposed 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
A	13	17S	28E		990'	NORTH	330'	EAST	EDDY

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3713'
¹⁶ Multiple Y	¹⁷ Proposed Depth 5450	¹⁸ Formation TUBB	¹⁹ Contractor N/A	²⁰ Spud Date 9/1/10

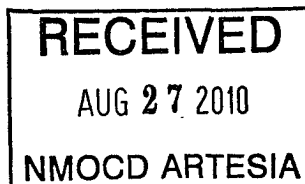
21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36#	300'	169 sx	Surface
7 7/8"	5 1/2"	15.5#	5450'	875 sx	1542'

²² Describe the proposed program If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone
Describe the blowout prevention program, if any Use additional sheets if necessary

Mud Program

0' to 300' 8 4 to 8 8 ppg, 80 - 55 visc w/ Fresh water spud mud
300' to 5450' 8 8 to 10 0 ppg, 28-30 visc, w/ brine / cut brine water



²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief

Signature

Printed name

Keith Cannon

Title

Drilling Superintendent

E-mail Address

kcannon@heycoenergy.com

Date

8/27/2010

Phone

575 - 623-6601

OIL CONSERVATION DIVISION

Approved by

Title

Dist. H. Supervisor

Approval Date

09/14/2010

Expiration Date

Conditions of Approval Attached ☐

8/27/2010

RECEIVED AUG 27 2010

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

11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

11885 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 96210	Pool Name Empire Glorieta-Yeso
Property Code 305002	Property Name AID STATE	Well Number 8
OGRID No. 258452	Operator Name NADEL AND GUSSMAN HEYCO, LLC	Elevation 3713'

Surface Location

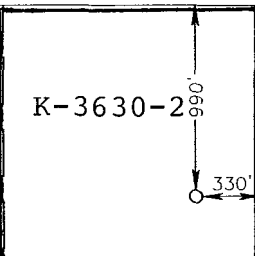
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	13	17-S	28-E		990	NORTH	330	EAST	EDDY

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/EAST line	County
A	13	17S	28E		990	North	330	East	Eddy

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No
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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

	OPERATOR CERTIFICATION I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Keith Cannon</u> Date: <u>8/27/10</u> Printed Name: <u>Keith Cannon</u>	
	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 Surveyed: <u>AUGUST 18, 2010</u> Signature & Seal of Professional Surveyor: <u>Ronald J. Eidson</u> Certificate No. <u>GARY G. EIDSON 12641</u> <u>RONALD J. EIDSON 3239</u>	

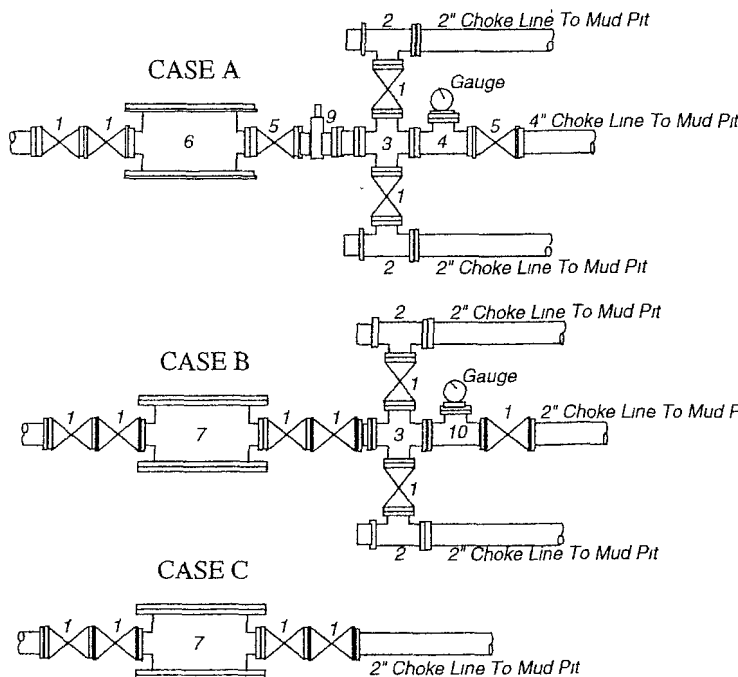
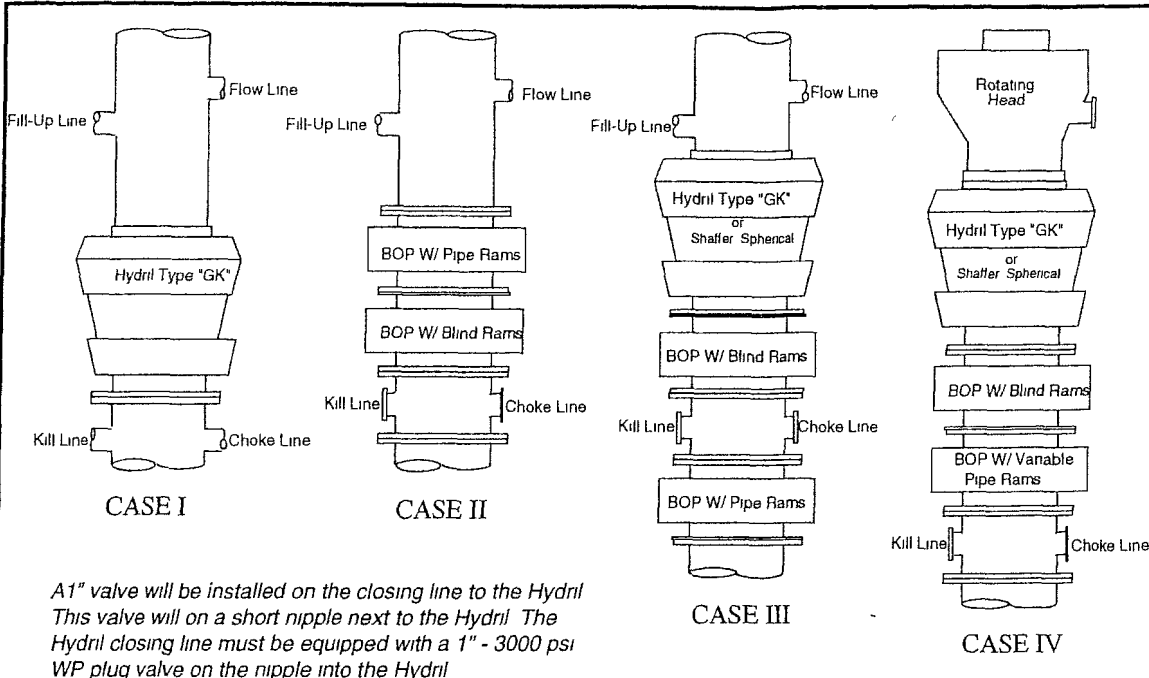
GEODETTIC COORDINATES
NAD 27 NME

Y=669486.5 N
X=564928.7 E

LAT = 32 840325" N
LONG = 104 121932" W

Nadel and Gussman Heyco, LLC

MINIMUM BLOWOUT PREVENTER REQUIREMENTS



BOP SIZE	BOP CASE	WORKING PRESSURE	CHOKE CASE
13 - 5/8"	II	3000 psi	B
11"	III	3000 psi	B

**Rotating head required*

Bradenhead _____
Mfr _____
Size _____ Type _____

Legend

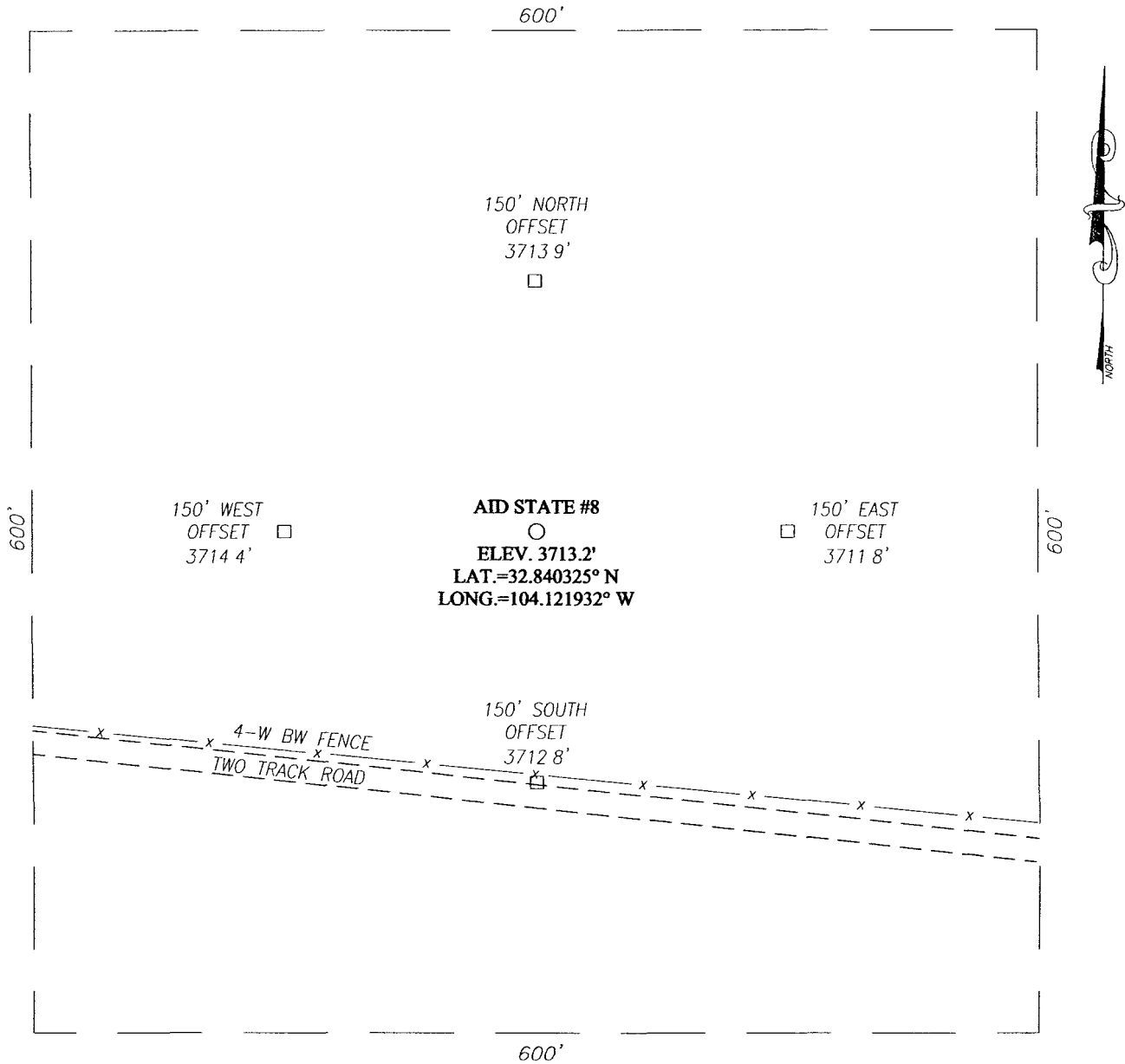
- 1 2" flanged all steel valve must be either Cameron "F", Halliburton Low Torque or Shaffer Flo-Seal.
- 2 2" flanged adjustable chokes, min 1" full opening & equipped with hard trim.
- 3 4" x 2" flanged steel cross.
- 4 4" flanged steel tee
- 5 4" flanged all steel valve (Type as in no 1)
- 6 Drilling Spool with 2" x 4" flanged outlet
- 7 Drilling Spool with 2" x 2" flanged outlet
- 8 2" x 2" flanged steel cross
- 9 4" pressure operated gate valve.
- 10 2" flanged steel tee

Notes

Choke manifold may be located in any convenient position. Use all steel fittings throughout. Make 90° turns with bull plugged tees only. No field welding will be permitted on any of the components of the choke manifold and related equipment upstream of the chokes. The choke spool and all lines and fittings must be at least equivalent to the test pressure of the preventers required. Independent closing control unit with clearly marked controls to be located on derrick floor near driller's position.

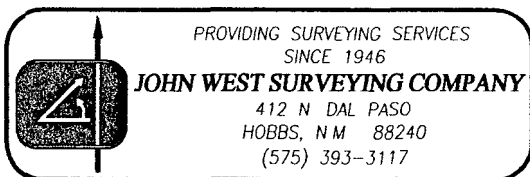
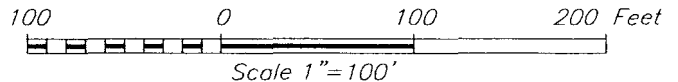
(10-31-96) WTXBOPS PPT

SECTION 13, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY #82 (LOVINGTON HWY.) AND
CO RD #209 (TURKEY TRACT) GO NORTH ON U.S. HWY #82
APPROX 2.6 MILES TURN NORTH AND GO APPROX 0.3 MILES TO
A "Y" INTERSECTION CONTINUE NORTHEAST APPROX. 0.3 MILES TO
A "Y" INTERSECTION CONTINUE NORTHWEST APPROX 0.7 MILES TO
"Y" INTERSECTION CONTINUE NORTH APPROX 1.1 MILES THE
LOCATION STAKE IS APPRX 330 FEET WEST.

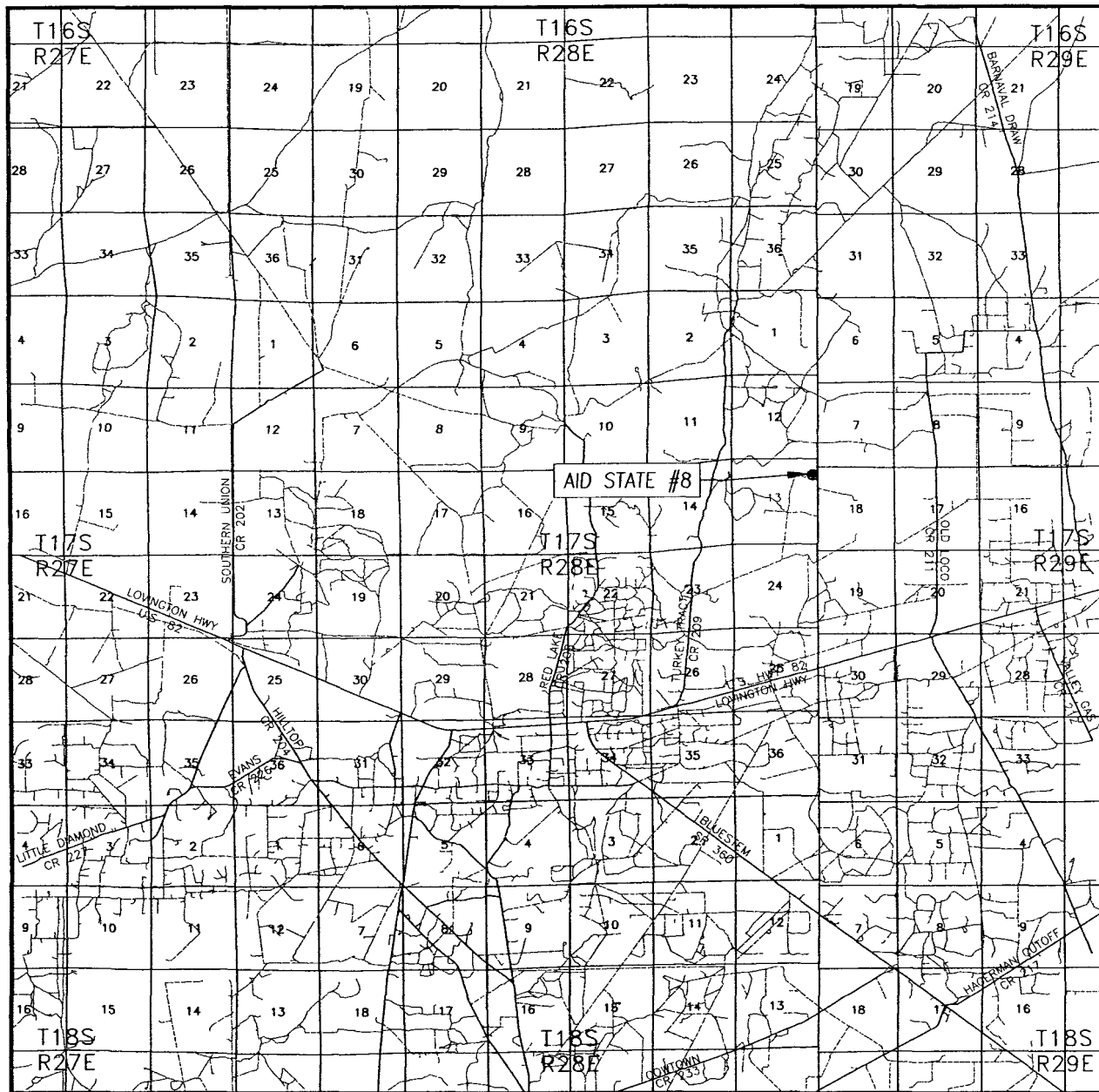


NADEL AND GUSSMAN HEYCO, LLC

AID STATE #8 WELL
LOCATED 990 FEET FROM THE NORTH LINE
AND 330 FEET FROM THE EAST LINE OF SECTION 13,
TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 8/18/10	Sheet 1 of 1 Sheets		
W.O. Number. 10.11 1192	Dr By: LA	Rev 1 N/A	
Date 8/25/10		10111192	Scale 1"=100'

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 13 TWP. 17-S RGE. 28-E

SURVEY N M P M


COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 990' FNL & 330' FEL

ELEVATION 3713'

OPERATOR NADEL AND GUSSMAN HEYCO, LLC

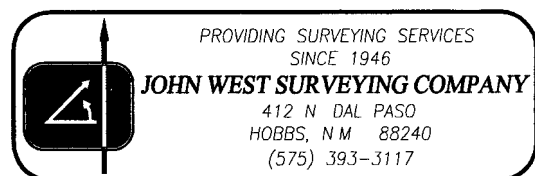
LEASE AID STATE



PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N DAL PASO
HOBBS, N M 88240
(575) 393-3117



NADEL AND GUSSMAN HEYCO, L.L.C.
P.O. BOX 1936
ROSWELL N.M. 88202
(575) 623-6601 (Office)
(575) 624-5321 (Fax)

8/27/10

Miss Reeves
District 2 Geologist
New Mexico Oil and Gas Division
1301 West Grand Avenue
Artesia, NM 88210

Re: Aid State #8
990' FNL & 330' FEL
Unit Letter A, Sec. 13, T17S, R28E
Eddy, NM
Rule 118 H2S Exposure

Dear Miss. Reeves

Nadel and Gussman Heyco, LLC have evaluated this well and we do not expect to encounter hydrogen sulfide. However, we will employ a third party monitoring system. We will begin monitoring prior to drilling out the intermediate casing and will continue monitoring the remainder of the well.

Please contact me if you have any additional questions.

Sincerely,

Keith Cannon
Drilling superintendent

Hydrogen Sulfide Drilling Operations Plan
Aid State #8
UNIT A, Sec 13, T17S, R28E
990' FNL & 330' FEL
Eddy Co. N.M.

1. Company and contract personnel admitted on location should be trained by a qualified H₂S safety instructor to the recognize and handle following.
 - A. Characteristics of H₂S gas
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems
 - D. Principle and operation of H₂S detectors, warning system and briefing knowledge
 - E. Evacuation procedure, routes and first aid support
 - F. Proper use of 30 minutes Pressure-on-Demand Air Pack
2. H₂S Detection and Alarm Systems
 - A. H₂S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse
3. Windsock and/or Wind Streamers
 - A. Windsock at mud pit area (high enough to be visible)
 - B. Windsock at briefing area (high enough to be visible)
 - C. Windsock at location entrance
4. Condition Flags and Signs
 - A. H₂S warning signs on lease access road into location
 - B. Flags displayed on sign at location entrance
 1. Green flag indicates "Normal Safe Conditions"
 2. Yellow Flag indicates "Potential Pressure and Danger"
 3. Red Flag indicates "Danger - H₂S Present in High Concentrations" *admit only emergency personnel*
5. Well Control Equipment
 - A. See Exhibit #5.
6. Communication
 - A. While working under masks chalkboards will be used for communication
 - B. Hand signals will be used where chalk board is inappropriate
 - C. Two -way radios or cell phones used to communicate off location or minimally in Drilling Foreman's trailer or living quarters
7. Drillstem Testing
 - A. Exhausts watered
 - B. Flare line equipped with electric Igniter/propane pilot light in case gas reaches surface
 - C. If location near dwelling closed DST will be performed
8. Drilling Supervisor required to be familiar with effects of H₂S on tubular goods/mechanical equipment
9. If H₂S encountered, mud system shall be addressed to maintain control of formation. A mud gas separator will be brought into service along with H₂S scavengers, if necessary.

PUBLIC PROTECTION PLAN FOR EMERGENCY CONTACTS

NADEL AND GUSSMAN HEYCO, LLC (575) 623-6601

Company Personnel

Terry West	Drilling Enrioneer	432-682-4429 432-238-2874
Keith Cannon	Drilling Supt	575-623-6601 575-626-1936

ARTESIA N.M.

Ambulance	911
State Police	575-746-5000
City Police	575-746-5000
Sheriff's Office	575-746-9888
Fire Department	575-746-5050 or 575-746-5051
N M O C D	575-748-1283

CARLSBAD N.M.

Ambulance	911
State Police	575-885-3137
City Police	575-885-2111
Sheriff's Office	575-887-7551
Fire Department	575-885-3125 or 575-885-2111
Carlsbad BLM	575-887-6544

HOBBS N.M.

Ambulance	911
State Police	575-392-5588
City Police	575-397-9265
Sheriff's Office	575-396-3611
Fire Department	575-397-9308
N.M.O C D	575-393-6161
Hobbs BLM	575-393-3612

Flight for Life (Lubbock Tx)	806-743-9911
Aerocare (Lubbock Tx)	806-747-8923
Med flight air Ambulance (Albuq NM)	505-842-4433
SB air Med Services (Albuq NM)	505-842-4949

Boots & Coots IWC	800-256-9688 or 281-931-8884
Cudd Pressure Control	915-699-0139 or 915-563-3356
BJ Services	(Artesia NM) 575-746-3569
	(Hobbs NM) 575-392-5556

New Mexico Emergency Response Commission (Santa Fe)	505-476-9600
24 Hour	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635