

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-101  
June 16, 2008

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**

<sup>1</sup> Operator Name and Address Nadel and Gussman HEYCO, LLC P.O. Box 1936 Roswell N.M. 88202		<sup>2</sup> OGRID Number 258462
<sup>3</sup> Property Code 305002	<sup>4</sup> Property Name Aid State	<sup>5</sup> API Number 30-015-38374
<sup>9</sup> Proposed Pool 1 EMPIRE; GLORIA YEGO 96210		<sup>10</sup> 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
B	13	17S	28E		330'	NORTH	2310'	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
B	13	17S	28E		330'	NORTH	2310'	EAST	EDDY

**Additional Well Information**

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3703'
<sup>16</sup> Multiple Y	<sup>17</sup> Proposed Depth 5450	<sup>18</sup> Formation TUBB	<sup>19</sup> Contractor N/A	<sup>20</sup> Spud Date 2/15/11

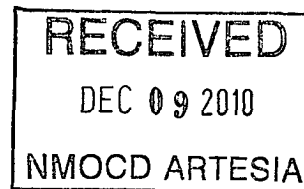
**21 Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36#	300'	175sx	Surface
7 7/8"	5 1/2"	15.5#	5450'	1250 sx	Surface

<sup>22</sup> 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



<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name: JJ McGlasson

Title: Completions Engineer

E-mail Address: jmcglasson@heycoenergy.com

Date: 12/07/10

Phone: 575 - 623-6601

**OIL CONSERVATION DIVISION**

Approved by:

Title:

Approval Date: 12/15/2010

Expiration Date: 12/15/2012

Conditions of Approval Attached ☐

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 <b>30-015-38374</b>	Pool Code <b>96210</b>	Pool Name <b>Empire Glorietta-Yeso</b>
Property Code <b>305002</b>	Property Name <b>AID STATE</b>	Well Number <b>9</b>
OGRID No. <b>258452</b>	Operator Name <b>NADEL AND GUSSMAN HEYCO, LLC</b>	Elevation <b>3703'</b>

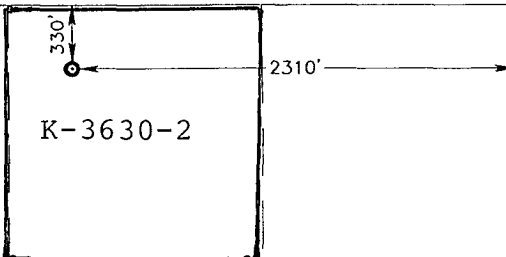
Surface Location

UL or lot No. <b>B</b>	Section <b>13</b>	Township <b>17-S</b>	Range <b>28-E</b>	Lot Idn	Feet from the <b>330</b>	North/South line <b>NORTH</b>	Feet from the <b>2310</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
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Bottom Hole Location If Different From Surface

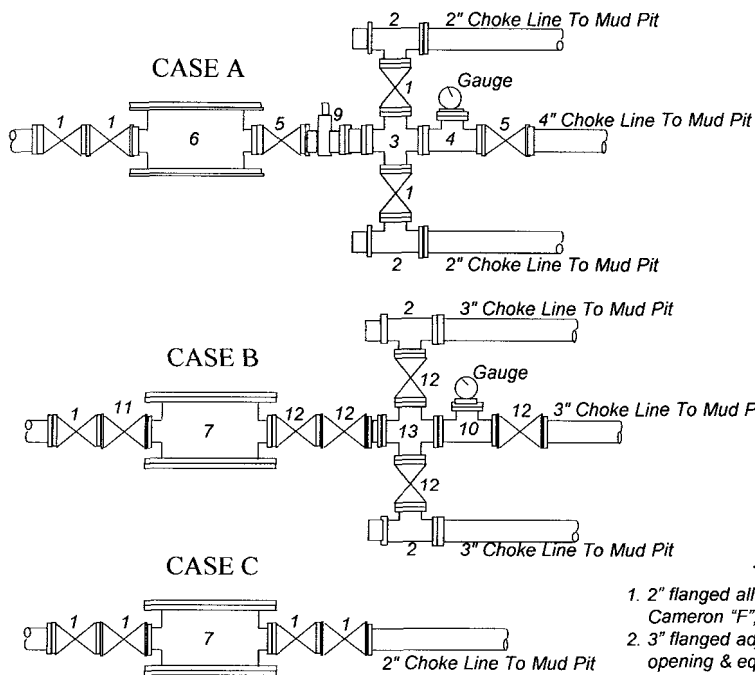
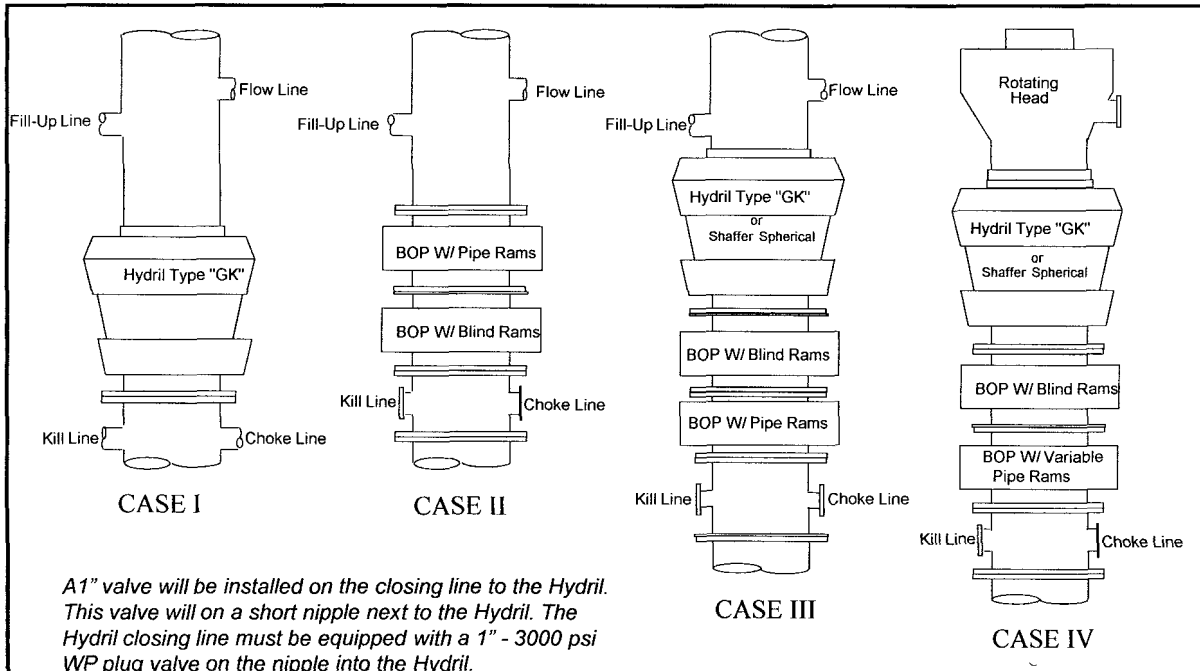
UL or lot No. <b>B</b>	Section <b>13</b>	Township <b>17S</b>	Range <b>28E</b>	Lot Idn	Feet from the <b>330</b>	North/South line <b>North</b>	Feet from the <b>2310</b>	East/EAST line <b>East</b>	County <b>Eddy</b>
Dedicated Acres <b>40</b>	Joint or Infill	Consolidation Code	Order No.						

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

	<b>OPERATOR CERTIFICATION</b> <i>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.</i> Signature: <i>[Signature]</i> Date: <b>12/7/10</b> JJ McGlasson Printed Name
<p>GEODETIC COORDINATES NAD 27 NME Y=670138.5 N X=562949.6 E LAT.=32.842128' N LONG.=104.128371' W</p> <p><b>RECEIVED</b> DEC 09 2010 NMCCD ARTESIA</p>	<b>SURVEYOR CERTIFICATION</b> <i>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.</i> NOVEMBER 23, 2010 Date Surveyed: _____ DSS Signature & Seal of Professional Surveyor: <i>[Signature]</i> Certificate No. <b>GARY G. EIDSON 12641</b> <b>RONALD J. EIDSON 3239</b>

# Nadel and Gussman Heyco, LLC

## MINIMUM BLOWOUT PREVENTER REQUIREMENTS



BOP SIZE	BOP CASE	WORKING PRESSURE	CHOKE CASE
13-3/8"	II	2000 psi	B
11"	II	2000 psi	B

**\*Rotating head required**

Bradenhead : \_\_\_\_\_

Mfr: \_\_\_\_\_

Size: \_\_\_\_\_ Type: \_\_\_\_\_

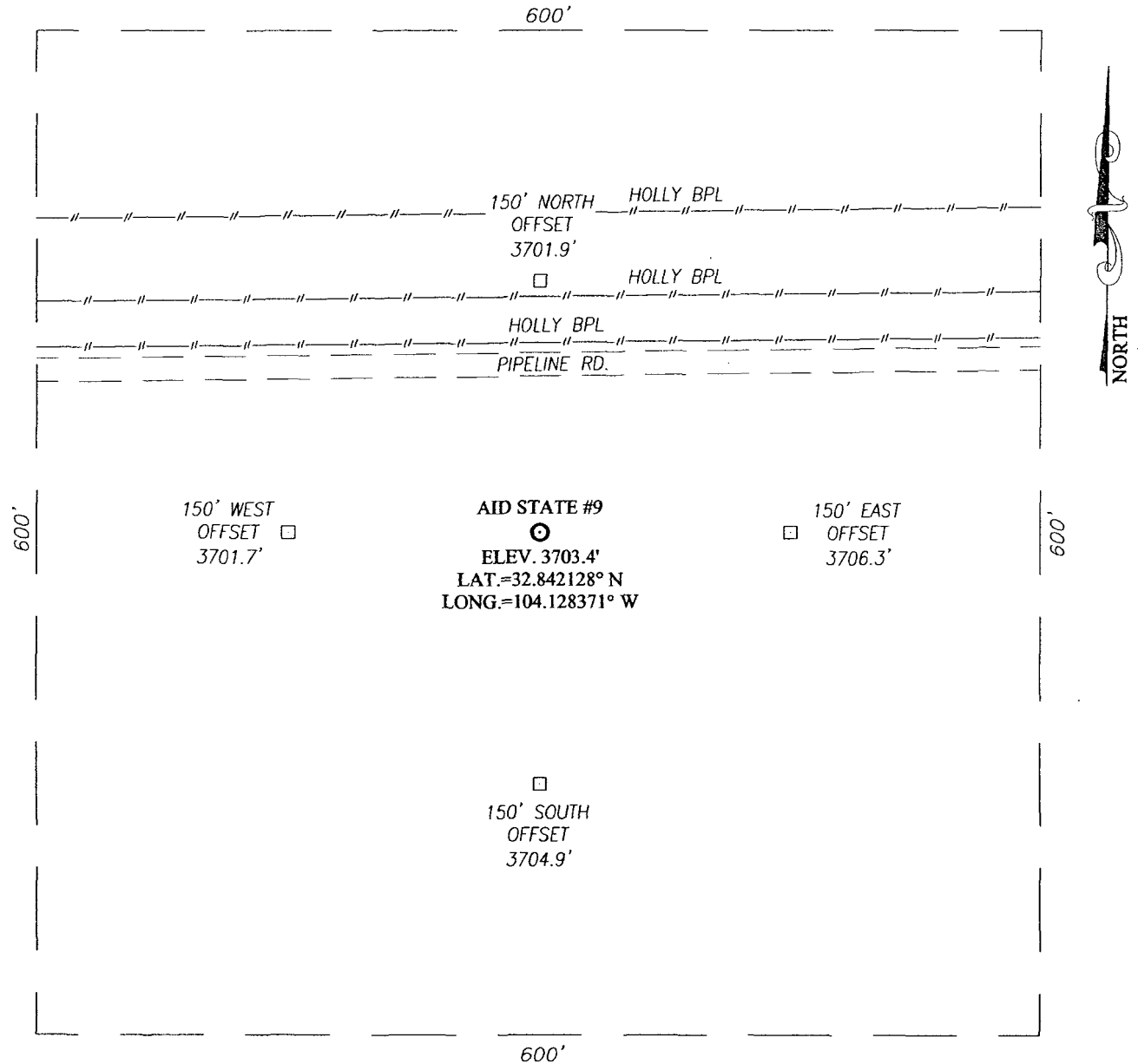
### Notes

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.

### Legend

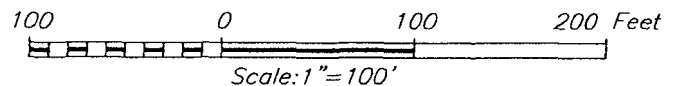
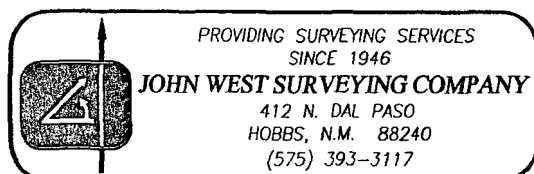
- 2" flanged all steel valve must be either Cameron "F", Halliburton Low Torque or Shaffer Flo-Seal.
- 3" flanged adjustable chokes, min. 1" full opening & equipped with hard trim.
- 4" x 2" flanged steel cross.
- 4" flanged steel tee.
- 4" flanged all steel valve (Type as in no. 1).
- Drilling Spool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

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



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #82 AND CO. RD. #211 (OLD LOCO ROAD), GO NORTH ON CO. RD. #211 APPROX. 0.5 MILES. TURN LEFT AND GO SOUTHWEST APPROX. 1.0 MILE. TURN RIGHT AND GO NORTH APPROX. 2 MILES. TURN LEFT ON PIPELINE ROAD AND GO WEST APPROX. 0.45 MILES. THIS LOCATION STAKE IS APPROX. 100 FEET SOUTH OF ROAD.

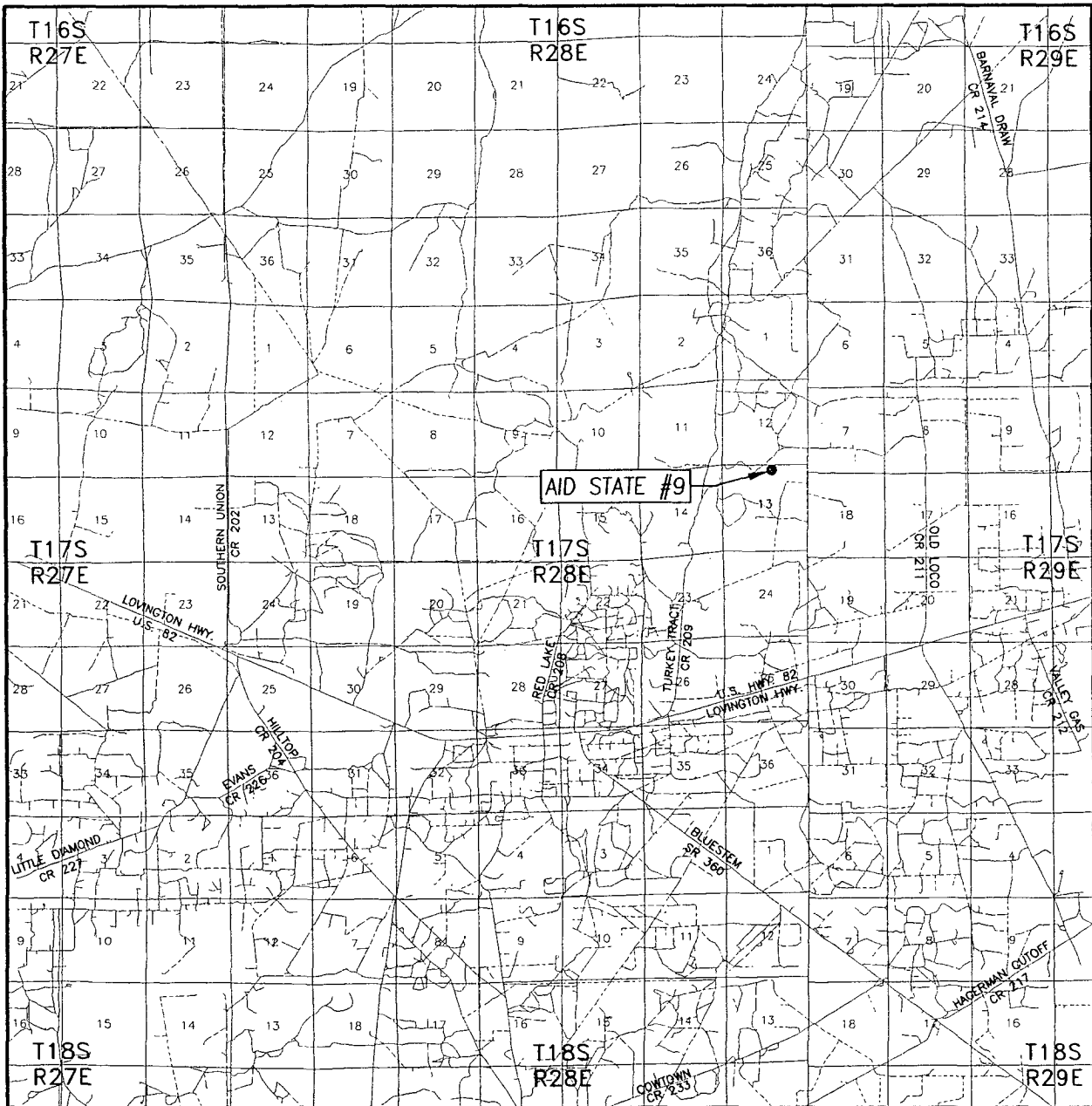


**NADEL AND GUSSMAN HEYCO, LLC**

AID STATE #9 WELL  
LOCATED 330 FEET FROM THE NORTH LINE  
AND 2310 FEET FROM THE EAST LINE OF SECTION 13,  
TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO


Survey Date: 11/23/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1750	Dr. By: DSS
Date: 12/1/10	Rev 1:
Rel. W.O.:	10111750 Scale: 1"=100'

# VICINITY MAP



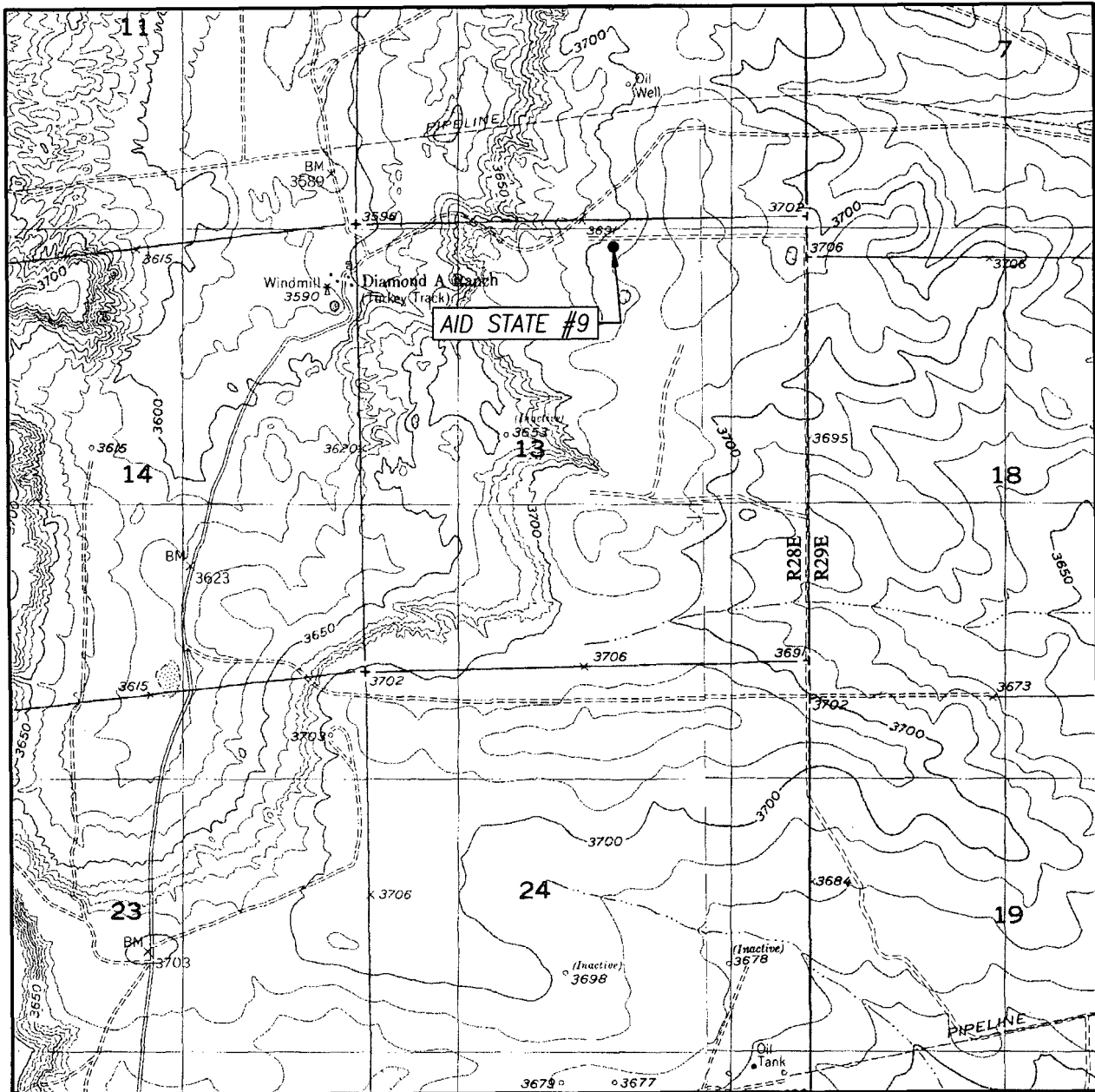
SCALE: 1" = 2 MILES

SEC. 13 TWP. 17-S RGE. 28-E  
 SURVEY N.M.P.M.  
 COUNTY EDDY STATE NEW MEXICO  
 DESCRIPTION 330' FNL & 2310' FEL  
 ELEVATION 3703'  
 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

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
RED LAKE, N.M. - 10'  
RED LAKE SE, N.M. - 10'

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

SURVEY \_\_\_\_\_ N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

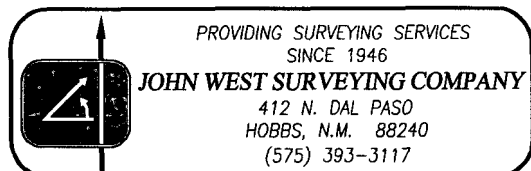
DESCRIPTION 330' FNL & 2310' FEL

ELEVATION 3703'

OPERATOR NADEL AND GUSSMAN HEYCO, LLC

LEASE AID STATE

U.S.G.S. TOPOGRAPHIC MAP  
RED LAKE, N.M.



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)**

12/07/10

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

**Re: Aid State #9**  
**330' FNL & 2310' FEL**  
**Unit Letter B, 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,

JJ McGlasson  
Completions Engineer

**Hydrogen Sulfide Drilling Operations Plan**  
**Aid State #9**  
**UNIT B, Sec 13, T17S, R28E**  
**330' FNL & 2310' FEL**  
**Eddy Co. N.M.**

1. Company and contract personnel admitted on location should be trained by a qualified H<sub>2</sub>S safety instructor to the recognize and handle following:
  - A. Characteristics of H<sub>2</sub>S gas
  - B. Physical effects and hazards
  - C. Proper use of safety equipment and life support systems
  - D. Principle and operation of H<sub>2</sub>S 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. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S 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. H<sub>2</sub>S 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 - H<sub>2</sub>S 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 H<sub>2</sub>S on tubular goods/mechanical equipment
9. If H<sub>2</sub>S encountered, mud system shall be addressed to maintain control of formation. A mud gas separator will be brought into service along with H<sub>2</sub>S scavengers, if necessary.



## PUBLIC PROTECTION PLAN FOR EMERGENCY CONTACTS

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

### **Company Personnel**

Joel Martin	Drilling Enrineer	432-682-4429 432-238-9969
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