

OCD-HOBBS

ATS-08-776
FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010
EA-08-1153

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT


APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7 If Unit or CA Agreement, Name and No
1b Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		8 Lease Name and Well No Pearsall 6 Federal #9
2 Name of Operator NADEL AND GUSSMAN HEYCO, LLC		9 API Well No 30-025-39135
3a Address P.O. BOX 1936 ROSWELL N.M 88202	3b Phone No* (include area code) (575) 623-6601	10 Field and Pool, or Exploratory Young; BONE SPRING North
4 Location of Well (Report location clearly and in accordance with any State requirements*) At surface 1750 FSL & 1060 FEL At proposed prod zone		11 Sec., T. R. M. or Blk and Survey or Area SEC 6, T18S, R32E
14 Distance in miles and direction from nearest town or post office* 10 MILES SOUTH OF Maljamar N.M		12 County or Parish Lea
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg. unit line, if any) 1060'		13 State N.
16 No. of acres in lease 483.87		17 Spacing Unit dedicated to this well 40 Acre
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 1060' 870'		20 BLM/BIA Bond No. on file NMB00520
21 Elevations (Show whether DF, KDB, RT, GL, etc.) 3825.7'		22 Approximate date work will start* 08/15/2008
23 Estimated duration 40 DAYS		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form.

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| 1 Well plat certified by a registered surveyor. | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2 A Drilling Plan | 5 Operator certification |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office) | 6 Such other site specific information and/or plans as may be required by the BLM |

25 Signature 	Name (Printed/Typed) Keith Cannon	Date 06/05/2008
Title Drilling superintendent		
Approved by (Signature) /s/ James Stovall	Name (Printed/Typed)	DATE AUG 4 2008
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon
Conditions of approval, if any, are attached

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

Capitan Controlled Water Basin

RECEIVED
AUG - 8 2008
HOBBS OCD

CONDITIONS OF APPROVAL of Non-Standard Location.
Intent to drill ONLY — CANNOT produce until the Non-Standard Location has been approved by OCD Santa Fe office

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

96D-HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator **Nadel and Gussman HEYCO, LLC**

3a. Address
PO BOX 1936 ~ ROSWELL NM 88202-1936

3b. Phone No. (include area code)
505.623.6601

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1750' FSL & 1060' FEL, Sec. 6, T18S, R32E

5. Lease Serial No.

NM-100590

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Pearsall 6 Federal #9

9. API Well No.

10. Field and Pool, or Exploratory Area

Young; Bone Spring North

11. County or Parish, State

Lea, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Going from Pit's to Closed Loop System.

OK CL 07/09/08

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Tammy R. Link

Title **Production Tech**

Signature

Tammy R. Link

Date

07/07/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

United States Department of the Interior

**BUREAU OF LAND MANAGEMENT
Roswell Resource Area
P.O. Drawer 1857
Roswell, New Mexico 88202-1857**

Statement Accepting Responsibilities for Operations

**Operator Name: Nadel and Gussman Heyco, LLC
Street or Box: P.O. Box 1936
City, State: Roswell, New Mexico
Zip Code: 88202**

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

Lease No.: NMNM-100590

**Lease Name: Pearsall 6 Federal #9
Legal description of land: Sec 6, T18S, R32E, Lea County, New Mexico**

Formation(s) (if applicable): Bone Spring 2nd sand, 1st Bone Spring, Bone Spring "B&C Carbonates

Bond Coverage: Statewide Bond

BLM Bond File No.: NMB00520

Authorized Signature:



Title: Drilling Superintendent

Date: 6/5/08