ATS-10-619

RECEIVED
OCD-HOBBS
SEP 13 2010
HOBBSOCD

Form 3160-3
(August 2007)

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMNM-40450 & NMNM-40449

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

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

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No. 〈305016〉
Bola 7 Federal Com 6H

2. Name of Operator
Nadel and Gussman HEYCO, LLC 〈258462〉

9. API Well No.
30-025-40034

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, North Bone Spring 〈65350〉

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface 1740' FNL & 1980' FEL Unit G
At proposed prod. zone 1750' FNL & 330' FWL Unit E

11. Sec., T. R. M. or Blk. and Survey or Area
UL-G, Sec 7, 18S, R32E
SW/4, NE/4

14. Distance in miles and direction from nearest town or post office*
10 miles South Maljamar, N.M.

12. County or Parish
Lea

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
330'

16. No. of acres in lease
NMNM-040449-241.89 Acre
NMNM-040450-481.96 Acre

17. Spacing Unit dedicated to this well
120

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
1410'

19. Proposed Depth
8760' TVD, 11,590' MD

20. BLM/BIA Bond No. on file
NMB000520

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3783' GL

22. Approximate date work will start*
08/01/2010

23. Estimated duration
60 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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature
Name *(Printed/Typed)* JJ McGlasson
Date 06/09/2010

Title
Completions Engineer

Approved by *(Signature)* /s/ Don Peterson
Name *(Printed/Typed)*
Date SEP - 9 2010

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)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Kz 02/16/11

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Capitan Controlled Water Basin

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-10
Revised October 12, 200
Submit to Appropriate District Offic
State Lease - 4 Copi
Fee Lease - 3 Copi

☒ AMENDED REPOR

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-40034	65350	Young, North Bone Spring

[4] Property Code	[5] Property Name	[6] Well Number
305016	BOLA 7 FEDERAL COM	6H

[7] OGRID No.	[8] Operator Name	[9] Elevation
258462	NADEL AND GUSSMAN HEYCO, LLC	3,784'

[10] Surface Location

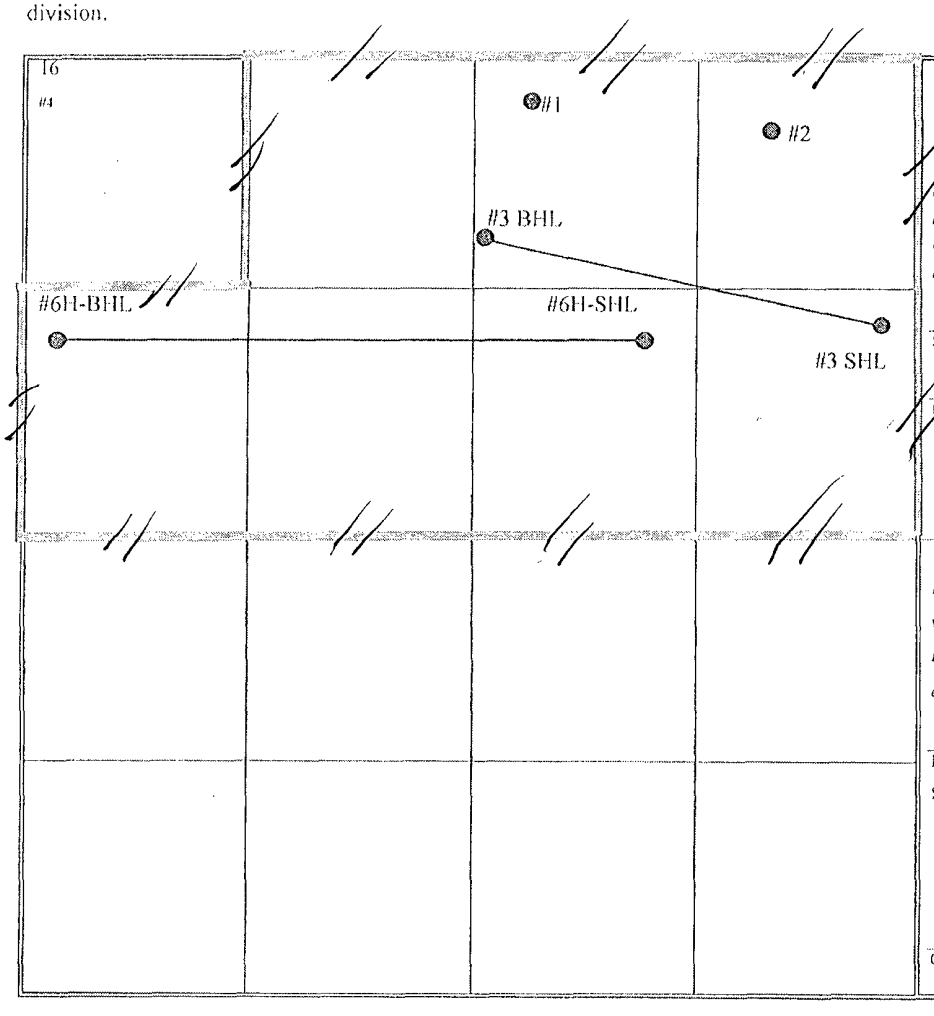
UL or lot no.	Sectio	Township	Rang	Lot Id	Feet from the	North/South lin	Feet from th	East/West lin	Count
G	7	18S	32E		1740'	NORTH	1,980'	EAST	LEA

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Sectio	Township	Rang	Lot Id	Feet from th	North/South lin	Feet from th	East/West lin	Count
E	7	18S	32E		1750'	NORTH	330'	WEST	LEA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
280			

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.



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature Date 1/25/11

Printed Name: Tammy R. Link

[18] 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 of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

RECEIVED
SEP 13 2010
HOBBSOCD

Application
Nadel and Gussman Heyco, LLC
Bola 7 Federal Com 6H
Sec 7, T18S, R32E
SL: 1740' FNL & 1980' FEL
BHL: 1750' FNL & 330' FWL
Lea County, New Mexico

In conjunction with Form 3160-3, Application For Permit To Drill Or Deepen subject well, Nadel and Gussman Heyco, LLC submits the following ten items of pertinent information in accordance with Onshore Oil & Gas Order No. 10.

1. **Geologic Name of Surface Formation:**
   PERMIAN

2. **Estimated Tops of Significant Geologic Markers:**

Formation	Depth		Formation	Depth	
Rustler	1000'	Water			
Salado	1,190'		Bone Spring Ls	6,090'	Oil
BX (BASE OF SALT)	2,315'		A – Zone Carb	7,740	Oil
Yates	2,460'		Bone Spring 1st Sand	7,795'	Oil
Seven Rivers	2,905	Oil	B – Zone Carb	8,075'	Oil
Bowers	3,390'	Oil	Bone Spring 2nd Sand	8,491'	Oil
Queen	3,650'	Oil	C Bench Pay	8,780'	Oil
Penrose	3,900'	Oil	C – zone Carb	8,790'	Oil
Grayburg	4,205'	Oil	KOP	~~8350~~' 8335	
Loco Hills	4,325'	Oil	PTD	~~8760~~' TVD/~~11,590~~' MD 8327' 11,615 From Directional Plan	
Metex	4,440'	Oil			
Premier Sand	4,580'	Oil			
San Andres	4,650'	Oil			
Delaware (CRCN Toungue)	4,920'	Oil			
Brushy Canyon	5,130'	Oil			

No other formations are expected to yield oil, gas, or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13 3/8" casing at 1005' and circulating Cement back to surface. All other intervals will be isolation by setting 9 5/8"Casing at 3100' and circulating cement back to surface. Bone Spring intervals will be isolation by setting 5 ½" casing to total depth and circulating cement 200' up into 9 5/8" casing.

3. Casing Program:

Hole Size	Depth	OD Csg	Weight	Collar	Grade	New/Used
17 1/2"	0' – 1065'	13 3/8"	54.5#	ST&C	J-55	New
12 1/4"	0'– 3150'	8 5/8"	32#	ST&C	J-55	New
7 7/8"	0' – ~~11,590'~~ 11618' ↖ From directional plan	5 /12"	17#	LT&C	L-80	New

Safety factors: Burst 1.0 Collapse 1.125 Tension 1.8

4. Cement Program: (Note yields; and dv tool depths if multiple stages)

a. 13 3/8" Surface — Cement to surface with:
Lead - 650 sx 35:65 Poz C, 5% Salt, 0.25# Celloflake , 6% Bentonite, 12.8 ppg and 0.25% Defoamer, 1.89 cu.ft./sk yield, TOC @ surface.
Tail – 200 sx C and 0.25% Defoamer, 14.8 ppg, 1.32 cu.ft./sk yield, TOC @ SURFACE'.

b. 8 5/8" Intermediate — Cement to surface with:
Lead - 770 sx 35:65 Poz C, 5% Salt, 0.25# Celloflake, 6% Bentonite and 0.25% Defoamer, 12.4 ppg, 2.09 cu.ft./sk yield, TOC @ surface.
Tail – 200 sx C and 0.25% Defoamer, 14.8 ppg, 1.32 cu.ft./sk yield, TOC @ SURFACE'.

c. 5 1/2" Production — Cement to 2800' with:
Lead - 400 sx 50:50 Poz H, 5% Salt, 10% Bentonite, 0.25% Celloflake, 0.2% Fluid Loss Agent and 0.25% Defoamer, 11.9 ppg, 2.37 cu.ft./sk yield, TOC @ 2900'.
Tail – 1000 sx H, 0.6% Fluid Loss Agent, 0.25% Suspension Aid, 03% Gilsonite, 3% Salt and 0.25% Defoamer, 13.22 ppg, 1.60 cu.ft./sk yield, TOC @ 2800'.

The above volumes, additives and depths may be revised based on open hole logs, conditions encountered while drilling and on cement field blend tests. The top of cement for the production string is designed to reach approximately 200' above the 8 5/8" casing shoe.

5. Proposed Mud Circulation System

Depth	Mud Wt.	Visc	Fluid Loss	Type System
0' – 1065'	8.4 – 8.8	80 - 55	NC	Fresh Water
755'– 3100'	9.8 – 10.0	28 - 30	NC	Brine Water
3100'– 9275'	8.8 – 9.4	28 - 32	NC	Cut Brine Water (Pilot)
8350'-~~11,590'~~ 11,618 & From directional plan	8.8-9.4	40-45	10-25	Polymer (Lateral)

The necessary mud products for weight addition and fluid loss control will be on location at all times.

6. Pressure Control Equipment:

The blowout preventor equipment (BOPE) shown in Exhibit #1 will consist of a (2m system) for the intermediate 12 ¼" hole w/ Double ram type (3000psi WP) preventor. A (3m system) w/ double ram type 3000psi preventor for the 7 7/8" production hole, and a bag type (hydril) preventor (3000psi WP)
Both unit will be hydraulically operated and the ram type preventor will be equipped with blind rams on top, 4 ½" drill pipe rams on bottom. The BOP's and Hydrill will be tested as per BLM Drilling Operations Order #2.

Pipe rams will be Operated and checked each 24hr period and each time drill pipe is out of the hole.
These functional Test will be documented on the daily driller log. A ~~flex hose~~ will be use from BOP to choke manifold,
(see specification attached), a 2" kill line and 3" choke line will be incorporated In the drilling spool below the ram-type BOP.
Other accessory BOP equipment will include a Kelly Cock, floor safety valve, choke line and choke manifold having a 3000psi wp rating.

hard pipe Per Operator
9-3-10
DW

7. **Auxiliary Equipment:**
   a. A Kelly Cock will be in the drill string at all times.
   b. A full opening drill pipe stabbing valve having the appropriate Connections will be on the rig floor at all times.
   c. Hydrogen Sulfide detection equipment will be in operation after drilling Out the 8 5/8" casing shoe unit the 5 ½" casing is cemented. Breathing Equipment will be on location upon drilling the 8 5/8" shoe unit total Depth is reached.
   d. A flex hose from the BOPE to the manifold (specification attached)

8. **Testing, Logging, & Coring Program:** See COA

   a. Mud logging unit from the base intermediate casing to depth 10' samples will be caught by loggers
   b. Possible rotary sidewall cores
   e. Platform express (GR / LDT – CNL – PE / DLL – MCFL / NGT)

9. **Abnormal Conditions, Pressures, Temperature, or Potential Hazards:**
No abnormal conditions are expected. There is no known presence of H2S in this area. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No 6. Lost circulation might occur in the Capitan Reef. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 2200 psi and estimated BHT 140 F. No H2S is anticipated to be encountered.

10. **Anticipated Starting Date & Duration of Operation:**
Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon as possible after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 45days. If production casing is run then an additional 15 days will be needed to complete well And construct surface facilities and/or lay flow line in order to place well on production.

Nadel & Gusman

Eddy County NM
Bola 7 Federal #6H
Bola 7 Federal #6H

RECEIVED
SEP 13 2010
HOBBSOCD

Lateral #1

Plan: Plan #1

Standard Planning Report

14 June, 2010

Database:	EDM 5000.1 Black Viper	**Local Co-ordinate Reference:**	Site Bola 7 Federal #6H
Company:	Nadel & Gusman	**TVD Reference:**	WELL @ 3784.00ft (Original Well Elev)
Project:	Eddy County NM	**MD Reference:**	WELL @ 3784.00ft (Original Well Elev)
Site:	Bola 7 Federal #6H	**North Reference:**	Grid
Well:	Bola 7 Federal #6H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Lateral #1		
Design:	Plan #1		

Project	Eddy County NM		
Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site	Bola 7 Federal #6H, Section 7, T-18-S, R-32-E				
Site Position:		**Northing:**	642,230.60 ft	**Latitude:**	32° 45' 52.053 N
From:	Map	**Easting:**	662,995.20 ft	**Longitude:**	103° 48' 11.140 W
Position Uncertainty:	0.00 ft	**Slot Radius:**	13.200 in	**Grid Convergence:**	0.29 °

Well	Bola 7 Federal #6H					
Well Position	**+N/-S**	0.00 ft	**Northing:**	642,230.60 ft	**Latitude:**	32° 45' 52.053 N
	+E/-W	0.00 ft	**Easting:**	662,995.20 ft	**Longitude:**	103° 48' 11.140 W
Position Uncertainty		0.00 ft	**Wellhead Elevation:**		**Ground Level:**	0.00 ft

Wellbore	Lateral #1				
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF200510	6/14/2010	7.84	60.69	49,047

Design	Plan #1				
Audit Notes:					
Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	8,335.31
Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**	
	0.00	0.00	0.00	269.64	

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
8,335.31	0.00	0.00	8,335.31	0.00	0.00	0.00	0.00	0.00	0.00	
9,116.02	90.96	269.64	8,827.00	-3.15	-500.00	11.65	11.65	0.00	269.64	
11,618.42	90.96	269.64	8,785.00	-18.90	-3,002.00	0.00	0.00	0.00	0.00	PBHL#1[B7Fed#6H]

Database:	EDM 5000.1 Black Viper	**Local Co-ordinate Reference:**	Site Bola 7 Federal #6H
Company:	Nadel & Gusman	**TVD Reference:**	WELL @ 3784.00ft (Original Well Elev)
Project:	Eddy County NM	**MD Reference:**	WELL @ 3784.00ft (Original Well Elev)
Site:	Bola 7 Federal #6H	**North Reference:**	Grid
Well:	Bola 7 Federal #6H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Lateral #1		
Design:	Plan #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
8,335.31	0.00	0.00	8,335.31	0.00	0.00	0.00	0.00	0.00	0.00
KOP Build 11.65°/100' :: TFO 269.64									
8,340.00	0.55	269.64	8,340.00	0.00	-0.02	0.02	11.65	11.65	0.00
8,370.00	4.04	269.64	8,369.97	-0.01	-1.22	1.22	11.65	11.65	0.00
8,400.00	7.54	269.64	8,399.81	-0.03	-4.25	4.25	11.65	11.65	0.00
8,430.00	11.03	269.64	8,429.42	-0.06	-9.09	9.09	11.65	11.65	0.00
8,460.00	14.53	269.64	8,458.67	-0.10	-15.72	15.72	11.65	11.65	0.00
8,490.00	18.02	269.64	8,487.46	-0.15	-24.13	24.13	11.65	11.65	0.00
8,520.00	21.52	269.64	8,515.69	-0.22	-34.28	34.28	11.65	11.65	0.00
8,550.00	25.01	269.64	8,543.24	-0.29	-46.12	46.12	11.65	11.65	0.00
8,580.00	28.51	269.64	8,570.03	-0.38	-59.63	59.63	11.65	11.65	0.00
8,610.00	32.00	269.64	8,595.94	-0.47	-74.74	74.74	11.65	11.65	0.00
8,640.00	35.50	269.64	8,620.88	-0.58	-91.41	91.41	11.65	11.65	0.00
8,670.00	39.00	269.64	8,644.75	-0.69	-109.56	109.57	11.65	11.65	0.00
8,700.00	42.49	269.64	8,667.48	-0.81	-129.14	129.14	11.65	11.65	0.00
8,730.00	45.99	269.64	8,688.97	-0.94	-150.07	150.07	11.65	11.65	0.00
8,760.00	49.48	269.64	8,709.14	-1.08	-172.26	172.27	11.65	11.65	0.00
8,790.00	52.98	269.64	8,727.93	-1.23	-195.65	195.65	11.65	11.65	0.00
8,820.00	56.47	269.64	8,745.25	-1.39	-220.14	220.14	11.65	11.65	0.00
8,850.00	59.97	269.64	8,761.05	-1.55	-245.63	245.64	11.65	11.65	0.00
8,880.00	63.46	269.64	8,775.26	-1.71	-272.05	272.05	11.65	11.65	0.00
8,910.00	66.96	269.64	8,787.84	-1.88	-299.28	299.28	11.65	11.65	0.00
8,940.00	70.45	269.64	8,798.73	-2.06	-327.22	327.23	11.65	11.65	0.00
8,970.00	73.95	269.64	8,807.90	-2.24	-355.78	355.79	11.65	11.65	0.00
9,000.00	77.44	269.64	8,815.31	-2.42	-384.85	384.86	11.65	11.65	0.00
9,030.00	80.94	269.64	8,820.93	-2.61	-414.31	414.32	11.65	11.65	0.00
9,060.00	84.44	269.64	8,824.75	-2.80	-444.06	444.07	11.65	11.65	0.00
9,090.00	87.93	269.64	8,826.75	-2.98	-473.99	474.00	11.65	11.65	0.00
9,116.02	90.96	269.64	8,827.00	-3.15	-500.00	500.01	11.65	11.65	0.00
EOC Hold 90.96° INC :: 269.64° AZI									
9,120.00	90.96	269.64	8,826.93	-3.17	-503.98	503.99	0.00	0.00	0.00
9,150.00	90.96	269.64	8,826.43	-3.36	-533.98	533.99	0.00	0.00	0.00
9,180.00	90.96	269.64	8,825.93	-3.55	-563.98	563.99	0.00	0.00	0.00
9,210.00	90.96	269.64	8,825.42	-3.74	-593.97	593.98	0.00	0.00	0.00
9,240.00	90.96	269.64	8,824.92	-3.93	-623.97	623.98	0.00	0.00	0.00
9,270.00	90.96	269.64	8,824.42	-4.12	-653.96	653.97	0.00	0.00	0.00
9,300.00	90.96	269.64	8,823.91	-4.31	-683.96	683.97	0.00	0.00	0.00
9,330.00	90.96	269.64	8,823.41	-4.49	-713.95	713.97	0.00	0.00	0.00
9,360.00	90.96	269.64	8,822.90	-4.68	-743.95	743.96	0.00	0.00	0.00
9,390.00	90.96	269.64	8,822.40	-4.87	-773.94	773.96	0.00	0.00	0.00
9,420.00	90.96	269.64	8,821.90	-5.06	-803.94	803.95	0.00	0.00	0.00
9,450.00	90.96	269.64	8,821.39	-5.25	-833.93	833.95	0.00	0.00	0.00
9,480.00	90.96	269.64	8,820.89	-5.44	-863.93	863.94	0.00	0.00	0.00
9,510.00	90.96	269.64	8,820.39	-5.63	-893.92	893.94	0.00	0.00	0.00
9,540.00	90.96	269.64	8,819.88	-5.82	-923.92	923.94	0.00	0.00	0.00
9,570.00	90.96	269.64	8,819.38	-6.01	-953.91	953.93	0.00	0.00	0.00
9,600.00	90.96	269.64	8,818.88	-6.19	-983.91	983.93	0.00	0.00	0.00
9,630.00	90.96	269.64	8,818.37	-6.38	-1,013.90	1,013.92	0.00	0.00	0.00
9,660.00	90.96	269.64	8,817.87	-6.57	-1,043.90	1,043.92	0.00	0.00	0.00
9,690.00	90.96	269.64	8,817.37	-6.76	-1,073.89	1,073.91	0.00	0.00	0.00
9,720.00	90.96	269.64	8,816.86	-6.95	-1,103.89	1,103.91	0.00	0.00	0.00
9,750.00	90.96	269.64	8,816.36	-7.14	-1,133.88	1,133.91	0.00	0.00	0.00
9,780.00	90.96	269.64	8,815.86	-7.33	-1,163.88	1,163.90	0.00	0.00	0.00
9,810.00	90.96	269.64	8,815.35	-7.52	-1,193.87	1,193.90	0.00	0.00	0.00

Database:	EDM 5000.1 Black Viper	**Local Co-ordinate Reference:**	Site Bola 7 Federal #6H
Company:	Nadel & Gusman	**TVD Reference:**	WELL @ 3784.00ft (Original Well Elev)
Project:	Eddy County NM	**MD Reference:**	WELL @ 3784.00ft (Original Well Elev)
Site:	Bola 7 Federal #6H	**North Reference:**	Grid
Well:	Bola 7 Federal #6H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Lateral #1		
Design:	Plan #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
9,840.00	90.96	269.64	8,814.85	-7.71	-1,223.87	1,223.89	0.00	0.00	0.00
9,870.00	90.96	269.64	8,814.34	-7.89	-1,253.86	1,253.89	0.00	0.00	0.00
9,900.00	90.96	269.64	8,813.84	-8.08	-1,283.86	1,283.89	0.00	0.00	0.00
9,930.00	90.96	269.64	8,813.34	-8.27	-1,313.85	1,313.88	0.00	0.00	0.00
9,960.00	90.96	269.64	8,812.83	-8.46	-1,343.85	1,343.88	0.00	0.00	0.00
9,990.00	90.96	269.64	8,812.33	-8.65	-1,373.85	1,373.87	0.00	0.00	0.00
10,020.00	90.96	269.64	8,811.83	-8.84	-1,403.84	1,403.87	0.00	0.00	0.00
10,050.00	90.96	269.64	8,811.32	-9.03	-1,433.84	1,433.86	0.00	0.00	0.00
10,080.00	90.96	269.64	8,810.82	-9.22	-1,463.83	1,463.86	0.00	0.00	0.00
10,110.00	90.96	269.64	8,810.32	-9.40	-1,493.83	1,493.86	0.00	0.00	0.00
10,140.00	90.96	269.64	8,809.81	-9.59	-1,523.82	1,523.85	0.00	0.00	0.00
10,170.00	90.96	269.64	8,809.31	-9.78	-1,553.82	1,553.85	0.00	0.00	0.00
10,200.00	90.96	269.64	8,808.81	-9.97	-1,583.81	1,583.84	0.00	0.00	0.00
10,230.00	90.96	269.64	8,808.30	-10.16	-1,613.81	1,613.84	0.00	0.00	0.00
10,260.00	90.96	269.64	8,807.80	-10.35	-1,643.80	1,643.83	0.00	0.00	0.00
10,290.00	90.96	269.64	8,807.30	-10.54	-1,673.80	1,673.83	0.00	0.00	0.00
10,320.00	90.96	269.64	8,806.79	-10.73	-1,703.79	1,703.83	0.00	0.00	0.00
10,350.00	90.96	269.64	8,806.29	-10.92	-1,733.79	1,733.82	0.00	0.00	0.00
10,380.00	90.96	269.64	8,805.79	-11.10	-1,763.78	1,763.82	0.00	0.00	0.00
10,410.00	90.96	269.64	8,805.28	-11.29	-1,793.78	1,793.81	0.00	0.00	0.00
10,440.00	90.96	269.64	8,804.78	-11.48	-1,823.77	1,823.81	0.00	0.00	0.00
10,470.00	90.96	269.64	8,804.27	-11.67	-1,853.77	1,853.80	0.00	0.00	0.00
10,500.00	90.96	269.64	8,803.77	-11.86	-1,883.76	1,883.80	0.00	0.00	0.00
10,530.00	90.96	269.64	8,803.27	-12.05	-1,913.76	1,913.80	0.00	0.00	0.00
10,560.00	90.96	269.64	8,802.76	-12.24	-1,943.75	1,943.79	0.00	0.00	0.00
10,590.00	90.96	269.64	8,802.26	-12.43	-1,973.75	1,973.79	0.00	0.00	0.00
10,620.00	90.96	269.64	8,801.76	-12.62	-2,003.74	2,003.78	0.00	0.00	0.00
10,650.00	90.96	269.64	8,801.25	-12.80	-2,033.74	2,033.78	0.00	0.00	0.00
10,680.00	90.96	269.64	8,800.75	-12.99	-2,063.73	2,063.78	0.00	0.00	0.00
10,710.00	90.96	269.64	8,800.25	-13.18	-2,093.73	2,093.77	0.00	0.00	0.00
10,740.00	90.96	269.64	8,799.74	-13.37	-2,123.72	2,123.77	0.00	0.00	0.00
10,770.00	90.96	269.64	8,799.24	-13.56	-2,153.72	2,153.76	0.00	0.00	0.00
10,800.00	90.96	269.64	8,798.74	-13.75	-2,183.72	2,183.76	0.00	0.00	0.00
10,830.00	90.96	269.64	8,798.23	-13.94	-2,213.71	2,213.75	0.00	0.00	0.00
10,860.00	90.96	269.64	8,797.73	-14.13	-2,243.71	2,243.75	0.00	0.00	0.00
10,890.00	90.96	269.64	8,797.23	-14.31	-2,273.70	2,273.75	0.00	0.00	0.00
10,920.00	90.96	269.64	8,796.72	-14.50	-2,303.70	2,303.74	0.00	0.00	0.00
10,950.00	90.96	269.64	8,796.22	-14.69	-2,333.69	2,333.74	0.00	0.00	0.00
10,980.00	90.96	269.64	8,795.72	-14.88	-2,363.69	2,363.73	0.00	0.00	0.00
11,010.00	90.96	269.64	8,795.21	-15.07	-2,393.68	2,393.73	0.00	0.00	0.00
11,040.00	90.96	269.64	8,794.71	-15.26	-2,423.68	2,423.72	0.00	0.00	0.00
11,070.00	90.96	269.64	8,794.20	-15.45	-2,453.67	2,453.72	0.00	0.00	0.00
11,100.00	90.96	269.64	8,793.70	-15.64	-2,483.67	2,483.72	0.00	0.00	0.00
11,130.00	90.96	269.64	8,793.20	-15.83	-2,513.66	2,513.71	0.00	0.00	0.00
11,160.00	90.96	269.64	8,792.69	-16.01	-2,543.66	2,543.71	0.00	0.00	0.00
11,190.00	90.96	269.64	8,792.19	-16.20	-2,573.65	2,573.70	0.00	0.00	0.00
11,220.00	90.96	269.64	8,791.69	-16.39	-2,603.65	2,603.70	0.00	0.00	0.00
11,250.00	90.96	269.64	8,791.18	-16.58	-2,633.64	2,633.69	0.00	0.00	0.00
11,280.00	90.96	269.64	8,790.68	-16.77	-2,663.64	2,663.69	0.00	0.00	0.00
11,310.00	90.96	269.64	8,790.18	-16.96	-2,693.63	2,693.69	0.00	0.00	0.00
11,340.00	90.96	269.64	8,789.67	-17.15	-2,723.63	2,723.68	0.00	0.00	0.00
11,370.00	90.96	269.64	8,789.17	-17.34	-2,753.62	2,753.68	0.00	0.00	0.00
11,400.00	90.96	269.64	8,788.67	-17.53	-2,783.62	2,783.67	0.00	0.00	0.00
11,430.00	90.96	269.64	8,788.16	-17.71	-2,813.61	2,813.67	0.00	0.00	0.00

Database:	EDM 5000.1 Black Viper	**Local Co-ordinate Reference:**	Site Bola 7 Federal #6H
Company:	Nadel & Gusman	**TVD Reference:**	WELL @ 3784.00ft (Original Well Elev)
Project:	Eddy County NM	**MD Reference:**	WELL @ 3784.00ft (Original Well Elev)
Site:	Bola 7 Federal #6H	**North Reference:**	Grid
Well:	Bola 7 Federal #6H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Lateral #1		
Design:	Plan #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
11,460.00	90.96	269.64	8,787.66	-17.90	-2,843.61	2,843.67	0.00	0.00	0.00
11,490.00	90.96	269.64	8,787.16	-18.09	-2,873.60	2,873.66	0.00	0.00	0.00
11,520.00	90.96	269.64	8,786.65	-18.28	-2,903.60	2,903.66	0.00	0.00	0.00
11,550.00	90.96	269.64	8,786.15	-18.47	-2,933.59	2,933.65	0.00	0.00	0.00
11,580.00	90.96	269.64	8,785.64	-18.66	-2,963.59	2,963.65	0.00	0.00	0.00
11,610.00	90.96	269.64	8,785.14	-18.85	-2,993.58	2,993.64	0.00	0.00	0.00
11,618.42	90.96	269.64	8,785.00	-18.90	-3,002.00	3,002.06	0.00	0.00	0.00

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL#1[B7Fed#6H] - plan hits target center - Point	0.00	0.00	8,785.00	-18.90	-3,002.00	642,211.70	659,993.20	32° 45' 52.013 N	103° 48' 46.297 W

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
8,335.31	8,335.31	0.00	0.00	KOP Build 11.65°/100' :: TFO 269.64
9,116.02	8,827.00	-3.15	-500.00	EOC Hold 90.96° INC :: 269.64° AZI

Nadel and Gussman
Heyco, LLC

Project: Eddy County NM
Site: Bola 7 Federal #6H
Well: Bola 7 Federal #6H
Wellbore: Lateral #1
Plan: Plan #1 (Bola 7 Federal #6H/Lateral #1)

BLACK VIPER ENERGY SERVICES, LTD.

ANNOTATIONS

TVD	MD	Annotation
8335.31	8335.31	KOP Build 11.65°/100' :: TFO 269.64
8827.00	9116.02	EOC Hold 90.96° INC :: 269.64° AZI

G
T M

Azimuths to Grid North
True North: -0.29°
Magnetic North: 7.56°
Magnetic Field
Strength: 49046.5snT
Dip Angle: 60.69°
Date: 6/14/2010
Model: IGRF200510

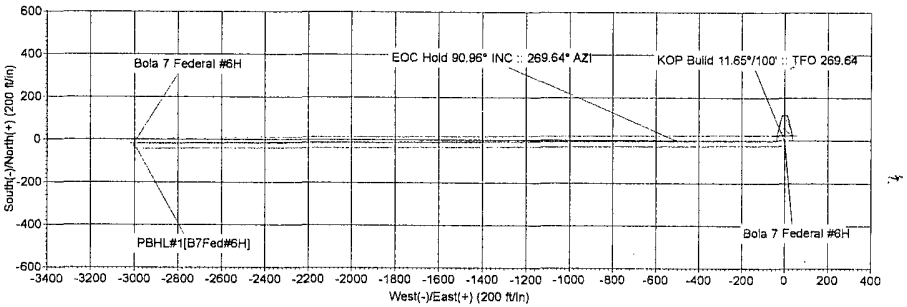
PROJECT DETAILS: Eddy County NM

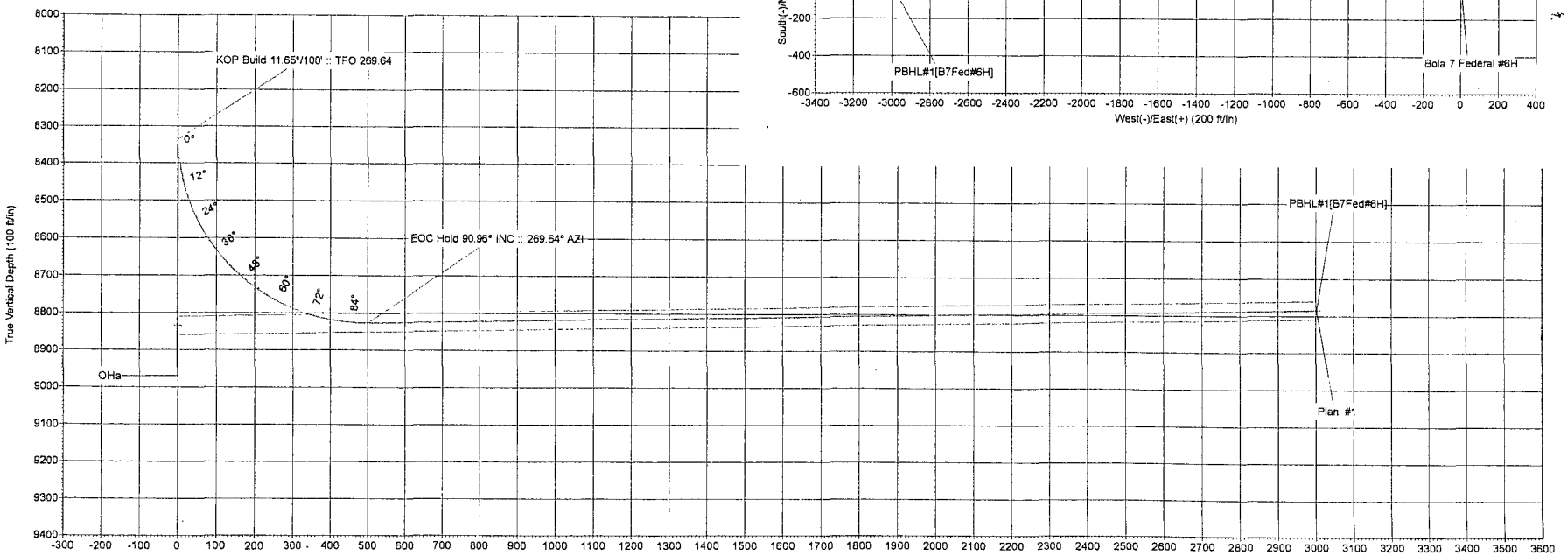
Geodetic System:US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico East 3001

System Datum: Mean Sea Level

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	VSect	Target
8335.31	0.00	0.00	8335.31	0.00	0.00	0.00	0.00	
9116.01	90.96	269.64	8827.00	-3.15	-500.00	11.65	500.01	
11618.42	90.96	269.64	8785.00	-18.90	3002.00	0.00	3002.06	PBHL#1[B7Fed#6H]

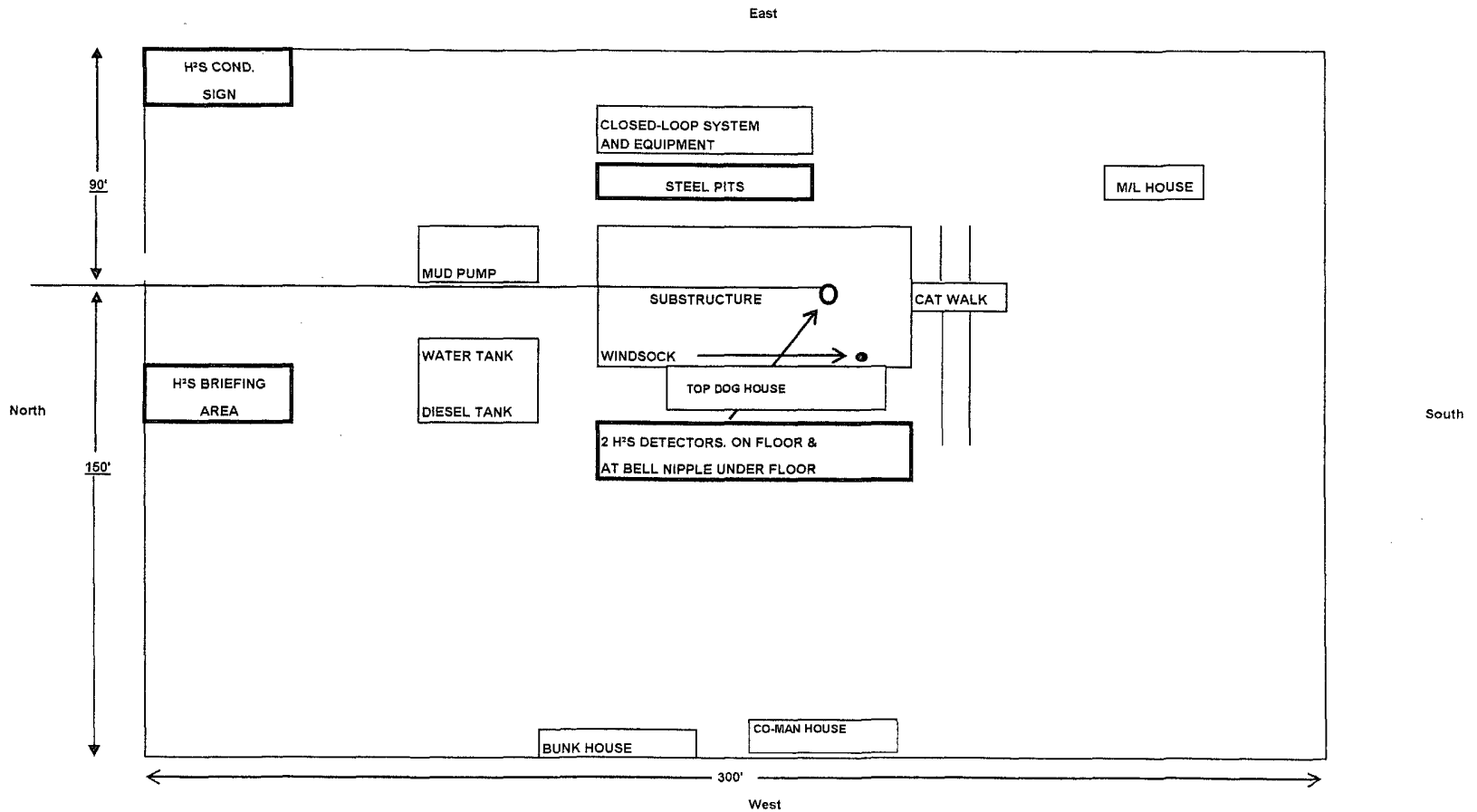




Plan: Plan #1 (Bola 7 Federal #6H/Lateral #1)
Created By: Heather Vannoy Date: June 14, 2010

EXHIBIT "D" LOCATION DIAGRAM

Bola 7 Federal Com 6H
1740' FNL & 1980' FEL
SEC 7, T18S, R32E
Lea Co, NM



Interim Reclamation plan-Production facility layout

Bola 7 Federal Com 6H
SL: 1740' FNL & 1980' FEL
BHL: 1750' FNL & 330' FWL
SEC 7, T18S, R32E
Lea Co, NM

NADEL AND GUSSMAN HEYCO, LLC
500 NORTH MAIN SUITE ONE
ROSWELL, NM

DIRECTION OF FLOW

P1 PRODUCTION VALVE

S1 SALES VALVE

C1 CIRCULATING VALVE

E1 EQUALIZING VALVE

F FILL LINE

O OIL LINE

G GAS LINE

W WATER LINE

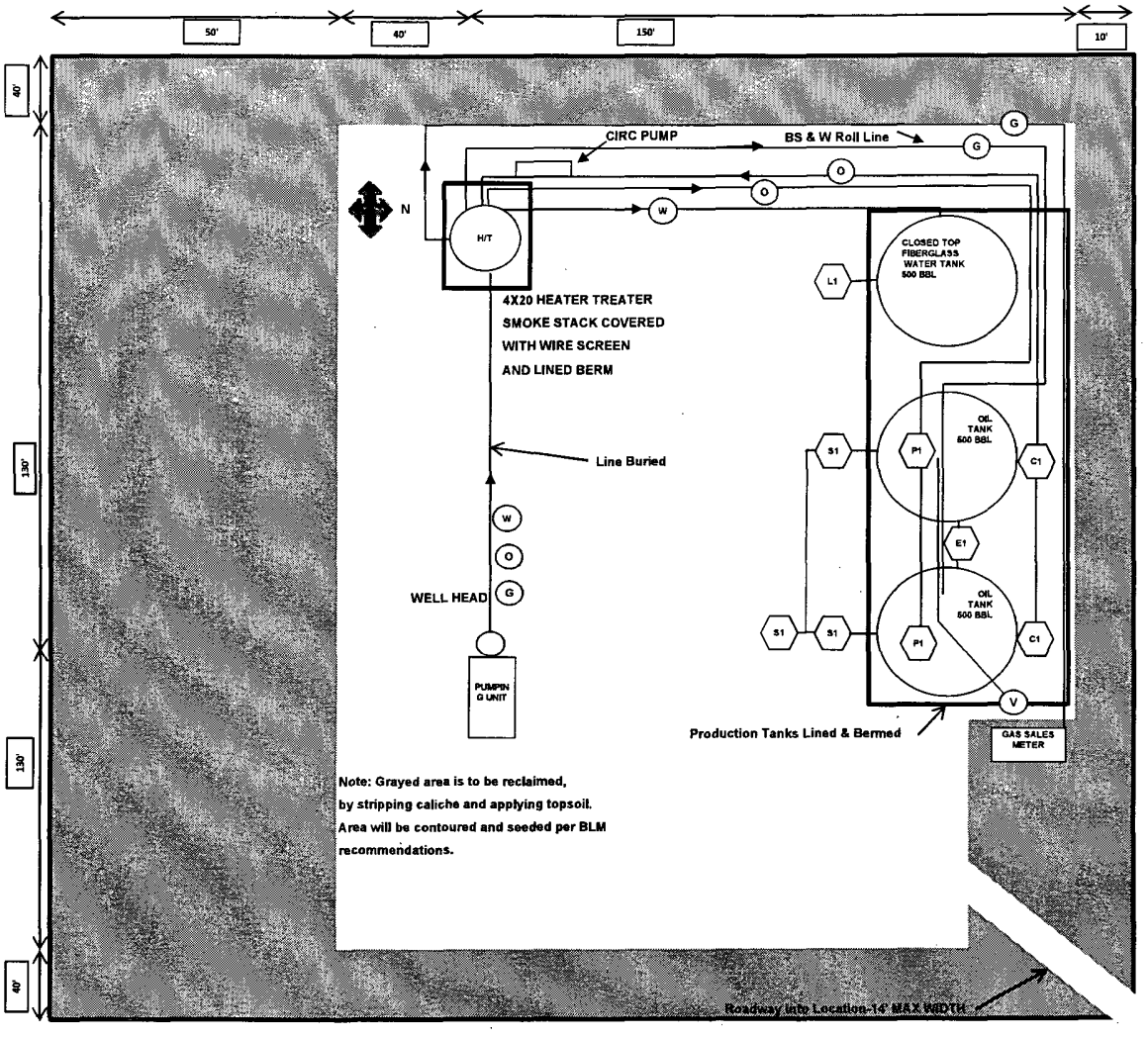
V VENT VALVE

L1 LOAD LINE

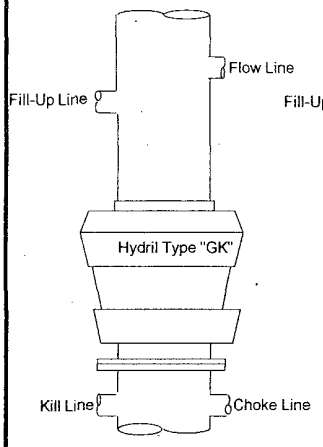
PRODUCTION LINE VALVES
SEALED OPEN WHILE PRODUCING
SEALED CLOSED DURING SALES

SALES LINE VALVES
SEALED CLOSED WHILE PRODUCING
OPEN DURING SALES

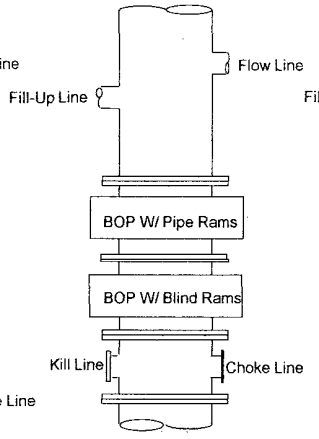
CIRCULATING LINE VALVES
SEALED OPEN WHILE PRODUCING
SEALED CLOSED DURING SALES



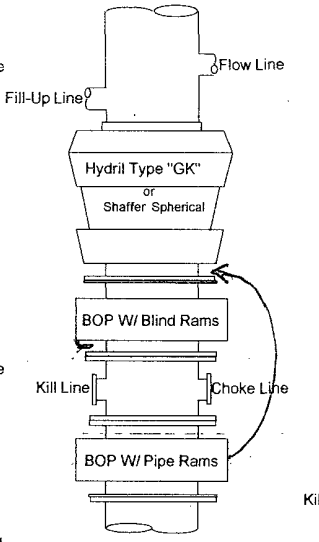
Nadel and Gussman Heyco, LLC
MINIMUM BLOWOUT PREVENTER REQUIREMENTS



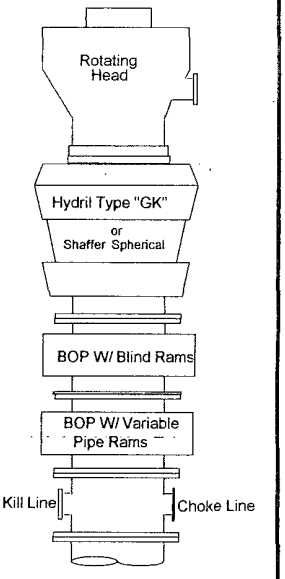
CASE I



CASE II



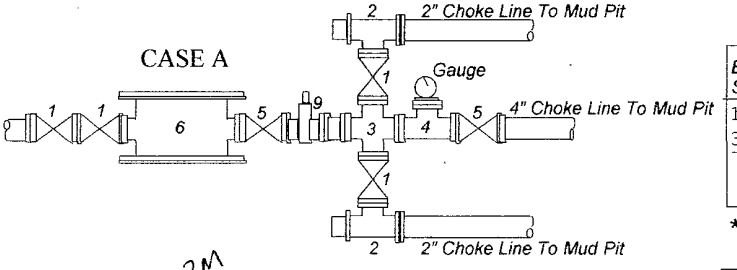
CASE III



CASE IV

A1" valve will be installed on the closing line to the Hydril. This valve will on a short nipple next to the Hydril. The Hydril closing line must be equipped with a 1" - 3000 psi WP plug valve on the nipple into the Hydril.

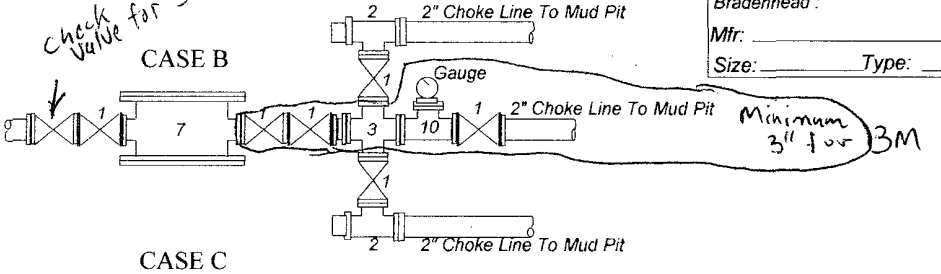
CASE A



BOP SIZE	BOP CASE	WORKING PRESSURE	CHOKE CASE
13-3/8"	II	2000 psi	B
9"	III	3000 psi	B

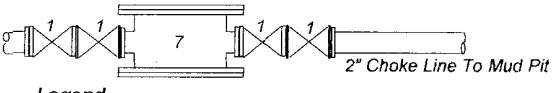
**Rotating head required*

CASE B



Bradenhead :
Mfr: _____
Size: _____ Type: _____

CASE C



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 & equiped 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