Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| FORM APPROVED | |
|------------------------|--|
| OMB No. 1004-0137 | |
| Expires: July 31, 2010 | |
| ıl No. | |
| 0010080700 | |

bf the United States any false,

| BUR | BUREAU OF LAND MANAGEMENT | | 5. Lease Serial No. | 5. Lease Serial No. | | | |
|--|--|---------------------------|--|---------------------------------------|------------------------------|-------------|--|
| 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. | | | 6. If Indian, Allottee or Tribe Name | | | | |
| abandoned well. | Use Form 3160-3 (7 | APD) for such pro | posais. | | ~ | | |
| SUBMIT IN TRIPLICATE – Other instructions on page 2. | | 7. If Unit of CA/Agre | 7. If Unit of CA/Agreement, Name and/or No. N/A NM 71064X | | | | |
| 1. Type of Well Gas Well Other | | | 8. Well Name and No. West Red Lake Unit #41 | | | | |
| 2. Name of Operator Lime Rock Resource | es II-A I P | | | 9. API Well No. | 30-015-28443 | | |
| 3a. Address | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 3b. Phone No. (include | area code) | 10. Field and Pool or | | a | |
| 1111 Bagby Street, Suite 4600 |). Houston, Tx 77002 | 575-623-8424 | , | 1 | Red Lake; Queen-Grayburg-SA | | |
| 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Des | | | | 11. Country or Parish | 11. Country or Parish, State | | |
| 330' FNL & 1800' FEL, Section 07-18S-27E, Unit B | | | | Eddy Coun | Eddy County, New Mexico | | |
| 12. CHEC | CK THE APPROPRIATE B | OX(ES) TO INDICATE I | NATURE OF | NOTICE, REPORT OR OTH | IER DATA | | |
| TYPE OF SUBMISSION | | | ТҮРЕ О | F ACTION | | | |
| Notice of Intent | Acidize Alter Casing | Deepen Fracture Treat | _ | Production (Start/Resume) Reclamation | Well In | | |
| Subsequent Report | Casing Repair | New Construc | | Recomplete | ✓ Other _ | Flaring Gas | |
| | Change Plans | Plug and Abar | ndon L | Temporarily Abandon | | | |
| Final Abandonment Notice 13. Describe Proposed or Completed O | Convert to Injection | | <u> </u> | Water Disposal | | | |
| Requesting to flare gas due to DCP Estimated Volume - 200 MCFPD | Artesia Plant keeping the | e Acid Gas Compresso | r Under Maxi | mum Operating Volume. | | | |
| Estimated Time - 2 Weeks | | | | Des | | | |
| Verbal approval has been given to flare gas by Duncan Whitlock on 2/4/13. FEB 2 0 2013 | | | | | 7 | | |
| | | | | NMOCD | ARTERIA | Make, | |
| | tor record OCD Juli3 | *1 | *See Attache | d sheet for list of wells in t | | <i>5</i> | |
| 14. I hereby certify that the foregoing is t Name (Printed/Typed) Michael Barrett | rue and correct. | Title | Title Production Supervisor | | | | |
| Signature Allu | B | Date | Date 02/04/2013 | | | | |
| | THIS SPACE | FOR FEDERAL | OR STATE | OFFICE PSER() | /FD | | |
| Approved by Conditions of approval, if any authorite that the applicant holds leggl or equitable to the state of the stat | Approval of this notice do title to those rights in the subj | es not warrant or certify | itle Office | FER 1.4 | yDate | | |
| entitle the applicant to conduct operations | mereon. | | | DUDGA | | | |

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

fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



West Red Lake Unit Battery 8910089700

West Red Lake Battery

| West Red Lake Unit #1 | 30-015-00802 |
|------------------------|--------------|
| West Red Lake Unit #3 | 30-015-00809 |
| West Red Lake Unit #37 | 30-015-27439 |
| West Red Lake Unit #38 | 30-015-28190 |
| West Red Lake Unit #39 | 30-015-28189 |
| West Red Lake Unit #40 | 30-015-28199 |
| West Red Lake Unit #41 | 30-015-28443 |
| West Red Lake Unit #51 | 30-015-28459 |
| West Red Lake Unit #52 | 30-015-28226 |
| West Red Lake Unit #53 | 30-015-28550 |
| West Red Lake Unit #54 | 30-015-28454 |
| West Red Lake Unit #55 | 30-015-28455 |
| West Red Lake Unit #56 | 30-015-28451 |
| West Red Lake Unit #59 | 30-015-28750 |
| West Red Lake Unit #66 | 30-015-28874 |
| West Red Lake Unit #67 | 30-015-28875 |
| West Red Lake Unit #68 | 30-015-28838 |
| | |

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Limerock Resources II-A LP.
West Red Lake Unit Battery
NM71064X
February 4, 2013

Condition of Approval to Flare Gas

- 1. Report all volumes on OGOR reports.
- 2. Comply with NTL-4A requirements
- 3. Subject to like approval from NMOCD
- 4. Flared volumes will still require payment of royalties
- 5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
- 6. This approval does not authorize any additional surface disturbance.
- 7. Submit updated facility diagram as per Onshore Order #3.
- 8. Approval not to exceed 90 days for date of approval.
- 9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared.