- Alternation							
(March 2012)	TE CD HE INTERIOF MANAGEMEN	T ·	fice	FORM APPROVED OMB No. 1004-0137 Expires October 31, 2014 5. Lease Serial No. NMLC-067981B 6. If Indian, Allotee or Tribe Name N/A			
la. Type of work: 🖌 DRILL 🗌 REF	ENTER			7. If Unit or CA Age N/A	reement, Na	me and No.	
lb. Type of Well: 🗸 Oil Well 🗍 Gas Well 🗍 Other	VIS	ingle Zone 🔲 Multi	ple Zone	8. Lease Name and KAISER 7 P FEDI		32124	
2. Name of Operator LIME ROCK RESOURCES II-A, L.		2 11 55		9. API Well No. 30-015- 44		Corregi	
3a. Address 1111 BAGBY ST., SUITE 4600 HOUSTON, TX 77002	3b. Phone N 713 292-9	0. (include area code)	0	10. Field and Pool, or Exploratory RED LAKE; GLORIETA-YESO			
<ol> <li>Location of Well (Report location clearly and in accordance with At surface 475' FSL &amp; 540' FEL At proposed prod. zone 990' FSL &amp; 990' FEL</li> </ol>							
14. Distance in miles and direction from nearest town or post office* 7 AIR MILES SE OF ARTESIA, NM	k			12. County or Parish EDDY		13. State NM	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	sed*SHL: 475'16. No. of acres in lease17. SpaceeffBHL: 330'SESE						
<ol> <li>Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.</li> </ol>	ed location* N/A 19. Proposed Depth 20. BLM				17		
<ol> <li>Elevations (Show whether DF, KDB, RT, GL, etc.)</li> <li>3,365.6' UNGRADED</li> </ol>	22 Approx 09/01/20	mate date work will sta 16	urt*	23. Estimated duration	on		
	24. Atta	chments					
<ul> <li>The following, completed in accordance with the requirements of Or</li> <li>Well plat certified by a registered surveyor.</li> <li>A Drilling Plan.</li> <li>A Surface Use Plan (if the location is on National Forest Syst SUPO must be filed with the appropriate Forest pervice Office).</li> </ul>	tem Lands, the	<ol> <li>Bond to cover the Item 20 above).</li> <li>Operator certification</li> </ol>	he operation cation	s form: s unless covered by ar rmation and/or plans a			
25. Signature		(Printed/Typed)	ONE: 505	466-8120)	Date 06/20/2	016	
CONSULTANT			X: 505 466	-0692)			
pproved by (Signature)	Name	(Printed/Typed)	1.2	aytay	Date 4/	18/201	
Freld Manager	Office	6-2		/			
pplication approval does not warrant or certify that the applicant h onduct operations thereon. conditions of approval, if any, are attached.	holds legal or equi	table title to those right	ts in the subj	ect lease which would e	entitle the ap	plicant to	
ttle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it ates any false, fictitious or fraudulent statements or representations	a crime for any p s as to any matter v	erson knowingly and w vithin its jurisdiction.	villfully to ma	ike to any department of	or agency of	f the United	
(Continued on page 2)				*(Inst	ructions	on page 2)	
NM OIL CONSERVATION							
APR 2 6 2018	S	EE ATTAC	HED I VS OF	APPROVA	L		
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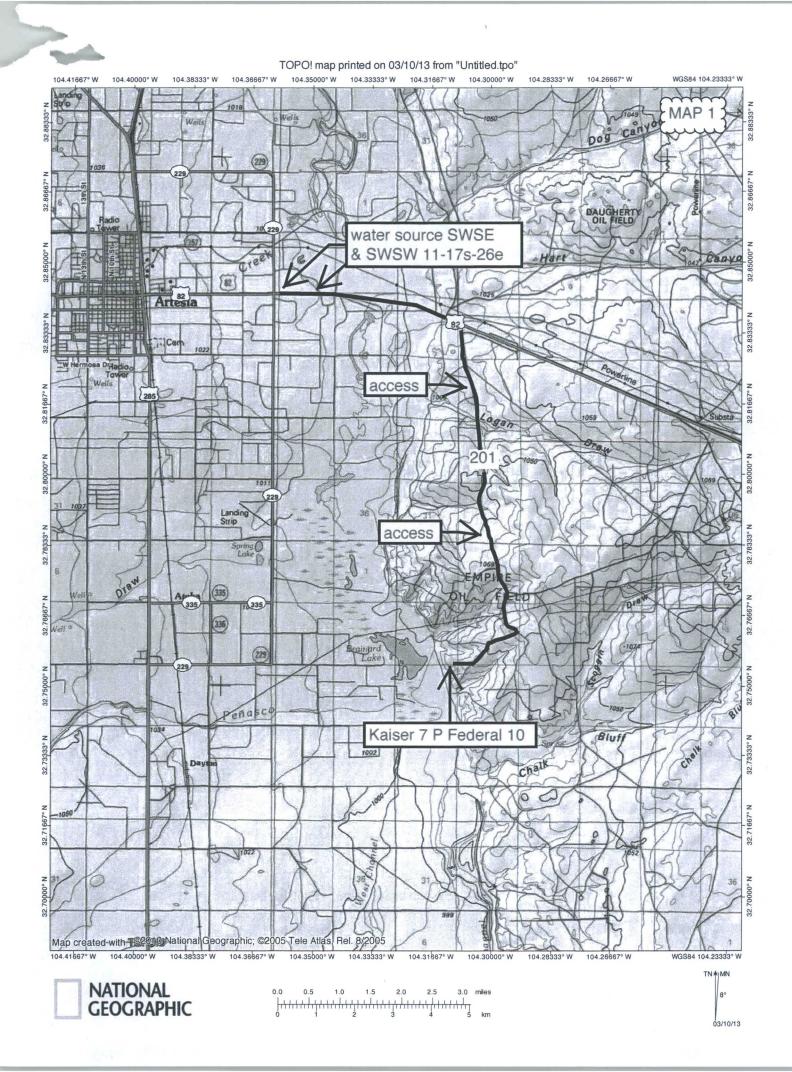
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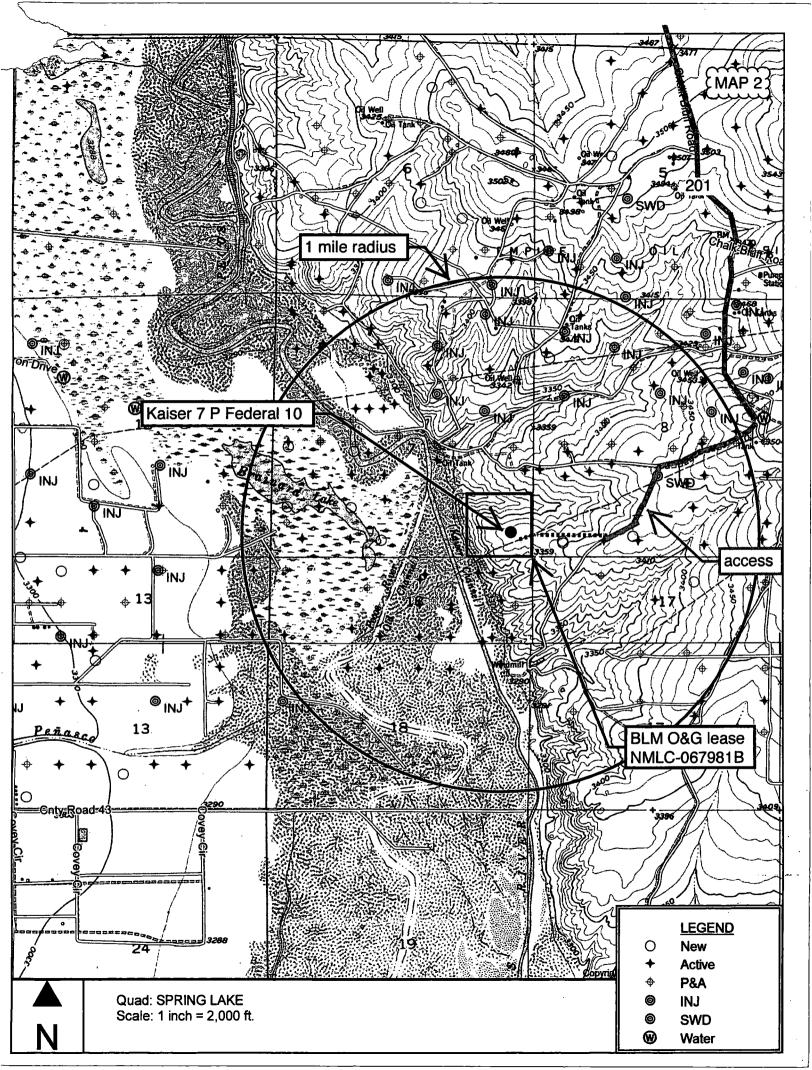
June 20, 2016

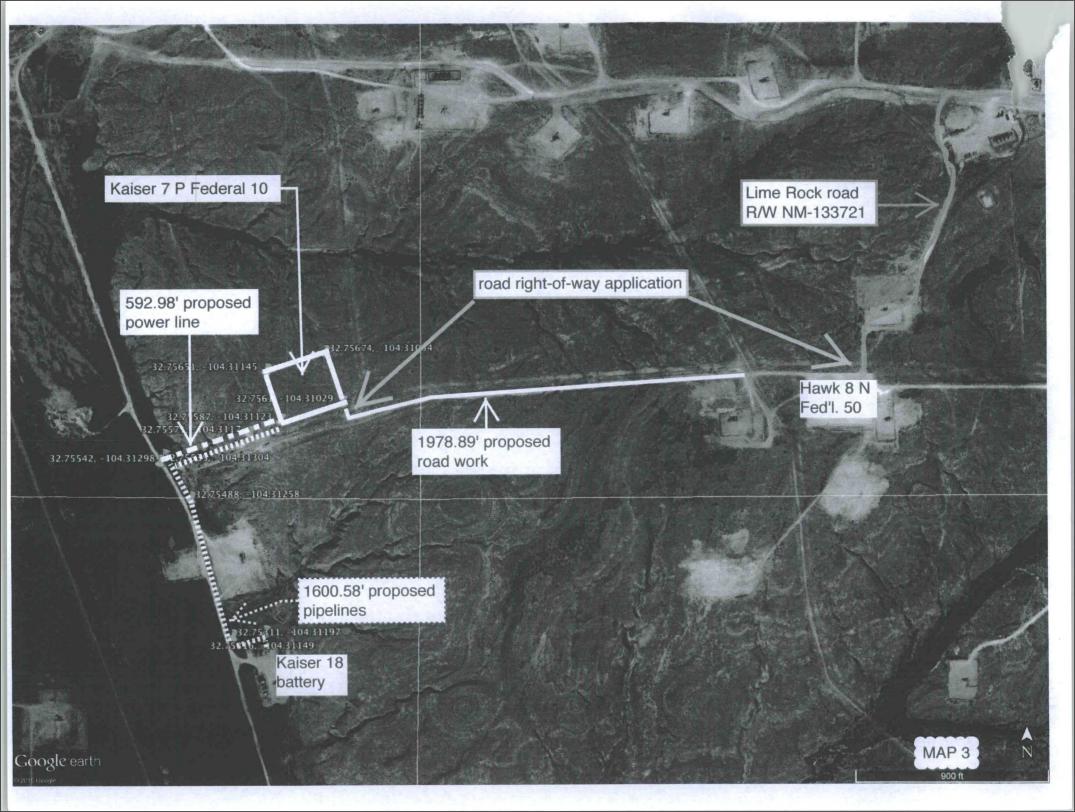
To Who it May Concern:

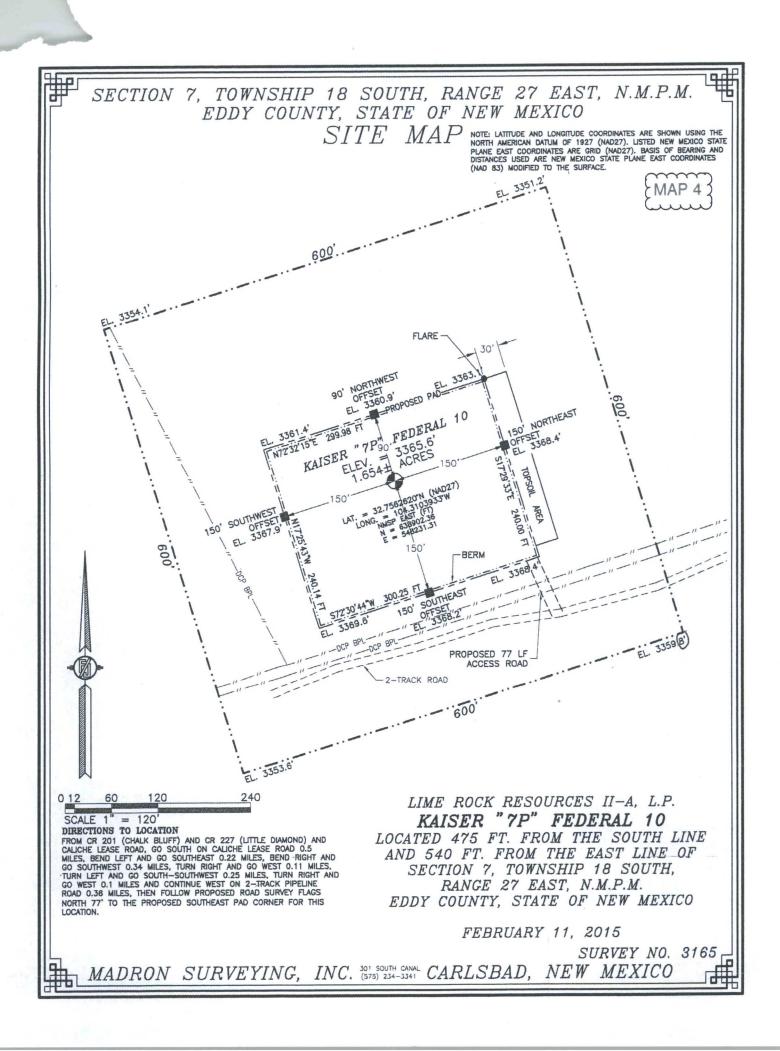
Lime Rock Resources II-A, L. P. has a surface use agreement with the J. W. Gissler Estate (P. O. Box 967, Artesia NM 88211) for the Kaiser 7 P Federal 10 pipelines in NENE Section 18, T. 18 S., R. 27 E., Eddy County, NM.

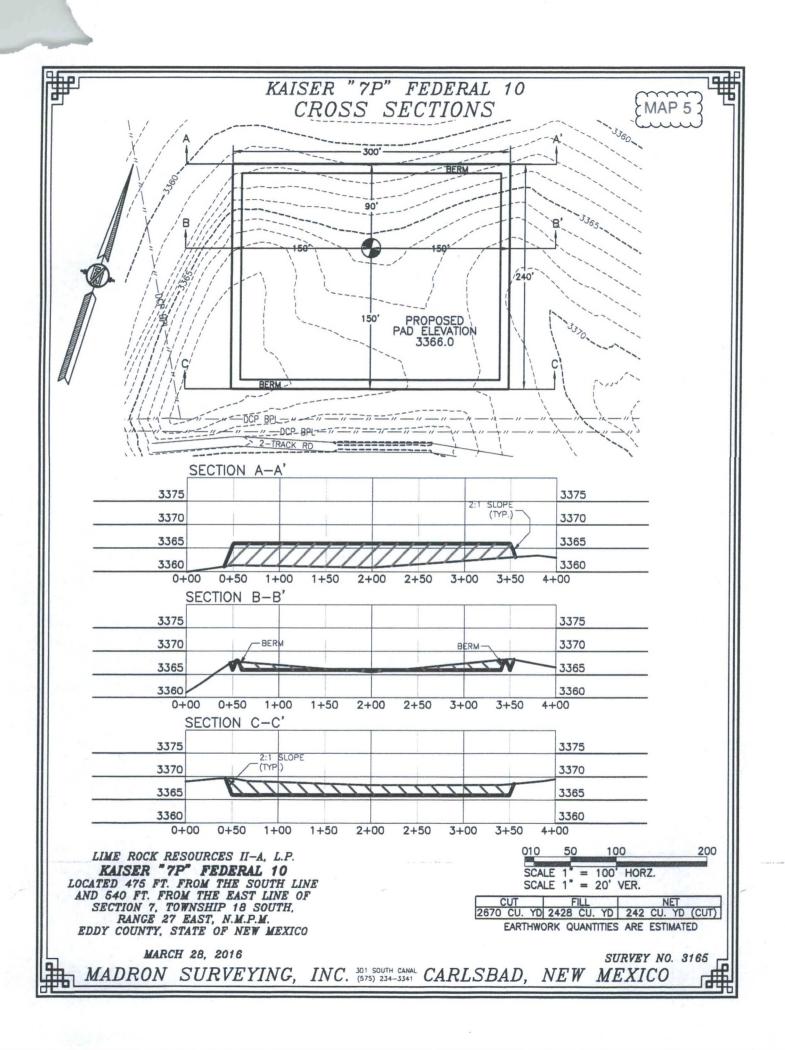
Brian Wood

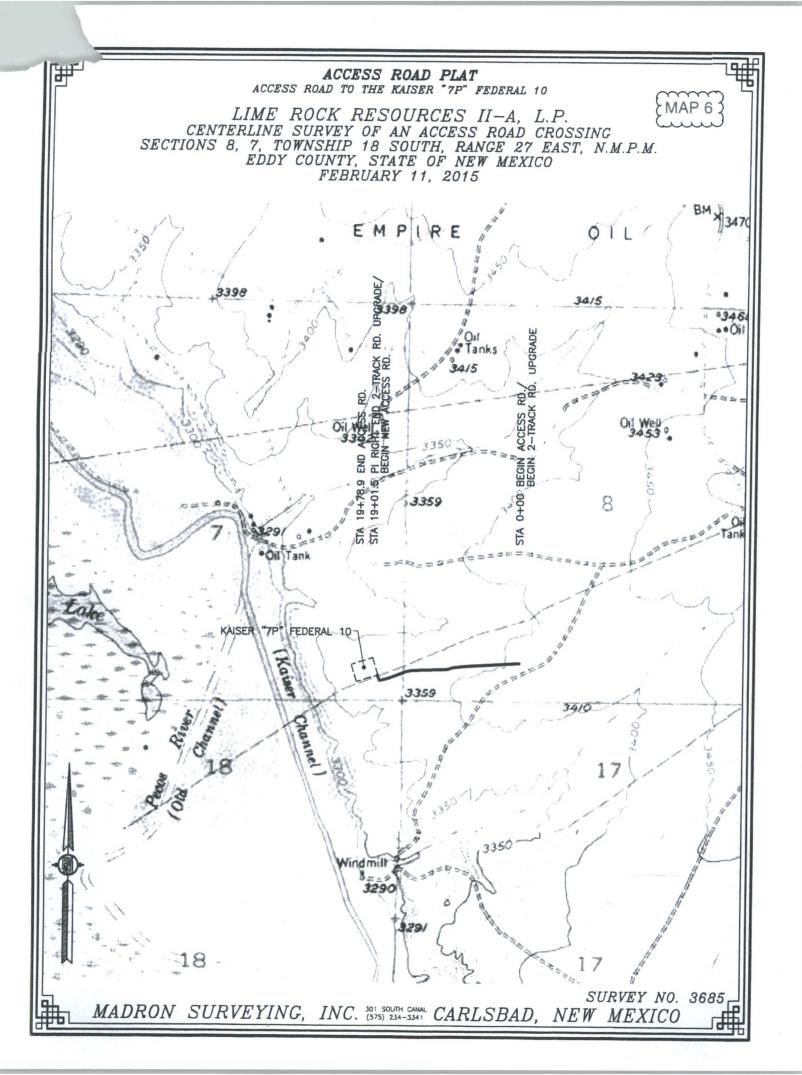


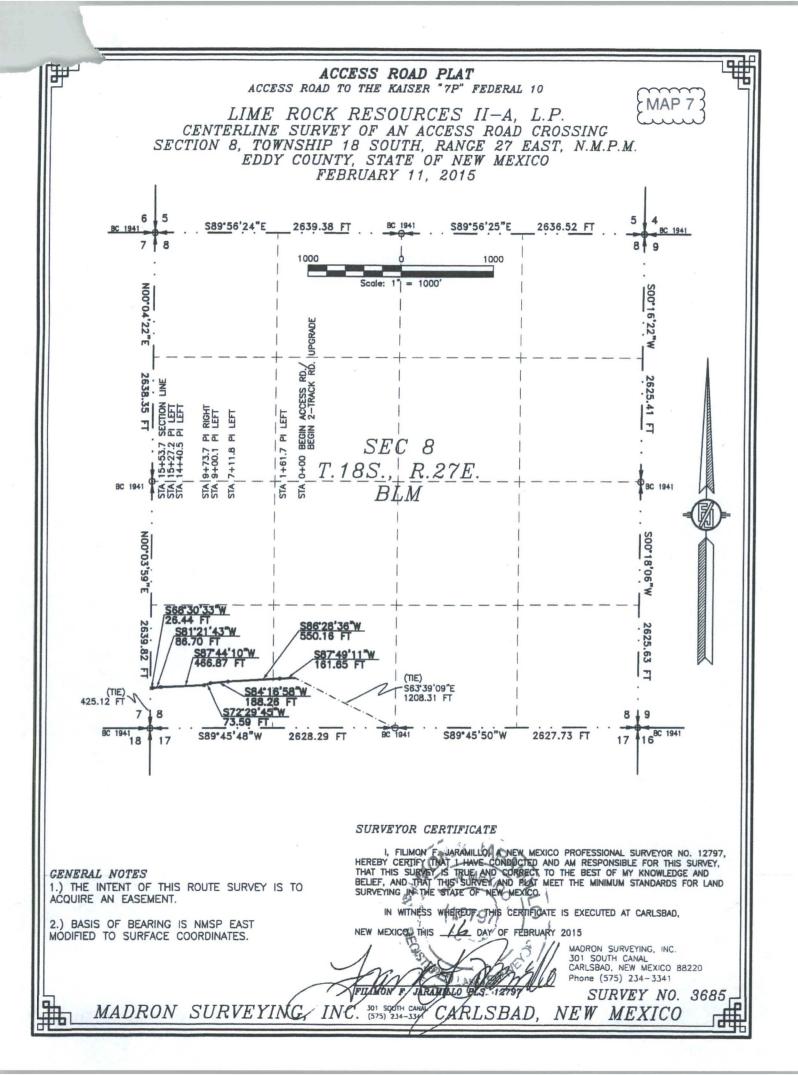












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### ACCESS ROAD PLAT ACCESS ROAD TO THE KAISER "7P" FEDERAL 10

LIME ROCK RESOURCES II-A, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 8, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO FEBRUARY 11, 2015

#### DESCRIPTION

A STRIP OF LAND 20 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 8, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 10 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SE/4 SW/4 OF SAID SECTION 8, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M., WHENCE THE SOUTH QUARTER CORNER OF SAID SECTION 8, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS S63'39'09"E, A DISTANCE OF 1208.31 FEET:

THENCE \$87'49'11"W A DISTANCE OF 161.65 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE \$86'28'36"W A DISTANCE OF 550.18 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE \$84'16'58"W A DISTANCE OF 188.26 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE \$72'29'45"W A DISTANCE OF 73.59 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE \$87'44'10"W A DISTANCE OF 466.87 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE \$81'21'43"W A DISTANCE OF 466.87 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE \$81'21'43"W A DISTANCE OF 86.70 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE \$68'30'33"W A DISTANCE OF 86.70 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; SAID SECTION 8, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS \$00'03'59"W, A DISTANCE OF 425.12 FEET;

SAID STRIP OF LAND BEING 1553.67 FEET OR 94.16 RODS IN LENGTH, CONTAINING 0.714 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 SW/4	230.40 L.F.	13.96 RODS	0.106 ACRES
SW/4 SW/4	1323.27 L.F.	80.20 RODS	0.608 ACRES

GENERAL NOTES

ACQUIRE AN EASEMENT.

1.) THE INTENT OF THIS ROUTE SURVEY IS TO

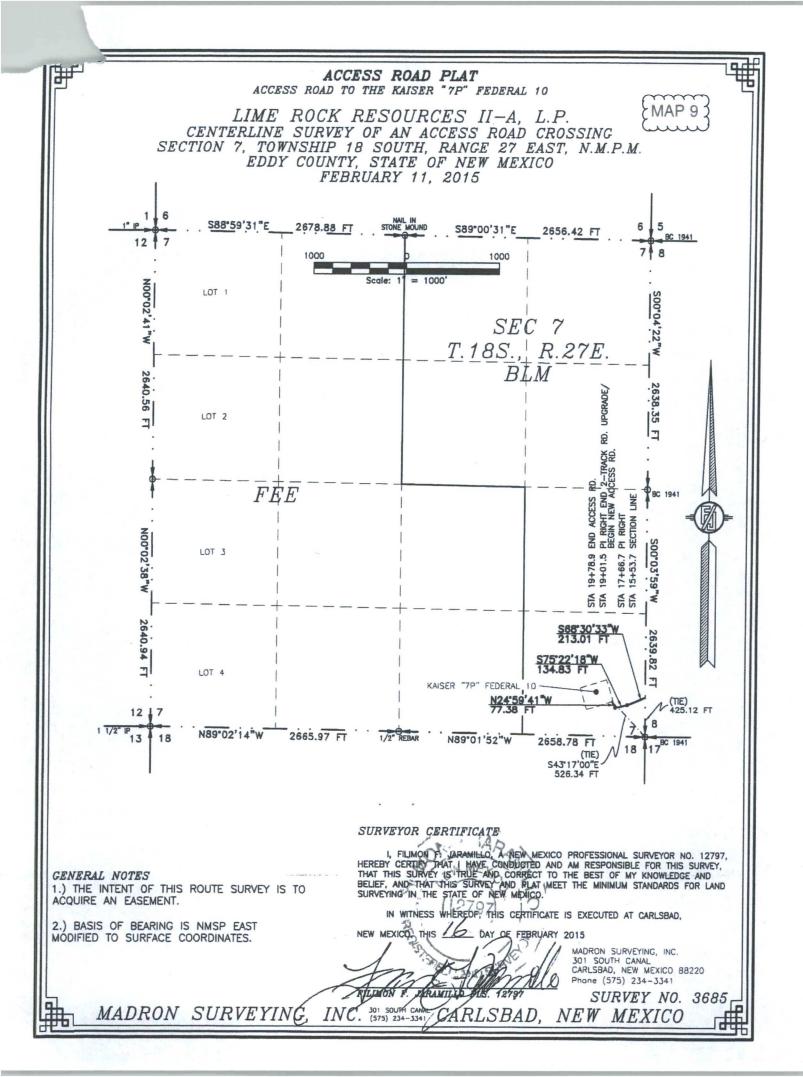
#### SURVEYOR CERTIFICATE

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT THAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

2.) BASIS OF BEARING IS NMSP EAST NEW MEXICO, THIS 16 DAY OF FEBRUARY /2015 MODIFIED TO SURFACE COORDINATES. MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341 VILI SURVEY NO. 3685 CARLSBAD, INC. (575) 234-3341 NEW MEXICO MADRON SURVEYING.

MAP 8



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#### ACCESS ROAD PLAT ACCESS ROAD TO THE KAISER "7P" FEDERAL 10

LIME ROCK RESOURCES II-A, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 7, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO FEBRUARY 11, 2015

#### DESCRIPTION

A STRIP OF LAND 20 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 7, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 10 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

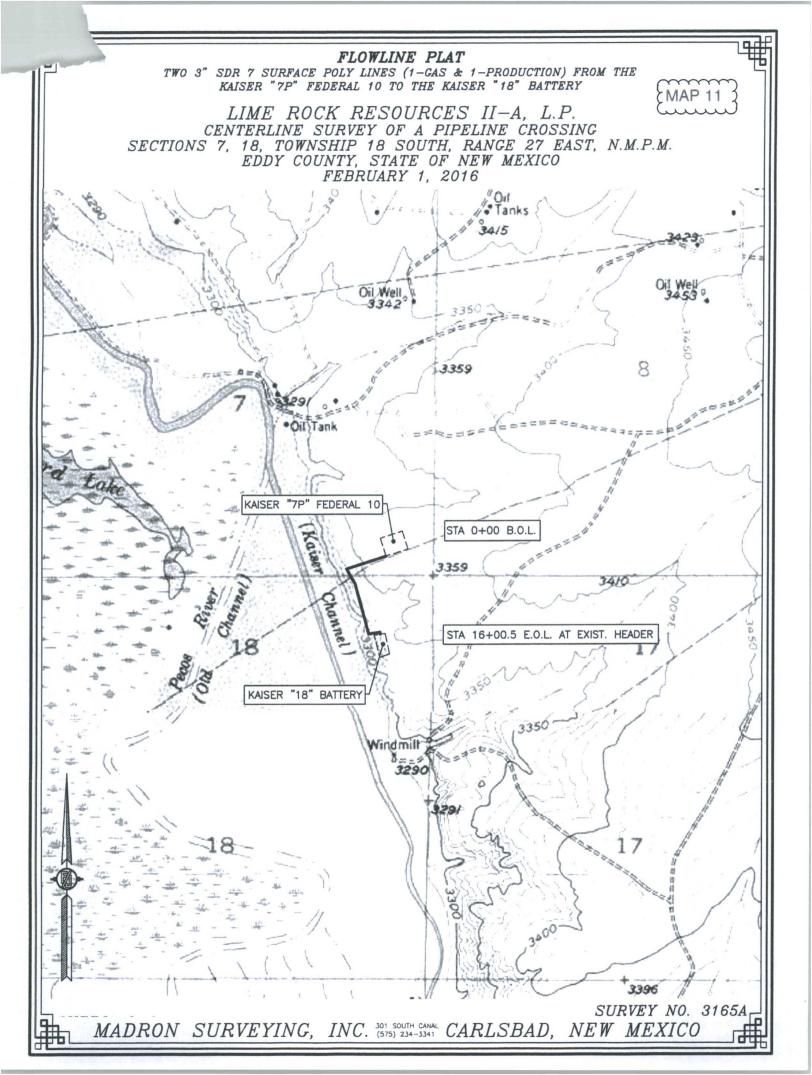
BEGINNING AT A POINT WITHIN THE SE/4 SE/4 OF SAID SECTION 7, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M., WHENCE THE SOUTHEAST CORNER OF SAID SECTION 7, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS S00'03'59"W, A DISTANCE OF 425.12 FEET:

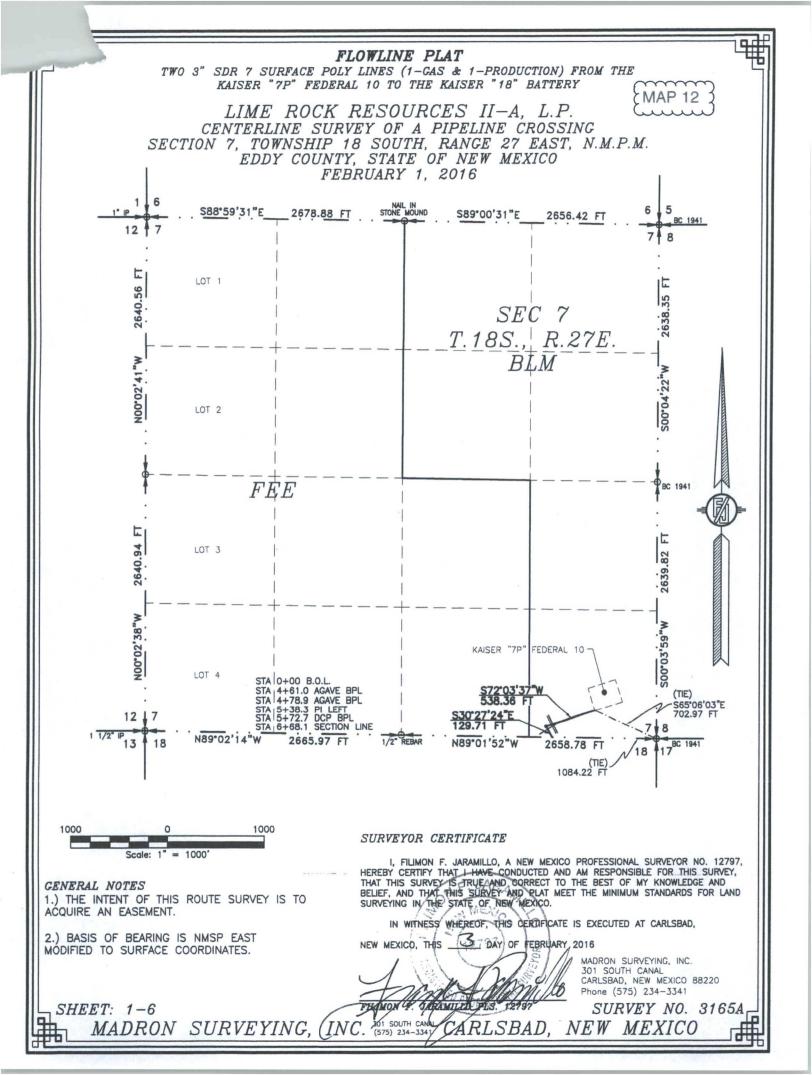
THENCE S68'30'33"W A DISTANCE OF 213.01 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE S75'22'18"W A DISTANCE OF 134.83 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N24'59'41"W A DISTANCE OF 77.38 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE SOUTHEAST CORNER OF SAID SECTION 7, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS S43'17'00"E, A DISTANCE OF 526.34 FEET;

SAID STRIP OF LAND BEING 425.22 FEET OR 25.77 RODS IN LENGTH, CONTAINING 0.195 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 SE/4 425.22 L.F. 25.77 RODS 0.195 ACRES

CENERAL NOTES 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT. SURVEYOR CERTIFICATE I, FILIMON P. DARAMILTO, A. NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY, IS THE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,	
2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES. NEW MEXICO, PHIS DAY OF TEBRUARY 2015 MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341 SURVEY NO. 3685	
MADRON SURVEYING, INC. (575) 234-242 CARLSBAD, NEW MEXICO	ĥ





### FLOWLINE PLAT

TWO 3" SDR 7 SURFACE POLY LINES (1-CAS & 1-PRODUCTION) FROM THE KAISER "7P" FEDERAL 10 TO THE KAISER "18" BATTERY

**MAP 13** 

LIME ROCK RESOURCES II-A, L.P. CENTERLINE SURVEY OF A PIPELINE CROSSING SECTION 7, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO FEBRUARY 1, 2016

#### DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 7, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SE/4 SE/4 OF SAID SECTION 7, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M., WHENCE THE SOUTHEAST CORNER OF SAID SECTION 7, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS S65'06'03"E, A DISTANCE OF 702.97 FEET;

THENCE \$72'03'37"W A DISTANCE OF 538.36 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE \$30"27'24"E A DISTANCE OF 129.71 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE SOUTHEAST CORNER OF SAID SECTION 7, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS S89"01'52"E, A DISTANCE OF 1084.22 FEET;

SAID STRIP OF LAND BEING 668.07 FEET OR 40.49 RODS IN LENGTH, CONTAINING 0.460 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 SE/4 668.07 L.F. 40.49 RODS 0.460 ACRES

#### SURVEYOR CERTIFICATE

SOUTH CANAL

(575) 234-3341

INC. 30

GENERAL NOTES 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

2.) BASIS OF BEARING IS NMSP EAST MÓDIFIED TO SURFACE COORDINATES.

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

SURVEY NO. 3165A

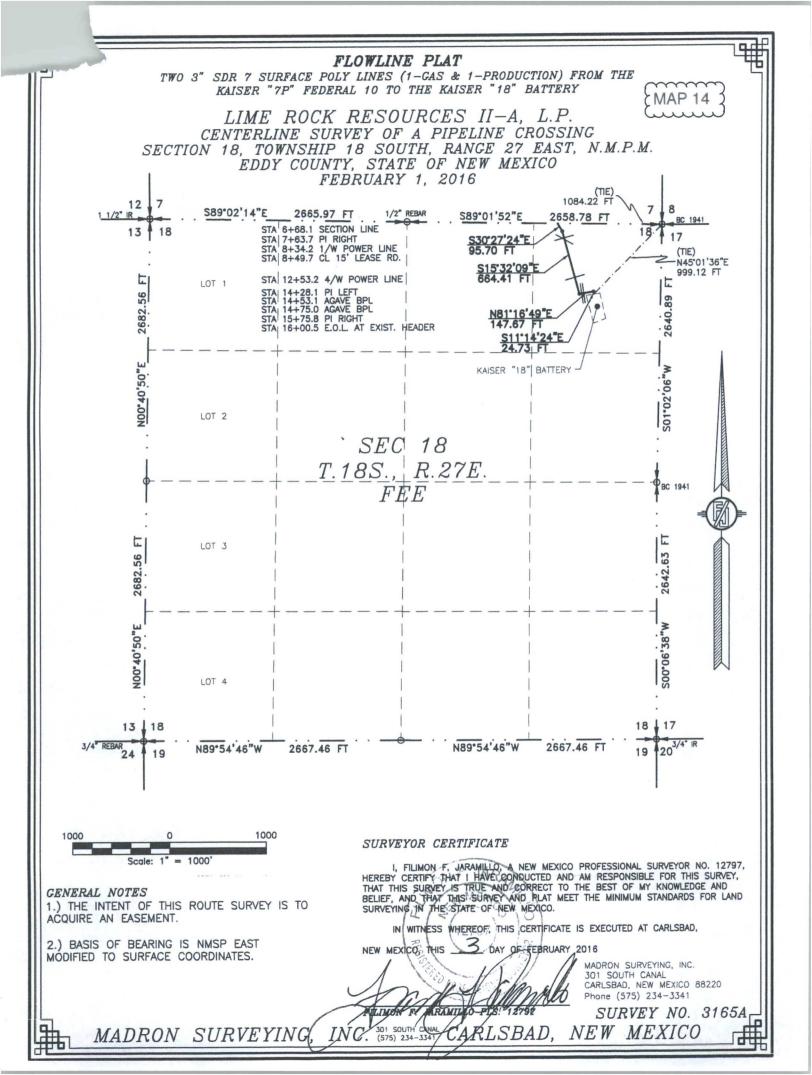
NEW MEXICO

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, BOT DAY OF EEBRUARY 2016 NEW MEXICO, THIS MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341 FILMON

CARLSBAD.

JARMILLO PLS. 1279

MADRON SURVEYING.



### FLOWLINE PLAT

TWO 3" SDR 7 SURFACE POLY LINES (1-GAS & 1-PRODUCTION) FROM THE KAISER "7P" FEDERAL 10 TO THE KAISER "18" BATTERY

LIME ROCK RESOURCES II-A, L.P. CENTERLINE SURVEY OF A PIPELINE CROSSING SECTION 18, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO FEBRUARY 1, 2016

#### DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING FEE LAND IN SECTION 18, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE NE/4 NE/4 OF SAID SECTION 18, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M., WHENCE THE NORTHEAST CORNER OF SAID SECTION 18, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS S89\*01'52"E, A DISTANCE OF 1084.22 FEET:

THENCE \$30°27'24"E A DISTANCE OF 95.70 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE \$15°32'09"E A DISTANCE OF 664.41 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N81°16'49"E A DISTANCE OF 147.67 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE \$11°14'24"E A DISTANCE OF 24.73 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE NORTHEAST CORNER OF SAID SECTION 18, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS N45'01'36"E, A DISTANCE OF 999.12 FEET;

SAID STRIP OF LAND BEING 932.51 FEET OR 56.52 RODS IN LENGTH, CONTAINING 0.642 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

NE/4 NE/4 932.51 L.F. 56.52 RODS 0.642 ACRES

#### SURVEYOR CERTIFICATE

DION

F/

CENERAL NOTES 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

MADRON SURVEYING, (INC. 301 SOUTH CAN

2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES. I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT L HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE, AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS DAY OF FEBRUARY 2016

'ARLSBAD.

RAMILO

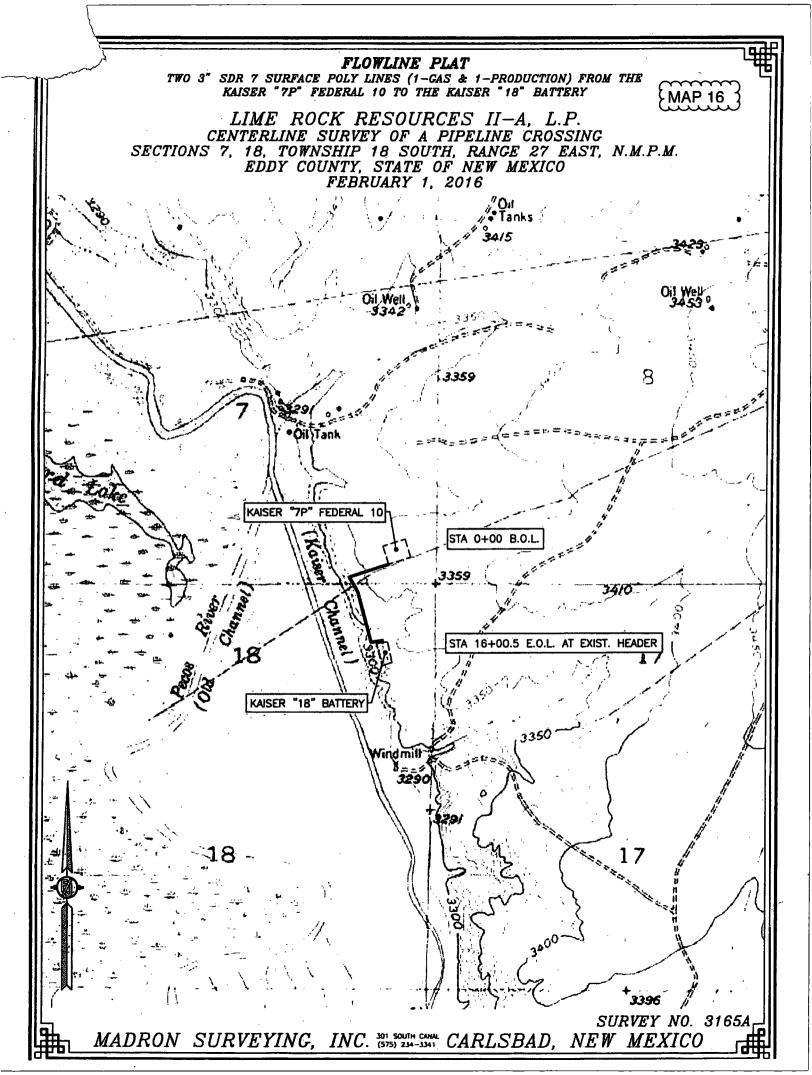
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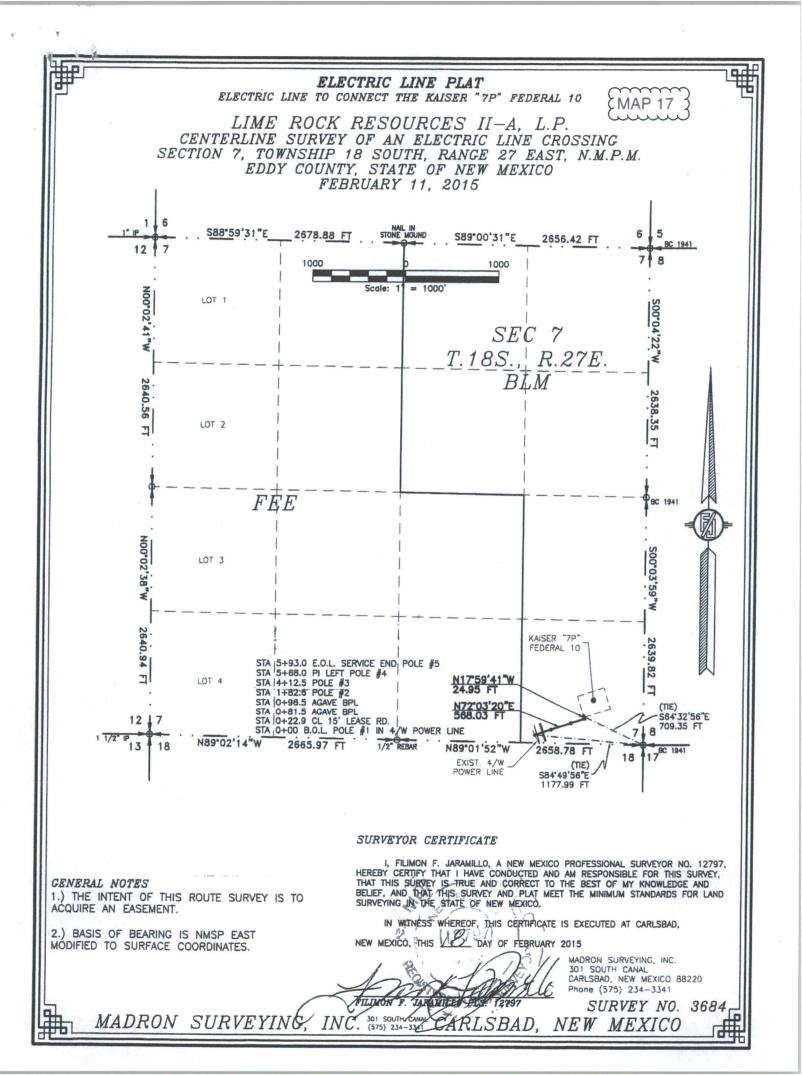
MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341

NEW MEXI

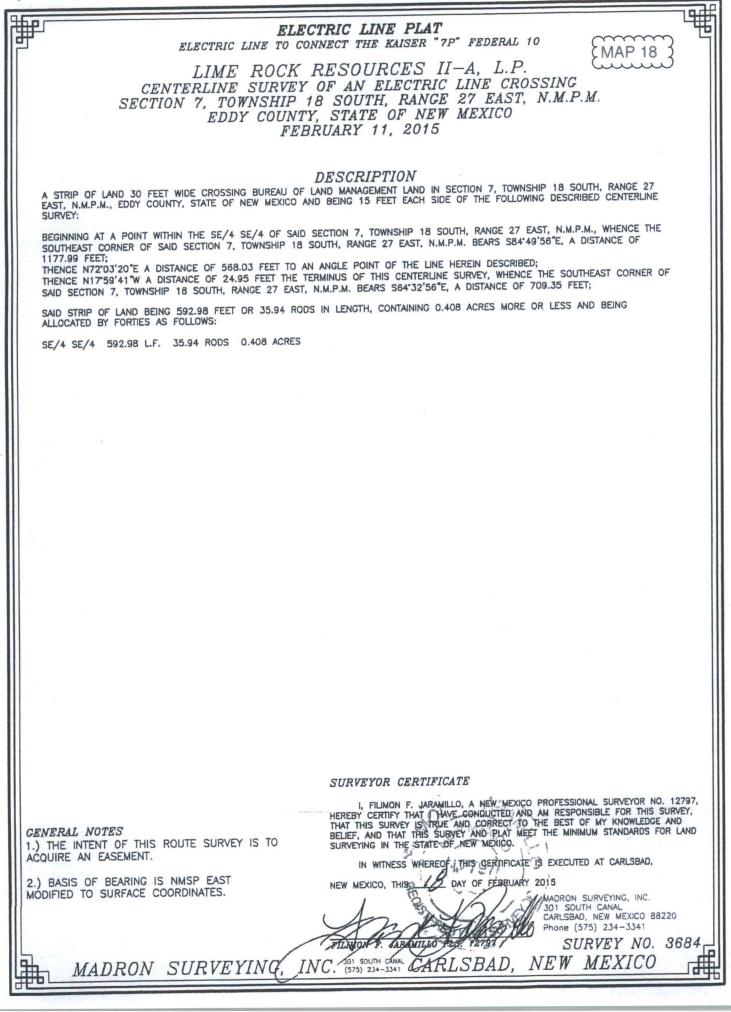
SURVEY NO. 3165A

**MAP 15** 





1 1



Lime Rock Resources II-A, L.P. Kaiser 7 P Federal 10 SHL: 475' FSL & 540' FEL BHL: 990' FSL & 990' FEL Sec. 7, T. 18 S., R. 27 E., Eddy County, NM

# **Drilling Program**

## 1. ESTIMATED TOPS

		MD	Content
Name	TVD	MD	
Seven Rivers*	0'	0'	oil, gas, saltwater
Queen	475'	475'	oil, gas, saltwater
Grayburg	852'	869'	oil, gas, saltwater
San Andres	1098'	1121'	oil, gas
Glorieta	2520'	2625'	oil, gas
Yeso	2682'	2788'	oil, gas
	4140'	4246'	
Abo**	4780'	4886'	oil, gas
Total Depth	4900'	5006'	
Tubb Abo**	4140' 4780'	4246' 4886' 5006'	

\*In which surface casing will be set at 425' and contingency string, if needed, will be set at 375' \*\*Abo will not be perforated. Extra depth needed for logs and pump.

## 2. NOTABLE ZONES

Water bearing strata were found at 115' in the George Kaiser 1 (30-015-01198). That well is 1479' south. Closest (5999' northeast) water well (RA 03714) found water at 325'.

### 3. PRESSURE CONTROL

A 2000 psi BOP stack and manifold system will be used. A typical 2000 system is attached behind the directional plan. If the equipment changes, then a Sundry Notice will be filed. System will meet Onshore Orders 2 (BOP) and 6 ( $H_2S$ ) requirements.



Lime Rock Resources II-A, L.P. Kaiser 7 P Federal 10 SHL: 475' FSL & 540' FEL BHL: 990' FSL & 990' FEL Sec. 7, T. 18 S., R. 27 E., Eddy County, NM

The blowout preventer equipment (BOP) will consist of a 2000 psi rated, "XLT" type, National VARCO double ram preventer that will be tested to a maximum pressure of 2000 psi. The unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and drill pipe rams on bottom. The 2M BOP will be installed on the 8-5/8" surface casing and utilized continuously until total depth is reached. All casing strings will be tested as per Onshore Order #2. This also includes a thirty-day (30) test, should the rig still be operating on the same well in thirty days.

Pipe rams will be operated and checked each 24-hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily drilling logs.

The BOP equipment will consist of the following:

- Double ram with blind rams (top) and pipe rams (bottom),
- Drilling spool, or blowout preventer with 2 side outlets (choke side and kill side shall be at least 2" diameter),
- Kill line (2" minimum),
- 1 choke line valve (2" minimum),
- 2" diameter choke line,
- 2 kill valves, one of which will be a check valve (2" minimum),
- 1 choke that will be capable of remote operation,
- Pressure gauge on choke manifold,
- Upper Kelly cock valve with handle available,
- Safety valve and subs to fit all drill string connections in use,
- All BOPE connections subjected to well pressure will be flanged, welded, or clamped,
- A fill-up line above the uppermost preventer.



Lime Rock Resources II-A, L.P. Kaiser 7 P Federal 10 SHL: 475' FSL & 540' FEL BHL: 990' FSL & 990' FEL Sec. 7, T. 18 S., R. 27 E., Eddy County, NM

# 4. CASING & CEMENT

Туре	Setting Depth	Hole	Casing	#/ft	Grade	Casing Thread	API	Age
Canductor	60'	26"	20"	91.5	В	Weld	No	New
Conductor	60	20	20	51.5	0	Weid		
Surface	425'	11"	8.625"	24	J-55	ST&C	Yes	New
Production	5006'	7.875"	5.5"	17	J-55	LT&C	Yes	New

All casing designed with a minimum of:

Burst Safety FactorCollapse Safety FactorTension Safety Factor1.181.202.00

casing	depth set	sacks cement	top	gallons per sack	density (ppg)	yield (cu ft per sack)	total cubic feet	% excess	blend
conductor	60'	N/A	GL	ready mix	ready mix	ready mix	ready mix	ready mix	ready mix
surface	425'	350	GL	6.2	14.8	1.35	472	200	1
production lead	5006'	200	GL	9.8	12.8	1.903	380	80	2
production tail	5006'	710	GL	6.2	14.8	1.33	944	50	3

Surface casing blend (1) will be Class C +  $\frac{1}{4}$  pound/sack cello flake + 2% CaCl<sub>2</sub>. Centralizers will be installed as required by Onshore Order 2.

Production casing lead blend (2) will be 35:65 poz Class C + 5% NaCl + 1/4 pound/sack cello flake + 5 pounds per sack LCM-1 + 0.2% R-3 + 6% gel.

Production casing tail blend (3) will be Class C + 0.6% R-3 +  $\frac{1}{4}$  pound/sack cello flake.



Lime Rock Resources II-A, L.P. Kaiser 7 P Federal 10 SHL: 475' FSL & 540' FEL BHL: 990' FSL & 990' FEL Sec. 7, T. 18 S., R. 27 E., Eddy County, NM

Cement volumes will be adjusted based on caliper log volumes and depths of casing and adjusted proportionately for depth changes of the multi stage tool if applicable.

A 13-3/8", 48#, H-40, ST&C, New, API contingency string will be set at 375' in a reamed 17-½" hole if circulation is lost in cave or karst (cave & karst potential to 350') and not regained. Contingency string will be cemented to the surface with 400 sacks (536 cubic feet) Class C + ¼ pound per sack cello flake + 2% CaCl<sub>2</sub> mixed with 6.2 gallons per sack to yield 1.34 cubic feet per sack and 14.8 pounds per gallon. Excess >100%

Upon the setting of a 13-3/8" contingency casing string, a 13-5/8" x 13-3/8" weld on wellhead will be installed. A 13-3/8" to 11" adapter flange will be installed and the 11" XLT 2000 psi NOV double ram BOP/BOPE (Schematic attached) will be installed. The BOP will be tested against the casing to 70% of the internal yield pressure of the 13-3/8", 48#, H-40, ST&C (1211 psi) casing and held for 30 minutes before drilling out the 13-3/8" casing shoe. The formation will be drilled with a 10-3/4" bit approximately 50 feet past the 13-3/8" casing shoe into a competent formation and 8-5/8" casing will be set at approximately 425' ( $\geq$ 50' beyond the previous casing shoe) in the Seven Rivers and cemented with 410 sacks (549 cubic feet) Class C + 1/4 pound per sack cello flake + 2% CaCl<sub>2</sub> mixed with 6.2 gallons per sack to yield 1.34 cubic feet per sack and 14.8 pounds per gallon. Excess >125%

## 5. MUD PROGRAM

An electronic/mechanical mud monitor will with a minimum pit volume totalizer, stroke counter, and flow sensor will be used. All necessary mud products will be on site to handle any abnormal hole condition that could possibly be encountered during the drilling of this well. Circulation could be lost in the Grayburg and San Andres.



Lime Rock Resources II-A, L.P. Kaiser 7 P Federal 10 SHL: 475' FSL & 540' FEL BHL: 990' FSL & 990' FEL Sec. 7, T. 18 S., R. 27 E., Eddy County, NM

Interval	0' – 375' (if contingency string run)	0' - 425'	425′ - 4750′	4750' -TD
Туре	fresh water	fresh water	brine	brine w/ gel & starch
weight	8.5 - 9.2	8.5 - 9.2	9.9 - 10.2	9.9 - 10.2
pH	10	10	10 - 11.5	10 - 11.5
WL	NC	NC	NC	15 - 20
viscosity	28 - 34	28 - 34	30 - 32	32 - 35
MC	NC	NC	NC	1
solids	NC	NC	<2%	<3%
pump rate	300 - 350 gpm	300 - 350 gpm	350 - 400 gpm	400 - 450 gpm
other	LCM as needed	LCM as needed	salt gel & MF as needed, pump high viscosity sweeps to control solids	salt gel, acid, & MF as needed; pump high viscosity sweeps to control solids

# 6. CORES, TESTS, & LOGS

No core or drill stem test is planned. A triple combo with spectral GR - dual lateral log, micro spherical focused log, & spectral density log will be run after tagging total depth. Will log from total depth to surface. A dual spaced neutron log and compensated spectral natural GR log will be run from total depth to surface.

## 7. DOWN HOLE CONDITIONS

No abnormal pressure or temperature is expected. Maximum expected bottom hole pressure is 2121 psi. No  $H_2S$  is expected during the drilling phase. Nevertheless,  $H_2S$  monitoring equipment will be on the rig floor and air packs will be available before drilling out of the surface casing. The mud logger will be warned to use a gas trap to detect  $H_2S$ . If any  $H_2S$  is detected, then the mud



Lime Rock Resources II-A, L.P. Kaiser 7 P Federal 10 SHL: 475' FSL & 540' FEL BHL: 990' FSL & 990' FEL Sec. 7, T. 18 S., R. 27 E., Eddy County, NM

weight will be increased and  $H_2S$  inhibitors will be added to control the gas. An  $H_2S$  drilling operations contingency plan is attached.

The well is located in a potential cave or karst area. Thus, lost circulation is possible down to 350'. See the contingency casing string and cement plan on Page 4.

# 8. OTHER INFORMATION

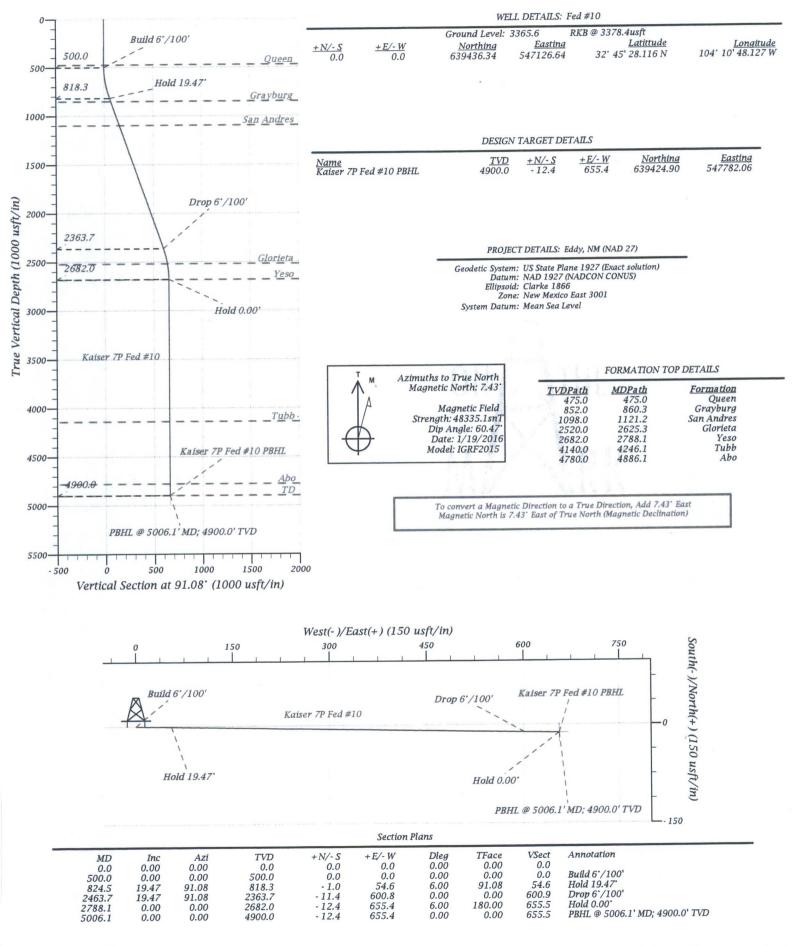
The anticipated spud date is upon approval. It is expected it will take  $\approx 1$  month to drill and complete the well.





Lime Rock Resources Eddy, NM (NAD 27) Kaiser 7P Fed #10 Plan 1





DIRECTIONAL					Planning Re	eport			罰	LIME ROCK RESOURCES
Database: Company: Project: Site: Well: Wellbore: Design:	Lime R	0			TVD Refer MD Refere North Refe	ince:		Nell Fed #10 RKB @ 3378.4us RKB @ 3378.4us Frue Vinimum Curvatu	sft	
Project	Eddy, N	IM (NAD 27)								
Map System: Geo Datum: Map Zone:	NAD 192	Plane 1927 (I 7 (NADCON C tico East 3001	CONUS)	n)	System Dat	um:	Me	ean Sea Level		
Site	Kaiser 7	7P								
Site Position: From: Position Uncertainty	Map /:		Eas	thing: ting: Radius:		902.36 usft 231.31 usft 13-3/16 "	Latitude: Longitude: Grid Converg	ence:		32° 45' 22.816 N 104° 10' 35.200 W 0.08 '
Well	Fed #10	)								
Well Position Position Uncertainty	+N/-S +E/-W	-1,103	3.9 usft	Northing: Easting: Wellhead Eleva	ation:	639,436.3 547,126.6 0.	4 usft Lor	tude: gitude: und Level:		32° 45' 28.116 M 104° 10' 48.127 V 3,365.6 ust
Wellbore	Origina	al Hole								
Magnetics	Мо	del Name	Sam	ple Date	Declina (°)	ition	Dip A ('	States and the second	Field St (n1	the second second second second
1.		IGRF2015		1/19/2016		7.43		60.47		48,335
Design	Plan 1									
Audit Notes: Version:			Ph	ase:	PROTOTYPE	ті	e On Depth:		0.0	
Vertical Section:			Depth From (usft) 0.0	(TVD)	+N/-S (usft) 0.0	(	E/-W usft) 0.0		ection (°) 1.08	
Plan Sections										
Measured Depth Incl (usft)	lination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0 500.0 824.5 2,463.7	0.00 0.00 19.47 19.47	0.00 0.00 91.08 91.08	0. 500. 818. 2,363.	D 0.0 3 -1.0 7 -11.4	0 0.0 0 54.6 4 600.8	0.00 0.00 6.00 0.00	) 0.00 ) 6.00 ) 0.00	0.00 0.00 0.00	0.00 0.00 91.08 0.00 180.00	

2,788.1

5,006.1

0.00

0.00

0.00

0.00

2,682.0

4,900.0

-12.4

-12.4

655.4

655.4

.

0.00 Kaiser 7P Fed #10 PE

180.00

0.00

0.00

-6.00

0.00

6.00

0.00



Planning Report



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Fed #10
Company:	Lime Rock Resources	TVD Reference:	RKB @ 3378.4usft
Project:	Eddy, NM (NAD 27)	MD Reference:	RKB @ 3378.4usft
Site:	Kaiser 7P	North Reference:	True
Well:	Fed #10	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan 1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.0
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.0
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.0
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.0
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.0
	0.00	0.00	475.0	0.0	0.0	0.0	0.00	0.00	0.0
475.0 Queen	0.00	0.00	475.0	0.0	0.0	0.0	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.0
Build 6°/100'									
600.0	6.00	91.08	599.8	-0.1	5.2	5.2	6.00	6.00	0.0
700.0	12.00	91.08	698.5	-0.4	20.9	20.9	6.00	6.00	0.0
800.0	18.00	91.08	795.1	-0.9	46.7	46.7	6.00	6.00	0.0
824.5	19.47	91.08	818.3	-1.0	54.6	54.6	6.00	6.00	0.0
Hold 19.47°									
860.3	19.47	91.08	852.0	-1.3	66.5	66.5	0.00	0.00	0.0
Grayburg							12 12 12 12 1		
900.0	19.47	91.08	889.5	-1.5	79.8	79.8	0.00	0.00	0.0
1,000.0	19.47	91.08	983.8	-2.1	113.1	113.1	0.00	0.00	0.0
1,100.0	19.47	91.08	1,078.0	-2.8	146.4	146.4	0.00	0.00	0.0
1,121.2	19.47	91.08	1,098.0	-2.9	153.5	153.5	0.00	0.00	0.0
San Andres									
1,200.0	19.47	91.08	1,172.3	-3.4	179.7	179.8	0.00	0.00	0.0
1,300.0	19.47	91.08	1,266.6	-4.0	213.0	213.1	0.00	0.00	0.0
1,400.0	19.47	91.08	1,360.9	-4.7	246.4	246.4	0.00	0.00	0.0
1,500.0	19.47	91.08	1,455.2	-5.3	279.7	279.7	0.00	0.00	0.0
		91.08	1,549.5	-5.9	313.0	313.1	0.00	0.00	0.0
1,600.0	19.47		1,643.7	-5.5	346.3	346.4	0.00	0.00	0.0
1,700.0	19.47	91.08			379.7	379.7	0.00	0.00	0.0
1,800.0	19.47	91.08	1,738.0	-7.2			0.00	0.00	0.0
1,900.0	19.47	91.08	1,832.3	-7.8	413.0	413.1	0.00	0.00	0.0
2,000.0	19.47	91.08	1,926.6	-8.4	446.3	446.4	0.00		
2,100.0	19.47	91.08	2,020.9	-9.1	479.6	479.7	0.00	0.00	0.0
2,200.0	19.47	91.08	2,115.1	-9.7	513.0	513.0	0.00	0.00	0.0
2,300.0	19.47	91.08	2,209.4	-10.3	546.3	546.4	0.00	0.00	0.0
2,400.0	19.47	91.08	2,303.7	-11.0	579.6	579.7	0.00	0.00	0.0
2,463.7	19.47	91.08	2,363.7	-11.4	600.8	600.9	0.00	0.00	0.0
Drop 6°/100'									
2,500.0	17.29	91.08	2,398.2	-11.6	612.3	612.4	6.00	-6.00	0.0
2,600.0	11.29	91.08	2,495.1	-12.0	636.9	637.0	6.00	-6.00	0.0
2,600.0	9.77	91.08	2,520.0	-12.1	641.6	641.7	6.00	-6.00	0.0
Glorieta									
2,700.0	5.29	91.08	2,594.0	-12.3	651.3	651.5	6.00	-6.00	0.0
2,788.1	0.00	0.00	2,682.0	-12.4	655.4	655.5	6.00	-6.00	0.0
Hold 0.00° -	Yeso								
2,800.0	0.00	0.00	2,693.9	-12.4	655.4	655.5	0.00	0.00	0.0
2,900.0	0.00	0.00	2,793.9	-12.4	655.4	655.5	0.00	0.00	0.0
3,000.0	0.00	0.00	2,893.9	-12.4	655.4	655.5	0.00	0.00	0.0
3,100.0	0.00	0.00	2,993.9	-12.4	655.4	655.5	0.00	0.00	0.0
3,200.0	0.00	0.00	3,093.9	-12.4	655.4	655.5	0.00	0.00	0.0
3,300.0	0.00	0.00	3,193.9	-12.4	655.4	655.5	0.00	0.00	0.0
3,400.0	0.00	0.00	3,293.9	-12.4	655.4	655.5	0.00	0.00	0.0
3,500.0	0.00	0.00	3,393.9	-12.4	655.4	655.5	0.00	0.00	0.0
	0.00	0.00	3,493.9	-12.4	655.4	655.5	0.00	0.00	0.0
3,600.0				-12.4	655.4	655.5	0.00	0.00	0.0
3,700.0	0.00	0.00	3,593.9	-12.4	000.4	000.0	0.00	0.00	0.0





Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Fed #10
Company:	Lime Rock Resources	TVD Reference:	RKB @ 3378.4usft
Project:	Eddy, NM (NAD 27)	MD Reference:	RKB @ 3378.4usft
Site:	Kaiser 7P	North Reference:	True
Well:	Fed #10	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan 1		

### Planned Survey

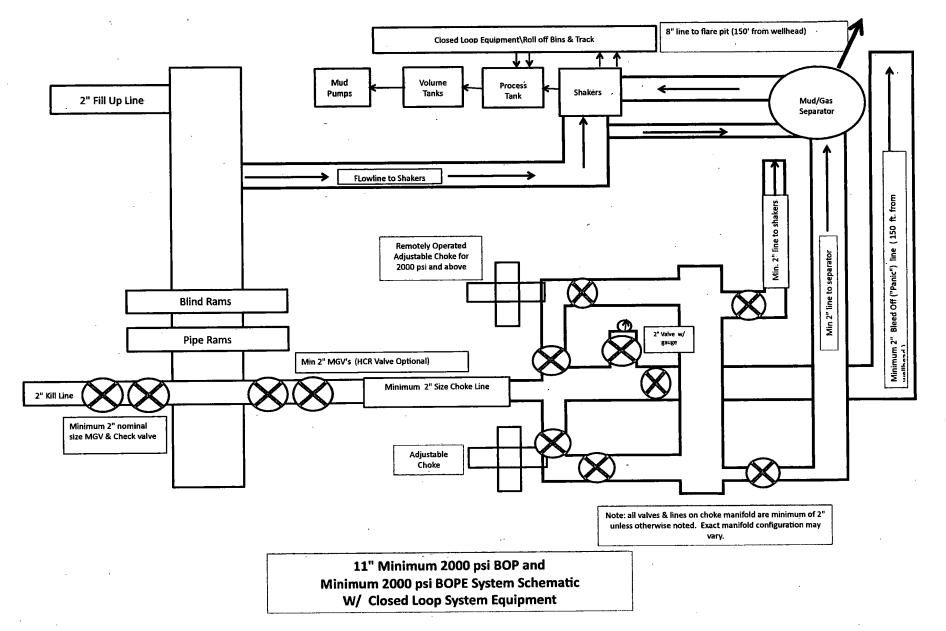
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
3,800.0	0.00	0.00	3,693.9	-12.4	655.4	655.5	0.00	0.00	0.00
3,900.0	0.00	0.00	3,793.9	-12.4	655.4	655.5	0.00	0.00	0.00
4,000.0	0.00	0.00	3,893.9	-12.4	655.4	655.5	0.00	0.00	0.00
4,100.0	0.00	0.00	3,993.9	-12.4	655.4	655.5	0.00	0.00	0.00
4,200.0	0.00	0.00	4,093.9	-12.4	655.4	655.5	0.00	0.00	0.00
4,246.1	0.00	0.00	4,140.0	-12.4	655.4	655.5	0.00	0.00	0.00
Tubb									
4,300.0	0.00	0.00	4,193.9	-12.4	655.4	655.5	0.00	0.00	0.00
4,400.0	0.00	0.00	4,293.9	-12.4	655.4	655.5	0.00	0.00	0.00
4,500.0	0.00	0.00	4,393.9	-12.4	655.4	655.5	0.00	0.00	0.00
4,600.0	0.00	0.00	4,493.9	-12.4	655.4	655.5	0.00	0.00	0.00
4,700.0	0.00	0.00	4,593.9	-12.4	655.4	655.5	0.00	0.00	0.00
4,800.0	0.00	0.00	4,693.9	-12.4	655.4	655.5	0.00	0.00	0.00
4,886.1	0.00	0.00	4,780.0	-12.4	655.4	655.5	0.00	0.00	0.00
Abo									0.00
4,900.0	0.00	0.00	4,793.9	-12.4	655.4	655.5	0.00	0.00	0.00
5,000.0	0.00	0.00	4,893.9	-12.4	655.4	655.5	0.00	0.00	0.00
5,006.1	0.00	0.00	4,900.0	-12.4	655.4	655.5	0.00	0.00	0.00

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
Kaiser 7P Fed #10 PBHI - plan hits target cent - Point	0.00 ter	0.00	4,900.0	-12.4	655.4	639,424.90	547,782.06	32° 45' 27.993 N	104° 10' 40.452 V

- Point

	Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
School of Charles and School Street	475.0	475.0	Queen		0.00	
	860.3	852.0	Grayburg		0.00	
	1,121.2	1,098.0	San Andres		0.00	
	2,625.3	2,520.0	Glorieta		0.00	
	2,788.1	2,682.0	Yeso		0.00	
	4,246.1	4,140.0	Tubb		0.00	
	4,886.1	4,780.0	Abo		0.00	

			Planning Re	eport	LIME ROCK RESOURCES
Database: Company: Project: Site: Well: Wellbore: Design:	EDM 5000.1 Single User I Lime Rock Resources Eddy, NM (NAD 27) Kaiser 7P Fed #10 Original Hole Plan 1	Db	TVD Refer MD Refer North Ref	ence:	Well Fed #10 RKB @ 3378.4usft RKB @ 3378.4usft True Minimum Curvature
Plan Annotations Measu Dep (ust	th Depth	Local Coordi +N/-S (usft)	nates +E/-W (usit)	Comment	
	500.0 500.0 824.5 818.3	0.0 -1.0	0,0 54.6	Build 6°/100' Hold 19.47°	
2,7	463.7 2,363.7 788.1 2,682.0 006.1 4,900.0	-11.4 -12.4 -12.4	600.8 655.4 655.4	Drop 6°/100' Hold 0.00° PBHL @ 5006.1' MD; 49	00.0' TVD



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# Lime Rock Resources II-A, L.P.

# Kaiser 7 P Federal 10

# Section 7, T. 18 S., R. 27 E., Eddy County, NM

# Design: Closed Loop System with roll-off steel bins (pits)

**CRI/HOBBS** will supply (2) bins (100 bbl) volume, rails and transportation relating to the Close Loop System. Specification of the Closed Loop System is attached.

Contacts: Gary Wallace (432) 638-4076 Cell (575) 393-1079 Office

### Scomi Oil Tool: Supervisor – Armando Soto (432) 553-7979 Hobbs, NM

Monitoring 24 Hour service Equipment:

Centrifuges – Derrick Brand Rig Shakers – Brandt Brand D-watering Unit Air pumps on location for immediate remediation process Layout of Close Loop System with bins, centrifuges and shakers attached.

Cuttings and associated liquids will be hauled to a State regulated third party disposal site (CRI or Controlled Recovery, Inc.). The disposal site permit is DFP = #R9166.

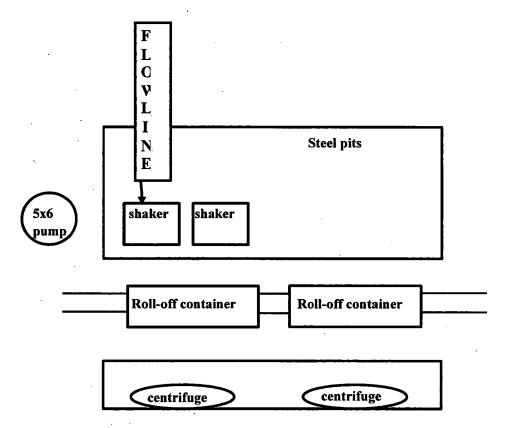
2- (250 bbl) tanks to hold fluid
2-CRI bins with track system
1-500 bbl frac tanks with fresh water
1-500 bbl frac tanks for brine water

### **Operations:**

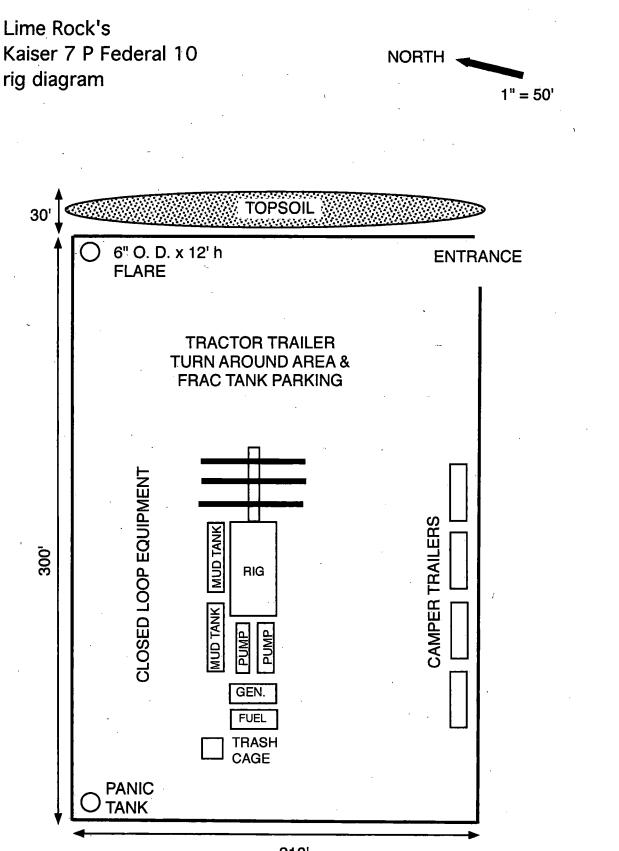
Closed Loop System equipment will be inspected daily by each tour and any necessary maintenance performed. Any leak in system will be repaired and/or contained immediately. OCD will be notified within 48 hours of any spill. Remediation process will start immediately.

### <u>Closure:</u>

During drilling operations all liquids, drilling fluids and cuttings will be hauled off via CRI equipment to Disposal Facility Permit NM-01-0006.



This will be maintained by 24 hour solids control personnel that stay on location.



210'



# Hydrogen Sulfide Drilling Plan Summary

- A. All personnel will receive proper H2S training in accordance with Onshore Order 6 III.C.3.a.
- B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:
  - Well control equipment
    - a. Flare line 150' from wellhead to be ignited by flare gun.
    - b. Choke manifold with a remotely operated choke.
    - c. Mud/gas separator
  - Protective equipment for essential personnel.

Breathing apparatus:

- a. Rescue Packs (SCBA) 1 unit will be placed at each breathing area, 2 will be stored in the safety trailer.
- b. Work/Escape packs 4 packs will be stored on the rig floor and contain sufficiently long air hoses as to not to restrict work activity.
- c. Emergency Escape Packs 4 packs will be stored in the doghouse for emergency evacuation.

Auxiliary Rescue Equipment:

- a. Stretcher
- b. Two OSHA full body harness
- c. 100 ft 5/8 inch OSHA approved rope
- d. 1-20# class ABC fire extinguisher

■ H2S detection and monitoring equipment:

The stationary detector with three sensors will be placed in the upper dog house if equipped, set to visually alarm @ 10 ppm and audible @ 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: Rig floor / Bell nipple / End of flow line or where well bore fluid is being discharged. (Gas sample tubes will be stored in the safety trailer)

- Visual warning systems.
  - a. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
  - b. A colored condition flag will be on display, reflecting the current condition at the site at the time.
  - c. Two wind socks will be placed in strategic locations, visible from all angles.

#### Mud program:

The mud program has been designed to minimize the volume of H2S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H2S bearing zones.

1

- Metallurgy:
  - a. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
  - b. All elastomers used for packing and seals shall be H2S trim.

## Communication:

Communication will be via two-way radio in emergency and company vehicles. Cell phones and land lines where available.

713.292.9510

713.292-9555

575-748-9724

575-623-8424

# H2S CONTINGENCY DRILLING PLAN EMERGENCY CONTACTS

Company	Offices
---------	---------

Lime Rock Houston Office Answering Service (After Hours) Artesia, NM Office Roswell, NM

KEY PERSONNEL						
Name	Title	Location	Office #	Cell #	Home #	
MIKE LOUDERMILK	OPERATIONS MANAGER	HOUSTON	713-292-9526	832-331-7367	SAME AS CELL	
SPENCER COX	PRODUCTION ENGINEER	HOUSTON	713-292-9528	432-254-5140	SAME AS CELL	
ERIC MCCLUSKY	PRODUCTION ENGINEER	HOUSTON	713-360-5714	405-821-0534	832-491-3079	
JERRY SMITH	ASSISTANT PRODUCTION SUPERVISOR	ARTESIA	575-748-9724	505-918-0556	575-746-2478	
MICHAEL BARRETT	PRODUCTION SUPERVISOR	ROSWELL	575-623-8424	505-353-2644	575-623-4707	
GARY MCCELLAND	WELL SITE SUPERVISOR	ROTATES ON SITE	NA	903-503-8997	NA	
DAVE WILLIAMSON	WELL SITE SUPERVISOR	ROTATES ON SITE	NA	575-308-9980	NA	

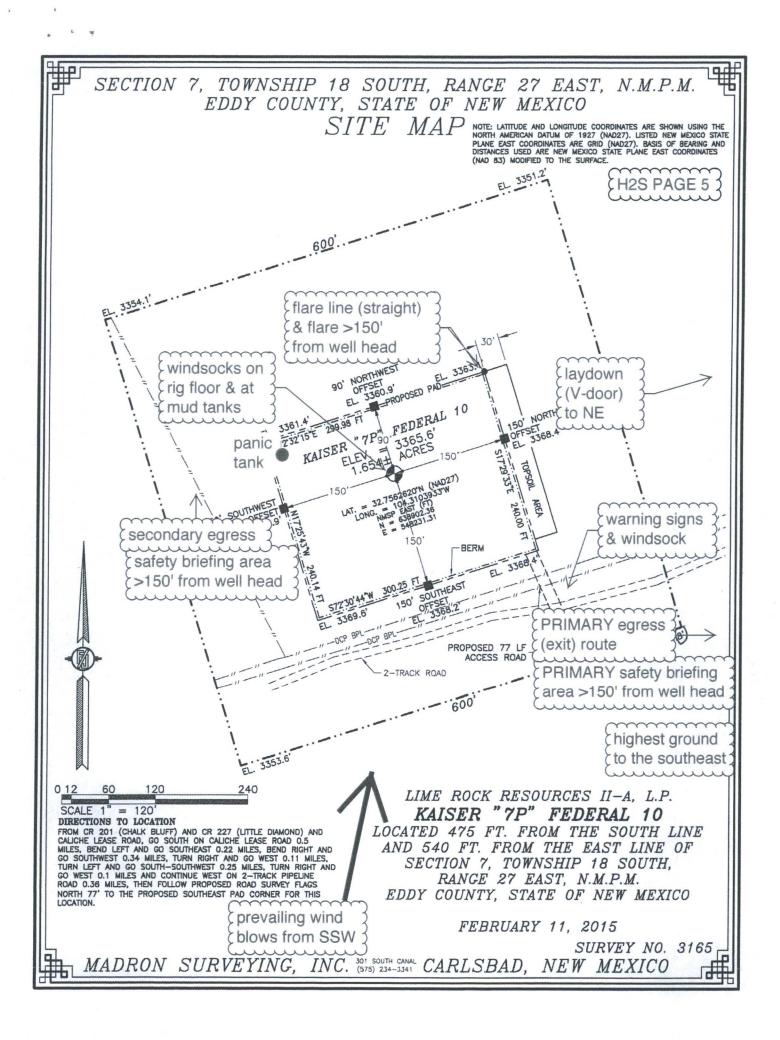
2

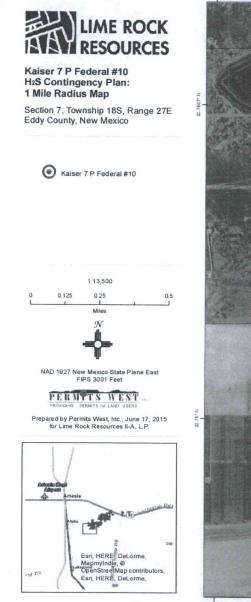
Agency Call List				
City Agency or Office		Phone		
Artesia	Ambulance	911		
Artesia	State Police	575-746-2703		
Artesia	Sheriff's Office	575-746-9888		
Artesia	City Police	575-746-2703		
Artesia	Fire Department	575-746-2701		
Artesia	Local Emergency Planning Committee	575-746-2122		
Artesia	New Mexico OCD District II	575-748-1283		
Carlsbad	Ambulance	911		
Carlsbad	State Police	575-885-3137		
Carlsbad	Sheriff's Office	575-887-7551		
Carlsbad	City Police	575-885-2111		
Carlsbad	Fire Department	575-885-2111		
Carlsbad	Local Emergency Planning Committee	575-887-3798		
Carlsbad	US DOI Bureau of Land Management	575-887-6544		
State Wide	New Mexico Emergency Response Commission ("NMERC")	505-476-9600		
State Wide	NMERC 24 hour Number	505-827-9126		
State Wide	New Mexico State Emergency Operations Center	505-476-9635		
National	National Emergency Response Center (Washington, D.C.)	800-424-8802		

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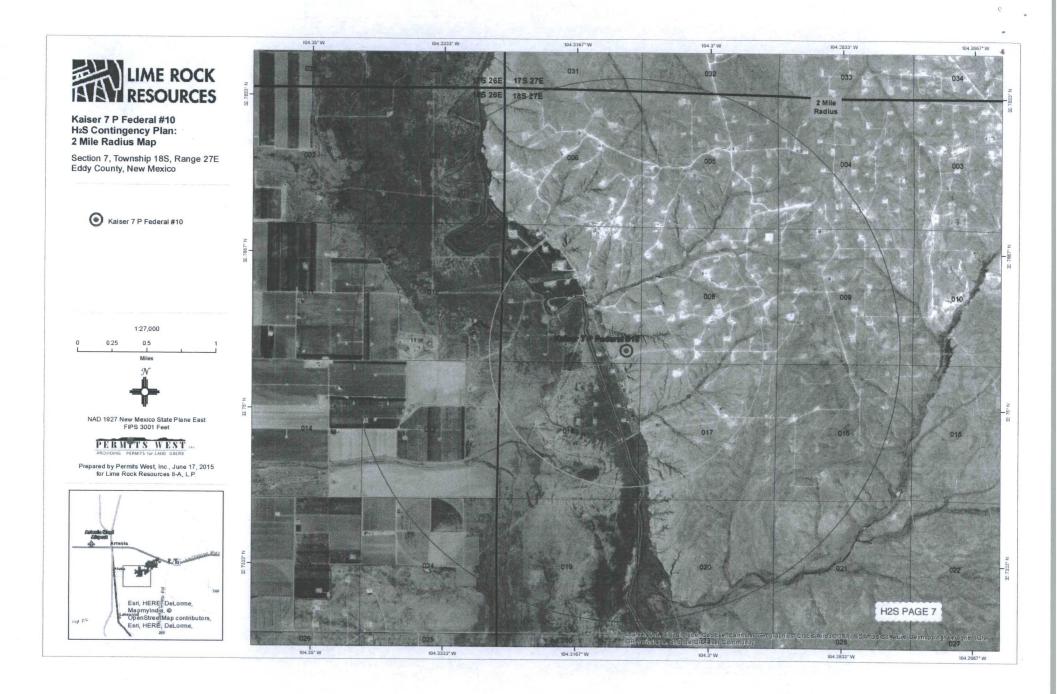
# H2S CONTINGENCY DRILLING PLAN EMERGENCY CONTACTS

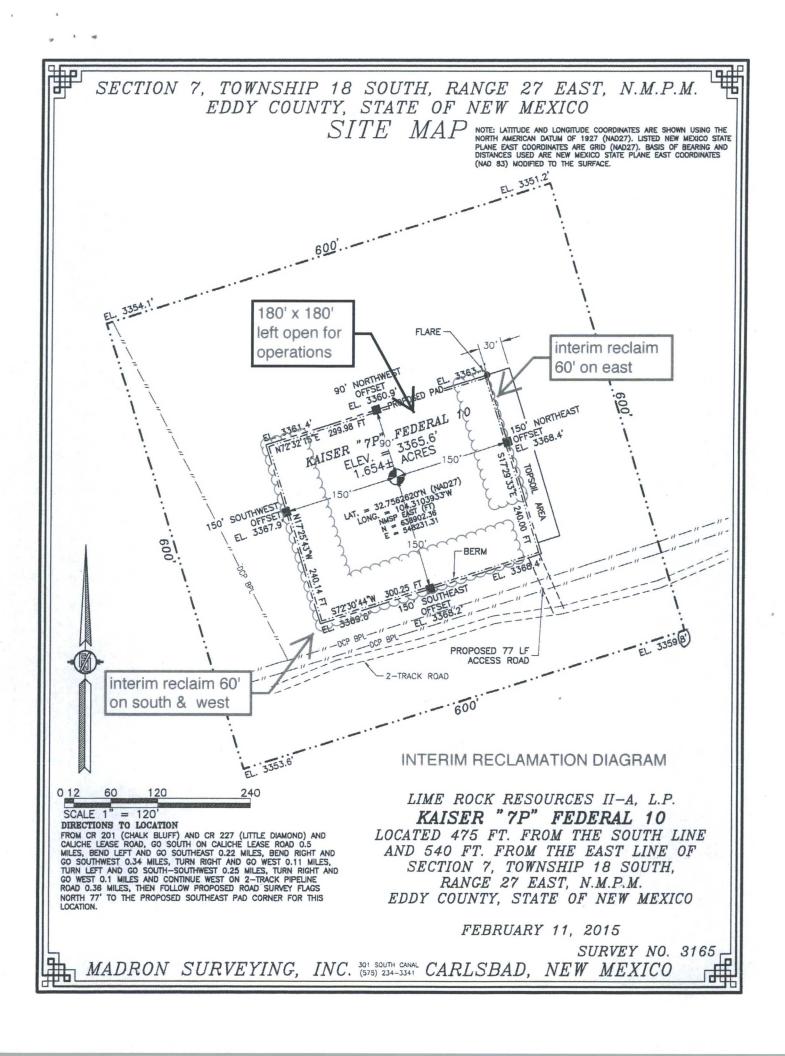
Emergency Services						
Name	Service	Location	Phone	Alternate		
Boots & Coots International Well Control	Well Control	Houston / Odessa	1-800-256-9688	281-931-888		
Cudd Pressure Control	Well Control & Pumping	Odessa	915-699-0139	915-563-335		
Baker Hughes Inc.	Pumping Service	Artesia, Hobbs and Odessa	575-746-2757	SAME		
Total Safety	Safety Equipment and Personnel	Artesia	575-746-2847	SAME		
Cutter Oilfield Services	Drilling Systems Equipment	Midland	432-488-6707	SAME		
Assurance Fire & Safety	Safety Equipment and Personnel	Artesia	575-396-9702	575-441-2224		
Flight for Life	Emergency Helicopter Evacuation	Lubbock	806-743-9911	SAME		
Aerocare Emergency Helicopter Evacuation		Lubbock	806-747-8923	SAME		
Med Flight Air Ambulance	Emergency Helicopter Evacuation	Albuquerque	505-842-4433	SAME		
Artesia General Hospital	Emergency Medical Care	Artesia	575-748-3333	702 North 13 Street		











Lime Rock Resources II-A, L.P. Kaiser 7 P Federal 10 SHL: 475' FSL & 540' FEL BHL: 990' FSL & 990' FEL Sec. 7, T. 18 S., R. 27 E., Eddy County, NM

## Surface Use Plan

#### 1. ROAD DIRECTIONS & DESCRIPTIONS (See MAPS 1-4 & 6-10)

From the center of Artesia...

Go East 5 miles on US 82 to the equivalent of Mile Post 112.5 Then turn right and go South 5.2 miles on paved, then caliche County Road 201 (and subsequently Lime Rock road right-of-way NMNM-084250) Then bear right and go SW 0.5 mile on a caliche road to just past a tank battery Then turn left and go South 0.28 mile on a caliche road to the Hawk 8 N 50 pad Then turn right and go West 0.1 mile on a caliche road to a DCP meter Continue West 1901.51' on a jeep trail/pipeline patrol road Then turn right and go North 77.38' cross-country to the pad

This APD is also doubling as a plan of development for a BLM road right-of-way application. Application covers 20' x 2506.89'\* (1.15 acre) in SESE Section 7 and S2SW4 Section 8 in 18s-27e starting at pending NMNM-133721 (Hawk 8 N Federal 50). \*528' existing road + 1901.51' jeep trail + 77.38' cross-country = 2506.89'

Non-county roads will be maintained as needed to Gold Book standards. This includes pulling ditches, preserving the crown, and cleaning culverts. This will occur at least once a year, and more often as needed. Caliche will be hauled from Lime Rock's approved (HA-0258-0000) caliche pit on State land in NESE 36-17s-27e.

## 2. ROAD TO BE BUILT OR UPGRADED (See MAPS 3, 4, & 6-10)

The 77.38' of new road and 1901.51' of jeep trail will be crowned with a 14' wide driving surface and surfaced with caliche. Rolling broad based drainage dips will be installed at least half in cut and skewed to drain every  $\approx$ 250' on the jeep trail. Maximum disturbed width = 20'. Maximum grade = 5%. Maximum cut of fill = 2'. No upgrade, culvert, cattle guard, or vehicle turn out is needed.



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## 3. EXISTING WELLS (See MAP 2)

Existing water, oil, gas, injection, disposal, and P & A wells are within a mile.

#### 4. PROPOSED PRODUCTION FACILITIES (See MAPS 3 & 11-18)

The only production equipment on the pad will be the pump jack. Two 3" O. D. poly surface pipelines (one gas + one production) will be laid 1600.58' west and south to Lime Rock's existing header at the Kaiser 18 battery. Pipelines will operate at  $\approx$ 50 psi.

A 592.98' long overhead raptor safe power line will be built east to the pad.

5. WATER SUPPLY (See MAPS 1 – 4)

Water will be trucked from existing wells on private land between Artesia and Riverside.

#### 6. CONSTRUCTION MATERIALS & METHODS

NM One Call (811) will be notified before construction starts. Topsoil and brush will be stockpiled east of the pad. V door will be to the east. A closed loop drilling system will be used. Caliche will be bought and hauled from Lime Rock's approved (HA-0258-0000) caliche pit on State land in NESE 36-17s-27e.

An on pad berm (MAPS 4 & 5) will surround the pad to prevent off site migration of soil. A geotextile fabric fence will be at the toe of the fill to prevent further migration. The fence bottom will be buried to prevent gaps.



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## 7. WASTE DISPOSAL

All trash will be placed in a portable trash cage. It will be hauled to the Eddy County landfill. There will be no trash burning. Contents (drill cuttings, mud, salts, and other chemicals) of the mud tanks will be hauled to CRI's state approved (NM-01-0006) disposal site. Human waste will be disposed of in chemical toilets and hauled to the Artesia wastewater treatment plant.

## 8. ANCILLARY FACILITIES

There will be no airstrip or camp. Camper trailers will be on location for the company man, tool pusher, or mud logger.

#### 9. WELL SITE LAYOUT

See Rig Diagram for depictions of the well pad, trash cage, access onto the location, parking, living facilities, and rig orientation.

#### 10. <u>RECLAMATION</u>

Interim reclamation be completed within 6 months of completion and will consist of removing caliche and reclaiming 60' wide swaths on the west, south, and east sides. This will shrink the pad by half to a 180' x 180' area around the pump jack. Disturbed areas will be contoured to match pre-construction grades. Soil and brush will be evenly spread over disturbed areas. Seeded areas will be ripped or harrowed. A BLM approved seed mix will be sown in a BLM approved manner. Enough stockpiled topsoil will be retained to cover the remainder of the pad when the well is plugged. Once the well is plugged, then the remainder of the pad will be similarly reclaimed within 6 months of plugging. Noxious weeds will be controlled.



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## 11. SURFACE OWNER

All pad, road, and power line construction will be on BLM.

Most (58%) of the pipeline construction will be on private (J. W. Gissler Estate, P. O. Box 967, Artesia NM 88211) land (NENE 18-18s-27e). Remainder of pipeline construction will be on BLM.

## 12. OTHER INFORMATION

On site inspection was held with Indra Dahal (BLM) on February 10, 2015.

Boone filed archaeology reports NMCRIS 133143 on April 17, 2015 and NMCRIS 135564 on April 8, 2016. Former covered the pad, road, and power line. Latter covered the pipeline.



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#### **CERTIFICATION**

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations of 18 U. S. C. 1001 for the filing of false statements. Executed this <u>20th</u> day of June, 2016.

Brian Wood, Consultant Permits West, Inc. 37 Verano Loop, Santa Fe, NM 87508 (505) 466-8120 FAX: (505) 466-9682

Cellular: (505) 699-2276

Field representative will be: Spencer Cox, Production Engineer Lime Rock Resources II-A, L.P. 1111 Bagby St., Suite 4600 Houston, TX 77002 Office: (713) 292-9528 Mobile: (432) 254-5140 FAX: (713) 292-9578

