STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF KC RESOURCES, INC. FOR A PRESSURE MAINTENANCE PROJECT IN, EDDY COUNTY, NEW MEXICO.

Case No. 14907

AFFIDAVIT OF JAMES SPILLANE

STATE OF CALIFORNIA	}
	}ss
COUNTY OF SAN DIEGO	}

AFFIANT, JAMES SPILLANE, first being duly sworn on oath states:

- 1. I am employed by KC Resources, Inc., in all phases of exploration activities. I have also been a landman for 29 years.
- 2. I am familiar with all land matters concerning this application, including mineral and oil and gas leasehold ownership, offset operators, and general rules and regulations of the New Mexico Oil Conservation Division relating to this case.
- 3. The only offsetting owner and operator, other than the applicant, in the area of interest is:

Lime Rock Resources, Inc. Heritage Plaza, Suite 4600 1111 Bagby Street Houston, TX 77002

4. The surface owners of the land on which the injection well is to be located are:

Wade and Virginia Starr 3740 NW 44th Street Oklahoma City, OK 73112

They have consented to the Applicant's application through an execution of an oil and gas lease under which KC Resources has the right to conduct operations as contemplated by the application.

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- 5. Lime Rock Resources, Inc. was notified of this application by our counsel Ernest L. Padilla, who first had to get a waiver of conflict from Lime Rock Resources, Inc. before he could represent KC Resources, Inc. in this matter.
- 6. In my opinion granting of this application is in the best interest of conservation and prevention of waste of oil and gas resources.

FURTHER AFFIANT SAYETH NAUGHT.

JAMES SPH/LANE

CERTIFICATE FOR A JURAT

State of California)		
County of San Hiegs)		
Subscribed and sworn to (or affirmed) b	efore me on this 12-61	day of
Life. (month), 2012 (ye	er), by James Spill	ane,
proved to me on the basis of satisfactory	evidence to be the pers	on(s) who
appeared before me.		
Mane Bardy Signature	Seal	DIANE BARDY Commission # 1985782 Notary Public - Californis Son Diego County fly Comm. Expires Jul 21, 2016