

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



MATTHEWS 25 FEDERAL #1 30-015-40804

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

- DHC 4788
 - Limerock Resources
 II-A, L R
 - 277558

2016 FEB 17 P 2:08
 RECEIVED OOD
 well
 - Matthews
 25 Fed #1
 30-015-40804

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

Red
 - Red Lake; Green
 Grayburg - SA
 51300
 - Red Lake; Glonietz
 YES, Northeast
 96938

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mike Pippin Print or Type Name	<i>Mike Pippin</i> Signature	Petroleum Engineer Title	February 15, 2016 Date
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mike@pippinllc.com
e-mail Address

LIME ROCK RESOURCES II-A, L.P.
Mike Pippin
3104 N. Sullivan
Farmington, NM 87401
505-327-4573 (phone) mike@pippinllc.com

February 15, 2016

NMOCD
c/o Mike McMillan
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: C-107A TO COMMINGLE TWO POOLS
MATTHEWS 25 FEDERAL #1- API#: 30-015-40804
Unit Letter "E" Section 25 T17S R27E
Eddy County, New Mexico

Dear Mr. McMillan,

The referenced oil well was completed on December 7, 2012 in the Red Lake, Glorieta-Yeso NE (96836). LIME ROCK has submitted the attached NOI sundry to the BLM to recomplete into the upper pool, the Red Lake, Queen-Grayburg-San Andres (51300). Interests in these two pools are identical. The BLM has been notified of this application.

LIME ROCK plans to produce the upper pool (San Andres) alone for a period of about 2 months in order to allow the production to stabilize. The production allocations will then be calculated using the stabilized production of the new upper pool and the current (Yeso) production of 4 BOPD, 20 MCF/D, and 31 BWPD. We plan to submit these calculations and the resulting allocations to the district office for approval.

Please contact me at 505-327-4573 should you have any questions.

Very truly yours,



Mike Pippin

Petroleum Engineer

District I
1625 N. Frank Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Grande Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

LIME ROCK RESOURCES II-A, L.P. c/o Mike Pippin LLC (agent), 3104 N. Sullivan, Farmington, NM 87401
Operator Address

MATTHEWS 25 FEDERAL #1 E SEC. 25 T17S R27E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 277558 Property Code 39512 API No. 30-015-40804 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Red Lake, Queen-Grayburg-San Andres		Red Lake, Glorieta-Yeso NE
Pool Code	51300		96836
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	~1720'-2971'		3208'-4520'
Method of Production (Flowing or Artificial Lift)	Prospective		Pumping
Bottomhole Pressure <small>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)</small>	741 PSI		851 PSI
Oil Gravity or Gas BTU (Degree API or Gas BTU)	34.8		38.32
Producing, Shut-In or New Zone	Proposed New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: RATES:	Date: Rates:	Date: January 17, 2016 Rates: 4 BOPD 20 MCF/D 31 BWPD
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil Gas	Oil Gas	Oil Gas
		% %	

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE February 15, 2016

TYPE OR PRINT NAME Mike Pippin TELEPHONE NO. (505) 327-4573

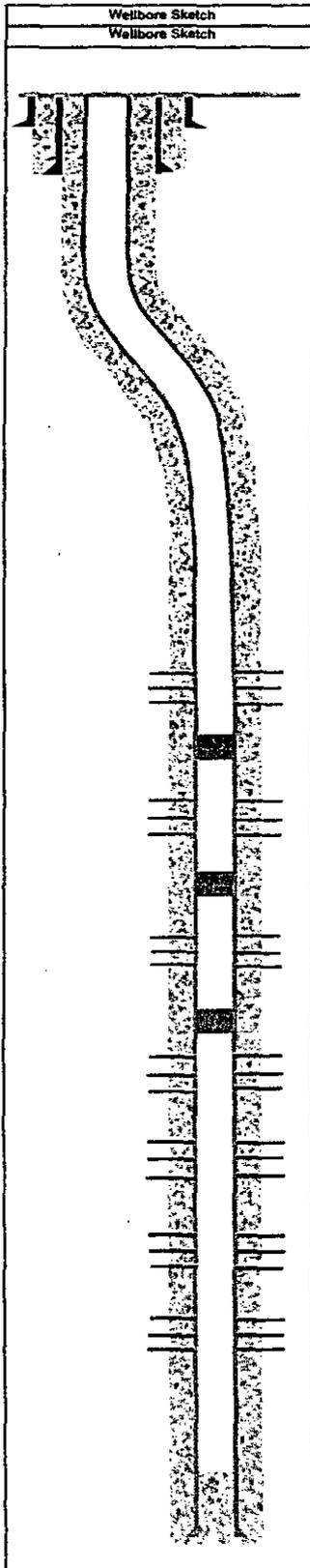
E-MAIL ADDRESS mike@pippinllc.com

	County	EDDY	Well Name	Matthews 25 Federal #1	Field:	Redlake Glorieta-Yeso NE	Well Sketch:	AFE R16003 LRR II-A, L.P.
	Surface Lat:	32.8063735°N	BH Lat:	32.8058790°N	Survey:	SEC25-T17S-R27E Unit E	API #	30-015-40804
	Surface Long:	104.2391758°W	BH Long:	104.2391755°W		2130' FNL & 330' FWL	OGRID #	277558

Directional Data:			Tubular Data							Wellhead Data		
KOP	483	MD/TVD	Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC	Type:	
Max Dev.:	11.3	830' MD 828' TVD	Conductor	14"	55.5#	B	Weid	40'	40'	SURF	WP:	
Diag sev.:	3.09	671' MD 670' TVD	Surface	8 5/8"	24#	J-55	STC	395'	395'	SURF	Tree Cap	Flange:
Dev @ Perfs	0.4	4717 MD 4264' TVD	Intermediate								Thread:	
Ret to Vert	1781'	1781' MD 1788' TVD	Production	5 1/2"	17#	J-55	LTC	4,711'	4,699'	SURF	Tbg Hanger:	
			Liner								BTM Flange:	

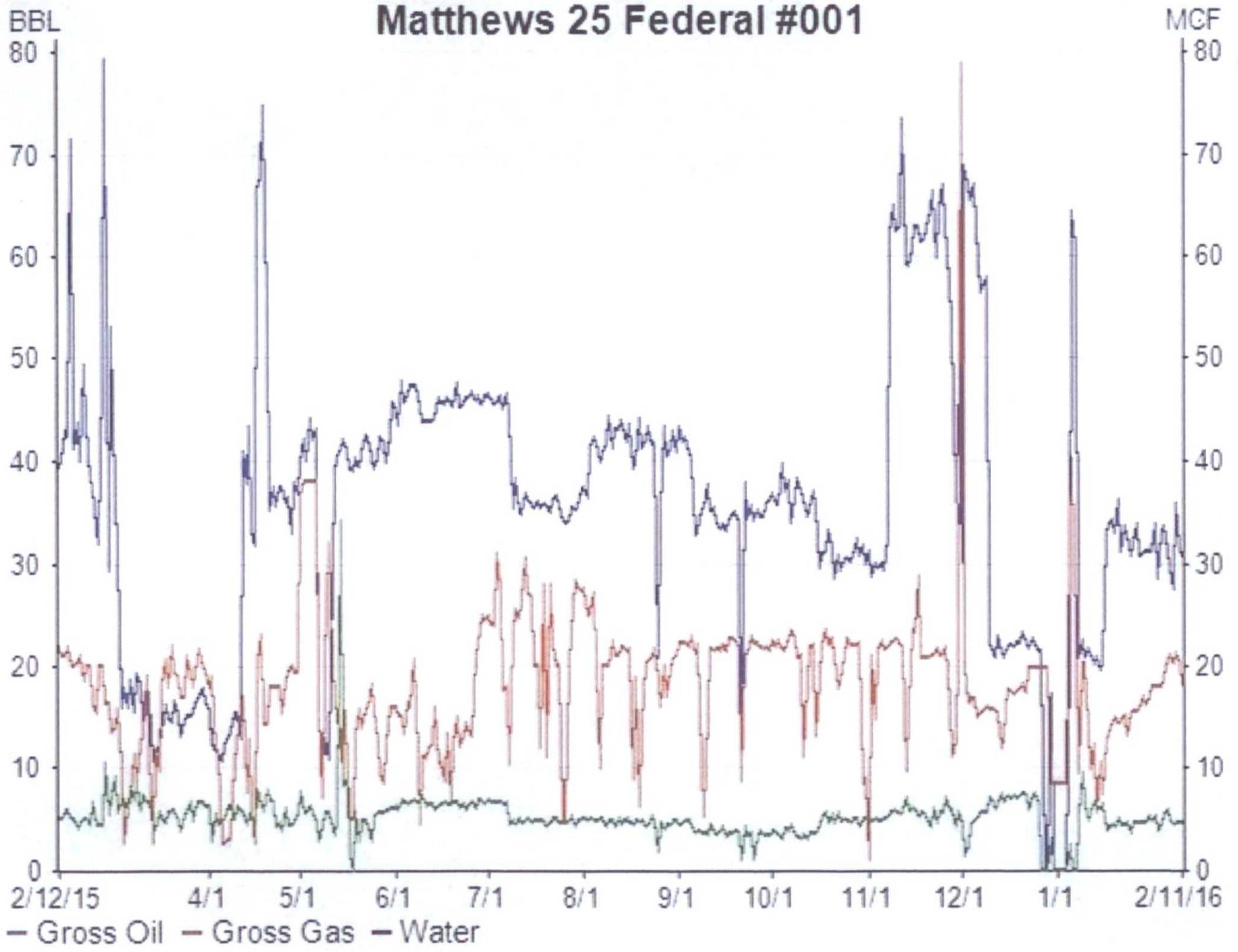
Drilling / Completion Fluid							
Drilling Fluid:	10.2 PPG Brine / Salt Gel						
Drilling Fluid:							
Completion Fluid:	2% KCL						
Completion Fluid:							
Packer Fluid:	NA						

CEMENT DATA							
Surface	L/sks	Yld	Wt	T/sks	Yld	Wt	XS
Surface	300	1.35	14.8	NA	NA	NA	142 sx
Intermediate							
Liner							
Production	300	1.9	14.8	600	1.33	14.8	283 sx



Completion Information				
DEPTHS (MD)(TVD)	FORMATION TOPS /	PERFORATIONS		# of HOLES
		from	to	
0				
40'	20" Hole			
305'	12-1/4" Hole			
442' / 442'	7 Rivers Formation			
483'	7-7/8" hole KOP			
798' / 796'	End Build			
966' / 961'	Queen Formation			
1083' / 1076'	End Tangent - Start Drop			
1406' / 1396'	Grayburg Formation			
1716' / 1706'	Premier Sand			
1763' / 1751'	San Andres			
1781' / 1768'	Return to Vertical			
2050' / 2038'	Middle San Andres			
2646' / 2634'	Lower San Andres			
<p>2 7/8" 6.5# J55 tbg with TAC at 1620', SN at 2980', 4" slotted sub, 1 jt MA w BP at 3015'</p> <p>20- 7/8", 48- 7/8" guided, 47- 7/8", 4- 1.5" kbars, 2.5"x2"x24" RHBC-HVR pump</p> <p>Lufkin 456-305-168 Pumping Unit w 50 HP motor; 147" SL at 9 SPM</p>				
	Stage #3 San Andres	1,720'	1,931'	31
CBP at 2040'				
	Stage #2 San Andres	2,110'	2,447'	35
CBP at 2550'				
	Stage #1 San Andres	2,638'	2,971'	34
3098' / 3086'	Glorieta			
CBP at 3150'				
3210' / 3198'	Yeso			
	Stage 4 L. Yeso Frac	3,208'	3,421'	40
	12/3/2012			
	Stage 3 L. Yeso Frac	3,466'	3,781'	47
	12/3/2012			
	Stage 2 L. Yeso Frac	3,838'	4,124'	48
	12/3/2012			
	Stage 1 L. Yeso Frac	4,184'	4,520'	52
	11/27/12 & 12/3/12			
4654' / 4652'	P8TD			
4711' / 4699'	PROD CSG			
<p>211', 1500 g 15% HCL, 30k# 100 Mesh</p> <p>119.7k# 40/70, 4114 bbls water, 80+ BPM</p> <p>337', 1500 g 15% HCL, 30k# 100 Mesh</p> <p>324.45k# 40/70, 7614 bbls water, 80+ BPM</p> <p>333', 1500 g 15% HCL, 30k# 100 Mesh</p> <p>324.45k# 40/70, 7614 bbls water, 80+ BPM</p> <p>213', 1440 g 7.5% HCL, 45,095 g 25# gel,</p> <p>62,462# 16/30 Brady & 23,520# 16/30 Resin</p> <p>315', 2000 g 7.5% HCL, 55,548 g 25# gel,</p> <p>81,053# 16/30 Brady & 14,233# 16/30 Resin</p> <p>286', 2000 g 7.5% HCL, 50,114 g 25# gel,</p> <p>69,149# 16/30 Brady & 15,677# 16/30 Resin</p> <p>336', 2000 g 7.5% HCL, 129,133 g 20# gel,</p> <p>122,833# 16/30 Brady & 18,011# 16/30 Resin</p> <p>5-1/2" Float Collar</p> <p>5-1/2" Prod Csg. Circ 283 SX Cmt to Surf</p>				
Comments: NM OCD CLP 0213580		Plug back Depth:		4664' TVD 4652' MD
		Total Well Depth:		4711' TVD 4699' MD
		Prepared By:		Date:
		Eric McClusky		3-Feb-16

Matthews 25 Federal #001



— Gross Oil — Gross Gas — Water

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

5. Lease Serial No.
NMNM0558679

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
MATTHEWS 25 FEDERAL 1

2. Name of Operator
LIME ROCK RESOURCES II-A,L.P. Contact: MIKE PIPPIN
E-Mail: mike@pippinllc.com

9. API Well No.
30-015-40804

3a. Address
C/O MIKE PIPPIN 3104 N SULLIVAN
FARMINGTON, NM 87401

3b. Phone No. (include area code)
Ph: 505-327-4573

10. Field and Pool, or Exploratory
RED LAKE, Q-GB-SA 51300

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 25 T17S R27E SWNW 2130FNL 330FWL

11. County or Parish, and State
EDDY COUNTY COUNTY, NM

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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input 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 recomplete 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 recompletion 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.)

THIS IS A REQUEST TO RECOMPLETE THIS YESO WELL TO THE SAN ANDRES.

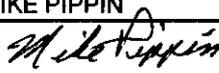
MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3150' & PT to ~3500 psi. (Existing Yeso perfs are at 3208'-4520'). Perf lower SA @ ~2638'-2971' w/~34 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~324,450# 40/70 Ottawa sand in slick water. Set a 5-1/2" CBP @ ~2550' & PT to ~3500 psi. Perf middle SA @ ~2110'-2447' w/~35 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~324,450# 40/70 Ottawa sand in slick water. Set a 5-1/2" CBP @ ~2040' & PT to ~3500 psi. Perf upper SA @ ~1720'-1931' w/~31 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~119,700# 40/70 Ottawa sand in slick water. CO after frac & drill out CBPs @ ~2040' & ~2550', & CO to CBP @ ~3150'. Land 2-7/8" 6.5# J-55 production tbg @ ~3015'. Run pump & rods. Release workover rig. Complete as a single San Andres oil well. See the attached wellbore diagram & C-102 for the new pool. Following a test of the SA alone

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #331435 verified by the BLM Well Information System
For LIME ROCK RESOURCES II-A,L.P., sent to the Carlsbad

Name (Printed/Typed) MIKE PIPPIN

Title PETROLEUM ENGINEER

Signature  (Electronic Submission)

Date 02/12/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____

Title

Date

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.

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #331435 that would not fit on the form

32. Additional remarks, continued

and the approval of both the State & BLM DHC applications, the CBP @ ~3150' will be removed and the well DHC.

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-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AS DRILLED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-40804		² Pool Code 96836		³ Pool Name Red Lake, Glorieta-Yeso NE	
⁴ Property Code 39512		⁵ Property Name MATTHEWS 25 FEDERAL			⁶ Well Number 1
⁷ OGRID No. 277558		⁸ Operator Name LIME ROCK RESOURCES II-A, L.P.			⁹ Elevation 3570' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	25	17-S	27-E		2130	NORTH	330	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	25	17-S	27-E		2288	NORTH	345	WEST	EDDY

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

2130'	2288'	SURFACE	25	330'	345'	BOTTOM HOLE AS DRILLED	<p>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.</p> <p>Signature: <i>Mike Pippin</i> Date: 11/16/12</p> <p>Mike Pippin Printed Name</p>

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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AS DRILLED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-40804		² Pool Code 51300		³ Pool Name Red Lake, Queen-Grayburg-San Andres	
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	25	17-S	27-E		2288	NORTH	345	WEST	EDDY

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

	<p>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.</p> <p>Signature: <i>Mike Pippin</i> Date: 2/12/16</p> <p>Mike Pippin Printed Name</p>
	<p>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.</p> <p>10/1/11 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Filmon F. Jaramillo</p> <p>12797 Certificate Number</p>