

DATE IN	SUSPENSE 10/31/08	ENGINEER W.Y.T.	LOGGEC IN 10/31/08	TYPE DHC 4111	APP. NO. DWTT 083147 1805
---------	-------------------	-----------------	--------------------	------------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



**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 \_\_\_\_\_

[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

[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	 Signature	Petroleum Engineer Title	October 28, 2008 Date
		mike@pippinllc.com e-mail Address	

RECEIVED  
 2008 OCT 31 PM 1 01

District I  
1623 N. French Drive, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

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

**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

District III  
1000 Rio Brazos Road, Aztec, NM 87410

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

**APPLICATION FOR DOWNHOLE COMMINGLING**

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

**ENRON STATE #12** **D SEC. 32 T17S R28E** **Eddy**  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 255333 Property Code 27087 API No. 30-015-35050 Lease Type:  Federal  State  Fee

**THIS IS PART OF THE BLACK HILLS CLEAN-UP PROGRAM**

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<b>ARTESIA; Queen-Grayburg-San Andres</b>		<b>ARTESIA: Glorieta-Yeso</b>
Pool Code	3230		86830
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2294'-2596'		3429'-3520'
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
Bottomhole Pressure (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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	34.8		38.32
Producing, Shut-In or New Zone	Producing		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 7/23/08 RATES: 24 BOPD 42 MCF/D	Date: Rates:	Date: 7/23/08 Rates: 10 BOPD 32 MCF/D
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 71% Gas 57%	Oil % Gas %	Oil 29% Gas 54%

**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 October 24, 2008

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

E-MAIL ADDRESS mike@pippinllc.com

LINE ROCK RESOURCES A, L.P.  
 ENRON STATE #12  
 Artesia; Glorieta-Yeso & Artesia; Queen-Grayburg-San Andres  
 D Section 32 T17S R28E  
 10/24/2008  
 API#: 30-015-35050

## Commingled Allocation Calculations

During workover operations, the new upper zone: Artesia; Queen-Grayburg-San Andres (3230) was tested separately. The new interval was then tested commingled with the existing lower Artesia; Glorieta-Yeso (96830).

	<u>New Upper Zone</u>	<u>Both Zones Together</u>
Oil (bbls/d)	24	34
Gas (mcf/d)	42	74
Water (bbls/d)	47	112

### OIL

Upper Zone = 24 bopd

Lower Zone = 34-24=10 bopd

$$\% \text{ Upper Zone} = \frac{24}{34} = 71\%$$

$$\% \text{ Lower Zone} = \frac{10}{34} = 29\%$$

### GAS

Upper Zone = 42 mcf/d

Lower Zone = 74-42=32 mcf/d

$$\% \text{ Upper Zone} = \frac{42}{74} = 57\%$$

$$\% \text{ Lower Zone} = \frac{32}{74} = 54\%$$

### WATER

Upper Zone = 47 bwpd

Lower Zone = 112-47=65 bwpd

$$\% \text{ Upper Zone} = \frac{47}{112} = 42\%$$

$$\% \text{ Lower Zone} = \frac{65}{112} = 58\%$$

**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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-35050		<sup>2</sup> Pool Code 3230		<sup>3</sup> Pool Name Artesia; Queen-Grayburg-San Andres	
<sup>4</sup> Property Code 27087		<sup>5</sup> Property Name ENRON STATE			<sup>6</sup> Well Number 12
<sup>7</sup> OGRID No. 255333		<sup>8</sup> Operator Name LIME ROCK RESOURCES A, L.P.			<sup>9</sup> Elevation 3667' GL

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	17-S	28-E		330'	NORTH	500'	WEST	EDDY

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

	32	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b> 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: <u>Mike Pippin</u> Date: 10/24/08</p> <p>Printed Name: <u>Mike Pippin</u></p>
		<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b> 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>Date of Survey: 7/10/06</p> <p>Signature and Seal of Professional Surveyor: Dan R. Reddy</p>
		<p>5412 Certificate Number</p>

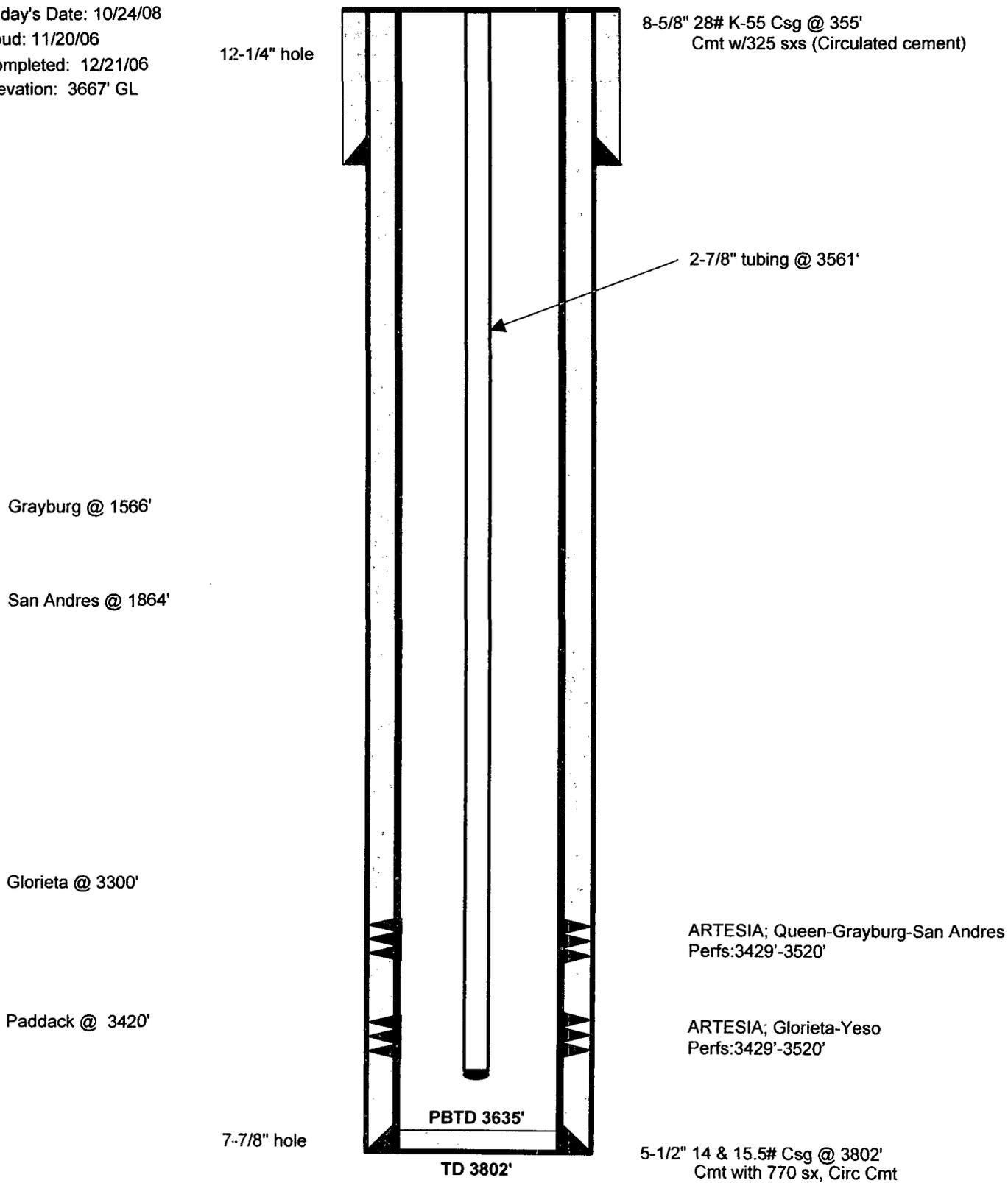


# ENRON STATE #12

Current

ARTESIA; Glorieta-Yeso & ARTESIA; Queen-Grayburg-San Andres  
(D) Section 32, T-17-S, R-28-E, Eddy County, NM

Today's Date: 10/24/08  
Spud: 11/20/06  
Completed: 12/21/06  
Elevation: 3667' GL



# Rate/Time Graph

Project: C:\Program Files\IHS Energy\PowerTools v8.0\Projects\LIMEROCK.mdb

Date: 10/27/2008  
Time: 10:21 AM

Lease Name: ENRON STATE (12)  
County, ST: EDDY, NM  
Location: S17 E28 32 NW NW NW

Operator: LIME ROCK RESOURCES A LP  
Field Name: ARTESIA

