

DATE IN 9/21/09	SUSPENSE V...	ENGINEER W...	LOGGED IN 9/21	TYPE DHC	APP NO. PND 0927155816
--------------------	------------------	------------------	-------------------	-------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



RECEIVED

WILLIAMS B FEDERAL #4 30-015-35141

ADMINISTRATIVE APPLICATION CHECKLIST

2009 SEP 25 AM 11 41

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 _____

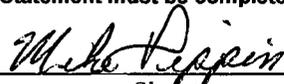
DHC-4211

- [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  Petroleum Engineer September 21, 2009
 Print or Type Name Signature Title Date

mike@pippinllc.com
 e-mail Address

District I
1625 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

District III
1000 Rio Brazos Road, Aztec, NM 87410

Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE

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

APPLICATION FOR DOWNHOLE COMMINGLING

Yes No

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

WILLIAMS B FEDERAL #4 E SEC. 29 T17S R28E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

GRID No. 255333 Property Code _____ API No. 30-015-35141 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	RED LAKE; San Andres		ARTESIA: Glorieta-Yeso
Pool Code	97252 <i>97253</i>		9/86830 <i>96830</i>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2777'-2984' <i>OK</i>		3346'-3432' <i>OK</i>
Method of Production (Flowing or Artificial Lift)	Pumping		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>			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	34.8		38.32
Producing, Shut-In or New Zone	Producing		Shut-in
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: July 2009 RATES: 1.7 BOPD, 17 MCF/D, 73 BWPD	Date: Rates:	Date: April 2009 Rates: 3.8 BOPD, 4.7 MCF/D, 13 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 31% 78%	Oil Gas % %	Oil Gas 69% 22%

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 September 22, 2009

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

E-MAIL ADDRESS mike@pippinllc.com

LINE ROCK RESOURCES A, L.P.
 WILLIAMS B FEDERAL #4
 Artesia; Glorieta-Yeso & Red Lake, San Andres
 L Section 29 T17S R28E
 9/22/2009
 API#: 30-015-35141

Commingle Allocation Calculations

On 5/20/09, a plug was set above the existing (lower zone) Yeso perms and the well recompleted to the San Andres (upper zone). Therefore, actual production was taken for the Yeso during the month of April 2009. Actual production was taken for the San Andres during two weeks in July 2009.

	<u>New Upper Zone (SA)</u>	<u>Lower Zone (Yeso)</u>
Oil (bbls/d)	1.7	3.8
Gas (mcf/d)	17	4.7
Water (bbls/d)	73	13

OIL

Upper Zone (SA) = 1.7 bopd
 Total oil = 1.7 + 3.8 = 5.5 bopd
% Upper Zone = $\frac{1.7}{5.5} = 31\%$

Lower Zone (Yeso) = 3.8 bopd
% Lower Zone = $\frac{3.8}{5.5} = 69\%$

GAS

Upper Zone (SA) = 17 mcf/d
 Total gas = 17 + 4.7 = 21.7 mcf/d
% Upper Zone = $\frac{17}{21.7} = 78\%$

Lower Zone (Yeso) = 4.7 mcf/d
% Lower Zone = $\frac{4.7}{21.7} = 22\%$

WATER

Upper Zone (SA) = 73 bwpd
 Total water = 73 + 13 = 86 bwpd
% Upper Zone = $\frac{73}{86} = 85\%$

Lower Zone (Yeso) = 13 bwpd
% Lower Zone = $\frac{13}{86} = 15\%$

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

¹ API Number 30-015-35141	² Pool Code 97253	³ Pool Name Red Lake, San Andres
⁴ Property Code	⁵ Property Name WILLIAMS B FEDERAL	
⁷ OGRID No. 255333	⁸ Operator Name LIME ROCK RESOURCES A, L.P.	⁶ Well Number 4
⁹ Elevation 3620' 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	29	17-S	28-E		2140'	NORTH	990'	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
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.

2140'	990'	29				¹⁷ OPERATOR CERTIFICATION	
						<p><i>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.</i></p> <p>Signature: <u>Mike Pippin</u> Date: 9/19/09</p> <p>Printed Name: <u>Mike Pippin</u></p>	
						¹⁸ SURVEYOR CERTIFICATION	
						<p><i>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.</i></p> <p>7/10/06</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Dan R. Reddy</p>	
						5412	
						Certificate Number	

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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-35141		² Pool Code 96830		³ Pool Name Artesia, Glorieta-Yeso	
⁴ Property Code 27688		⁵ Property Name WILLIAMS B FEDERAL			⁶ Well Number 4
⁷ OGRID No. 020451		⁸ Operator Name SDX RESOURCES, INC.			⁹ Elevation 3620

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	29	17-S	28-E		2140	NORTH	990	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
¹² Dedicated Acre 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.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION <i>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 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 working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> Signature: <u>Bonnie Atwater</u> Date: <u>7/26/06</u> Printed Name: <u>Bonnie Atwater</u>			
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey: <u>JULY 10, 2006</u> Signature and Seal of Professional Surveyor: 			
	Date of Survey: <u>JULY 10, 2006</u> Signature and Seal of Professional Surveyor: 			

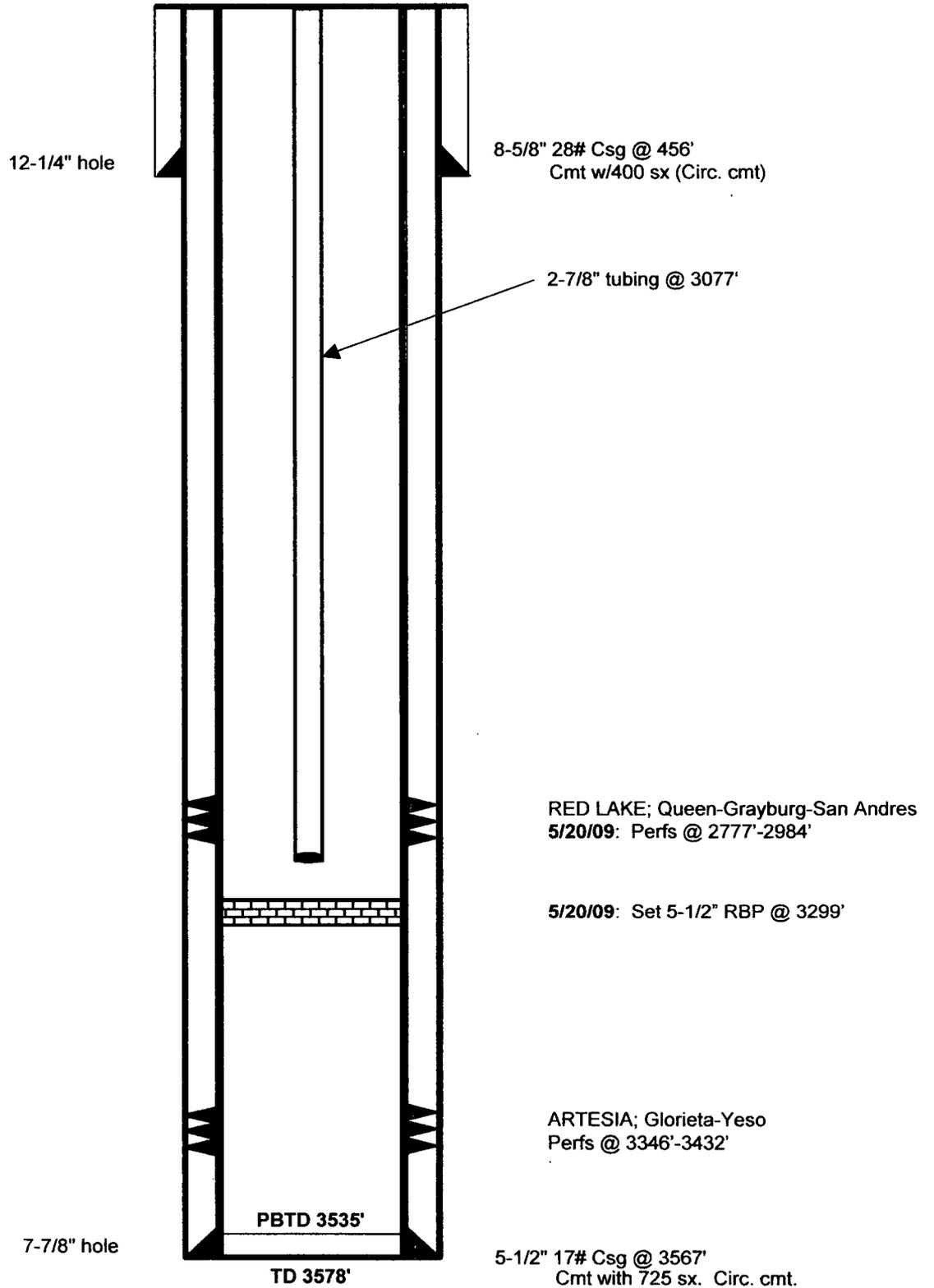
WILLIAMS B FEDERAL #4

Current

ARTESIA; Glorieta-Yeso
RED LAKE; Queen-Grayburg-San Andres

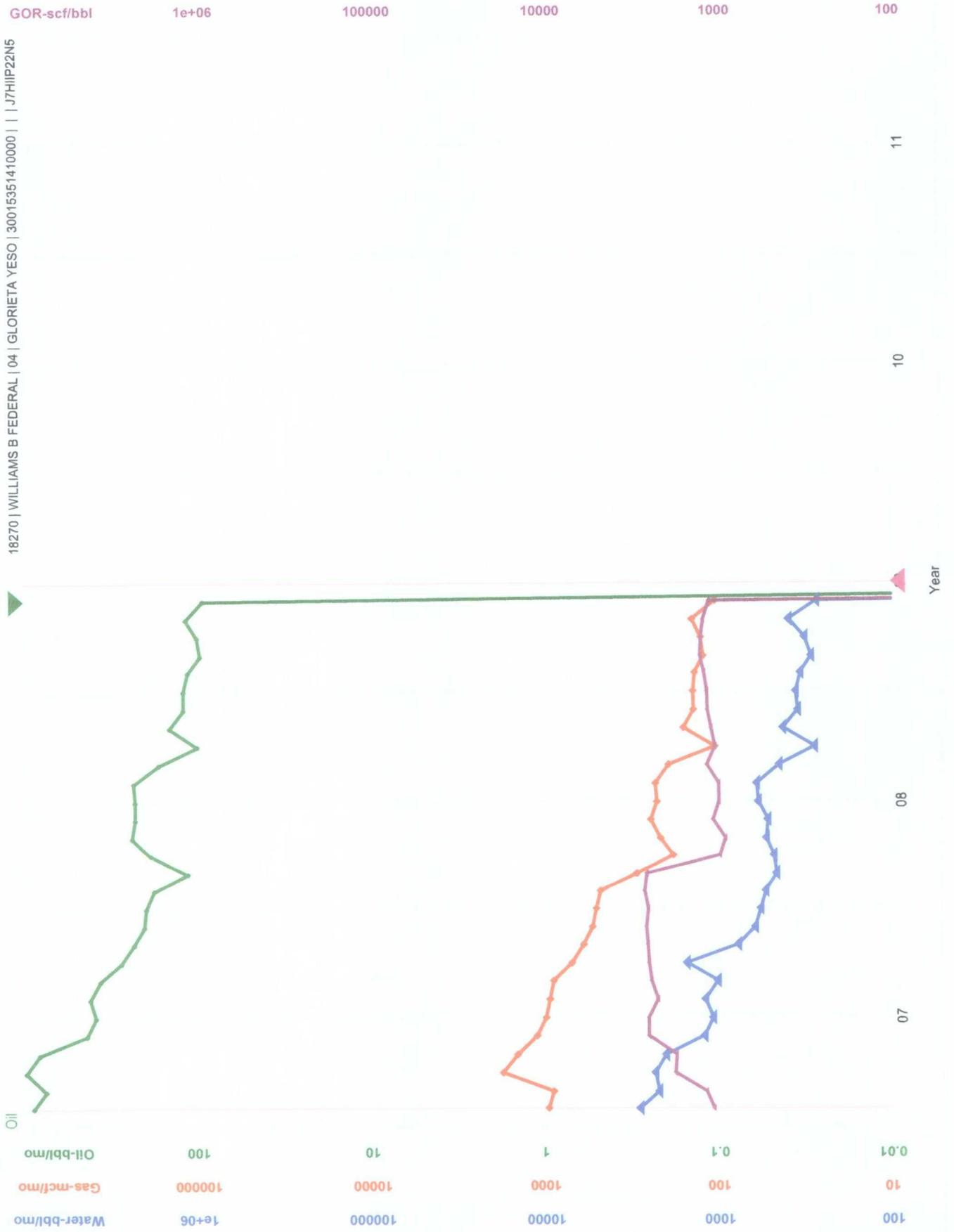
(E) Section 29, T-17-S, R-28-E, Eddy County, NM

Today's Date: 9/21/09
Spud: 12/6/06
Completed: Yeso: 1/3/07
San Andres: 5/30/09
Elevation: 3620' GL
API#: 30-015-35141



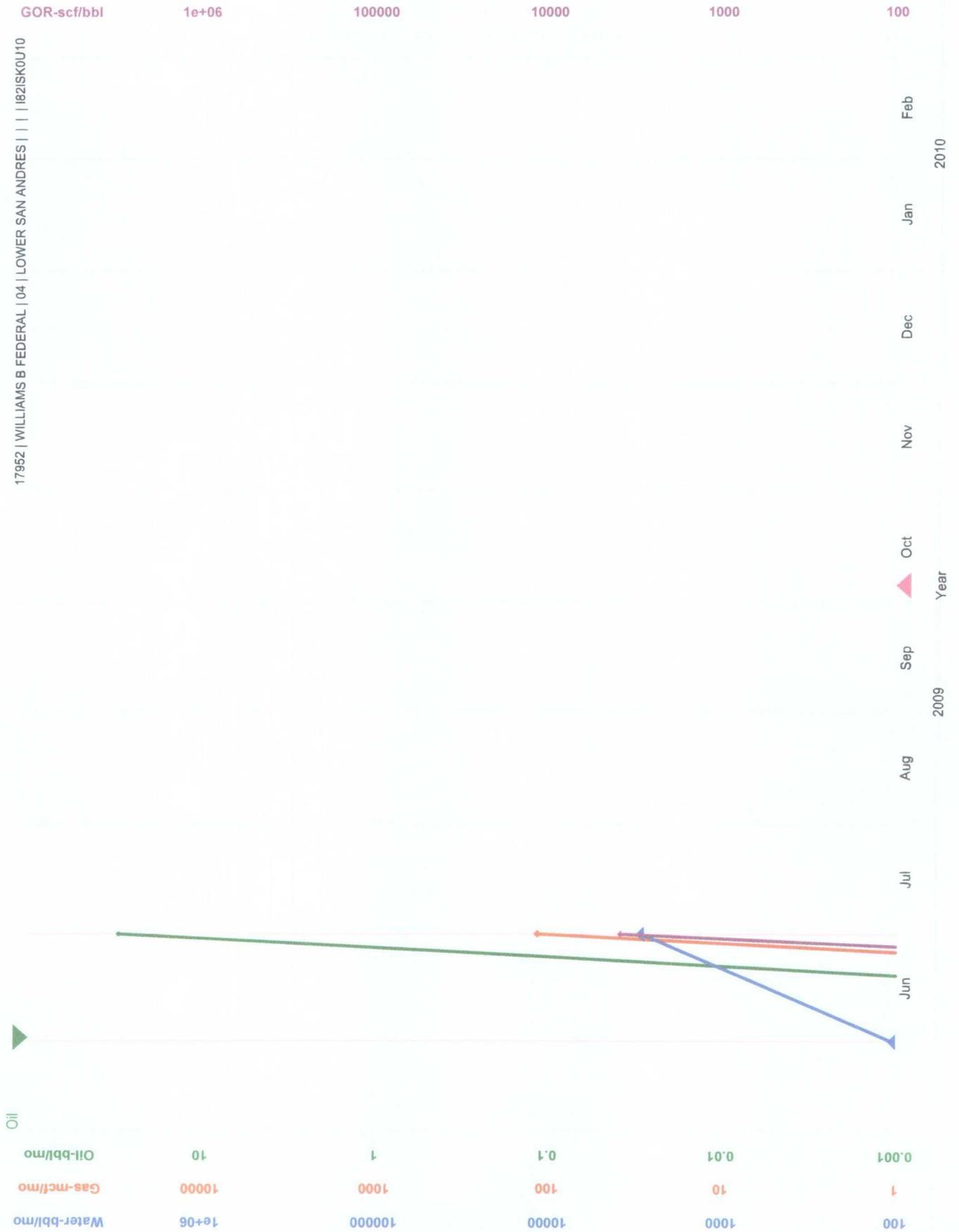
API #: 30-015-35141

18270 | WILLIAMS B FEDERAL | 04 | GLORIETA YESO | 30015351410000 | | J7HIP22N5



API #, 30-015-35141

17952 | WILLIAMS B FEDERAL | 04 | LOWER SAN ANDRES | | | 182ISKOU10



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.
NMNM 048344

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
WILLIAMS B FEDERAL #4

3
30-015-35141

10. Field and Pool, or Exploratory Area
**Artesia, Glorieta-Yeso (96830)
Red Lake, San Andres (97253)
AND
Eddy County, New Mexico**

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
LIME ROCK RESOURCES A, L.P.

3a. Address c/o Mike Pippin LLC
3104 N. Sullivan, Farmington, NM 87401

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2140' FNL & 990' FWL Unit E
Sec. 29, T17S, R28E**

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 type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Commingle Application
	<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 Operations (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 recomplate 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.)

LIME ROCK requests administrative approval to downhole commingle the existing Artesia, Glorieta-Yeso (96830) and the Red Lake, San Andres (97252). Both intervals have common ownership & we have not experienced any significant cross flows, & all the fluids are compatible. Downhole commingling will improve recovery of liquids & gas, eliminate redundant surface equipment, & maximize productivity. Notice has been filed concurrently on form C-107A with the State.

The workover to recomplate from the Yeso to the San Andres was initiated on 5/20/09. Currently the San Andres is producing and the Yeso is shut-in below a bridge plug. Therefore, actual production used for the production allocation below was taken for the month of April 2009 for the Yeso and during two weeks in July 2009 for the San Andres. See the attached calculations.

San Andres:	Oil - 31%	Yeso:	Oil - 69%
	Gas - 78%		Gas - 22%
	Water - 85%		Water - 15%

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

Name (Printed/Typed) Mike Pippin	Title Petroleum Engineer (Agent)
Signature <i>Mike Pippin</i>	Date September 22, 2009

THIS SPACE FOR FEDERAL OR STATE 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, makes 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.

(Instructions on reverse)