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

February 26, 2014

NMOCD c/o Randy Dade 811 South 1st Street Artesia, NM 88210

RECEIVED
FEB 2 7 2014
NMOCD ARTESIA

RE: OXY PESO #1 SWD - SWD-1338

API#: 30-015-34683 Unit Letter "F" Section 24 T18S R27E Eddy County, New Mexico

Dear Randy,

As Phil Goetze indicated in his email of February 21, 2014, it appeared as though Lime Rock was injecting into intervals that were not authorized in SWD-1338. After review of all our data, this was not the case. We discovered that our problem was due to missing and incorrect data on our morning reports. Enclosed, please find copies of two amended C-103s, an amended C-105, and an amended wellbore diagram. Also enclosed is supporting data in the form of the invoice from the perforating company indicating the perfs are actually in the permitted interval at 6690'-6700'.

Also enclosed is our morning report from 10/20/12. It indicates that 85 sx of "H" cmt was pumped at a depth of 9348'. Then 5 stands of drill pipe were pulled (~310') to a depth of ~9038' where the well was circulated with bottoms up two times. This would indicate that the PBTD is at ~9038'. The calculated PBTD of 85 sx of cmt from 9348' in a 6-1/8" open hole is 8858'. Both depths of 9038' and 8858' are well above the lowest approved injection depth of 9200' (SWD-1338). In summary, Lime Rock would like to use 9038' as the official PBTD. If you approve this PBTD in the open hole, I will send copies of the amended forms to Phil Goetze who is reviewing our IPI application.

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

Very truly yours,

Mike Pippin

Petroleum Engineer

OXY PESO #1 SWD

Current

Abo, Wolfcamp, Cisco (97967)

(f) Section 24, T-18-N, R-27-W, Eddy County, NM

M. PIPPIN - 11/18/13

RECEIVED FEB 27 2014 NMOCD ARTESIA

Pulled 5 stds DP & circ 2 times.

REVISED 2/26/14 Re-enter: 10/11/12 Completed: 10/23/12 Elevation: 3579' GL 17-1/2" Hole 13-3/8" 48# H-40 Casing @ 427', Cmted w/450 sx. 7 Rivers @ 752" (Circ.100 sx Cmt to surf.) Queen@ 1386' San Andres @ 2176' 9-5/8" 36# J-55 Casing @ 2502' Cmted w/950 sxs. (Circ. 200 12-1/4" Hole sx Cmt to Surface) TOC @ 4350 - TS Abo @ 5980' Baker SA pkr on 4-1/2" 11.6# L-80 Duoline 20 coated tbg @ 6650' Perfed 40 holes @ 6690'-6700' Wolfcamp @ 7192' 8-3/4" Hole 7" 26# L-80 Casing @ 7290' Cmt w/385 sx (677 cf) PB 9038' Cisco @ 8086' 6-1/8" OPEN HOLE 7290'-8284' Pumped 4000 gal 15% HCL @ 8870'. **CMT** Pumped 85 sx (100 cf) "H" cmt @ 9348" 6-1/8" Hole

TD 9367'

Strawn @ 9335'