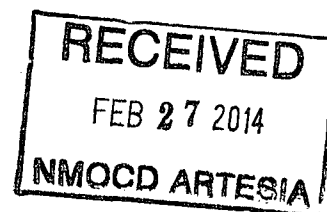


LIME ROCK RESOURCES II-A, L.P.
Mike Pippin
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) mike@pippinllc.com

February 26, 2014

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



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,

A handwritten signature in cursive script that reads "Mike Pippin".

Mike Pippin

Petroleum Engineer

OXY PESO #1 SWD

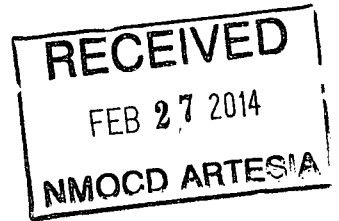
Current

Abo, Wolfcamp, Cisco (97967)

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

M. PIPPIN – 11/18/13

REVISED 2/26/14



Re-enter: 10/11/12
Completed: 10/23/12
Elevation: 3579' GL

