

DATE IN 7.22.11	SUSPENSE	ENGINEER DB.	LOGGED IN 7.22.11	TYPE NSL	APP NO. 1120341171
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



Lime Rock 255333
 RECEIVED OGD

ADMINISTRATIVE APPLICATION CHECKLIST

2011 JUL 20 P 1:15
 Falcon 30 Fed. # 30

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]

3-185-27E

6740

[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.

David Catanach
 Print or Type Name

Signature

Date

7/20/11

Agent for Lime Rock Resources A, L.P.
 Title

drcatanach@netscape.com
 E-Mail Address

July 20, 2011

Hand Delivered

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG
Division Director

Re: Application for Unorthodox Well Location
Falcon 3 D Federal Well No. 30
API No. (N/A) ✓
250' FNL & 1300' FWL (Unit D/Lot 4)
Section 3, T-18 South, R-27 East, NMPM,
Eddy County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13, Lime Rock Resources A, L.P. ("Lime Rock") respectfully requests administrative approval of an unorthodox oil well location for its proposed Falcon 3 D Federal Well No. 30. This well will be drilled as a development oil well in the Northeast Red Lake Glorieta-Yeso Pool (96836) at an unorthodox well location 250 feet from the North line and 1300 feet from the West line (Unit D/Lot 4) of Section 3, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. The well will be dedicated to an existing 40-acre oil spacing and proration unit in the Northeast Red Lake Glorieta-Yeso Pool comprising the NW/4 NW/4 of Section 3. This unit is currently dedicated to Lime Rock's Falcon 3 D Federal Well No. 26Q (30-015-34190) located 880 feet from the North line and 280 feet from the West line.

The Northeast Red Lake Glorieta-Yeso Pool is currently governed by Division Rule 19.19.15.9 which requires standard 40-acre oil spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit. The Northeast Red Lake Glorieta-Yeso Pool is also subject to a special depth bracket allowable of 300 barrels of oil per day as established by Division Order No. R-12199 dated August 30, 2004.

The proposed Falcon 3 D Federal Well No. 30 was initially staked at a standard location 330 feet from the North line and 990 feet from the West line of Section 3, however, due to surface drainage issues within this 40-acre tract, the United States Bureau of Land Management directed Lime Rock to move the well location 80 feet to the north and 310 feet to the east (see attached vicinity map).


The affected offset acreage comprises the NE/4 NW/4 of Section 3, Township 18 South, Range 27 East, and the S/2 SW/4 of Section 34, Township 17 South, Range 27 East. All three of these affected 40-acre tracts are existing 40-acre spacing and proration units in the Glorieta-Yeso formation, and all three are operated by Lime Rock. The working interest ownership between the NW/4 NW/4 and the NE/4 NW/4 of Section 3 is common, however the working interest ownership between the NW/4 NW/4 of Section 3 and the S/2 SW/4 of Section 34 is not common. Consequently, Lime Rock is providing notice of this application to Chesapeake Permian, L.P., the only other working interest owner within the S/2 SW/4 of Section 34.

Attached is a Form C-102, vicinity map and offset letter.

In summary, approval of the application will provide Lime Rock the opportunity to recover additional oil and gas reserves from the Northeast Red Lake Glorieta-Yeso Pool underlying the NW/4 NW/4 of Section 3 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,


David Catanach, Agent
Lime Rock Resources A, L.P.
1111 Bagby Street
Suite 4600
Houston, Texas 77002

Xc: OCD-Artesia

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 July 16, 2010
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number N/A	Pool Code 96836	Pool Name Northeast Red Lake Glorieta-Yeso
Property Code	Property Name Falcon 3 D Federal	Well Number 030
OGRID No. 255333	Operator Name Lime Rock Resources A, L.P.	Elevation 3573

Surface Location

UL or lot no. D/4	Section 3	Township 18 South	Range 27 East	Lot Idn	Feet from the 250'	North/South line North	Feet from the 1300'	East/West line West	County Eddy
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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
Dedicated Acres 40	Joint or Infill	Consolidate Code	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

					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 or unleased mineral interest in the land including the proposed bottomhole 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 heretofor entered by the Division.</i>			
					Signature _____		Date _____	
					Printed Name _____			
					E-mail Address _____			
				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 _____				
				Signature and Seal of Professional Surveyor: _____				
				Certificate Number _____				

27 East

34

35

17 South

Lime Rock-Operator

**WI Ownership:
Chesapeake Permian-50%
Lime Rock-50%**

**Falcon 3 D
Federal 30**

**Lime Rock-
Operator**

Common Ownership

3

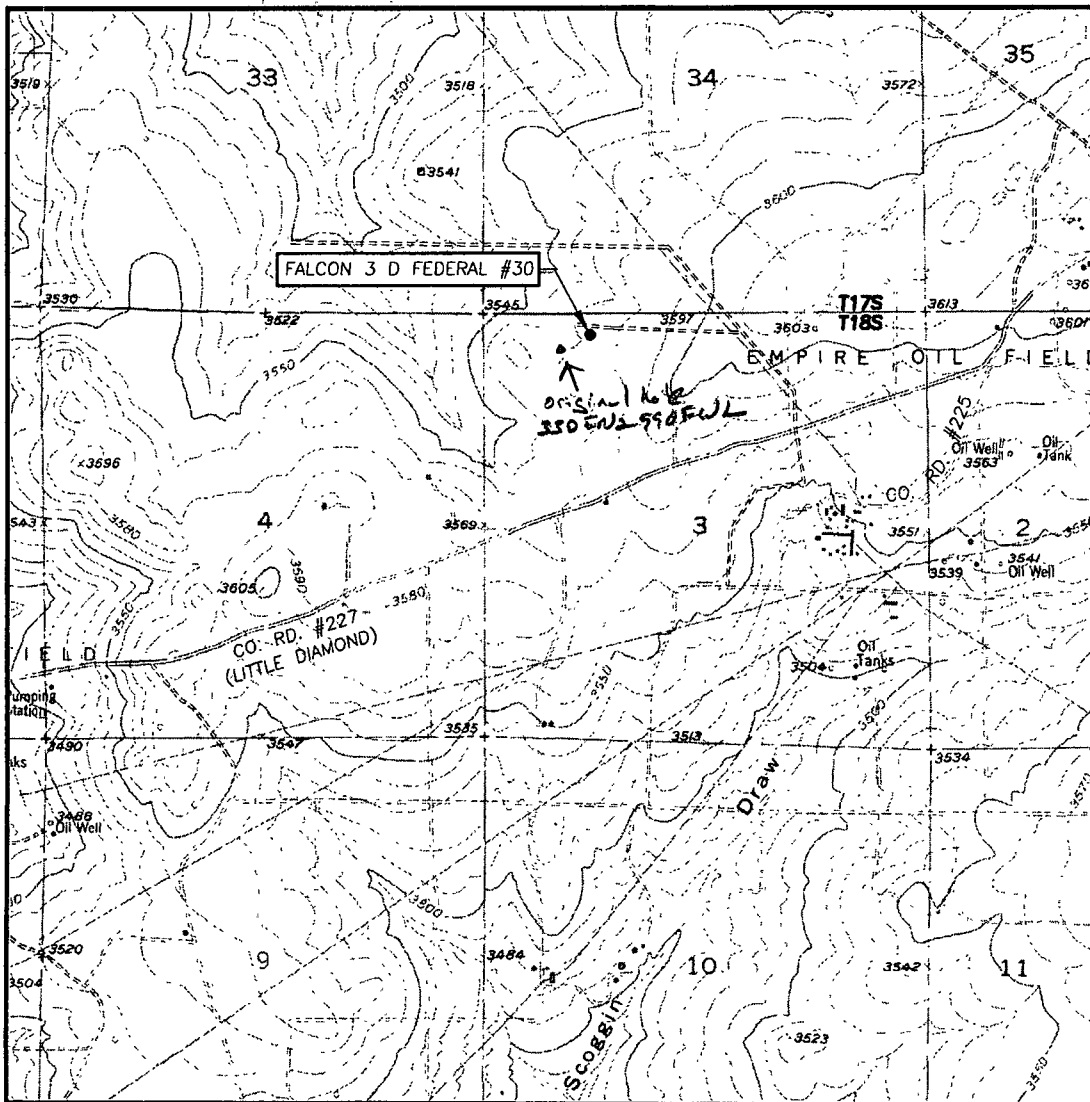
2

18 South

Affected Offset Acreage

**Lime Rock Resources A, L.P.
Application for Non-Standard Well Location
Falcon 3 D Federal No. 30 (API No. N/A)**

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
SPRING LAKE, N.M. - 10'

SEC. 3 TWP. 18-S RGE. 27-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 250' FNL & 1300' FWL

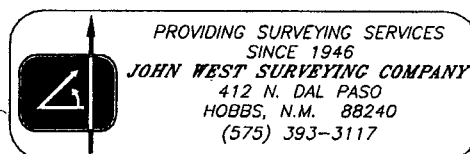
ELEVATION 3573'

OPERATOR LIME ROCK
REOURSRES A, L.P.

LEASE FALCON 3 D FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
SPRING LAKE, N.M.

*Manual 80' N and 310' E. Sur drainage issues
By BLM Field inspector John Fast.*



July 20, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: Chesapeake Permian, L.P.
Box 18496
Oklahoma City, Oklahoma 73154

Re: Lime Rock Resources A, L.P.
Application for Unorthodox Well Location
Falcon 3 D Federal Well No. 30
250' FNL & 1300' FWL (Unit D/Lot 4)
Section 3, T-18 South, R-27 East, NMPM,
Northeast Red Lake Glorieta-Yeso Pool (96836)
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Lime Rock Resources A, L.P. with the New Mexico Oil Conservation Division for authorization to drill its Falcon 3 D Federal Well No. 30 at an unorthodox oil well location 250 feet from the North line and 1300 feet from the West line (Unit D/Lot 4) of Section 3, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico, to test the Northeast Red Lake Glorieta-Yeso Pool. The subject well will be dedicated to an existing 40-acre spacing and proration unit comprising the NW/4 NW/4 of Section 3. This unit is currently dedicated to Lime Rock Resources A, L.P.'s Falcon 3 D Federal No. 26Q located 880 feet from the North line and 280 feet from the West line. The proposed unorthodox location is necessary due to topographical restrictions within this 40-acre tract.

As the owner of an interest that may be affected by the proposed unorthodox location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach-Agent
Lime Rock Resources A, L.P.
1111 Bagby Street
Suite 4600
Houston, Texas 77002

Enclosure

7010 1670 0000 7167 9552

CERTIFIED MAIL RECEIPT		
(Domestic Mail Only, No Insurance Coverage Provided)		
For delivery information, visit our website at www.usps.com		
OFFICIAL USE		
OKLAHOMA CITY OK 73154		
Postage	\$ 1.08	0501
Certified Fee	\$2.85	02
Return Receipt Fee (Endorsement Required)	\$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	JUL 20 2011
Total Postage & Fees	\$ 6.23	07/20/2011
Sent To		
Chesapeake Permian, L.P.		
Street, Apt. No., or PO Box No. Box 18496		
City, State, Zip Oklahoma City, Oklahoma 73154		
PS Form 3800, August 2006 See Reverse for Instructions		

