

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



April 3, 2013

Lime Rock Resources II A, L.P.
Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6789
Administrative Application Reference No. pPRG1308058869

Lime Rock Resources II A, L.P.
OGRID 277558
Kaiser B 18H No. 14
API No. 30-015-41070

Proposed Location:

| Footages | Unit | Sec. | Twsp | Range | County |
|------------------------------|-------------|-------------|-------------|--------------|---------------|
| Surface: 1740 FNL & 800 FEL | H | 18 | 18 South | 27 East | Eddy |
| Terminus: 1618 FNL & 968 FEL | H | 18 | 18 South | 27 East | Eddy |

Proposed Unit:

| Description | Acres | Pool | Pool Code |
|-------------------------|--------------|------------------------|------------------|
| SE/4 NE/4 of Section 18 | 40 | Red Lake Glorieta-Yeso | 51120 |

Reference is made to your application received on March 19, 2013.

You have requested an unorthodox oil well location described above, in the referenced pool or formation for a well that has been recently drilled. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. The surface location is a standard location; however, the terminus location is less than 330 feet from a unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location due to excessive wellbore drift to the north of the surface location during drilling operations.

It is further understood that notice of this application to offsetting operators or owners is not required due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", with a stylized, cursive script.

Jami Bailey
Director

JB/pg

cc: New Mexico Oil Conservation Division – Artesia