

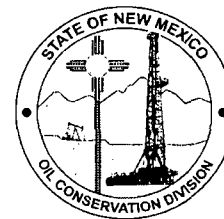


New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order IPI-355
October 5, 2009

Lime Rock Resources, L.P.
C/O Mike Pippin
3104 N. Sullivan Avenue
Farmington, NM 87401

Attention: Mr. Mike Pippin

RE: Injection Pressure Increase Request

Karlsbad Corral SWD Well No. 1 (API No. 30-015-35341) SWD-1062-A
Unit J, Sec 11, T 25 South, R 29 East, NMPM, Eddy County, New Mexico
Bell Canyon member of the Delaware Mountain Group
Through perforations from 3280 feet to 3921 feet

Reference is made to your request on behalf of Lime Rock Resources, L.P. (OGRID 255333) received by the Division September 23, 2009, to increase the surface injection pressure limit on the above named disposal well.

Administrative Order No SWD-1062-A approved on February 25, 2007, permitted the Karlsbad Corral SWD Well No. 1 for injection into the Bell Canyon member of the Delaware Mountain group from 3200 feet to 4000 feet and allowed a maximum surface injection pressure of 640 psi.

It is our understanding that this well will not take a sufficient volume of water at this pressure limit and a higher pressure limit is needed to enable increased water disposal.

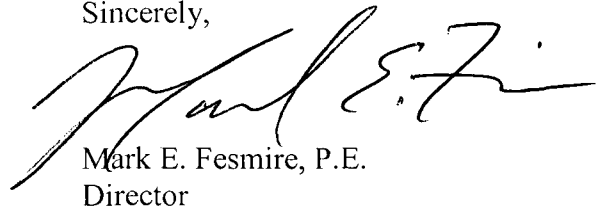
The basis for granting this pressure increase is the step rate test run on this well in September, 2009. Cardinal Surveys Company measured the pressures during this test with surface and downhole pressure gauges.

You are hereby authorized to utilize up to **950 psi** as the maximum surface injection pressure on this well provided the tubing, size, type, setting depth and perforation depths do not change. However, you are prohibited from injecting at pressures that would induce fracturing.



The Division Director may rescind this injection pressure increase if it becomes apparent that the injected fluid is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with the first name "Mark" being the most prominent.

Mark E. Fesmire, P.E.
Director

MEF/tw

cc: Oil Conservation Division – Artesia
State Land Office-Oil, Gas and Minerals Division
File: SWD-1062-A