

| | | | | | |
|--------------------|-------------------------|-------------------------|-------------------|------------|---------------------------|
| DATE IN 9/21/09 | SUSPENSE [Signature] | ENGINEER [Signature] | LOGGED IN 9/28 | TYPE DX | APP NO. PND 0927155816 |
|--------------------|-------------------------|-------------------------|-------------------|------------|---------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED

WILLIAMS B FEDERAL #4 30-015-35141

ADMINISTRATIVE APPLICATION CHECKLIST

2009 SEP 25 AM 11 41

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]

[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.

| | | | |
|--------------------|--------------------|--------------------|--------------------|
| Mike Pippin | <i>Mike Pippin</i> | Petroleum Engineer | September 21, 2009 |
| Print or Type Name | Signature | Title | Date |

mike@pippinllc.com
 e-mail Address

LINE ROCK RESOURCES A, L.P.
WILLIAMS B FEDERAL #4
Artesia; Glorieta-Yeso & Red Lake, San Andres
L Section 29 T17S R28E
9/22/2009
API#: 30-015-35141

Commingle Allocation Calculations

On 5/20/09, a plug was set above the existing (lower zone) Yeso perfs and the well recompleted to the San Andres (upper zone). Therefore, actual production was taken for the Yeso during the month of April 2009. Actual production was taken for the San Andres during two weeks in July 2009.

| | <u>New Upper Zone (SA)</u> | <u>Lower Zone (Yeso)</u> |
|----------------|----------------------------|--------------------------|
| Oil (bbls/d) | 1.7 | 3.8 |
| Gas (mcf/d) | 17 | 4.7 |
| Water (bbls/d) | 73 | 13 |

OIL

Upper Zone (SA) = 1.7 bopd
Total oil = 1.7 + 3.8 = 5.5 bopd
% Upper Zone = $\frac{1.7}{5.5} = 31\%$

Lower Zone (Yeso) = 3.8 bopd
% Lower Zone = $\frac{3.8}{5.5} = 69\%$

GAS

Upper Zone (SA) = 17 mcf/d
Total gas = 17 + 4.7 = 21.7 mcf/d
% Upper Zone = $\frac{17}{21.7} = 78\%$

Lower Zone (Yeso) = 4.7 mcf/d
% Lower Zone = $\frac{4.7}{21.7} = 22\%$

WATER

Upper Zone (SA) = 73 bwpd
Total water = 73 + 13 = 86 bwpd
% Upper Zone = $\frac{73}{86} = 85\%$

Lower Zone (Yeso) = 13 bwpd
% Lower Zone = $\frac{13}{86} = 15\%$

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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|--|
| ¹ API Number 30-015-35141 | ² Pool Code 97253 | ³ Pool Name Red Lake, San Andres |
| ⁴ Property Code | ⁵ Property Name WILLIAMS B FEDERAL | ⁶ Well Number 4 |
| ⁷ OGRID No. 255333 | ⁸ Operator Name LIME ROCK RESOURCES A, L.P. | ⁹ Elevation 3620' GL |

¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|---------|------------------------|---------------------------|-----------------------|------------------------|----------------|
| UL or lot no. E | Section 29 | Township 17-S | Range 28-E | Lot Idn | Feet from the 2140' | North/South line NORTH | Feet from the 990' | East/West line WEST | County EDDY |
|--------------------|---------------|------------------|---------------|---------|------------------------|---------------------------|-----------------------|------------------------|----------------|

¹¹ 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 |
| ¹² Dedicated Acres 40 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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.

| | | |
|---|----|--|
| <div>2140'</div> <div>990'</div> <div>0</div> | 29 | ¹⁷ 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 bottom hole 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 heretofore entered by the division.</i> <div>Signature: <u>Mike Pippin</u> Date: <u>9/19/09</u></div> <div>Printed Name: <u>Mike Pippin</u></div> |
| | | ¹⁸ 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> 7/10/06 Date of Survey Signature and Seal of Professional Surveyor: Dan R. Reddy |
| | | 5412 Certificate Number |

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 June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|---|
| ¹ API Number 30-015-35141 | ² Pool Code 96830 | ³ Pool Name Artesia, Glorieta, Yesc |
| ⁴ Property Code 27688 | ⁵ Property Name WILLIAMS B FEDERAL | ⁶ Well Number 4 |
| ⁷ OGRID No. 020451 | ⁸ Operator Name SDX RESOURCES, INC. | ⁹ Elevation 3620 |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | 29 | 17-S | 28-E | | 2140 | NORTH | 990 | WEST | EDDY |

¹¹ 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acre 40 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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.

| | | | | |
|-------------------|---|--|--|--|
| ¹⁶ | ¹⁷ OPERATOR CERTIFICATION 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 in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Bonnie Atwater</u> Date: <u>7/26/06</u> Printed Name: <u>Bonnie Atwater</u> | | | |
| | ¹⁸ SURVEYOR CERTIFICATION 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. JULY 10, 2006 Date of Survey: <u>JULY 10, 2006</u> Signature and Seal of Professional Surveyor: | | | |
| | DAN R. REDDY 5412 NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR | | | |

WILLIAMS B FEDERAL #4

Current

ARTESIA; Glorieta-Yeso
RED LAKE; Queen-Grayburg-San Andres
(E) Section 29, T-17-S, R-28-E, Eddy County, NM

Today's Date: 9/21/09
Spud: 12/6/06
Completed: Yeso: 1/3/07
San Andres: 5/30/09

Elevation: 3620' GL

API#: 30-015-35141

Queen @ 1092'

Grayburg @ 1550'

San Andres @ 1825'

Glorieta @ 3210'

Yeso @ 3318'

12-1/4" hole

8-5/8" 28# Csg @ 456'
Cmt w/400 sx (Circ. cmt)

2-7/8" tubing @ 3077'

RED LAKE; Queen-Grayburg-San Andres
5/20/09: Perfs @ 2777'-2984'

5/20/09: Set 5-1/2" RBP @ 3299'

ARTESIA; Glorieta-Yeso
Perfs @ 3346'-3432'

PBTD 3535'

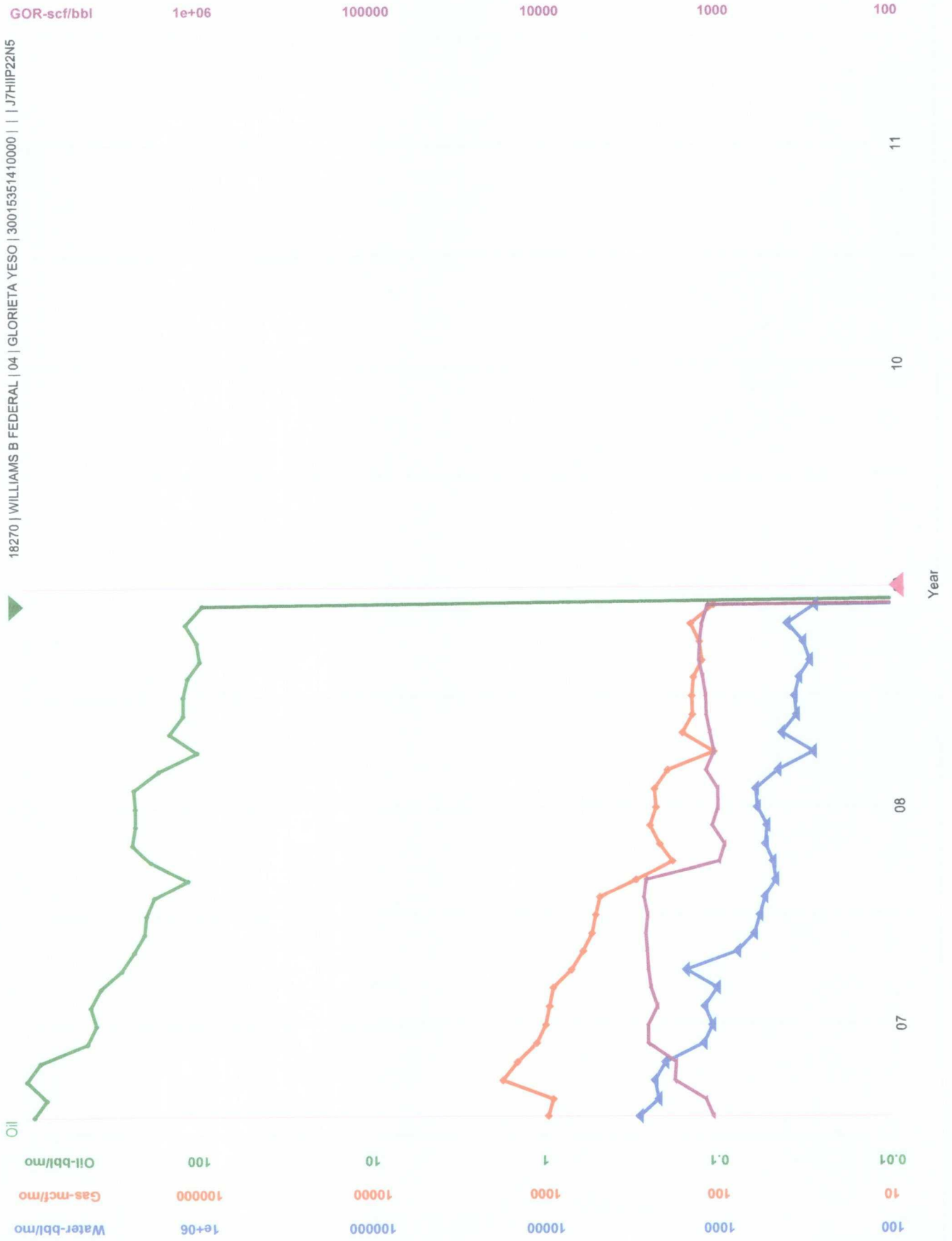
7-7/8" hole

TD 3578'

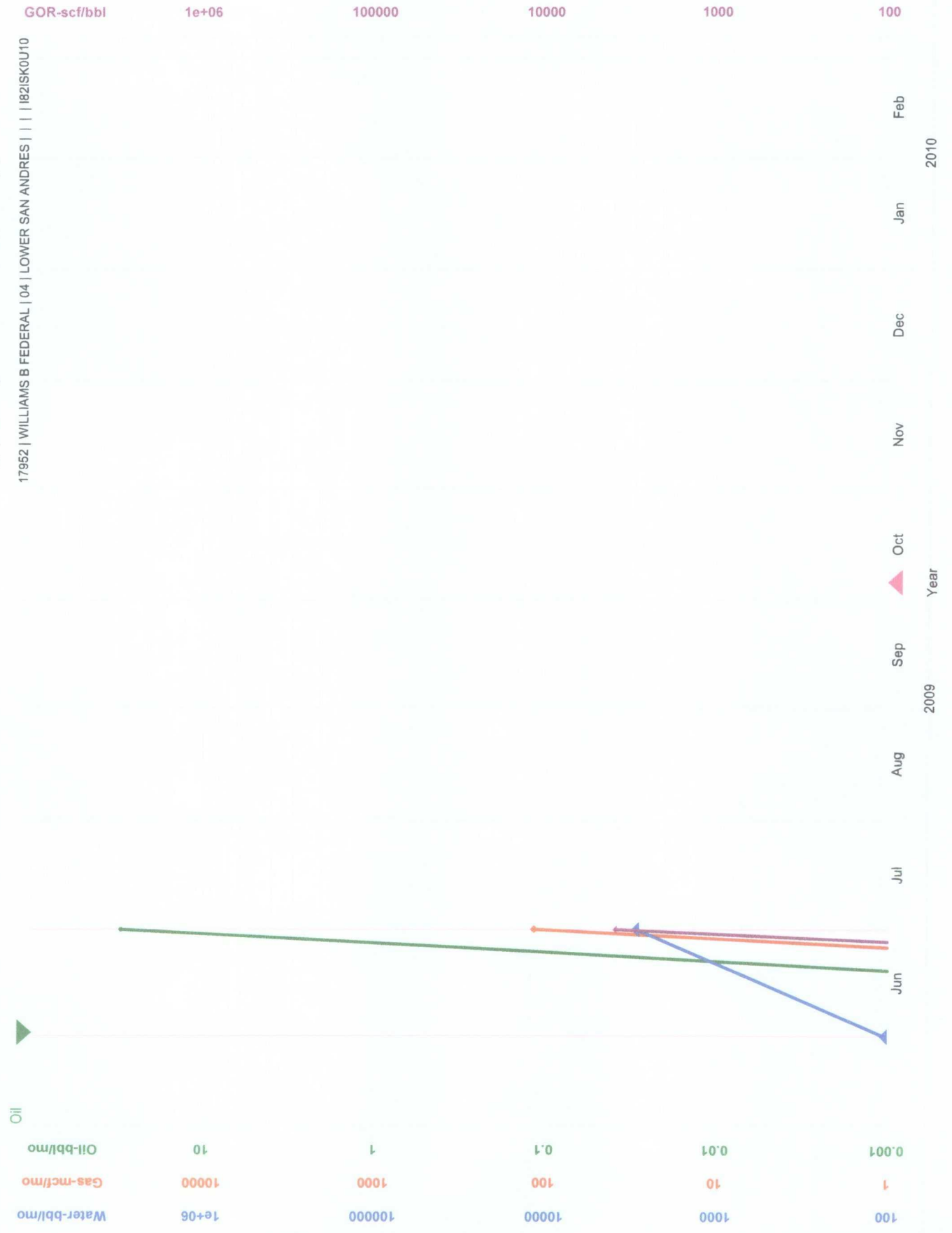
5-1/2" 17# Csg @ 3567'
Cmt with 725 sx. Circ. cmt.

API #: 30-015-35141

18270 | WILLIAMS B FEDERAL | 04 | GLORIETA YESO | 30015351410000 | | J7HIP22N5



API # 30-015-35141



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.

NMNM 048344

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

WILLIAMS B FEDERAL #4

3

30-015-35141

10. Field and Pool, or Exploratory Area

Artesia, Glorieta-Yeso (96830)

Red Lake, San Andres (97253)

AND

Eddy County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

LIME ROCK RESOURCES A, L.P.

3a. Address c/o Mike Pippin LLC

3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (include area code)

505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2140' FNL & 990' FWL Unit E

Sec. 29, T17S, R28E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Commingle Application |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof if the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

LIME ROCK requests administrative approval to downhole commingle the existing Artesia, Glorieta-Yeso (96830) and the Red Lake, San Andres (97252). Both intervals have common ownership & we have not experienced any significant cross flows, & all the fluids are compatible. Downhole commingling will improve recovery of liquids & gas, eliminate redundant surface equipment, & maximize productivity. Notice has been filed concurrently on form C-107A with the State.

The workover to recomple from the Yeso to the San Andres was initiated on 5/20/09. Currently the San Andres is producing and the Yeso is shut-in below a bridge plug. Therefore, actual production used for the production allocation below was taken for the month of April 2009 for the Yeso and during two weeks in July 2009 for the San Andres. See the attached calculations.

| | | | |
|-------------|-------------|-------|-------------|
| San Andres: | Oil - 31% | Yeso: | Oil - 69% |
| | Gas - 78% | | Gas - 22% |
| | Water - 85% | | Water - 15% |

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Mike Pippin

Title

Petroleum Engineer (Agent)

Signature

Mike Pippin

Date

September 22, 2009

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)