



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

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Karen W. Garcia

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Mark Fesmire

Division Director

Oil Conservation Division



September 28, 2010

Lime Rock Resources A, L.P.

Attn: Mr. Mike Pippin

3104 N. Sullivan Ave.

Farmington, NM 87401

Administrative Order NSL-6273

**Re: Jeffers 32 State Well No. 2
API No. 30-015-37045
1563 feet FSL and 2207 feet FEL
Unit J, Section 32-17S-28E
Eddy County, New Mexico**

Dear Mr. Pippin:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-24632371**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 3, 2010, and

(b) the Division's records pertinent to this request.

Lime Rock Resources A, L.P. (Lime Rock) has requested to complete the above-referenced well as a directional well in the Yeso formation, at a location that will be unorthodox under Division Rule 16.14.B. The proposed bottom hole location will be 1644 feet from the South line and 2312 feet from the East line (Unit J) of Section 32, Township 17 South, Range 28 East, Eddy Count, New Mexico.

The NW/4 SE/4 of Section 32 will be dedicated to the proposed well to form a standard 40-acre oil spacing and proration unit in the undesignated Artesia; Glorieta-Yeso Pool (96830). This pool is governed by statewide Rule 15.9, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because the bottom hole location will be less than 330 feet from the southern and western unit boundaries.

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

Oil Conservation Division

1220 South St. Francis Drive • Santa Fe, New Mexico 87505

Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



It is our understanding that you are seeking this location because of an inadvertent drilling error.

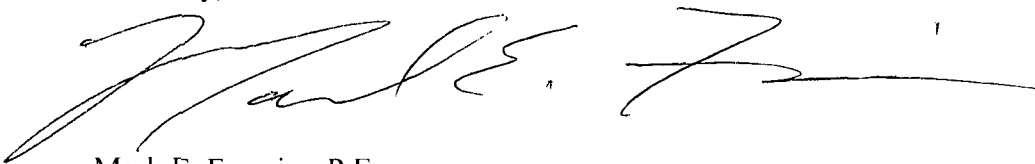
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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.

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 'Mark E. Fesmire', followed by a horizontal line.

Mark E. Fesmire, P.E.
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe