

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Lime Rock Resources II-A, L.P.

3a. Address

1111 Bagby Street Suite 4600, Houston, Tx 77002

3b. Phone No (include area code)

575-623-8424

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

2086' FNL & 440' FEL, Section 4-18S-27E, Unit H

5. Lease Serial No.

NM025530

6. If Indian, Allottee or Tribe Name

N/A

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

N/A

8. Well Name and No

Hondo B Federal #1

9. API Well No

30-015-10438

10. Field and Pool or Exploratory Area

Red Lake; Queen-Grayburg-SA

11. Country or Parish, State

Eddy, New Mexico

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Flaring Gas

13. Describe Proposed or Completed Operation. 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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Requesting to flare gas due to DCP Midstream Plant shut in.

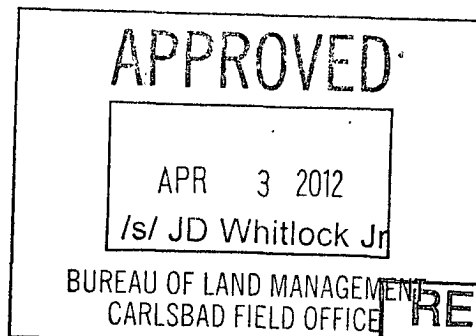
Estimated Volume - 35 MCFPD

Estimated Time - 14 days

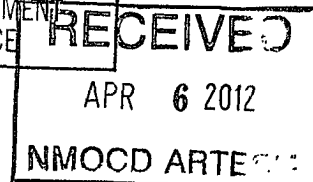
Verbal approval has been given by Duncan Whitlock on 3/9/12.

Accepted for record
NMOCD
04/11/12

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



***See attached sheet for list of wells in battery.



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

Name (Printed/Typed)

Michael Barrett

Title Production Supervisor

Signature

Michael Barrett

Date 03/13/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE 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 and Title 43 U.S.C. Section 1212, make 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 page 2)



Hondo / Kite Battery NM025530

Hondo B Federal #1

30-015-10438

Hondo B Federal #2

30-015-29050



Hondo B Federal 1,2

Lime Rock Resources II-A, L.P.

April 3, 2012

Condition of Approval to Flare Gas

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. Flared volumes will still require payment of royalties
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.