<u>District I.</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II.</u>

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III.</u> 1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV.</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505

Date: 4/27/2016

Phone: 713-360-5714

State of New Mexico EnergyMinerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr.

HOBBS OCO

Form C-101

Revised July 18, 2013

Santa Fe, NM 87505

MAY 0 3 2016

Phone: (505) 476-:			OR PERM	іт тс) DRILL, RI	E-ENTE	R. DEEPE	RFCI N. PLUGBA	EIXEF) R ADD A ZONE	
	1 22 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		¹ Operator Nam	ne and Addr	ess	,			OGRID Number 2775	f a	
		1111 Bagi	Lime Rock Res by Street, Suite		I-A, L.P. uston, Texas 77002	2			³ API Number 30-015-4		
1 p	Property Code	-			⁵ Property N					Well No.	
	309030	/			· .	son 15B				#4	
					⁷ Surfac	e Locat	io <u>n</u>		•		
UL - Lot B	Section 15	Township 18S	Range 26E	, la	ot Idn Feet	From 30	N/S Line N	Feet From 1760	E/W Line E	County Eddy	
	1,0	100 L	2013	8 Pr	oposed Botte	1		1700		Lucy	
UL - Lot	Section	Township	Range			From From	N/S Line	Feet From	E/W Line	County	
В	15	18S	26E		2.3	30	N	1760	Е	Eddy	
					9 Pool Ir	nformat	ion				
Atoka; Glorie	ta-Yeso								•	3250	
· · · · · · · · · · · · · · · · · · ·				A	dditional W						
1	ork Type		10 Well Type		11 Cable/R	lotarv	121	.ease Type	13	Ground Level Elevation	
	N Multiple		O 15 Proposed Depth		R 16 Forma	ition	17 (P	3335.5 ** Soud Date		
Depth to Grou	N Ind Water:	4000	0' MD / 4000' T		Yeso nearest fresh water	mall.	United	ited Drilling, Inc.		After 5/1/2016	
Берино оны	ind water.	8	Ft. Distan	ce from i	nearest tresh water	wen: (0.085227273 Mil	les Distance from	i hearest surra	ace water: 2.5 Miles	
	The damp a	1036u-100p 23	rstem in lieu of l		osed Casing	and Ce	ment Progr	am			
Туре	Hole	Size	Casing Size	Casing Weight/ft		Se	tting Depth	Sacks of Ce	ment	Estimated TOC	
Conducto	r 2	6"	20"	<u> </u>	91.5		80	80		Surface	
Surface	12-	1/4"	8-5/8"	24			895	560		Surface	
Production	n 7-7	7/8"	5-1/2"	17			4000 820		Surface		
					ment Progra						
Surface C	sg set 50'	above fire	st oil show o	& top o	of San Andres	s. Cemen	t will be circ	ulated as requ	ired.		
			P	ropos	ed Blowout	Preventi	on Progran	n			
	Type		,	Working	Pressure	Test Pressure			Manufacturer		
	XLT 11"			500	00	2000			National Varco		
L											
of my knowled	ige and belief.	_	above is true and ith 19,15,14.9 (A	•			OIL CO	NSERVATI	ON DIV	ISION	
19.15.14.9 (B)	-	_	X			Approved	By:			_	
Signature:	Elin 1.	mElu	luz	,					eni	ed	
Printed Name	e: Eric McCI	lusky				Title:				-	
Title: Opera	tions Enginee	er				Approved Date: SEE ATTACHED FOR EXPLANATION				TION	
E-mail Addres	ss: emcclus	skv@limerocl	kresources.com								

Conditions of Approval Anached

al

District. I
1625 N. French Dr., Hobbs, NM \$8240
Phone; (575) 393-6161 Fav: (375) 393-0720
District. II
\$11.5, First St., Artesia, NM \$8210
Phone; (575) 748-1283 Fav: (575) 748-9720
District. III
1000 Rio Brazos Read, Aztec, NM \$7410
Phone; (505) 334-6178 Fav: (505) 324-6170
District. IV
District. IV
1220 S., St., Francis Dr., Santa Fe, NM \$7505

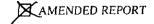
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis DEFECTIVED

Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

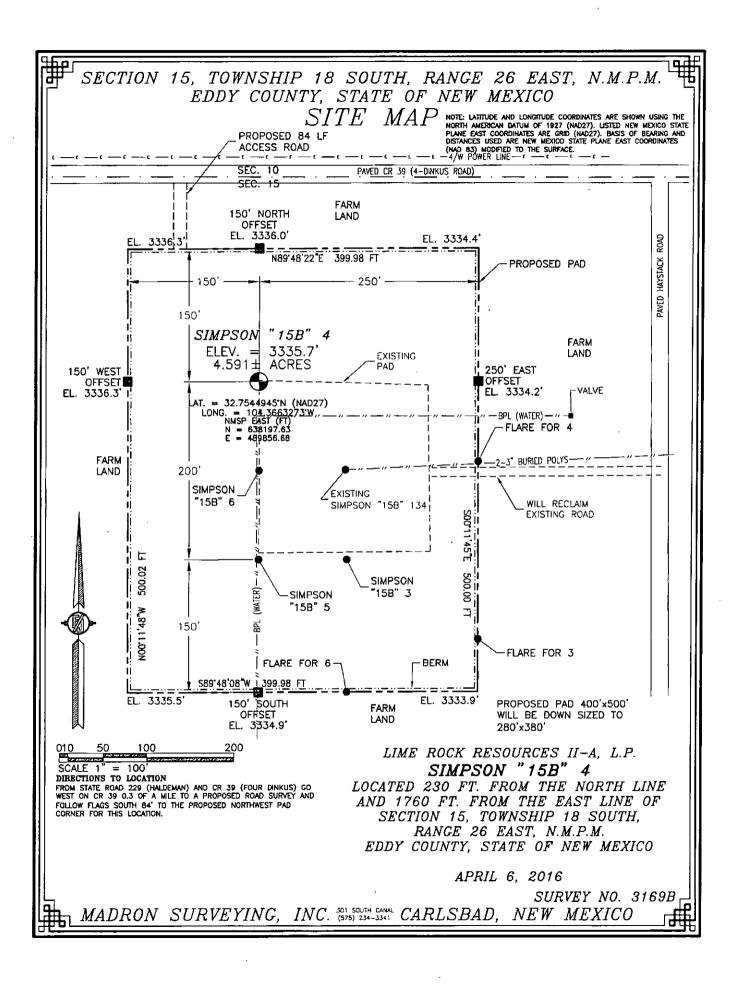


WELL LOCATION AND ACREAGE DEDICATION PLAT

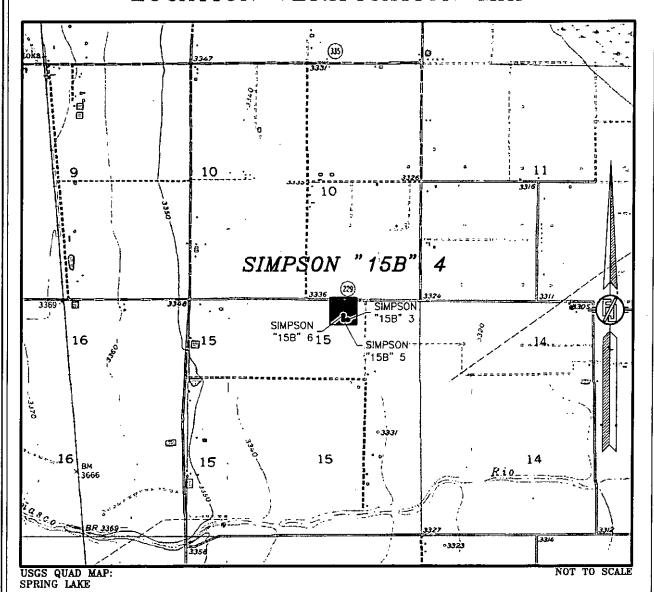
	715 —				250 Atoka: Glorieta - Yeso												
* Property	Code				5 Property	Name			* Well Number								
309030 SIMPSON 15B								4									
OGRID No.					8 Operator	Name	<u> </u>		" Elevation								
277558 LIM					ROCK RESOU		3335.7										
					* Surface	Location											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County								
В	15	18 S	18 S 26 E 230 NORTH 1760 EAS					EAST	EDDY								
			" B	ottom H	ole Location	If Different Fr	om 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	es ¹¹ Joint	or Infill 14	Consolidatio	n Code	* · · · · · · · · · · · · · · · · · · ·	•	15 Order No.										
40																	

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.

				"OPERATOR OPPRIESCATION
	S89'56'45"E		2645.71 FT	"OPERATOR CERTIFICATION
	NW CORNER SEC. 15	DNF		I hereby certify that the information contained herein is true and complete to the
	LAT. = 32.7551324'N	, 	1760'	hest of my knowledge and helief, and that this organization either owns a
	LONG. = 104.3778141'W	! √ଛ	LAT. = 32.7551234'N	working interest or unleased mineral interest in the land including the proposed
	NMSP EAST (FT) N = 638430.97	SURFACE / 24	LONG. = 104.3606067'W	bottom hole location or has a right to drill this well at this location pursuant to
L	E = 485325.39	LOCATION	NMSP EAST (FT)	
24		SIMPSON "15B" 4	N = 638425.92 F E = 491615.44	voluntary pooling agreement or a computary pooling order heretofore entered
2643.		ELEV. = 3335.7'	N = 638425.92 F E = 491615.44 F (NAD27)	by the division.
		LAT. = 32.7544945°N LONG. ≠ 104.36632°	77.07.	84:00 A. R. 4/17/16
3.E		NMSP EAST (FT)	, o " E	(10116) (10116)
NO0.20,52.E		N = 638197.63	3.34, C1.10(1)	Epis Parlusty 4/27/16 Signature Date Fric mc(lusky
Š		¹ E = 489856.68	'	Fric mc(lusky
-	, !		¦	Printed Name
	,	 		emcclusky olimerock resources. a
		1		E-mail Address
	DNF		DNF	C-lian Addition
	- 		† — — — — —	OUDLEWOD OFFICIATION
	 			*SURVEYOR CERTIFICATION
# 1		NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH, AMERICAN DATUM OF 1927	1	I hereby certify that the well location shown on this plat was
1	İ	(NAD27). LISTED NEW MEXICO STATE PLANE EAST	1	ploned from field notes of actual surveys made by me or under
		COORDINATES ARE GRID (NAD27). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE		my supervision, and that the same is true and correct to the
7.	1	EAST (NAD83) COORDINATES MODIFIED TO THE SURFACE.		. II * ' II II
2643.	1	SURFACE.	2650 R 3	best of my began 11 F. JAA
	- +		+	
N00'20'25"E		1	7. 43. E	Date of Street
2	•	1	1 4.0	11 (1)
9	CHI CORNER CCC 45	0 / 000000 000 00	ا ا ا	12797/6
-	SW CORNER SEC. 15 LAT. = 32.7406052'N	S/4 CORNER SEC. 15 LAT. = 32.7405229'N	SE CORNER SEC. 15 7 LAT. = 32.7405050'N	' So stal Many 1/1/R
	LONG. = 104.3779091 W	LONG. = 104.3692841'W	LONG. = 104.3605383'W	
	NMSP EAST (FT)	NMSP ÉAST (FT)	NMSP EAST (FT)	Signature and Stat of Protestional surveyor
	N = 633146.00 E = 486293.97	N = 633115.06 E = 488945.96	N = 633107.74 E = 491635.08	Certificate Mamber: FILIMONE JARAMILLO, PLS 12797
[N89'19'55"W		1	SURVEY NO. 3169B



SECTION 15, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO LOCATION VERIFICATION MAP



LIME ROCK RESOURCES II-A, L.P. SIMPSON "15B" 4

LOCATED 230 FT. FROM THE NORTH LINE AND 1760 FT. FROM THE EAST LINE OF

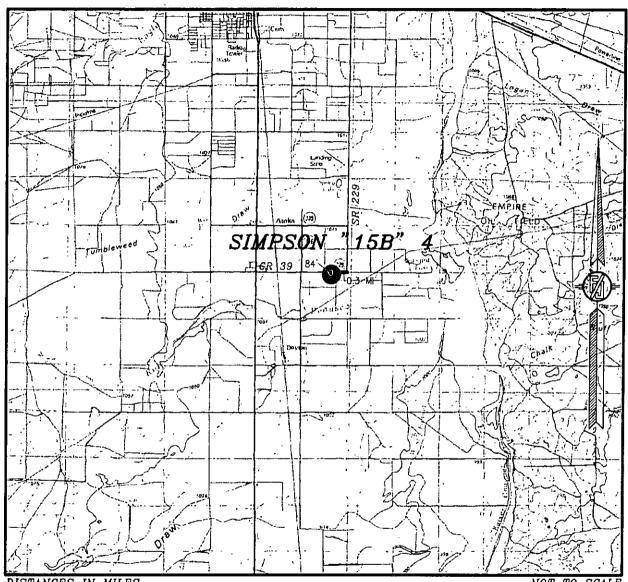
SECTION 15, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

APRIL 6, 2016

SURVEY NO. 3169B

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO

SECTION 15, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

DIRECTIONS TO LOCATION
FROM STATE ROAD 229 (HALDEMAN) AND CR 39 (FOUR DINKUS) GO
WEST ON CR 39 0.3 OF A MILE TO A PROPOSED ROAD SURVEY AND
FOLLOW FLAGS SOUTH 84' TO THE PROPOSED NORTHWEST PAD
CORNER FOR THIS LOCATION.

LIME ROCK RESOURCES II-A, L.P. SIMPSON "15B" 4

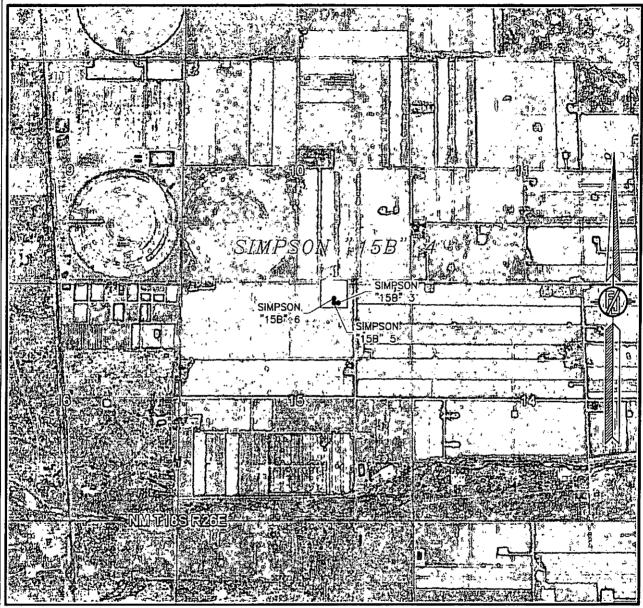
LOCATED 230 FT. FROM THE NORTH LINE AND 1760 FT. FROM THE EAST LINE OF SECTION 15, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

APRIL 6, 2016

SURVEY NO. 3169B

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO

SECTION 15, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO AERIAL PHOTO



NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH MAY 2014

LIME ROCK RESOURCES II-A, L.P.

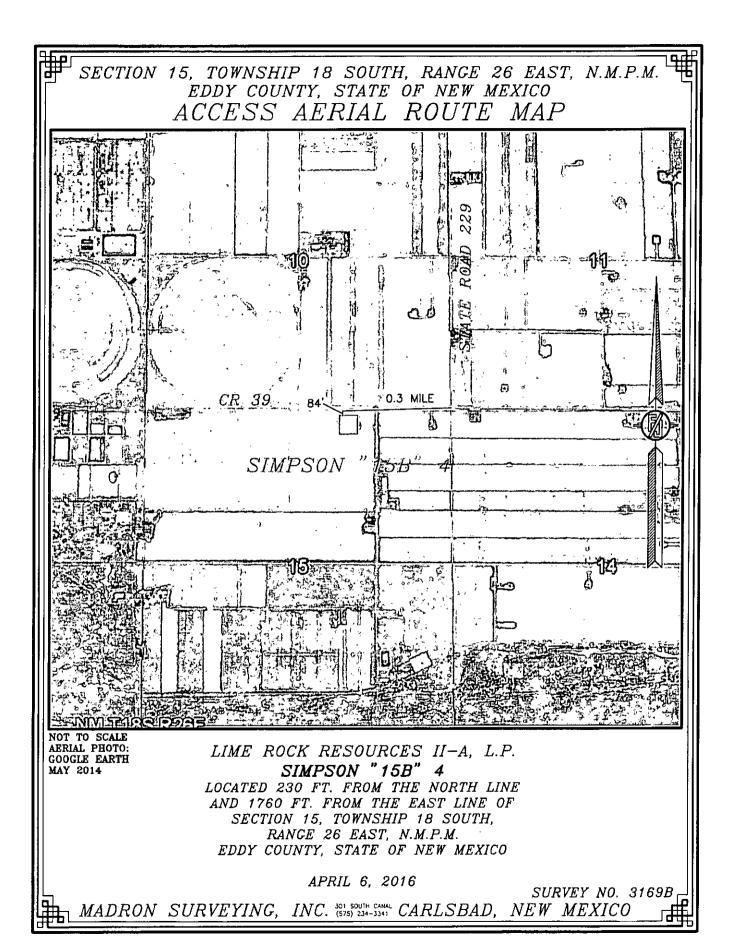
SIMPSON "15B" 4

LOCATED 230 FT. FROM THE NORTH LINE AND 1760 FT. FROM THE EAST LINE OF SECTION 15, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

APRIL 6, 2016

SURVEY NO. 3169B

MADRON SURVEYING, INC. 501 SOUTH CARLSBAD, NEW MEXICO



Lime Rock Resources II-A, L.P. Drilling Plan

Simpson 15B #4 230' FNL 1760' FEL (B) 15-18S-26E Eddy County, NM HOBBS OCD

MAY 03 2016

RECEIVED

- 1. The elevation of the unprepared ground is 3335.5 feet above sea level.
- 2. The geologic name of the surface formation is Quaternary Alluvium.
- 3. A rotary rig will be utilized to drill the well to 4000' and run casing. This equipment will be rigged down and the well will be completed with a workover rig.
- 4. Well will be drilled to a total proposed depth of 4000' MD.
- 5. Estimated tops of geologic markers:

	MD	TVD
Quaternary – Alluvium	Surface	Surface
Yates	NA	NA
7 Rivers	NA	NA
Queen	260	260
Grayburg	637	637
Premier	906	906
San Andres	946	946
Glorieta	2305	2305
Yeso	2395	2395
Tubb	3808	3808
TD	4000	4000

 Estimated depths at which anticipated oil, gas, or other mineral bearing formations are expected to be encountered:

	MD	TVD
Yates	NA	NA
7 Rivers	NA	NA
Queen	260	260
Grayburg	637	637
Premier	906	906
San Andres	946	946
Glorieta	2305	2305
Yeso	2395	2395
Tubb	3808	3808
TD	4000	4000

7. Proposed Casing and Cement program is as follows:

Туре	Hole	Casing	Wt	Grade	Thread	Depth	Sx	Density	Yield	Components
Conductor	26"	20"	91.5	В	Welded	80	80			Ready Mix
Surface	12-1/4"	8-5/8"	24	J-55	ST&C	895	560	14.8	1.35	CI C Cmt + 0.25 lbs/sk Cello Flake + 2% CaCl2
Intermediate										
Production	7-7/8"	5-1/2"	17	J-55	LT&C	4000	200	12.8	1.903	(35.65) Poz/Cl C Cmt + 5% NaCl + 0.25 lbs/sk Cello Flake + 5 lbs/sk LCM-1 +0.2% R-3 + 6% Gel
						١	620	14.8	1.33	Cl H w/ 0.6% R-3, 0.125% Cello Flake, 2% Gel

8. Proposed Mud Program is as follows

Depth	0-895	895-3850	3850-4000
Mud Type	Fresh Water Mud	Brine	Brine, Salt Gel, & Starch
Properties			1
MW	8.4-9.2	9.8-10.1	9.9-10.1
рН	9.0-10.5	10.0-12.0	10.0-12.0
WL	NC	NC	20-30
Vis	28-34	28-29	32-34
MC	NC	NC	<2
Solids	NC	<2%	<3%
Pump Rate	300-500 gpm	375-425 gpm	400-425 gpm
Special		Use Poymers sticks and MF-55 Hi-Vis Sweeps as necessary	Hi Vis Sweeps, add acid and starch as req. Raise Vis to 35 for log.

9. Pressure Control Equipment: See Attached Description and diagram of Pressure Control Equipment.

10. Testing, Logging and Coring Program

Testing Program: No drill stem tests are anticipated

Electric Logging Program: SGR-DLL-CDL-CNL Quad Combo from 4000 to surf. Csg. SGR-CNL to Surf.

Coring Program: No full or sidewall cores are anticipated.

11. Potential Hazards:

No abnormal temperatures or pressures are expected. There is no known presence of H2S in this area. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 1760 psi based on 0.44 x TD. The estimated BHT is 125 degrees F.

12. Duration of Operations:

Anticipated spud date will be soon after approval and as soon as a rig will be available. Move in operations and drilling is expected to take 10 days. An additional 14 days will be needed it complete the well and to construct surface facilities.

Hydrogen Sulfide Drilling Plan Summary

- A. All personnel shall receive proper H2S training in accordance with Onshore Order 6 III.C.3.a.
- B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:
 - Well control equipment
 - a. Flare line 150' from wellhead to be ignited by flare gun.
 - b. Choke manifold with a remotely operated choke.
 - c. Mud/gas separator
 - Protective equipment for essential personnel.

Breathing apparatus:

- a. Rescue Packs (SCBA) 1 unit shall be placed at each breathing area, 2 shall be stored in the safety trailer.
- b. Work/Escape packs —4 packs shall be stored on the rig floor and contain sufficiently long air hoses as to not to restrict work activity.
- c. Emergency Escape Packs —4 packs shall be stored in the doghouse for emergency evacuation.

Auxiliary Rescue Equipment:

- a. Stretcher
- b. Two OSHA full body harness
- c. 100 ft 5/8 inch OSHA approved rope
- d. 1-20# class ABC fire extinguisher

H2S detection and monitoring equipment:

The stationary detector with three sensors will be placed in the upper dog house if equipped, set to visually alarm @ 10 ppm and audible @ 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: Rig floor / Bell nipple / End of flow line or where well bore fluid is being discharged.

(Gas sample tubes will be stored in the safety trailer)

Visual warning systems:

- a. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
- b. A colored condition flag will be on display, reflecting the current condition at the site at the time.
- c. Two wind socks will be placed in strategic locations, visible from all angles.

Mud program:

The mud program has been designed to minimize the volume of H2S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H2S bearing zones.

■ Metallurgy:

- a. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- b. All elastomers used for packing and seals shall be H2S trim.

■ Communication:

Communication will be via two way radio in emergency and company vehicles. Cell phones and land lines where available.

H2S CONTINGENCY DRILLING PLAN EMERGENCY CONTACTS

Company Offices - Lime Rock Houston Office

 Lime Rock Houston Office
 713-292-9510

 Answering Service (After Hours)
 713-292-9555

 Artesia, NM Office
 575-748-9724

 Roswell, NM
 575-623-8424

KEY PERSONNEL

Name	Title	Location	Office #	Cell #	Home #
Steve Hunter	Production Manager	Houston	713-292-9516	832-330-7313	Same as Cell
Spencer Cox	Operations Engineer	Houston	713-292-9528	432-254-5140	Same as Cell
Eric McClusky	Operations Engineer	Houston	713-360-5714	832-491-3079	405-821-0534
Jerry Smith	Assistant Production Supervisor	Artesia	575-748-9724	505-918-0556	575-746-2478
Michael Barrett	Production Supervisor	Roswell	575-623-8424	505-353-2644	575-623-4707
Gary McCelland	Well Site Supervisor	Rotates on Site	NA	903-503-8997	NA
Dave Williamson	Well Site Supervisor	Rotates on Site	NA	575-308-9980	NA

Agency Call List					
City	Agency or Office	Telephone #			
Artesia	Ambulance	911			
Artesia	State Police	575-746-2703			
Artesia	Sherriff's Office	575-746-9888			
Artesia	City Police	575-746-2703			
Artesia	Fire Department	575-746-2701			
Artesia	Local Emergency Planning Committee	575-746-2122			
Artesia	New Mexico OCD District II	575-748-1283			
Carlsbad	Ambulance	911			
Carlsbad	State Police	575-885-3137			
Carlsbad	Sherriff's Office	575-887-7551			
Carlsbad		575-885-2111			
Carlsbad	Fire Department	575-885-2111			
Carlsbad	Local Emergency Planning Committee	575-887-3798			
Carlsbad	US DOI Bureau of Land Management	575-887-6544			
State Wide	New Mexico Emergency Response Commisssion ("NMERC")	505-476-9600			
State Wide	NMERC 24 Hour Number	505-827-9126			
State Wide	New Mexico State Emergency Operations Center	505-476-9635			
National	National Emergency Response Center (Washington D.C.)	800-424-8802			

-	Emergency Services								
Name	Service	Location	Telephone Number	Alternate Number 281-931-8884					
Boots & Coots International Well Control	Well Control	Houston / Odessa	1-800-256-9688						
Cudd Pressure Control	Well Control/Pumping	Odessa	915-699-0139	915-563-3356					
Baker Hughes Inc.	Pumping Services	Artesia, Hobbs & Odessa	575-746-2757	Same					
Total Safety	Safety Equipment & Personnel	Artesia	575-746-2847	Same					
Cutter Oilfirld Services	Drilling Systems Equipment	Midland	432-488-6707	Same					
Safety Dog	Safety Equipment & Personnel	Artesia	575-748-5847	575-441-1370					
Fighting for Life	Emergency Helicopter Evacuation	Lubbock	806-743-9911	Same					
Aerocare	Emergency Helicopter Evacuation	Lubbock	806-747-8923	Same					
Med Flight Air Ambulance	Emergency Helicopter Evacuation	Alburquerque	505-842-4433	Same					
Artesia General Hospital	Emergency Medical Care	Artesia	575-748-3333	702 North 13th Street					

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Pressure Control Equipment

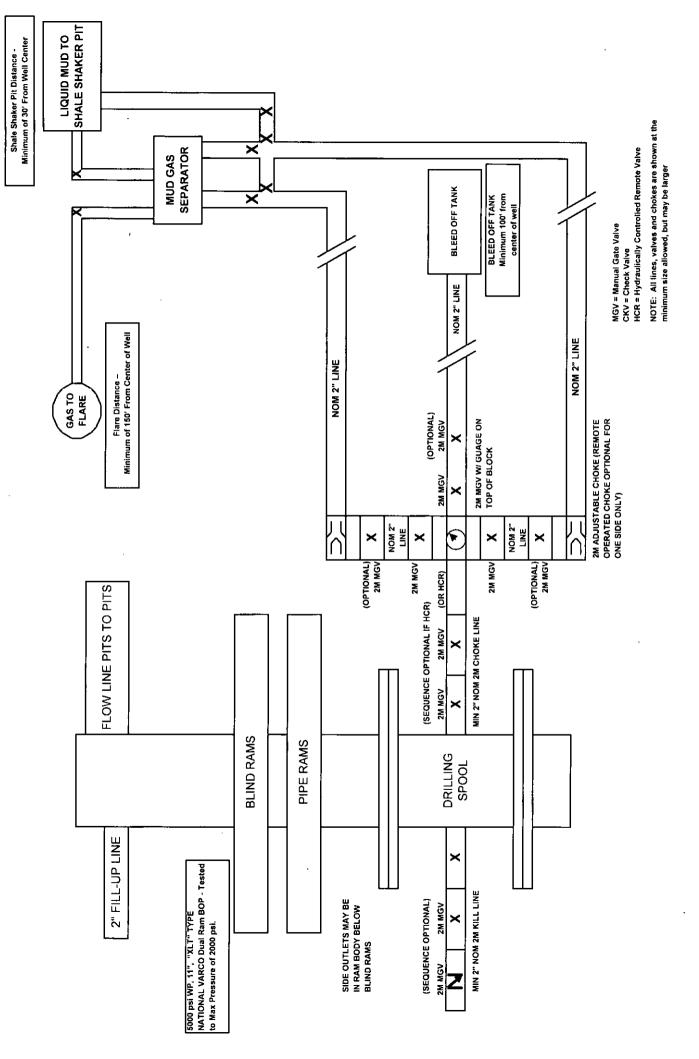
The blowout preventer equipment (BOP) will consist of a 5000 psi rated, "XLT" type, National VARCO double ram preventer that will be tested to a maximum pressure of 2000 psi. The unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and drill pipe rams on bottom. The 2M BOP will be installed on the 8 5/8" surface casing and utilized continuously until total depth is reached. All casing strings will be tested as per Onshore Order #2. This also includes a thirty day (30) test, should the rig still be operating on the same well in thirty days.

Pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily drilling logs.

The BOP equipment will consist of the following:

- Double ram with blind rams (top) and pipe rams (bottom),
- Drilling spool, or blowout preventer with 2 side outlets (choke side shall be a 2" minimum diameter, kill side will be at least 2 inch diameter),
- Kill line (2 inch minimum),
- A minimum of 2 choke line valves (2 inch minimum),
- 2 inch diameter choke line,
- 2 kill valves, one of which will be a check valve (2 inch minimum).
- 2 chokes, one of which will be capable of remote operation,
- Pressure gauge on choke manifold,
- Upper Kelly cock valve with handle available,
- Safety valve and subs to fit all drill string connections in use,
- All BOPE connections subjected to well pressure will be flanged, welded, or clamped,
- A Fill-up line above the uppermost preventer.

2M BOP SCHEMATIC



Lime Rock Resources II-A, L.P. Simpson 15B #4 Unit B, S15-T18S-R26E, Eddy County, NM

Design: Closed Loop System with roll-off steel bins (pits)

CRI/HOBBS will supply (2) bins (100 bbl) volume, rails and transportation relating to the Close Loop System. Specification of the Closed Loop System is attached.

Contacts: Gary Wallace (432) 638-4076 Cell

(575) 393-1079 Office

Scomi Oil Tool: Supervisor - Armando Soto (432) 553-7979 Hobbs, NM

Monitoring 24 Hour service

Equipment:

Centrifuges – Derrick Brand Rig Shakers – Brandt Brand

D-watering Unit

Air pumps on location for immediate remediation process

Layout of Close Loop System with bins, centrifuges and shakers attached.

Cuttings and associated liquids will be hauled to a State regulated third party disposal site (CRI or Controlled Recovery, Inc.). The disposal site permit is DFP = #R9166.

2- (250 bbl) tanks to hold fluid 2-CRI bins with track system

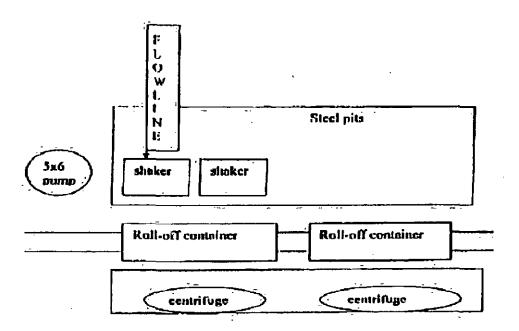
2-500 bbl frac tanks with fresh water 2-500 bbl frac tanks for brine water

Operations:

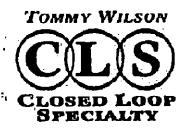
Closed Loop System equipment will be inspected daily by each tour and any necessary maintenance performed leak in system will be repaired and/or contained immediately. OCD will be notified within 48 hours of any spill. Remediation process will start immediately.

Closure:

During drilling operations all liquids, drilling fluids and cuttings will be hauled off via CRI equipment to DFP #R9166.



This will be maintained by 24 hour solids control personnel that stay on location.



Office: 515.746.1689

Cell: 575.748.6367

PLEASE NOTE THE FOLLOWING

Until Emergency Order 42 has been addressed, only three string casing programs will be permitted. Surface casing should be set at 450 feet with intermediate set between 750 – 1300 feet, dependent on first occurrence of oil. Hole size must be two inches greater than the outer diameter of the coupling.