

DATE IN: 11-30-12	SUSPENSE: NA	ENGINEER: DB	LOGGED IN: 12-3	TYPE: NSL	APP NO: PDRB1233832909
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Lime Rock Resources II A.L.P.
Waiver B 1813 # 13

6721

ADMINISTRATIVE APPLICATION CHECKLIST

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.

David Catanach
 Print or Type Name

Signature

Date

Agent for Lime Rock Resources II A, L.P.
 Title

drcatanach@netscape.com
 E-Mail Address

11/28/12

November 28, 2012

Hand Delivered

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG
Division Director

Re: Application for Unorthodox Well Location
Kaiser B 18B Well No. 13
API No. (N/A)
1080' FNL & 1650' FEL (Unit B)
Section 18, T-18 South, R-27 East, NMPM,
Eddy County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13, Lime Rock Resources II A, L.P. ("Lime Rock") respectfully requests administrative approval of an unorthodox oil well location for its proposed Kaiser B 18B No. 13. This well will initially be drilled as a development oil well in the Red Lake Glorieta-Yeso Pool (51120) at an unorthodox well location 1080 feet from the North line and 1650 feet from the East line (Unit B) of Section 18, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. The well will also be completed, at a later time, in the Red Lake Queen-Grayburg-San Andres Pool (51300). The well will be dedicated to an existing 40-acre spacing and proration unit in the Red Lake Glorieta-Yeso Pool comprising the NW/4 NE/4 of Section 18. This unit is currently dedicated in the Red Lake Glorieta-Yeso Pool to Lime Rock's Kaiser B 18B Well No. 11 (API No. 30-015-35238). The well will also be dedicated to an existing 40-acre spacing and proration unit in the Red Lake Queen-Grayburg-San Andres Pool comprising the NW/4 NE/4 of Section 18. This unit is currently dedicated in the Red Lake Queen-Grayburg-San Andres Pool to Lime Rock's Kaiser B No. 1 (API No. 30-015-30127), Kaiser B No. 2 (API No. 30-015-30128) and the aforesaid Kaiser B 18B No. 11.

Both the Red Lake Glorieta-Yeso and Red Lake Queen-Grayburg-San Adres Pools are currently governed by Division Rule 19.19.15.9 which requires standard 40-acre oil spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit.

As shown on the attached vicinity and location verification maps, there are numerous topographic features within the NW/4 NE/4 of Section 18 that preclude drilling

in the northern portion of this 40-acre tract. In addition, the proposed unorthodox location is necessary in order to maintain a safe distance from Lime Rock's existing Kaiser B Well No. 2.

The affected offset acreage comprises the SW/4 NE/4 and SE/4 NE/4 of Section 18. Lime Rock currently operates numerous wells within the affected offset tracts that produce from the Red Lake Glorieta-Yeso Pool and Red Lake Queen-Grayburg-San Andres Pool. Please note that the working interest ownership between the drill tract and the two affected offset tracts is common. Consequently, notice of this application is not required to any party.

Attached is a Form C-102 showing the proposed well, spacing unit and other existing wells in the spacing unit, a vicinity map and a location verification map.

In summary, approval of the application will provide Lime Rock the opportunity to recover additional oil and gas reserves from the Red Lake Glorieta-Yeso and Red Lake Queen-Grayburg-San Andres Pools underlying the NW/4 NE/4 of Section 18 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach, Agent
Lime Rock Resources II A, L.P.
1111 Bagby Street
Suite 4600
Houston, Texas 77002

Xc: OCD-Artesia

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 July 16, 2010
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number N/A	Pool Code 51120 & 51300	Pool Name Red Lake Glorieta-Yeso Red Lake Queen-Grayburg-San Andres
Property Code 309033	Property Name Kaiser B 18B	Well Number 013
OGRID No. 277558	Operator Name Lime Rock Resources II A, L.P.	Elevation 3286.7

Surface Location

UL or lot no. B	Section 18	Township 18 South	Range 27 East	Lot Idn	Feet from the 1080	North/South line North	Feet from the 1650	East/West line East	County Eddy
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Bottom Hole Location If Different From Surface

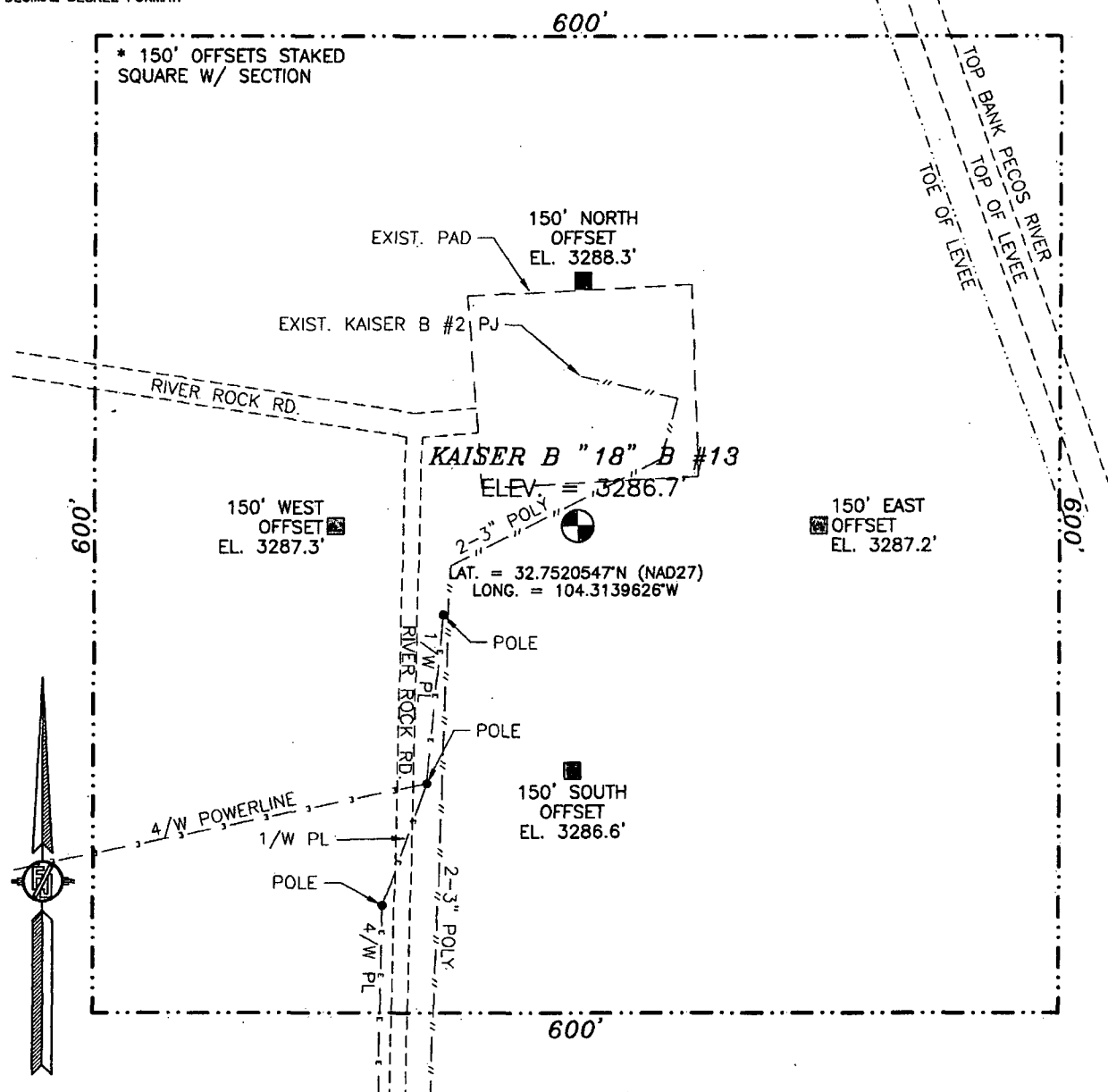
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidate Code	Order No.						

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

				<p>OPERATOR CERTIFICATION</p> <p><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 bottomhole 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 heretofor entered by the Division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
<p>SURVEYOR CERTIFICATION</p> <p><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></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>					

**SECTION 18, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO**

NOTE: THE LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1927 (NAD27), AND ARE IN DECIMAL DEGREE FORMAT.



010 50 100 200

SCALE 1" = 100'

DIRECTIONS TO LOCATION

FROM PAVED Cr 39 (FOUR DINKUS) AND PAVED STATE ROAD 229 (HALDEMAN) GO EAST ON Cr 39 0.7 MILES TO END OF COUNTY MAINTENANCE AND CONTINUE EAST ON 15 FT LEASE ROAD 1.0 MILES, BEND LEFT AND GO NORTHEAST 0.45 MILES, TURN RIGHT AND GO EAST 0.35 MILES, TURN RIGHT AND GO SOUTH 0.26 MILES, TURN LEFT AND GO EAST 0.1 MILE, TURN RIGHT AND GO SOUTH 0.1 MILE, TURN LEFT AND GO SOUTHEAST 665 FT TO THE EXISTING KAISER B #2 WELL AND LOCATION IS 92 FT SOUTH OF EXISTING WELL.

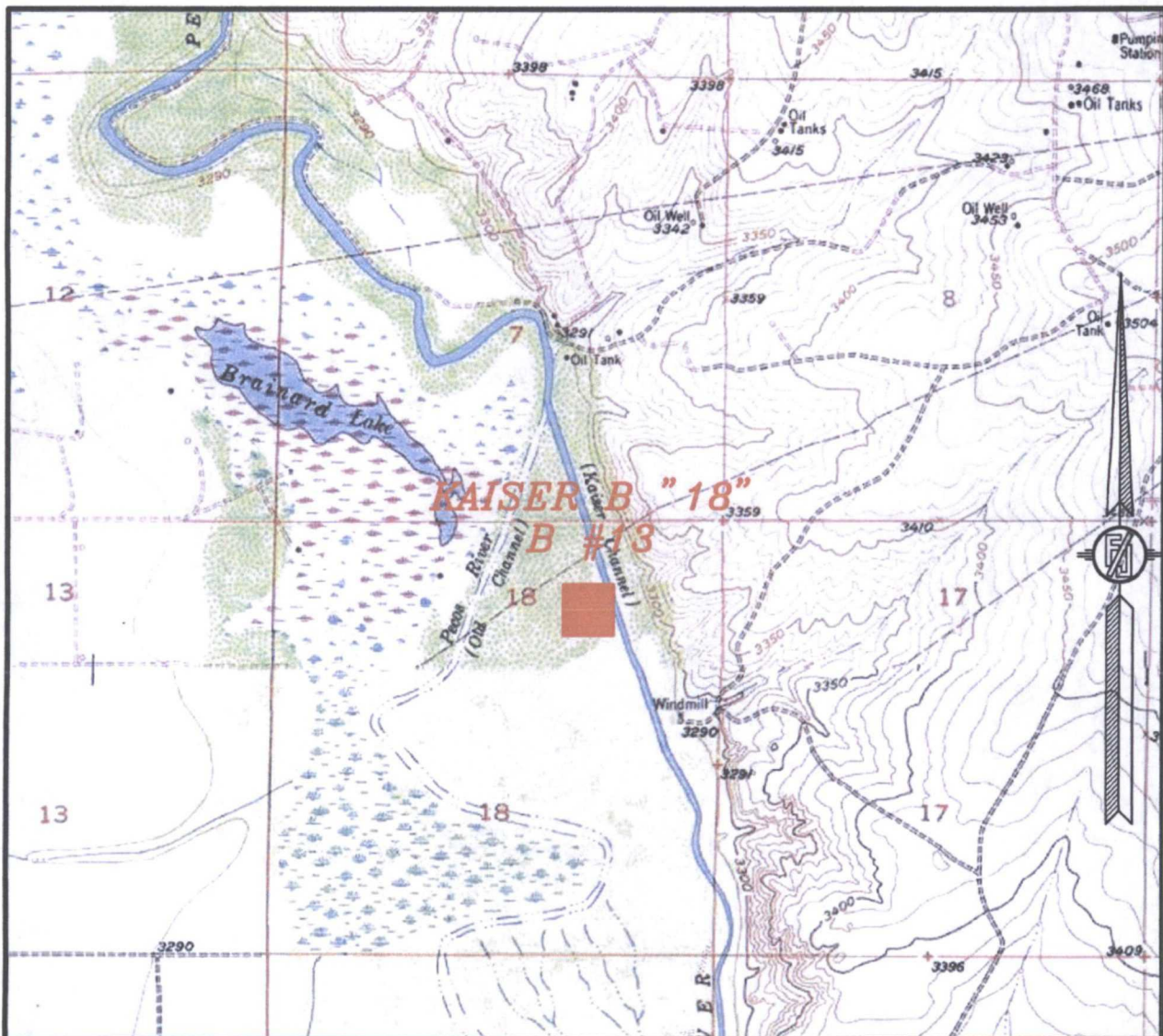
**LIME ROCK RESOURCES II A, L.P.
KAISER B "18" B #13
LOCATED 1080 FT. FROM THE NORTH LINE
AND 1650 FT. FROM THE EAST LINE OF
SECTION 18, TOWNSHIP 18 SOUTH,
RANGE 27 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO**

NOVEMBER 27, 2012

SURVEY NO. 937R

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 **CARLSBAD, NEW MEXICO**

SECTION 18, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO
 LOCATION VERIFICATION MAP



USGS QUAD MAP:
 SPRING LAKE

NOT TO SCALE

LIME ROCK RESOURCES II A, L.P.
KAISER B "18" B #13
 LOCATED 1080 FT. FROM THE NORTH LINE
 AND 1650 FT. FROM THE EAST LINE OF
 SECTION 18, TOWNSHIP 18 SOUTH,
 RANGE 27 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

NOVEMBER 27, 2012

SURVEY NO. 937R

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO