

ABOVE THIS LINE FOR DIVISION USE ONLY

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



30-015-41070  
 Kaiser B18H #014  
 Lime Rock Resources

**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

David Catanach  
 Signature

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

3/19/13  
 Date

drcatanach@netscape.com  
 E-Mail Address

March 19, 2013

**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 18H No. 14  
API No. (30-015-41070)  
Surface Location: 1740' FNL & 800' FEL (Unit H)  
Bottomhole Location at T.D.: 1627' FNL & 973' FEL (Unit H)  
Well Location at Point of Maximum Encroachment Towards the  
Northern Boundary of Spacing Unit: **1618' FNL & 968' FEL (Unit H)**  
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 Kaiser B 18H No. 14. This well has been drilled as a development oil well in the Red Lake Glorieta-Yeso Pool (51120). The well was directionally drilled from a standard surface location 1740 feet from the North line and 800 feet from the East line (Unit H) of Section 18, Township 18 South, Range 27 East, NMPM, to an unorthodox bottomhole location 1627 feet from the North line and 973 feet from the East line (Unit H) of Section 18. **However, please note that the subject well's location at the point of maximum encroachment towards the northern boundary of its spacing unit is 1618 feet from the North line and 968 feet from the East line (Unit H).**

The well will be dedicated to an existing 40-acre oil spacing and proration unit in the Red Lake Glorieta-Yeso Pool comprising the SE/4 NE/4 of Section 18. This unit is currently dedicated to Lime Rock's Kaiser 18H No. 10 (30-015-34718) located 1650 feet from the North line and 390 feet from the East line.

The Red Lake Glorieta-Yeso Pool is 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.

The unorthodox location was the result of excessive wellbore drift to the north during drilling operations.

The affected offset acreage comprises the N/2 NE/4 of Section 18, Township 18 South, Range 27 East. These two affected 40-acre tracts are currently developed in the Red Lake Glorieta-Yeso Pool by numerous wells operated by Lime Rock. Please note that the working interest ownership between the SE/4 NE/4 and the N/2 NE/4 of Section 18 is common. Consequently, notice of this application is not required to any party.

Attached is a Form C-102 and vicinity 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 Pool underlying the SE/4 NE/4 of Section 18 that may otherwise not be recovered by the existing well, 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 <b>30-015-41070</b>		Pool Code <b>51120</b>	Pool Name <b>Red Lake Glorieta-Yeso</b>
Property Code <b>309020</b>	Property Name <b>Kaiser B 18H</b>		Well Number <b>014</b>
OGRID No. <b>277558</b>	Operator Name <b>Lime Rock Resources II A, L.P.</b>		Elevation <b>3288.9</b>

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	18	18 South	27 East		1740	North	800	East	Eddy

**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
H	18	18 South	27 East		1627 1618	North	973 968	East	Eddy

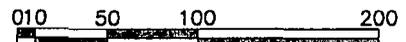
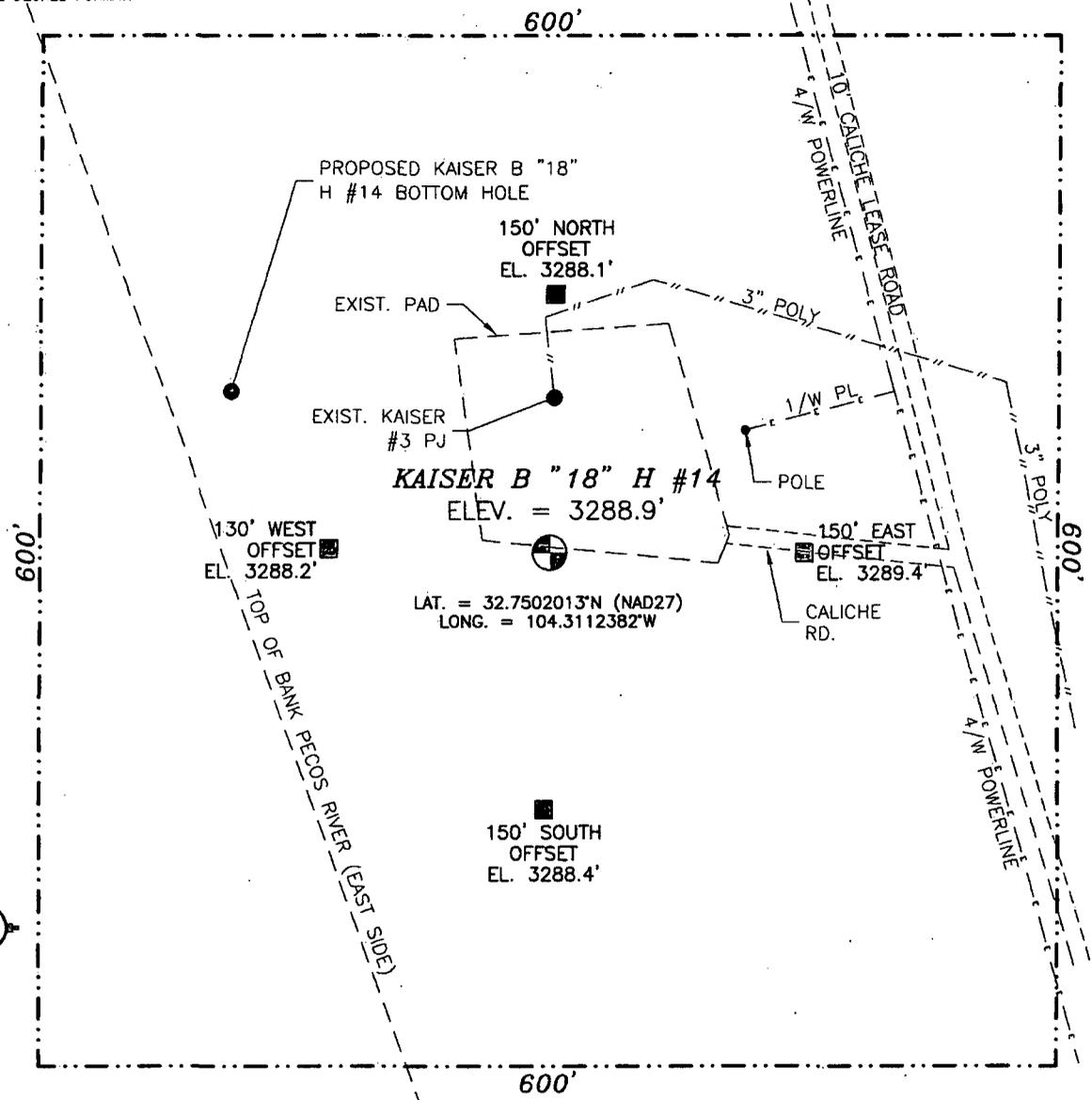
Dedicated Acres <b>40</b>	Joint or Infill	Consolidate Code	Order No.
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No Allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the Division

	<p align="center"><b>OPERATOR CERTIFICATION</b></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 heretofore entered by the Division.</i></p>	
	Signature _____	Date _____
<p align="center"><b>SURVEYOR CERTIFICATION</b></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>		
Date of Survey _____		
Signature and Seal of Professional Surveyor: _____		
Certificate Number _____		

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.



SCALE 1" = 100'  
 DIRECTIONS TO LOCATION  
 FROM Cr 201 AND Cr 227 GO NORTH ON Cr 201 0.4 MILES, TURN LEFT AND GO WEST 1.2 MILES, BEND LEFT AND GO SOUTHWEST 0.9 MILES, TURN LEFT ON 10 FT CALICHE ROAD AND GO SOUTHEAST 1.5 MILES, TURN RIGHT AND GO WEST 140 FT TO EXISTING KAISER #3 WELL AND LOCATION IS 90 FT SOUTH OF EXISTING WELL.

LIME ROCK RESOURCES II A, L.P.  
**KAISER B "18" H #14**  
 LOCATED 1740 FT. FROM THE NORTH LINE  
 AND 800 FT. FROM THE EAST LINE OF  
 SECTION 18, TOWNSHIP 18 SOUTH,  
 RANGE 27 EAST, N.M.P.M.  
 EDDY COUNTY, STATE OF NEW MEXICO

APRIL 7, 2012

SURVEY NO. 938

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