

DATE IN 3/19/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 3/20/08	TYPE DHC	APP NO. PKVRO808028755
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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



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.

Eddie W Seay

Print or Type Name

Signature

Agent

Title

seay04@leaco.net

e-mail Address

3/11/2008

Date

RECEIVED
 2008 MAR 19 PM 3 59

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Hondo Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

LIME ROCK RESOURCES A, L.P.

Heritage Plz, 1111 Bagby St, Ste 4600, Houston, TX 77002

Operator

Address

CHIMAY BAO STATE

1

E-2-24S-23E

12HC-4000
EDDY

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 255333

Property Code 304113

API No. 30-015-32508

Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	WC Hess Hills; Atoka (Gas)		Hess; Morrow, East (Gas)
Pool Code	97398		78380
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9750-10244		10356-10536
Method of Production (Flowing or Artificial Lift)	ARTIFICIAL LIFT		ARTIFICIAL LIFT
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	PRODUCING		SI below plug
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	See attached supporting data Date: Rates:	Date: Rates:	See attached supporting data Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 0-0 Gas 14.5 3% %	Oil Gas % %	Oil 0-0 Gas 85.5 50% %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?

Yes ☒ No ☐

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☐ No ☒

NMOCD Reference Case No. applicable to this well: _____

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.

Production curve for each zone for at least one year. (If not available, attach explanation.)

For zones with no production history, estimated production rates and supporting data.

Data to support allocation method or formula.

Notification list of working, royalty and overriding royalty interests for uncommon interest cases.

Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Eddie W Seay

TITLE AGENT

DATE

3/11/2008

TYPE OR PRINT NAME Eddie W Seay

TELEPHONE NO. (575) 392-2236

E-MAIL ADDRESS seay04@leaco.net

District I

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District II

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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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-015-32508	² Pool Code 78380	³ Pool Name HESS;MORROW, EAST (GAS)
⁴ Property Code 304113	⁵ Property Name CHIMAY BAO STATE	⁶ Well Number 1
⁷ OGRID No. 255333	⁸ Operator Name LIME ROCK RESOURCES A, L.P.	⁹ Elevation 4502 GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	2	24S	23E		1988	NORTH	155	WEST	EDDY

¹¹ 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

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. NSL-4803
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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.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION 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 bottom hole 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. Signature: <u>Eddie W Seay</u> Date: <u>3/11/2008</u> Eddie W Seay Agent Printed Name			
	¹⁸ SURVEYOR CERTIFICATION 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.			
	Date of Survey Signature and Seal of Professional Surveyor:			
	Certificate Number			

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OIL CONSERVATION DIVISION

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Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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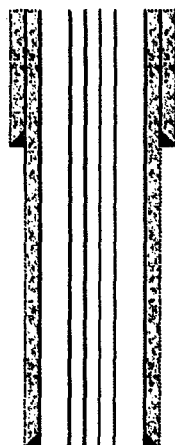
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	 Signature		3/4/2008 Date	
	Eddie W Seay Agent Printed Name			
	¹⁸ SURVEYOR CERTIFICATION			
	<i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>			
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	Certificate Number			

Chimay BAO State # 1
Supporting Data for Commingling Permit

Lime Rock Resources LP is proposing to clean out well to PBTD at 10650' (CIBP) and reactivate Atoka perforations from 9750-10244 of the WC Hess Hills;Atoka (Gas) pool and Morrow perforations from 10356-10536 of the Hess;Morrow, East (Gas) pool.

Proposed Allocation

Date	Oil, bbls	Gas, mcf	Water, bbls
Daily production Oct-07 Atoka	0	44	1
Est. Daily production Morrow	0	259	4
WC Hess Hills;Atoka (Gas) percentage	0%	14.5%	20%
Hess;Morrow, East (Gas) percentage	0%	85.5%	80%



133/8", 48#, H-40, ST&C
Casing @ 389'

9-5/8", 36#, J-55, ST&C
Casing @ 2,515'

TOC @ 6,900'

2-7/8" Tubing

Packer @ 9,494' w/ on/off tool

Atoka Perfs: 9,750-62'
(73 - 0.42" DIA holes)

Atoka Perfs: 10,066-80' (15 - 0.42" DIA holes)

Composite BP @ 10,150'

Atoka Perfs: 10,240-44' (25 - 0.42" DIA holes)

Morrow Perfs: 10,356-62'; 10,408-12'; 10,434-42' & 10,452-58' (112 - 0.41" DIA holes)

Morrow Perfs: 10,524-36' (52 - 0.42" DIA holes)

CIBP @ 10,650'

Morrow Perfs: 10,700-04' (20 - 0.42" DIA holes)

PBTD @ 10,769'

5-1/2"; 15.5 & 17#; J-55, L-80 & P-110; LT&C Casing @
10,900'

TD @ 10,900'

Elevation: 4502' GL

Date Spud: 01/11/03

Date TD'd: 02/22/03

Date Completed: 05/06/03

Zone	Frac
Atoka (9,750-62')	18,000 gals gelled KCl w/ 30,000# 20/40 sand
Atoka (9,750-62')	2,000 gals 7-1/2% HCl
Atoka (10,066-80')	1,500 gals gelled 20% HCl
Atoka (10,240-44')	12,100 gals 65Q CO2 foam w/ 10,700# Versaprop (screened out)
Atoka (10,240-44')	1,000 gals 7-1/2% HCl
Morrow (10,356-458')	27,000 gals foamed gel w/ 50,000# Versaprop
Morrow (10,356-458')	2,500 gals 7-1/2% HCl
Morrow (10,524-36')	11,300 gals foamed gel w/ 21,000# Versaprop
Morrow (10,524-36')	1,000 gals 7-1/2% HCl
Morrow (10,700-04')	1,000 gals 7-1/2% HCl

Recompletions & Workovers

Date	
09/11/03	Commingle Morrow & Atoka
09/16/04	Recomplete to Atoka (9,750-10,080')

Current Status:

Last Well Test:

Lime Rock Resources
Chimay BAO State 1
Sec 2E-24S-23E
Eddy County, NM
Updated: 15 Jan 2008 SJH

Detailed Production Report



The Source for Energy Information

Mon Jan 14, 2008

2300220153250878380

County, State: EDDY, NEW MEXICO

Lease: CHIMAY BAO STATE Well Number: 1

Operator: YATES PETROLEUM CORP (037104)

Status: INACTIVE

Prod ID: 2300220153250878380

Production Thru Date: Aug 31, 2004

Header Block

Data Source:	PI	Completion Date:	Jun 19, 2003
Lease Name:	CHIMAY BAO STATE	Total Depth:	
Operator:	YATES PETROLEUM CORPORATION	Upper Perforation:	
State:	NEW MEXICO	Lower Perforation:	
County:	EDDY	Oil Gravity:	
Primary API:	30015325080000	Gas Gravity:	
Regulatory:		Last Production Date:	Aug 31, 2004
First Production Date:	Jun 01, 2003	Temp Gradient:	
Field:	HESS EAST	N Factor:	
Reservoir Name:	MORROW	Prod Zone Code:	402MRRW
Prod Zone:	MORROW	GOR:	
Basin Name:	PERMIAN BASIN (430)	Primary Product:	GAS
Gas Gatherer:		Status:	INACTIVE
Liquid Gatherer:		Data Source:	PI
Location:	2E 24S 23E SW SW NW	Lat/Long source:	IH
Latitude/Longitude	+32.24724 -104.57828		
Cum Data Source:	PI	Cum Inj Liq:	
Cum Oil:		Cum Inj Gas:	
Cum Gas:	209,318 MCF	Cum Inj Water:	
Cum Water:	1,899 BBL		

Annual Production

(1 years)	Oil BBLS	Gas MCF	Water BBLS
Beginning Cum:			
2003		133,571	1,138
2004		75,747	761
TOTALS		209,318	1,899

Detailed Production Report

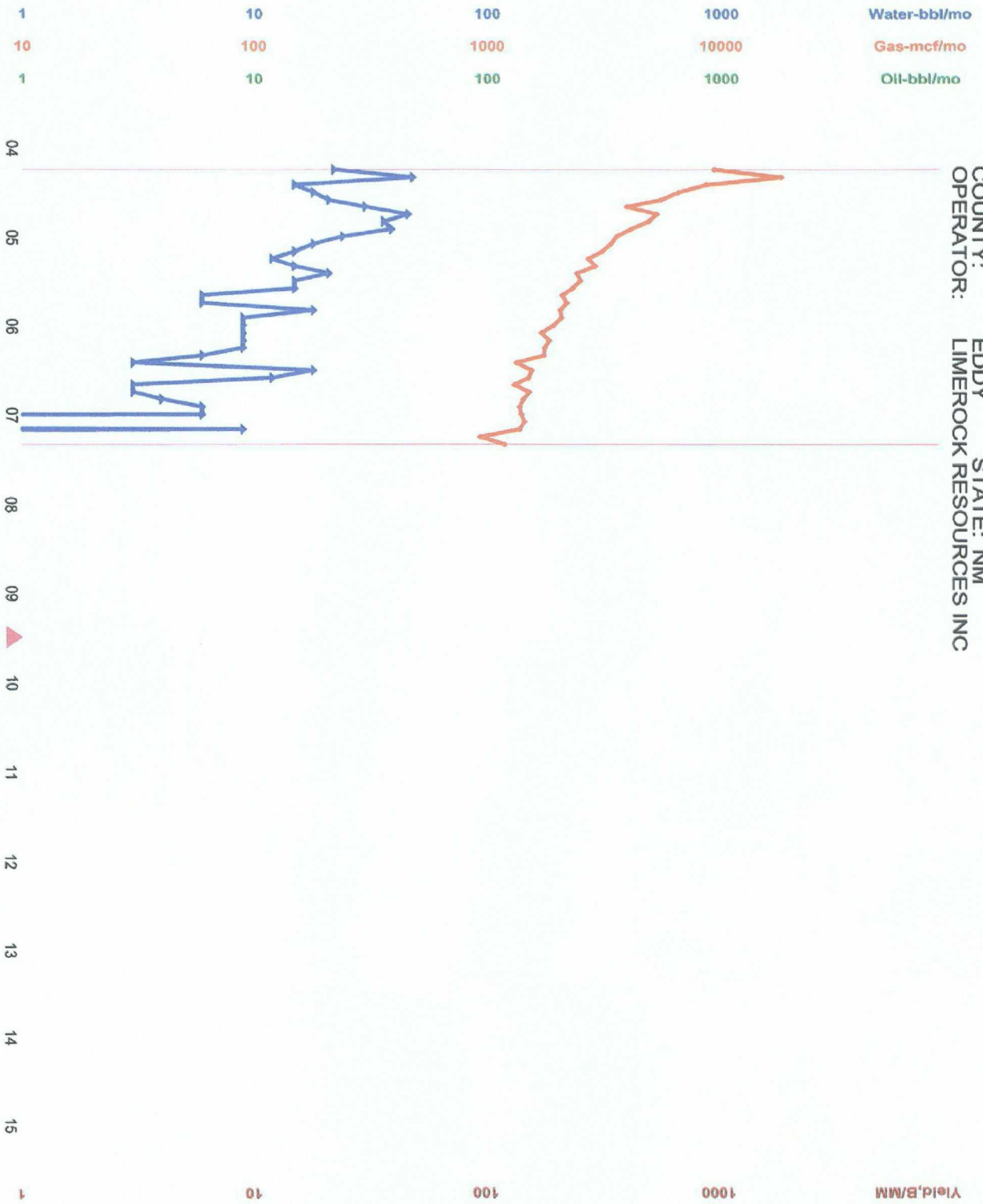
Mon Jan 14, 2008

Monthly Production

Year	Month	Oil BBLs	Gas MCF	Water BBLs	GOR SCF/BBLs	% Water	# of Wells	Days On
2003	JUN		12,307	75			1	5
2003	JUL		29,284	366			1	28
2003	AUG		15,388	105			1	16
2003	SEP		25,685	179			1	30
2003	OCT		20,237	162			1	31
2003	NOV		16,303	146			1	29
2003	DEC		14,367	105			1	31
Totals 2003			133,571	1,138				
2004	JAN		12,587	94			1	31
2004	FEB		10,503	90			1	29
2004	MAR		11,224	116			1	31
2004	APR		9,836	87			1	30
2004	MAY		9,296	84			1	31
2004	JUN		7,918	87			1	30
2004	JUL		7,666	102			1	28
2004	AUG		6,717	101			1	26
Totals 2004			75,747	761				

Gas Tests

LIME ROCK RESOURCES
 LEASE: CHIMAY BAO STATE
 FIELD: HESS HILLS [ATOKA]
 COUNTY: EDDY
 STATE: NM
 OPERATOR: LIMEROCK RESOURCES INC



Oil-bbl/mo
 Ref= 1/2008
 Cum= 0
 Gas-mcf/mo
 Ref= 1/2008
 Cum= 123320
 Water-bbl/mo
 Ref= 1/2008
 Cum= 555
 Yield_B/MM
 Ref= 1/2008
 Cum= 0