

DATE IN <u>2.7.11</u>	SUSPENSE	ENGINEER <u>W J.</u>	LOGGED IN <u>2.7.11</u>	TYPE <u>DHC</u>	APP NO. <u>1103858693</u>
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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 Res*

*State #9*

STALEY STATE #9 30-015-36564

### ADMINISTRATIVE APPLICATION CHECKLIST

*30-015-36564*

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 \_\_\_\_\_

RECEIVED OOD  
 2011 FEB - 1 P 1:42

#### [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.

Mike Pippin

Print or Type Name

*Mike Pippin*  
Signature

Petroleum Engineer

Title

February 1, 2011

Date

mike@pippinllc.com

e-mail Address

LIME ROCK RESOURCES A, L.P.  
Mike Pippin  
3104 N. Sullivan Avenue  
Farmington, NM 87401  
505-327-4573 (phone) mike@pippinllc.com

February 1, 2011

NMOCD  
c/o Will Jones  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**RE: C-107A TO COMMINGLE TWO POOLS**  
Staley State #9 – API#: 30-015-36564  
Unit Letter "O" Section 30 T17S R28E  
Eddy County, New Mexico

Dear Mr. Jones:

The referenced oil well has produced since 5/5/09 from the Red Lake, Glorieta-Yeso NE (96836). Lime Rock would like to open an upper pool, the Red Lake, Queen-Grayburg-San Andres (51300) and commingle the two pools. A sundry notice has been submitted to open the upper interval.

Lime Rock is requesting approval to commingle the two pools upon completion of rig operations. The allocation will be calculated by subtracting the total well production after about one month of commingled production from the current (6/10/10) production of 9 BOPD, 11 MCF/D, & 123 BWPD. A new well test will be obtained before the workover is initiated. We plan to submit these calculations and the resulting pool allocations to the district office after the well has been on line for about 1 month.

Please contact me at 505-327-4573 should you have any questions.

Very truly yours,



Mike Pippin

Petroleum Engineer

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

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

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87503

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

Form C-107A  
Revised June 10, 2003

APPLICATION TYPE  
X Single Well  
 \_\_\_\_\_ Multiple Wells  
 \_\_\_\_\_ Pre-Approved Pools  
 \_\_\_\_\_ ABSTRACTING WELLBORE  
 \_\_\_\_\_ Other \_\_\_\_\_  
 \_\_\_\_\_ Yes \_\_\_\_\_ No

## APPLICATION FOR DOWNHOLE COMMINGLING

**LIME ROCK RESOURCES A, L.P.**                      c/o Mike Pippin LLC (agent), 3104 N. Sullivan, Farmington, NM 87401

Operator	Address
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STALEY STATE #9		O SEC. 30 T17S R28E	Eddy
Lease	Well No.	Unit Letter-Section-Township-Range	County

OGRID No. 255333 Property Code \_\_\_\_\_ API No. 30-015-36564 Lease Type:    Federal   X   State    Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	RED LAKE; Queen-Grayburg-San Andres		RED LAKE: Glorieta-Yeso NE
Pool Code	51300		96836
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	~2170'-3192'		3231'-3942'
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
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)	741 PSI		851 PSI
Oil Gravity or Gas BTU (Degree API or Gas BTU)	34.8		38.32
Producing, Shut-In or New Zone	New Zone		Producing
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.)	Date: RATES:	Date:  Rates:	Date: June 10, 2010 Rates: 9 BOPD 11 MCF/D 123 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas	Oil Gas	Oil Gas

50%  
LATER

### ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes X No \_\_\_\_\_  
Yes \_\_\_\_\_ No \_\_\_\_\_

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

Yes    X       No

Will commingling decrease the value of production?

Yes \_\_\_\_\_ No X

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 X 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 M. K. Toppin TITLE Petroleum Engineer - Agent DATE February 1, 2011

TYPE OR PRINT NAME      Mike Pippin      TELEPHONE NO. ( 505 )      327-4573

E-MAIL ADDRESS [mike@pippinllc.com](mailto:mike@pippinllc.com)



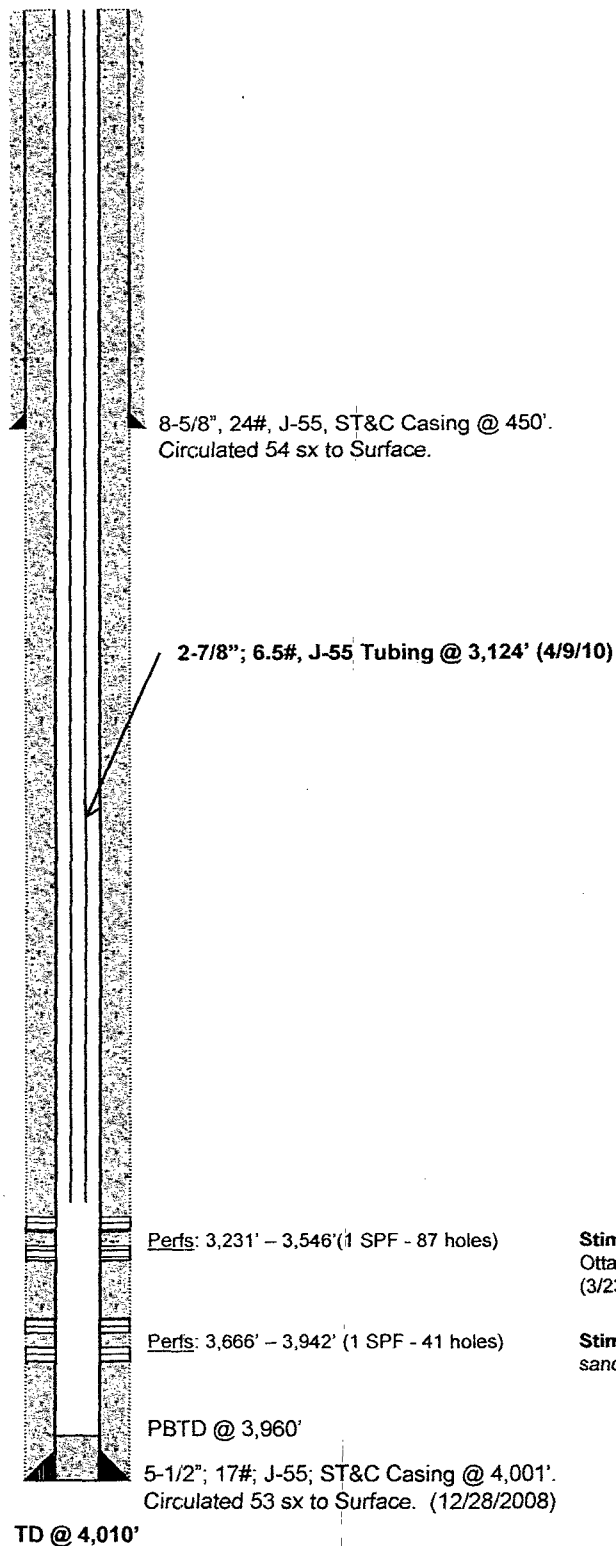
**Staley State #9**  
**Sec 30-17S-28E (O)**  
**330' FSL, 2210' FEL**  
**Elevation – 3,646'**  
**API #: 30-015-36564**  
**Eddy County, NM**

#### GEOLOGY

<u>Zone</u>	<u>Top</u>
Queen	1,077'
Grayburg	1,500'
San Andres	1,806'
Glorieta	3,222'
Yeso	3,338'

#### SURVEYS

<u>Degrees</u>	<u>Depth</u>
1/2°	450'
1/4°	936'
1/2°	1,443'
1/2°	1,921'
3/4°	2,426'
1°	2,932'
1°	3,400'
1-1/4°	3,879'
1°	3,978'



**Stim Info:** 4700 gal 15% NEFE; Frac w/ 124,807 # 16/30  
Ottawa & 46,367 # 12/20 sand in 26# x-linked gel.  
(3/23/10)

**Stim Info:** 3500 gal 15% NEFE; Frac w/ 94,620 # 16/30  
sand in x-linked gel. (4/27/09)

## DISTRICT I

1825 N. FRENCH DR., HOBBS, NM 88240

## DISTRICT II

1361 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 and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code <b>51120 96836</b>	Pool Name <b>Red Lake; Glorieta, Yeso NE</b>
Property Code <b>305451</b>	Property Name <b>STALEY STATE</b>	Well Number <b>9</b>
OGRID No. <b>255333</b>	Operator Name <b>LIME ROCK RESOURCES A, L.P.</b>	Elevation <b>3646'</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
<b>0</b>	<b>30</b>	<b>17-S</b>	<b>28-E</b>		<b>330</b>	<b>SOUTH</b>	<b>2210</b>	<b>EAST</b>	<b>EDDY</b>

## 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 <b>40</b>	Joint or Infill	Consolidation 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

LOT 1			
LOT 2			
LOT 3	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=654269.1 N X=536945.3 E</p> <p>LAT.=32.798618° N LONG.=104.213099° W</p>		
LOT 4			

**OPERATOR CERTIFICATION**

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

C. L. Miller 7/14/08  
Signature Date

C. Tim Miller, VP-Operations  
Printed Name

**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 9-11-2008 AR

Date Surveyed

Signature & Seal of Professional Surveyor  
12641

Certificate No. GARY EIDSON 12641  
RONALD J. EIDSON 3239

## 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

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☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-36564	<sup>2</sup> Pool Code 51300	<sup>3</sup> Pool Name Red Lake, Queen, Grayburg, San Andres
<sup>4</sup> Property Code 305451	<sup>5</sup> Property Name STALEY STATE	<sup>6</sup> Well Number 9
<sup>7</sup> OGRID No. 255333	<sup>8</sup> Operator Name LIME ROCK RESOURCES A, L.P.	<sup>9</sup> Elevation 3646' GL

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	30	17-S	28-E		330'	SOUTH	2210	EAST	EDDY

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<div style="text-align: center; font-size: 2em;">30</div> <div style="text-align: center; font-size: 1.5em;">330'</div> <div style="text-align: center; font-size: 1.5em;">2210'</div>	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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>Mike Pippin</u> Date <u>2/1/11</u> Mike Pippin Printed Name
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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. 6/24/08 Date of Survey Signature and Seal of Professional Surveyor: Gary Eidson
	12641 Certificate Number

# STALEY STATE #009

