STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF LIME ROCK RESOURCESII-A, L.P. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 20214

SELF-AFFIRMED STATEMENT OF DOUG LACEY

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.

2. I am a Landman at Lime Rock Resources II-A, L.P. ("Lime Rock"). I have had direct involvement with Lime Rock's development of the standard 160-acre horizontal spacing unit ("HSU") that is the subject of Lime Rock's application in this case.

3. Attached hereto as Exhibit A is the C-102 for Lime Rock's Leavitt 13 #3H well. The HSU to be dedicated to the well is comprised of the S/2 S/2 of Section 13, Township 18 South, Range 26 East in Eddy County. Lime Rock seeks to pool the uncommitted mineral interests in the Yeso formation underlying the HSU.

4. The Leavitt 13 #3H well will be horizontally drilled from a surface location in Lot4 in Section 18 to a last take point in Unit M in Section 13, Township 18 South, Range 26 East.

5. There are no depth exceptions in the Yeso formation underlying the HSU.

6. On December 20, 2018 I sent an identical well proposal letter and AFE for the Leavitt 13 #3H well to each of the then-uncommitted mineral interests in the HSU. Attached hereto as Exhibit B is a sample of the well proposal letter. All of the uncommitted interest owners received the letter.



87.125928% of the mineral interests in the HSU are committed to the proposed well.

8. In my opinion, Lime Rock has made a good faith effort to obtain the voluntary joinder of the uncommitted mineral interests in the HSU.

9. Lime Rock's counsel provided certified mail notice of the application and the hearing to all of the remaining uncommitted mineral interests and all royalty interests in the HSU. A listing of the mineral and royalty interests to whom hearing notice letters were sent, a sample notice letter, and the green cards that have been returned are attached hereto as Exhibit C.

Notice of the hearing was published in the Carlsbad Current-Argus on January 8,
 2019. A copy of the newspaper's Affidavit of Publication is attached hereto as Exhibit D.

11. Attached hereto as Exhibit E is Lime Rock's AFE for the proposed well. The estimated costs of the well are fair and reasonable, and are comparable to the costs of other wells of similar depth and length drilled in Eddy County.

12. Lime Rock requests overhead and administrative rates of \$8,000 per month while the well is being drilled and \$800 per month while the well is producing. These rates are fair, and are comparable to the rates charged by Lime Rock and by other operators in the vicinity. They are also less than the rates set forth in the governing JOA's for the well. Lime Rock further requests that the rates be adjusted periodically in accordance with the COPAS Accounting Procedure.

13. Lime Rock requests that it be designated the operator of the well.

14. Lime Rock also requests that a 200% risk charge be assessed against the remaining uncommitted interests if they are non-consenting working interest owners.

15. In my opinion, the granting of Lime Rock's application will serve the interests of conservation and the prevention of waste.

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16. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

17. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 16 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Doug Lacey

<u>2-6-19</u> Date

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 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 August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

	WELL LOCATION AND ACREAGE DEDICATION PLAT									
'API Number 3250			2 Pool Code	e	Atoka ;	Pool Na Clovieta	me Yle	0		
⁴ Property Code			⁵ Property Name			* Well Number				
				LEAVITT 13			3H			
'OGRID No.			[#] Operator Name				[°] Elevation			
277558 LIN			LIME I	ROCK RESOURCES II-A, L.P.			3291.2			
Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County
4	18	18 S	27 E		660	SOUTH	330	WE	ST	EDDY
			" B	ottom Ho	ole Location	If Different Fr	om Surface			4
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County
М	13	18 S	26 E		330	SOUTH	100	WE	ST	EDDY
¹² Dedicated Acre	s ¹³ Joint	or Infill ¹⁴ (Consolidation	n Code			¹⁵ 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.

$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	DN NE CORNER SC. 18 LAT. = 32.75504557 H LONG. = 104.3091547 W NUSP EAST (FT) 2 N = 633418.25 E = 548770.45 E = 548770.45 A = 32.7477901 N NSP EAST (FT) A = 32.7477901 N NSP EAST (FT) A = 32.7472901 N LONG. = 104.3093116 W NSP EAST (FT) LONG. = 32.7405277 H E = 548722.89 LONG. = 32.7405277 H E = 548722.89 LONG. = 104.309327 H NSP EAST (FT) NSP 54'47'W 2567.36 FT	Encl Mc([USKy] Printed Name FMC([USKy] Ind Vock VOGOVCES-COM E-mail Address 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 pressume is true and correct to the
E	A A	



December 20, 2018

Via Fedex

Mr. Matt Britt Tanos Exploration II, LLC 821 E. Southeast Loop 323, Suite 400 Tyler, Texas 75701

> Re: Horizontal Well Proposal Leavitt 13-3H S/2 S/2 Section 13-18S-26E Eddy County, New Mexico

Gentlemen:

Lime Rock Resources II-A, L.P. ("LRR") previously submitted a well proposal to you dated June 15, 2018 for the drilling of the subject well but the time requirement to conduct operations under the governing operating agreements was not met. LRR hereby re-proposes to drill the captioned well horizontally East to West through Lots M, N, O & P in Section 13-18S-26E as an 8000' MD/3500' TVD Lower Yeso well. Surface location will be in Lot M in Section 18-18S-26E. The well will be completed in 25 stages with a slick water frac and produced initially with an ESP. Once production has declined, the well will be converted to beam lift.

Enclosed for your review are LRR's Authority for Expenditure ("AFE") #D-18113 in the 8/8ths amount of \$4,285,000 to drill and complete this well and survey plat indicating the wellbore path and surface location of the well.

The well will be drilled pursuant to two Joint Operating Agreements:

- W/2 Sec 13 In accordance with Article 12 of Joint Operating Agreement dated May 1, 1977, originally between Maddox Energy Corporation, as Operator, and Chevron U.S.A. Inc, et al, as Non-Operators ("JOA1"), you have thirty (30) days from receipt of this proposal within which to elect to either participate for your proportionate share of the cost of the well as it pertains to the S/2 SW/4 of Sec 13-18S-26E or nonconsent subject to 100%/300% provisions;
- E/2 Sec 13 In accordance with Article 12 of Joint Operating Agreement dated October 1, 1976, originally between Maddox Energy Corporation, as operator, and Chevron U.S.A. Inc., et al, as Non-Operators ("JOA2"), you have thirty (30) days from receipt of this proposal within which to elect to either participate for your proportionate share of the cost of the well as it pertains to the S/2 SE/4 of Sec 13-18S-26E or non-consent subject to 100%/300% provisions.

Please provide your elections on the following page for each JOA and return this letter with the signed AFE within thirty (30) days from your receipt to my attention at the letterhead address via email to <u>dlacey@limerockresources.com</u> or by facsimile to 713-345-2197. Should you have questions of a technical nature, please contact our Operations Engineer, Eric McClusky at 713-360-5714 or you may reach me at my direct number at 713-345-2147.

Sincerely, Doug Lacey Landman

Exhibit

Heritage Plaza 1111 Bagby Street Suite 4600 Houston, Texas 77002 T 713.292.9510 F 713.292.9560 www.limerockresources.com

December 20, 2018 Well Proposal Leavitt 13-3H S/2 S/2 Section 13-18S-26E Eddy County, New Mexico

Tanos Exploration II LLC, W/2 - JOA1		3.3890030	%
Tanos Exploration II LLC, E/2 - JOA2		2.6069275	%
	Total Unit Interest =	5.9959305	%

In connection with the foregoing and the attached Authority for Expenditure, the undersigned (make election for each JOA):

	elects to participate in the drilling of the Leavitt 13-3H as to the W/2 subject to JOA1.
	elects to Non-Consent the drilling of the Leavitt 13-3H well as to the W/2 under the provisions of Article 12 of JOA1.
and	
	elects to participate in the drilling of the Leavitt 13-3H as to the $\rm E/2$ subject to JOA2.
	elects to Non-Consent the drilling of the Leavitt 13-3H well as to the E/2 under the provisions of Article 12 of JOA2.
	The second s

Tanos Exploration II, LLC

By:	
Printed Name:	
Title/Capacity:	
Date:	

	Address Line One	Address Line Two	City	State Code	710
JAMES R'BUSH	AS HIS SEP PROP	27510 CLYDEHURST GROVE CT	KATY	TX TX	77494-0000
GERALD WAYNE BUSH	AS HIS SEP PROP	18331 EDWARDS BLUFF	SAN ANTONIO	XT	78750 0000
CBR OIL PROPERTIES LLC	P 0 B0X 1518		ROSWELL	NIM	00000000
RETHA JUNE DOSSEY	P 0 B0X 376		GORMAN	XL	76454-0000
LILLIAN LORENE ELDRIDGE	AS HER SEP PROP	26018 SHADY ACRES	SAN ANTONIO	X1	0000-10101
DOROTHY WALDROP EVANS	PO BOX 334		ANNA	X- X-	76400
FIRST CENTURY OIL CO INC	P 0 B0X 1518		ROSWELL	WN	882021610
JEANETTE A. GREENE	PO BOX 550		IFNKS	OK	010170700
JAMES W BUSH JR REV LVG TRUST	L ELDRIDGE & G BUSH; TRUSTEES	18331 EDWARDS BLUFF	SAN ANTONIO	XL	78250
JO ETTA KRUGER	622 LEE RD 222		SMITHS	AI AI	36877000
MICHAEL HARRISON MOORE 2006 TR	MICHAEL HARRISON MOORE TTEE	P 0 BOX 202652	DALLAS	TX	75370 7657
DANA RAE MOSMAN	13539 SHAHAN DR		DALLAS	77	7602 0000
NEW MEXICO OIL CORPORATION	P 0 B0X 1714		ROSMELL	VIN	000000000000000000000000000000000000000
SIDNEY C NICHOLS & DONNA R					000020200
NICHOLS REV TRUST	2423 MORGAN CT		HOBBS	NIM	88240
PEREGRINE ENERGY LLC	4228 N CENTRAL EXPRESSWAY, STE 370		DALLAS	TX	75206
TREGAN ENERGY PARTNERS, LP	200 CRESCENT CT STE 1040		DALLAS	XT	75201
LOIS VANDAGRIFF	108 MIRAMAR CIRCLE		OAK RIDGE	TN	37830
KATHLEEN VALE WALDROP	1830 IRIS AVENUE		BOULDER	00	803040000
ANDREA LOUISE WALDROP	PO BOX 212		PIERCE	CO	80650
ENERGEN RESOURCES CORP	605 RICHARD ARRINGTON, JR., BLVD NORTH		BIRMINGHAM	AL	35203
TANOS ENERGY HOLDINGS II, LLC	821 E SE LOOP 323, STE 400		TYLER	TX	75701
Norwood Oil Co.	Attn: Betty Norwood	PO Box 1029	Malakoff	TX	75148



HINKLE SHANOR LLP

ATTORNEYS AT LAW PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

WRITER

Gary W. Larson, Partner glarson@hinklelawfirm.com

January 3, 2019

VIA CERTIFIED MAIL

Dana Rae Mosman 13539 Shanan Drive Dallas, TX 75234

Re: Lime Rock Resources II, L.P. NMOCD Application

Dear Ms. Mosman:

Enclosed is a copy of an application for compulsory pooling that Lime Rock Resources II-A. L.P. ("Lime Rock") has filed with the New Mexico Oil Conservation Division ("the Division"). Lime Rock seeks to pool all uncommitted mineral interests in the Yeso formation in a standard 160-acre horizontal spacing unit comprised of the S/2 S/2 of Section 13, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, January 24, 2019 in Porter Hall at the Division's offices located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by Lime Rock's application, you may appear at the hearing and present testimony. If you do not appear at that time and become a party of record, you will be precluded from contesting the matter at a later date.

A party appearing in a Division case is required by the Division's Rules to file a Pre-Hearing Statement, which in this matter must be filed no later than Thursday, January 17, 2019. The Pre-Hearing Statement must be filed with the Division's Santa Fe office at the address above, and should include: the name of the party and the party's attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing: the approximate amount of time the party will need to present the party's case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

Thank you for your attention to this matter.

Very truly yours,

Garv W. Larson

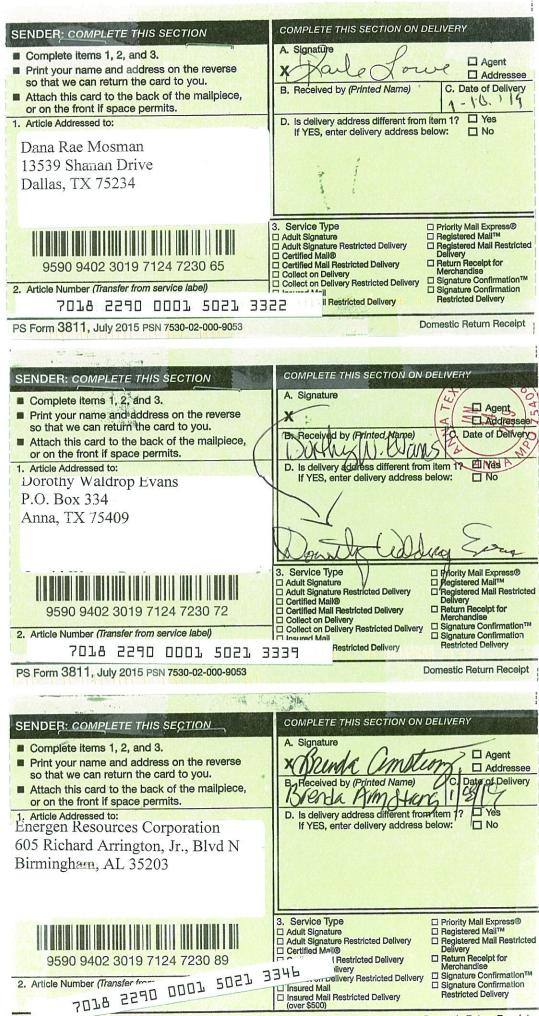
GWL:sm Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 575-622-6510 (FAX) 575-623-9332

PO BOX 1720 ARTESIA, NEW MEXICO 88211 575-622-6510 (FAX) 575-746-6316

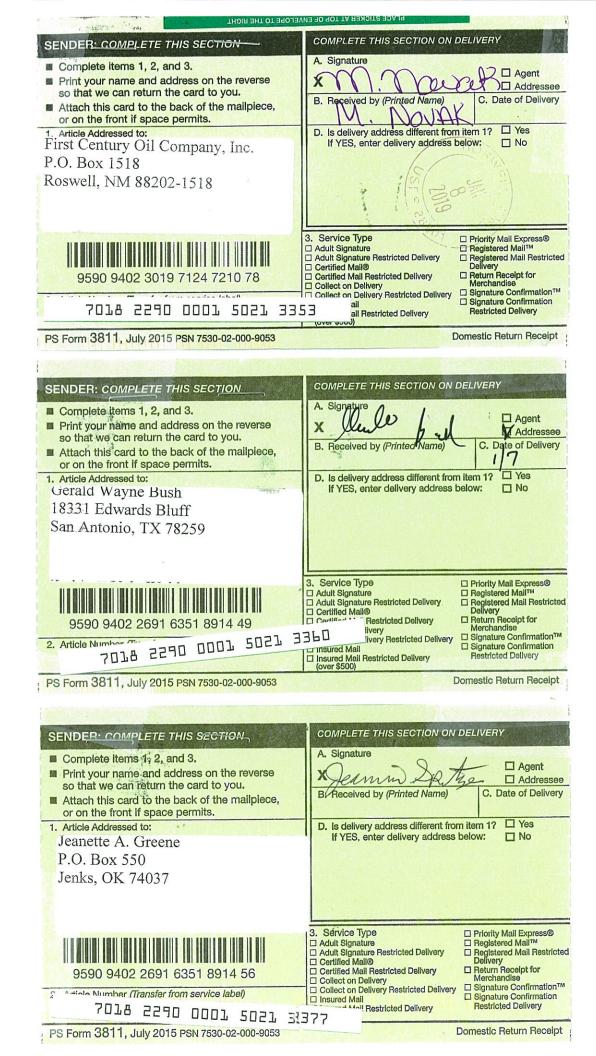
PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

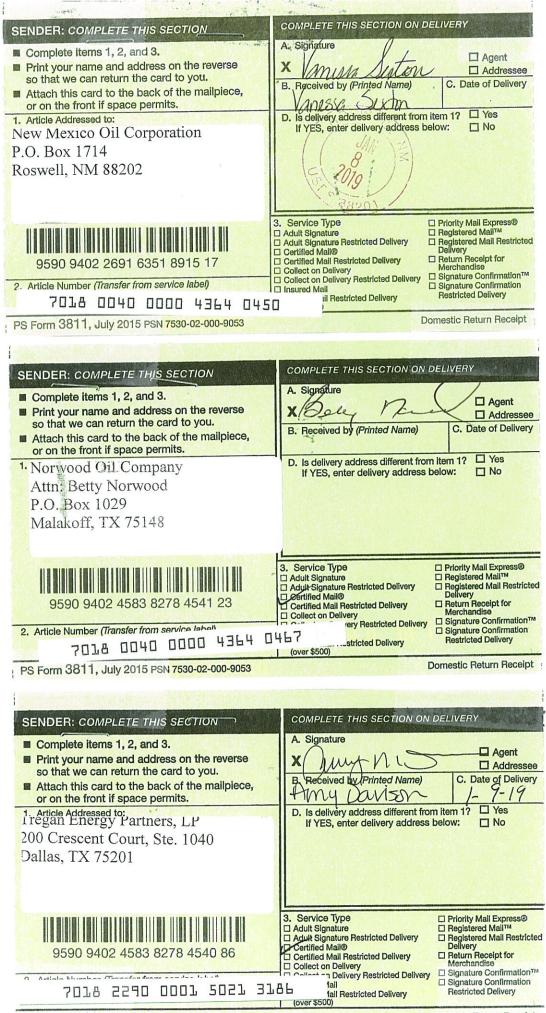
7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321



PS______ 0011, July 2015 PSN 7530-02-000-9053

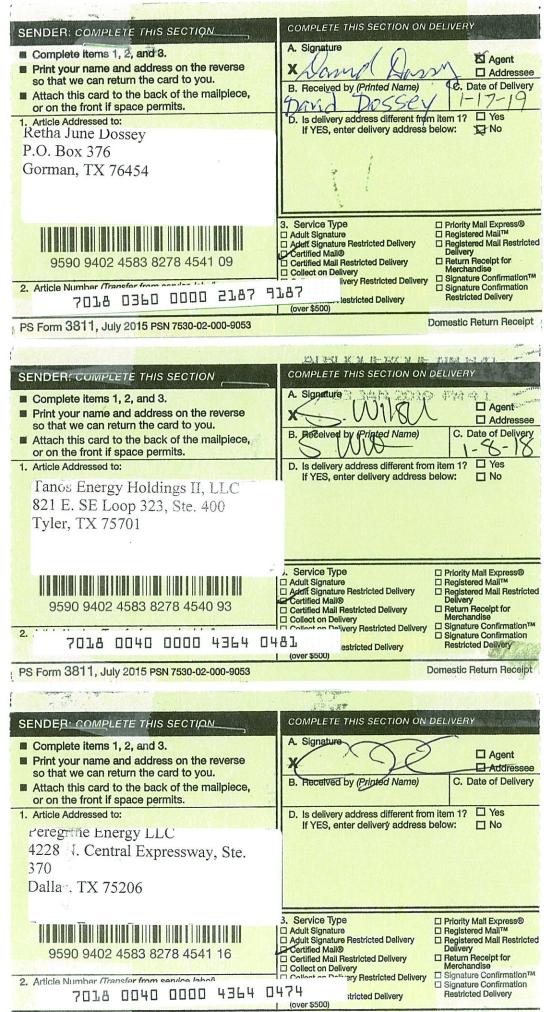
Domestic Return Receipt





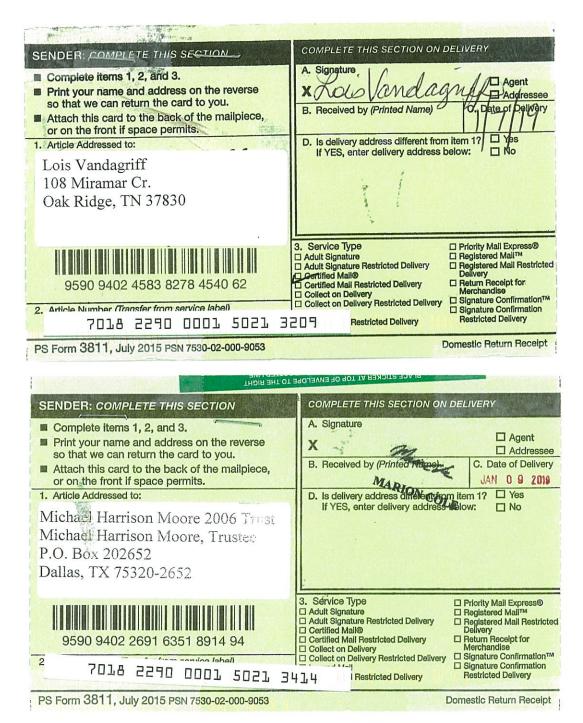
PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt



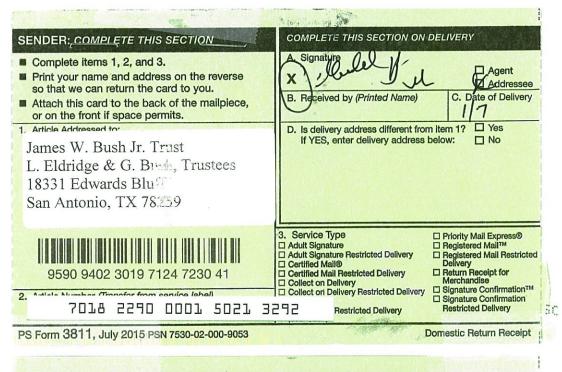
PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt











SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, 	A. Signature
or on the front if space permits.	D. Is delivery address different from item 1? U Yes
Jo Etta Kruger	If YES, enter delivery address below:
622 Lee d 222	Mathew Sandoval
Smiths, AT 36877	
Shiftins, 745 30877	JAN 2 4 2019
	Markey Sandoval
	Mathew Sandoval
9590 9402 2691 6351 8914 63	3. Service Type □ Priority Mail Express® □ Adult Signature Restricted Delivery □ Registered Mail™A □ Adult Signature Restricted Delivery □ Registered Mail Restricted Delivery □ Certified Mail® □ Delivery □ Certified Mail® □ Recturn Receipt for □ Collect on Delivery □ Signature Confirmation™ □ Collect on Delivery □ Signature Confirmation
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PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt
	provide the
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 so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? Yes Yes
Kathleen Vale Waldrop	If YES, enter delivery address below:
1830 Iris Avenue	
Boulder, CO 80304	
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	3. Service Type Priority Mail Express®
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 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. Article Addressed to: James R. Bush 27510 Clydehurst Gr. Katy, TX 77494 	A. Signature A.
9590 9402 4583 8278 4540 79	3. Service Type □ Priority Mall Express® □ Aduit Signature □ Registered Mail™ □ Aduit Signature Restricted Delivery □ Registered Mail™ □ Aduit Signature Restricted Delivery □ Registered Mail™ □ Collect on Delivery □ Return Receipt for Merchandise □ Collect on Delivery Restricted Delivery □ Signature Confirmation™
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CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No. 0001273407

HINKLE SHANOR, LLP P.O. BOX 2068

SANTA FE NM 87504

I, a legal clerk of the **Carlsbad Current-Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

01/08/19

Legal Clerk

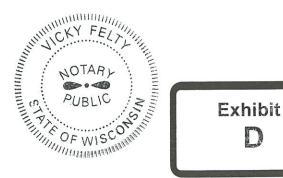
Subscribed and sworn before me this 8th of January 2019.

State of WI, County of Brown NOTARY PUBLIC

My Commission Expires

This is to notify all interested parties, including James R. Bush, Gerald Wayne Bush, CBR Oil Properties LLC, Retha June Dossey, Lillian Lorene Eldridge, Dorothy Waldrop Evans, First Century Oil Company, Inc., Jeanette A. Greene, the James W. Bush, Jr. Revocable Living Trust, Jo Etta Kruger, the Michael Harrison Moore 2006 Trust, Dana Rae Mosman, New Mexico Oil Corporation, the Sidney C. Nichols and Donna R. Nichols Revocable Trust, Peregrine Energy LLC, Tregon Energy Partners, LP, Lois Vandagriff, Kathleen Vale Waldrop, Andrea Louise Waldrop, Energen Resources Corporation, Tanos Energy Holdings II, LLC, Norwood Oil Company and their heirs and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Lime Rock Resources II-A, L.P. at 8:15 a.m. on January 24, 2019 in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico. Lime Rock Resources II-A, L.P. seeks an order pooling all uncommitted mineral interests in the Yeso formation in a standard 160-acre horizontal spacing unit comprised of the S/2 S/2 of Section 13, Township 18 South, Range 26 East, NMPM in Eddy County, New Mexico. The horizontal spacing unit is to be dedicated to the proposed Leavitt 13 #3H well, which will be horizontally drilled from a surface location in Lot 4 in Section 18 to a bottom hole location in Unit M in Section 13, Township 18 South, Range 26 East. The completed interval for the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Lime Rock Resources II-A, L.P. as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The horizontal spacing unit is located approximately seven (7) miles southeast of Artesia, New

Mexico. Pub: January 8, 2019 #1273407



Ad#:0001273407 PO:0001273407 # of Affidavits :0.00

AUTHORITY FOR EXPENDITURE

Well / Objective:	Leavill 13-3H
Location:	SHL:Sec18-T18S-R27E,BHL:Sec13-T18S-R26E
AFE #:	D18113
County / State:	Eddy County / NM



ntan	gible Cost	DRILL 322	COMP 324	COST
105	Land / Legal / Title / Surface Damages	50.000		50.00
111	Staking / Permitting / Location & Roads / Rathole / Mousehole / Anchors	75,000		75,00
112	Location Restoration / Environmental / Onsite Disposal	10,000	5.000	15.0
115	Rig Mobilization / Demobilization	25.000		25.06
125	Contract Drlg- Daywork	165,000	33,000	198,00
126	Service Rig / Coll Tubing / Snubbing		35,000	35.0
131	Fuel	25,000	5.000	30,0
132	Offsite Disposal (cuttings / mud / water)	50,000	15,000	65,0
133	Water / water well / Frac Water	15,000	125,000	140,0
134	Frac Tanks	15,000	25,000	40.0
135	Water Transfer / Frac Pit		150.000	150.00
141	Mud & Chemicals / Completion Fluids & Chemicals	25,000		25.0
142	Surface Rental Equipment (Closed Loop System)	30,000	35,000	65.0
151	Subsurface Rental Equipment, Inspect, Repair, & Replace	10,000		10,0
152	Directional Tools & Services, Inspect, Repairs, & Replace	100,000		100,0
154	Well Control Rentals (BOPs, Frac, Valve, Water ETC.)	5,000	20,000	25.0
155	Office, Sewage and Misc Rentals:	20,000	5,000	25.0
156	Monitoring Equipment (Pason PVT, etc')	10,000		10,0
157	Salety / Medical / H2S equipment Rental	15,000	2,500	17,5
161	Cement & Services	30,000	45,000	75,0
162	Pumping Services		5,000	5,0
163	Plugs & Packers		30,000	30,0
171	Bits & Motors	35,000	5,000	40,0
183	Mud Logging	20,000		20,0
191	Cased Hole Logging (CBL.Prod Logs, etc)		20.000	20,0
192	Perforating		150,000	150,0
193	Stimulation (Acid. / Frac. / Grav. Pk)		1,750,000	1,750,0
195	Prod, Well Testing Equip. / Service		5,000	5,0
201	Trucking & Hauling and Cranes	40.000	20,000	60,0
212	Supervision - Contract	40,000	15,000	55,0
221	Insurance	5,000		5.0
231	Capitalized Overhead	5,000		5,0
241	Miscellaneous Labor	5,000		5.0
242	BOP/Wellhead Testing & Repair	2,000		2,0
251	Casing Crews / Tong Services / Laydown / Pickup Services	25,000	25,000	50.0
253	Tubular Testing, Inspection	10,000		10,0
255	Communication	1,000		1.0
262	Purchased supplies	500		5

Sub Surface Tubing & Equiment

Tangible Cost

290	Conductor:	15,000		15,000
292	Surface:	26,000		26,000
298	Production:		85,000	85,000
301	Tubing:		60,000	60,000
311	Cementing Equipment (Centralizers, Floats, Etc)	10,000	15,000	25,000
321	Subsurlace Equipment (Rods, Pump,GLV, ESP, Etc)		210,000	210.000
331	Wellhead Equipment :	5,000	5,000	10,000
351	Artificial Lift Equipment: (PU. ESP controller, etc)		115,000	115,000
352	Tank Battery		175,000	175,000
354	Flowlines, meter runs, measurement equipment		15,000	15,000
355	Treaters, Separators, Dehy, Line heaters		15,000	15,000
356	Miscellaneous, valves, littings, salety system		15,000	15,000
357	Surface Equipment Installation Cost / Labor & Materials)		115,000	115,000
358	Supervision		15,000	15,000

Company:	Total Intangible		3,389,000
Approved by:	Total Tangible	•	896,000
Print Name:	Total Cost		4,285,000
Title:			
Date:			

Exhibit E

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF LIME ROCK RESOURCES II-A, L.P. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 20214

SELF-AFFIRMED STATEMENT OF STAN BISHOP

 I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.

2. I am a geologist at Lime Rock Resources II-A, L.P. ("Lime Rock"). I am familiar with the development of Lime Rock's Leavitt 13 #3H well and the geological matters that pertain to Lime Rock's application.

3. Attached hereto as Exhibit A is a well location map that depicts the location of the proposed Leavitt 13 #3H horizontal well and offsetting producing vertical Yeso wells which are perforated within the targeted interval.

4. Attached hereto as Exhibit B is a Top of Yeso subsea structural contour map.

5. Attached hereto as Exhibit C is a location map that delineates well logs used in the making of my stratigraphic cross section, which is Exhibit D.

6. Attached hereto as Exhibit D is a stratigraphic cross section that depicts the target interval.

7. Based on the information contained in Exhibits A, B, C, and D, I am able to conclude that:

 a) The horizontal spacing unit ("HSU") for the proposed well is justified from a geologic standpoint;

> OCD Case No. 20214 LIME ROCK **Exhibit** #**2**

b) An east/west orientation is preferred for the well;

c) There is no faulting or other geologic impediment known that would adversely affect the drilling of the proposed well; and

d) Each quarter section in the HSU will contribute more or less equally to production.

8. Exhibits A through D were either prepared by me or compiled from company records.

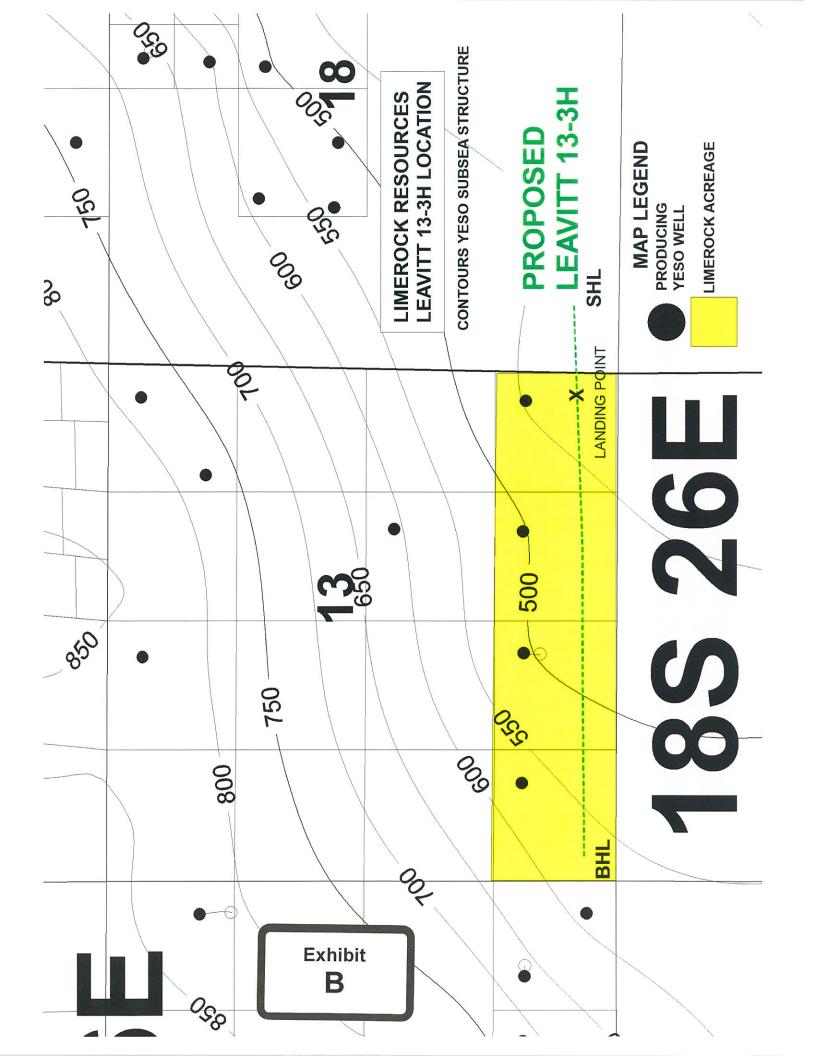
9. In my opinion, the granting of Lime Rock's application will serve the interests of conservation and the prevention of waste

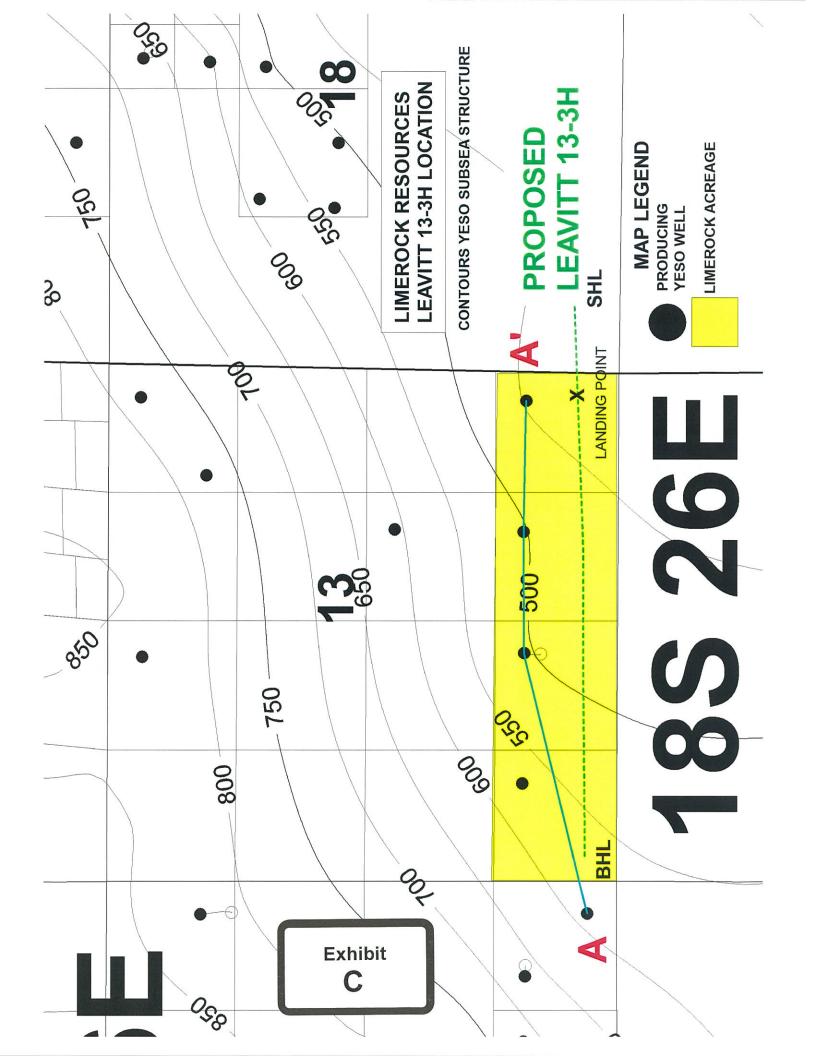
10. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 9 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date *j*-andwritten next to my signature below.

an Distore Stan Bishop

2/5/2019 Date







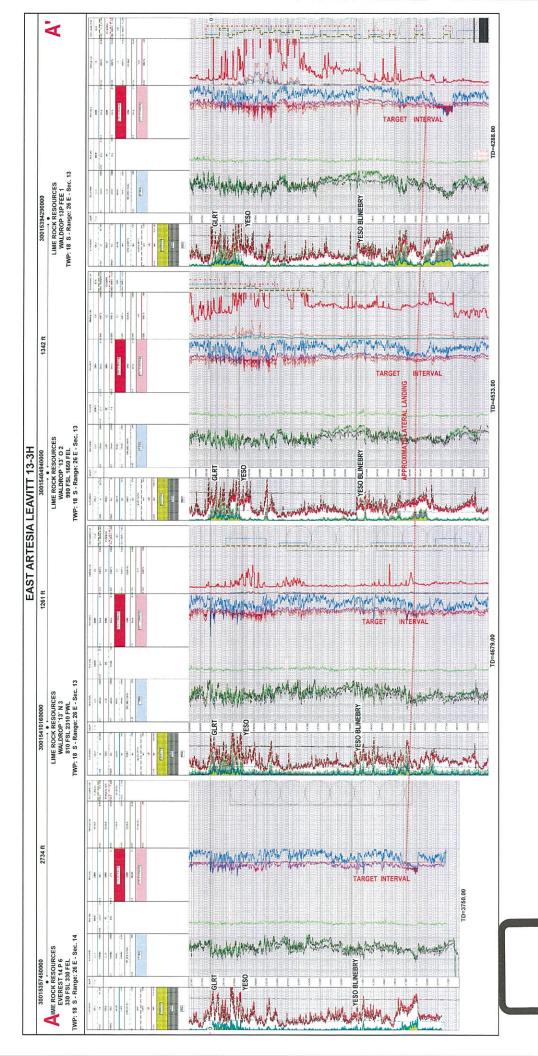


Exhibit D