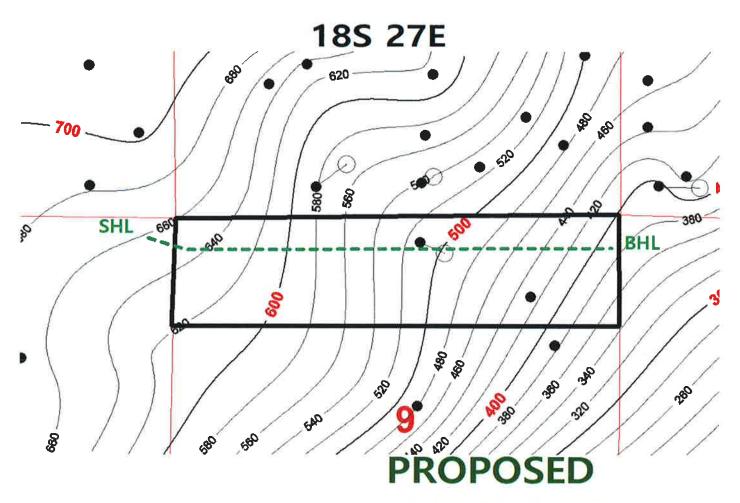
BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING FEBRUARY 6, 2020

CASE No. 21050

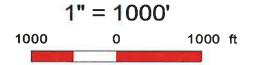
HAWK 9 FEDERAL COM 1H HAWK 9 FEDERAL COM 2H

EDDY COUNTY, NEW MEXICO





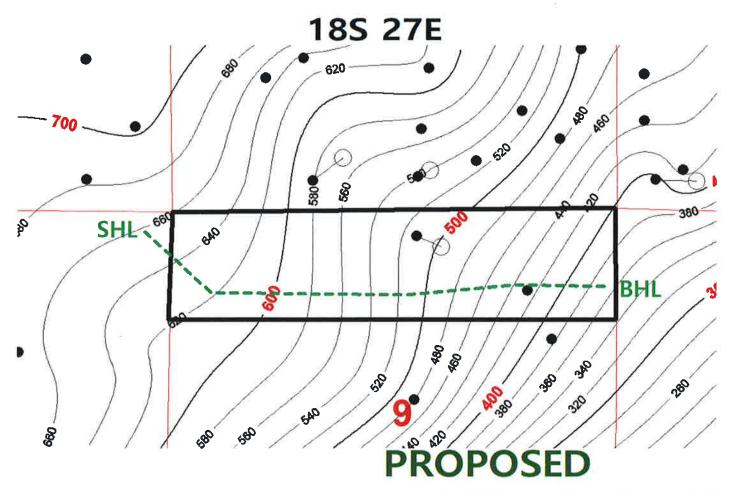
HAWK 9 FEDERAL 1H MAP LEGEND



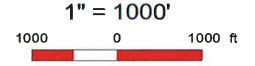


TOP YESO SS STRUCTURE

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 1
Submitted by: Lime Rock Resources
Hearing Date: February 06, 2020
Case No. 21050



HAWK 9 FEDERAL 2H MAP LEGEND





TOP YESO SS STRUCTURE

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: (305) 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

¹ API Number ¹ Pool				1 Pool Cod	e		³ Pool Na	ime		
⁴ Property	Code				⁵ Property Name				6 Well Number	
				F	IAWK 9 FEDI	ERAL COM			1 H	
'OGRID No.					8 Operator	Name			9 Elevation	
27755	8			LIME	ROCK RESOU	OCK RESOURCES II-A, L.P. 347			3477.3	
					" Surface	e Location				
UL or lot no.	Section	Townshi	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ne County	
A	8	18 S	27 E		347	NORTH	373	EAST	EDDY	
			" B	ottom H	ole Location	If Different Fr	om Surface			
UL or let no.	Section	Townshi	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ne County	
Α	9	18 S	27 E		500	NORTH	100	EAST	EDDY	
2 Dedicated Acre	s ¹³ Joint	or Infill	14 Consolidation	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.

		"OPERATOR CERTIFICATION
		I hereby certify that the information contained herein is true and complete to the
		best of my knowledge and helief, and that this organization either owns a
	ET IIV	working interest or unleased mineral interest in the land including the proposed
	E CORNER SEC. 8 BOTTOM OF HOLE NE CORNER SEC. 9 LAT. = 32,7695301'N LAT. = 32,7695666'N LAT. = 32,7695666'N	bottom hole location or has a right to drill this well at this location pursuant to
LONG. = 104.3091295'W LONG.	= 104.2919694'W LONG. = 104.2751947'W LONG. = 104.2748572'W	a contract with an owner of such a mineral or working interest, or to a
NMSP EAST (FT) N = 643695.09	NMSP EAST (FT) NMSP EAST (FT) NMSP EAST (FT) N = 643689.57 N = 643205.16 N = 643705.32	voluntary pooling agreement or a compulsory pooling order heretofore entered
E = 548777.05 S89'56'24"E 2639.38 FT S89'56'25"E	E = 554051.59 $E = 559207.90$ $E = 559311.36$	by the division.
N/4 CORNER SEC. 8	FTP N/4 CORNER SEC. 9 BHL	
LAT. = 32;7695402'N LONG. = 104.3005448'W		Signature Date
NMSP EAST (FT) N = 643692.32 F = 551415.74	NMSP EAST (FT)	88/1942
E = 551415.74		
122		Printed Name
.40	≥ 600° PNL, 100° PNL SI LAI. = 32.7681568'N	
	CORNER SEC. 8 ST. LAIL = 32.78815681N CORNER SEC. 8 LONG. = 104.2916524'W LAIL = 32.7823157N LAIL = 32.7823345N LAIL = 32.7823345N LAIL = 32.7823345N LAIL = 32.7823345N LAIL = 32.7823345N	E-mail Address
	N - 560 183-90	
N = 641057.42	NVSP EAST (FT) E = 554149.21 NMSP EAST (FT) N = 641064.87 NMSP EAST (FT)	SURVEYOR CERTIFICATION
도 E = 548773.70 '	E = 554039.09 E	
2638	38288	
		proned from field hones by defined surveys made by the or under
5/4 COMPLET SEC. 6 5/5 LAT. = 32/750734*N LONG. = 104,3006071*W NMSP EAST (FT)	S/4 CORNER SCC. 9 LAT, = 32,7551020'N LONG, = 1(4,2835219'W NMSP EAST (F1)	my supervision, and that the same is true and correct to the
NMSP EAST (FT)	NMSP EAST (FT)	best of my belief.
N = 638429.13 E = 551398.24	N = 638441.56 E = 556650.57	JUNE 12, 2019
S89'45'48'W 2628.29 FT S89'45'50'W		Date of Survey
LAT. = 32.7550456'N I.AT.	CORNER SEC, 8 SE CORNER SEC, 9 = 32,7551007'N LAT, = 32,7551009'N	Date of startey
London 14 House le 16 H	= 104.2920617W LONG. = 104.2749845W NNSP EAST (FT) NMSP EAST (FT)	1 1 m 11/m/ 1///
NMSP EAST (FT) N = 638418.28	N = 638439.96 LATITUDE AND LONGITUDE COORDINATES $N = 638442.50$	Same Hallmany 1/2
E = 548770.65 HAWK 9 FEDERAL COM 1H ELEV. = 3477.3	E = 554025.27 ANCRICAN DATEM OF 1883 (18083) EDIED NEW MEXICO STATE PRAPE E = 559275.13	- VIIIIX HAMINIANO
LAT. = 32.7685780'N (NAD83)	EAST COORDINATES APE GRID (MADBS). BASIS OF BEARIND AND DISTANCES	Signature and Sent of Bostesstoner Surveyor:
LONG. = 104.2931884W NMSP EAST (FT)	USEO ARE HEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SUMFACE PERFOCA DATUM FAVORO.	Centricate Number: FILMON F. JARAMILLO, PLS 12797
N = 643343.04 E = 553677.02	CONTROL MARTINES AND SHIP PORT DECIDE	SURVEY NO. 7034
000077702		and the second of

BEFORE THE OIL CONSERVATION DIVISION

District I
1625 N., French Dr., Hobbs, NM 88240
Phone: (375) 393-6161 Fax: (375) 393-0720
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811 S., First St., Artesia, NM 88210
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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 August 1, 2011 Submit one copy to appropriate District Office

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number				¹ Pool Cod	ode Pool Name					
⁴ Property Code					⁵ Property Name HAWK 9 FEDERAL COM				6 Well Number 2H	
OGRID No.					Operator Name				9 Elevation	
27755	8			LIME	E ROCK RESOURCES II-A, L.P.				3477.1	
					" Surface	Location				
UL or lot no.	Section	Townshi	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
A	8	18 S	27 E		387	NORTH	373	EAST	EDDY	
			" B	ottom H	ole Location	If Different Fr	om Surface			
UL or lot no.	Section	Townshi	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
A	9	18 S	27 E		820	NORTH	100	EAST	EDDY	
13 Dedicated Acre	s ¹³ Joint	or Infill	14 Consolidation	Code			15 Order No.	<i></i>		

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.

NW CORNER SEC. 8 LAT. = 32,7695498 N LONG. = 104,291959 W LONG. = 104,291959 W LONG. = 104,291950 N NASP EAST (TT)
NW CORNER SEC. 8 LAT. = 32.769398N LAT. = 32.769398W LONG. = 104.3991995W LAT. = 32.7693919W LAT. = 32.7693919W NMSP EAST (FT) NMSP EAST (F
NW CORNER SEC. 8 LAT. = 32,7695301TN LONG. = 104.3291295W LONG. = 104.3291694W NMSP EAST (FT) N = 643995.09 E = 54877.05 S89 56 24 E 2639.38 FT S89 56 27 E 2639.23 E = 551415.74 E = 55419.57 WASP EAST (FT) N = 64399.39 E = 54870.05 E = 55473.70 E = 55473.70 S89 56 74 E 2639.38 FT S89 56 74 E 2639.38 F
NW CORNER SEC. 8 LAT. = 32.7695498'N LONG. = 104.2919694 NMSP EAST (FT) N = 643695.09 E = 554071.05 S8956'24T 2639.38 FT S8956'25T 2655.52 FT N/4 CORNER SEC. 8 LAT. = 32,7695402'N LONG. = 104.3918694 LONG. = 104.3918694 N/4 CORNER SEC. 8 LAT. = 32,7695402'N LONG. = 104.391874 LONG. = 104.391874 NMSP EAST (FT) N = 643695.09 E = 551415.74 FTP LONG. = 104.2916578W LO
LAT. = 32.7695498N
LONG. = 104.3091295 W LONG. = 104.27919694 W LONG. = 104.2775026 W LONG. = 104.2748572 W LON
N = 643693.57 E = 548777.05 S8956'24'E 2639.38 FT S8956'25'E 2636.52 FT N8949'37'E 2629.54 FT N8949'47'E 2631.62 FT N8949'47'E 263
E = 554077.05 S89'56'24'E 2639.38 FT S89'56'25'E 2636.52 FT N89'49'37'E 2629.54 FT N89'49'47'E 2631.62 FT N89'49'
N/4 CORNER SEC. 8
Construction Cons
NMSP EAST (FT) N = 643992.32 E = 551415.74 SHL
Printed Name Prin
FIRST TAKE POINT 820 FNL, 100 FNL 101 FN
SUP
V/A CORNER SEC. 8
LONG
N = 641057.42
E = 54873.70 E = 554039.09 L.
I hereby certify that the well location shown on this plat was
pioned from field whies of dictidal starveys made by the or linder
S/4 CORNER SEC. 8 S S/4 CORNER SEC. 9
S/A CORNER SEC. 8 B LAT. = 32,755073*N B MMSP GAST (FT) MMSP GAST (FT) MMSP GAST (FT) B best of my belief.
N = 638429.13 N = 638441.56
E = 551398.24 E = 556550.57 JUNE 12. 2019 \$89*45'48'W 2628.29 FT \$89*45'50'W 2627.73 FT \$89\$51'54'W 2625.98 FT \$89*58'46'W 2625.24 FT
SW CORNER SEC. B SE CORNER SEC. B SE CORNER SEC. 9 Date of Survey
LAT. = 32.7550456'N LAT. = 32.7551007'N LAT. = 32.7551007'N LONG. = 104.2920617'W LONG. = 104.2926517'W LONG. = 104.2926517'W
NMSP EAST (FT) N = 638418.78 N = 63842.50 NMSP EAST (FT) N = 63842.50 NMSP EAST (FT) N = 63842.50
N = 558170.65 HAWK 9 FEDERAL COM 2H E = 554025.27 AMCSIGNED DATE (STREET OF 1925 STREET)
ELEV. = 3477.1' LAT. = 32.7684682'N (NADB3) ASS. OF PERMISS AND ONSARES Signification of Prolassion Surveyor. Signification of Prolassion Surveyor.
LONG. = 104.2931893'W USED ARE HEW SECUL S. ALE PLUE
NMSP EAST (FI) N = 6.83303.07
E = 553676.77

Hawk 9 Federal Com 1H & 2H (Case No. 21048)

N/2 N/2 of Section 9-T18S-R27E Eddy County, New Mexico

Tract 1			Tract 2			
	huv y					
	_			ı		

Ownership

Tract 1: N/2 NW/4 of Section 9-18S-27E Federal Lease #USA NM-031186

Owner	Interest
XTO Energy Inc.	100.00%

Tract 2: N/2 NE/4 of Section 9-18S-27E Federal Lease #USA NM-025604

Owner	Interest
Lime Rock Resources	50.00%
Occidental Permian Ltd.	50.00%
Total	100.00%

Unit Recapitulation

Owner	Interest		
Lime Rock Resources	25.00%		
Occidental Permian Ltd.	25.00%		
XTO Energy Inc.	50.00%		
Total	100.00%		

Seeking to Compulsory Pool

14162065_v1



December 2, 2019

Via email and Fedex

Alissa Payne Occidental Permian Limited Partnership 5 Greenway Plaza, Suite 110 Houston, TX 77046

Re: Horizontal Well Proposal

Hawk 9 Federal Com #1H N/2 N/2 Sec 9-18S-27E Eddy County, New Mexico

Ladies and Gentlemen:

Lime Rock Resources II-A, L.P. ("LRR") proposes to drill the captioned well horizontally West to East through Units A, B, C & D in Section 9-T18S-R27E as an 8403' MD/3175' TVD Upper Yeso well. Surface location will be in Lot A of Sec 8-T18S-R27E. The well will be completed in 24 stages with a slick water frac and produced by ESP. Proposed location (subject to a final survey of the surface location) is:

Proposed surface location:
Proposed Bottom Hole Location:

347' FNL & 373' FEL of Sec 8-T18S-R27E

500' FNL & 100' FEL in Sec 9-T18S-R27E

Enclosed for your review are LRR's Authority for Expenditure ("AFE") in the 8/8ths amount of \$4,062,590 to drill and complete this well. Also enclosed is A.A.P.L. Form 610-1982 Model Form Operating Agreement ("JOA") naming LRR as Operator which will govern all operations for this well. Final forms of Exhibit "A" and "F" to the JOA will be sent after receipt of your information.

Please provide your election on the following page within thirty (30) days and if you elect to participate, also return the signed AFE 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 East Artesia Production Manager, Frank Falleri at 713-360-5714, via email at <u>ffalleri@limerockresources.com</u> or you may reach me at my direct number at 713-345-2147.

Sincerely,

Landman

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Exhibit No. 4
Submitted by: Lime Rock Resources
Hearing Date: February 06, 2020
Case No. 21050

December 2, 2019 Well Proposal Hawk 9 Federal Com #1H N/2 N/2 Sec 9-18S-27E Eddy County, New Mexico

In connection with the	e foregoing and the attached	Authority for Expenditure, the undersigned:
-		e drilling and completion of the proposed well. Please sign is letter and one copy of the AFE.
	elects not to participate in any OCD pooling order i	n the drilling and completing of the proposed well subject to ssued for the well.
		Occidental Permian Limited Partnership
	Ī	By:
	I	Printed Name:
	5	Γitle/Capacity:
	1	Date:

2019 AFE Partners Approval Form

Well Name: Hawk 9 Fed 1H

API/UWI	Acquisition Nam East	_{le} t Artesia	OGSYS WellCode	Operator Lime Rock	Resources II-A, LP	County Eddy	New Mexico	Surface Legal Location
AFE Number D19103	AFE	Dale 11/19/2019	AFE Type	Drilling	Cost Type Capita	AFE Status Rout	ing Approvals	Total AFE Amount (Cost) 4,062,590.00
Jobs								
Job Category Dril	ing	Primary Job 1	lyps Driling - AFE	Tergel Formal	ion Yeso	Targel Depth (fiKB) 13,480.0	Status 1 In Prog	ress Start Date 11/19/2019

This AFE provides funds in the amount of \$4,062,590 (\$1,015,647 w/LRR II 25% WI) to drill and complete the Hawk 9 Fed 1H. This well will be drilled as a horizontal Yeso well to a depth of about 8,403' MD/3,175' TVD. Hawk 9 Fed 1H will be completed in ~25 stages with a slick water frac and plug & perf method. The well will be produced by ESP

LRR Intangible Costs Cost Des	Code 1	Sum of AFE Amt (Cost)
Bits & Mud Motors	322	40,000.00
Bop/Wellhead Testing	322	6,100.00
Casing Crews &Equip &Tong Serv	322	15,200.00
Cement & Services	322	80,000.00
Contract Drilling-Daywork	322	200,000.00
Directional Tools & Services	322	140,000.00
Drlstring/Workstring Rental Eq	322	15,000.00
Frac Tanks	322	5,000.00
Fuel	322	28,000.00
Inspection & Testing/Misc Labr	322	8,000.00
Land/Legal/Title/Surf Damages	322	90,000.00
Location Restore/Environmental	322	28,000.00
Monitoring Equipment	322	8,500.00
Mud & Chemicals / Facility Fluids & Chemicals	322	30,000.00
Mud Logging	322	36,000,00
Office, Sewage & Misc Rentals	322	51,000.00
Offsite Disposal	322	40,000.00
Purchased Supplies	322	7,000.00
Ria Mob/Demob	322	60,000.00
	322	15,000.00
Safety/Medical		100,000.00
Staking / Permitting / Location & Roads / Rathole / Mousehole / Anchors	322	
Supervision - Contract	322	50,000.00
Surface Rental Equipment	322	60,000.00
Trucking & Hauling	322	73,000.00
Tubular Testing, Inspection	322	15,300.00
Water Transfer/Frac Pit	322	8,000.00
Water/Water Well	322	6,000.00
Well Control Rentals	322	5,000.00
Bits	324	45,000.00
Cased Hole Logging	324	9,000.00
Contract Geo/Paleo	324	24,750,00
Dristring/Wrkstring Rental Eq	324	31,500.00
Frac Tanks	324	18,900.00
Fuel	324	139,500.00
Mud & Chemicals / Facility Fluids & Chemicals	324	44,955.00
Office, Sewage & Misc Rentals	324	27,900,00
Offsite Disposal	324	29,250.00
Perforating	324	171,000.00
Plugs & Packers	324	34,515.00
Prod.Well Testing Equip./Serv	324	22,500.00
Pumping Services - Hci Acid	324	22,500.00
Safety/Medical	324	4,500.00
Service Rig / Coil Tubing / Snubbing	324	92,340.00
	324	9,000.00
Slickline Work/Swabbing Staking / Permitting / Location & Roads /	324	4,500.00
Rathole / Mousehole / Anchors		
Stimulation	324	1,113,000.00
Supervision - Contract	324	41,310.00
Surface Rental Equipment	324	43,200.00
Trucking & Hauling	324	18,000.00
Tubular Testing/Inspection	324	3,500.00

Cost Dea	Code 1	Sum of AFE Amt (Cost
Cementing Equipment	323	17,000.00
Conductor Casing	323	15,000.00
Surface Casing	323	35,000.00
Wellhead Equipment	323	8,000.00
Artificial Lift Equipment	325	45,000.00
Production Casing	325	170,000.00
Subsurface Equipment	325	247,500.00
Tubing	325	22,750.00
Wellhead Equipment	325	15,000.00
Total (Sum)	575,250.00	

www.LimeRockResources.com

Report Printed: 12/2/2019

2019 AFE Partners Approval Form

Well Name: Hawk 9 Fed 1H

API/UWI	East Artesia		OGSYS WellCode	OGSYS WellCode Operator Lime Rock Resources II-				State/Province Surface New Mexico		gal Location
AFE Number D19103			AFE Type	Drilling	Cost Type Capital		AFE Status Routing Approvals		Total AFE Amount (Cost) 4,062,590.00	
Jobs										
Job Category Drilli	ng'	Primary Job Type Driling - AFE		Target Formation Yeso		Target Do 13,480	opth (ftKB) .O	Status 1 In Prog	ress	Start Date 11/19/2019
Objective										1-11-1

This AFE provides funds in the amount of \$4,062,590 (\$1,015,647 w/LRR II 25% WI) to drill and complete the Hawk 9 Fed 1H. This well will be drilled as a horizontal Yeso well to a depth of about 8,403' MD/3,175' TVD. Hawk 9 Fed 1H will be completed in ~25 stages with a slick water frac and plug & perf method. The well will be produced by ESP

LRR Intangible Costs		
Cost Des	Code 1	Sum of AFE Amt (Coal)
Water Transfer/Frac Pit	324	76,500.00
Water/Water Well	324	189,000.00
Well Control Rentals	324	51,120.00
Total (Sum)		3,487,340.00

www.LimeRockResources.com

Report Printed: 12/2/2019

2019 AFE D&C Partners Approval Signature Form

Wel	l N	ame:	Hawk 9 F	ed 1H							
APMW	1		Acquisition Nam East	Artesia	OGSYS WellCode	Operator Lime Rock Re	sources II-A, LP	County Eddy	State/Province New Mexico	Surface Legal Locati	on
AFE Nu		110102	AFE	Date	AFE Type	Drilling	Cost Type Capita	AFE Status	ng Approvals	Total AFE Amount 4,062,590.00	
Jobs		19103		11/19/2019		Drawing	Capita	. I Routi	a uhbinagia		
Job Cat	egary	Drilli	ng	Primary Job	Type Driling - AFE	Target Formation	Yeso	Target Depth (ftKB) 13,480.0	Status 1 In Prog	ress Sten Da	^{ete} /19/2019
horizo	rtai	Yeso w	s funds in the ell to a depth oduced by E	of about 8,40	I,062,590 (\$1,015 3' MD/3,175' TVD	,647 w/LRR II 25% v , Hawk 9 Fed 1H w	VI) to drill and comp Il be completed in ~	lete the Hawk 9 Fe 25 stages with a s	ed 1H. This well lick water frac a	l will be drilled a and plug & perf r	s a nethod.
Co	EI		O participa		illing and comp	eletion of the well completion of the					
Ву	_				Dat	e:					
Pri	ntii				Em	ail:					
Failli Ope of the	Ele Ele mu ure rat ne i	FE inc int to p cts to l cts NC st acco to inc or's C nsural ormati e elect	participate De covered To be company this Company this	e in this ins under Ope overed under s election.) ecific election Well Insura um relative 19 Fed 1H cipate and s m PDS, ou	urance: rator's Control er Operator's C tion for insura nce and there to the propos would like to as r well data exc	perator's Control of Well Insurance control of Well Insurance ance coverage s fore such party sed operation. ccess well data, hange system. If	e. surance. (A copy hall constitute shall be charge please include al you are already	of the participa an election by ed with and sh n email address enrolled in PD:	the party to all pay its p	te of Insurance participate proportionate below to rece	in the share
					cluding the ema	ail address assoc	iated with your F	PDS account.			
www	.Lin	neRock	Resources.c	om						Report Printed:	12/2/2019



December 2, 2019

Via email and Fedex

Alissa Payne Occidental Permian Limited Partnership 5 Greenway Plaza, Suite 110 Houston, TX 77046

Re:

Horizontal Well Proposal Hawk 9 Federal Com #2H N/2 N/2 Sec 9-18S-27E Eddy County, New Mexico

Ladies and Gentlemen:

Lime Rock Resources II-A, L.P. ("LRR") proposes to drill the captioned well horizontally West to East through Units A, B, C & D in Section 9-T18S-R27E as an 8877' MD/3580' TVD Lower Yeso well. Surface location will be in Lot A of Sec 8-T18S-R27E. The well will be completed in 24 stages with a slick water frac and produced by ESP. Proposed location (subject to a final survey of the surface location) is:

Proposed surface location:

387' FNL & 373' FEL of Sec 8-T18S-R27E

Proposed Bottom Hole Location:

820' FNL & 100' FEL in Sec 9-T18S-R27E

Enclosed for your review are LRR's Authority for Expenditure ("AFE") in the 8/8ths amount of \$4,062,590 to drill and complete this well. Also enclosed is A.A.P.L. Form 610-1982 Model Form Operating Agreement ("JOA") naming LRR as Operator which will govern all operations for this well. Final forms of Exhibit "A" and "F" to the JOA will be sent after receipt of your information.

Please provide your election on the following page within thirty (30) days and if you elect to participate, also return the signed AFE 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 East Artesia Production Manager, Frank Falleri at 713-360-5714, via email at <u>ffalleri@limerockresources.com</u> or you may reach me at my direct number at 713-345-2147.

Sincerely

Doug Lacéy Landman December 2, 2019 Well Proposal Hawk 9 Federal Com #2H N/2 N/2 Sec 9-18S-27E Eddy County, New Mexico

In connection with the	foregoing and the attache	ed Authority for Expenditure, the undersigned:
-		the drilling and completion of the proposed well. Please sign this letter and one copy of the AFE.
	elects not to participate any OCD pooling order	in the drilling and completing of the proposed well subject to rissued for the well.
		Occidental Permian Limited Partnership
		Ву:
		Printed Name:
		Title/Capacity:
		Date:

2019 AFE Partners Approval Form

Well Name: Hawk 9 Fed 2H

API/JWI Acquisition Name East Artesia		OGSYS WellCode Operator Lime Rock Resources		sources II-A, LP			State/Province Surface New Mexico		egal Location	
AFE Number D19104	APE Date 11/	AFE Date 11/19/2019		Drilling	Cost Type Capita		AFE Status Routi	ng Approvals	Total AFE Amount (Cost) 4,062,590.00	
Jobs										
Job Category Drill		Primary Job Type Drilling - AFE		Target Formation Yeso		Target 0 13,48	Depth (fIKB) 0.0	Status 1 In Prog	ress	Start Date 11/19/2019
Objective										

This AFE provides funds in the amount of \$4,062,590 (\$1,015,647 w/LRR II 25% WI) to drill and complete the Hawk 9 Fed 2H. This well will be drilled as a horizontal Yeso well to a depth of about 8,877' MD/3,580' TVD. Hawk 9 Fed 2H will be completed in ~25 stages with a slick water frac and plug & perf method. The well will be produced by ESP

Cost Des	Code 1	Sum of AFE Amt (Cost)
Bits & Mud Motors	322	40,000.00
Bop/Wellhead Testing	322	6,100.00
Casing Crews &Equip &Tong Serv	322	15,200.00
Cement & Services	322	80,000.00
Contract Drilling-Daywork	322	200,000.00
Directional Tools & Services	322	140,000.00
Drlstring/Workstring Rental Eq	322	15,000.00
Frac Tanks	322	5,000.00
Fuel	322	28,000.00
Inspection & Testing/Misc Labr	322	8,000.00
Land/Legal/Title/Surf Damages	322	90,000.00
Location Restore/Environmental	322	28,000.00
Monitoring Equipment	322	8,500.00
Mud & Chemicals / Facility Fluids & Chemicals	322	30,000.00
Mud Logging	322	36,000.00
Office, Sewage & Misc Rentals	322	51,000.00
Offsite Disposal	322	40,000.00
Purchased Supplies	322	7,000,00
Rig Mob/Demob	322	60,000.00
Safety/Medical	322	15,000.00
Staking / Permitting / Location & Roads / Rathole / Mousehole / Anchors	322	100,000.00
Supervision - Contract	322	50,000.00
Surface Rental Equipment	322	60,000.00
Trucking & Hauling	322	73,000.00
Tubular Testing, Inspection	322	15,300.00
Water Transfer/Frac Pit	322	8,000.00
Water/Water Well	322	6,000,00
Well Control Rentals	322	5.000.00
Bits	324	45,000.00
Cased Hole Logging	324	9,000.00
Contract Geo/Paleo	324	24,750.00
Dristring/Wrkstring Rental Eq	324	31,500.00
Frac Tanks	324	18,900.00
Fuel	324	139,500.00
Mud & Chemicals / Facility Fluids & Chemicals	324	44,955.00
Office, Sewage & Misc Rentals	324	27,900,00
Offsite Disposal	324	29,250.00
Perforating	324	171,000-00
Plugs & Packers	324	34,515.00
Prod Well Testing Equip./Serv	324	22,500.00
Pumping Services - Hci Acid	324	22,500.00
Safety/Medical	324	4,500.00
Service Rig / Coil Tubing / Snubbing	324	92,340.00
Slickline Work/Swabbing	324	9,000.00
Staking / Permitting / Location & Roads /	324	4,500.00
Rathole / Mousehole / Anchors	V2-1	4,000,00
Stimulation	324	1,113,000.00
Supervision - Contract	324	41,310.00
Surface Rental Equipment	324	43,200.00
Trucking & Hauling	324	18,000.00
Tubular Testing/Inspection	324	3,500.00

Cost Des	Code 1	Sum of AFE Amt (Cost
Cementing Equipment	323	17,000.00
Conductor Casing	323	15,000.00
Surface Casing	323	35,000.00
Wellhead Equipment	323	8,000.00
Artificial Lift Equipment	325	45,000.00
Production Casing	325	170,000 00
Subsurface Equipment	325	247,500.00
Tubing	325	22,750.00
Wellhead Equipment	325	15,000.00
Total (Sum)		575,250.00

www.LimeRockResources.com

Report Printed: 12/2/2019

2019 AFE Partners Approval Form

Well Name: Hawk 9 Fed 2H

API/UWI	I/UWI Acquisition Name OGSYS WellCode East Artesia			Operator Lime Rock F	Lime Rock Resources II-A, LP			State/Province New Mexico	Surface Legal Location	
AFE Number D19104	AFE Date 11/19/2019		AFE Type Drilling		Cost Type Capita	Cost Type Capital		AFE Status Routing Approvals		Amount (Cost) 90.00
Jobs										
Job Category Drilli	ing	Primary Job T	ype Driling - AFE	Target Formation	Yeso	Target 13,4	Depth (AKB) 80.0	Status 1 In Prog	ress	Start Date 11/19/2019

This AFE provides funds in the amount of \$4,062,590 (\$1,015,647 w/LRR II 25% WI) to drill and complete the Hawk 9 Fed 2H. This well will be drilled as a horizontal Yeso well to a depth of about 8,877' MD/3,580' TVD. Hawk 9 Fed 2H will be completed in ~25 stages with a slick water frac and plug & perf method. The well will be produced by ESP

Water Transfer/Frac Pit 324 76,500.00 Water/Water Well 324 189,000.00 Well Control Rentals 324 51,120.00		
Cost Des	Code 1	Sum of AFE Amt (Cost
Water Transfer/Frac Pit	324	76,500.00
Water/Water Well	324	189,000.00
Well Control Rentals	324	51,120.00
Total (Sum)		3,487,340.00

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Report Printed: 12/2/2019

2019 AFE D&C Partners Approval Signature Form

Well Name:	Hawk 9	9 Fed 2H									
APIAJWI	Acquisition	Name East Artesia	OGSYS WellCode	OGSYS WellCode Operator Lime Rock Resources II-A, LP			County E	ddy	State/Province New Mexico	Surface Legal Location	
AFE Number D19104		AFE Date 11/19/2019	AFE Type	Drilling		Cost Type Capital		AFE Status	ng Approvals	Total AFE 4,062,5	Amount (Cost) 90.00
Jobs								H (MICE)	Status 1		Start Date
Job Category Drilli	ng	Primary Job Ty	oriling - AFE	I argi	el Formalion Ye:	so	13,480	epth (ftKB)).0	In Prog	ress	11/19/2019
Objective This AFE provides horizontal Yeso w The well will be pr	ell to a de	the amount of \$4,0 opth of about 8,877 by ESP	062,590 (\$1,015,64 MD/3,580' TVD.	47 w/LRR Hawk 9 F	R II 25% WI) to Fed 2H will be	o drill and comp completed in ~	lete the 25 stage	Hawk 9 Fe s with a sl	ed 2H. This well ick water frac a	will be dr and plug &	lled as a perf method
	•	cipate in the drill									
_		participate in the									
Print:							_				
Elects to it Elects No must accommust accommu	Judes a participo de cover on to be ompany licate a control conce pre on: Ha	en estimate of tate in this insured under Operate covered under this election.) specific election well insurant mium relative t	rance: Itor's Control of Operator's Colon for insurance and therefoo the propose ould like to accided the exchange of the ex	f Well In ntrol of ce cove ore such d opera	esurance. Well Insura erage shall h party sha ation. Il data, plea stem. If you	nce. (A copy constitute a ill be charge se include ar are already	of the an elected with n email enrolle	participa etion by and sha address d in PDS	nts Certificat the party to all pay Its p on the line I	e of Insu	urance pate In the pnate share receive
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www.limeRocki	Resource	es com							_		-4-4- 40/0/0040



January 30, 2020

Via email and Fedex

Alissa Payne Occidental Permian Limited Partnership 5 Greenway Plaza, Suite 110 Houston, TX 77046

Re:

Horizontal Well Proposal revision Hawk 9 Federal Com #1H N/2 N/2 Sec 9-18S-27E Eddy County, New Mexico

Dear Alissa,

The subject well was proposed by the attached letter dated December 2, 2019. Based on the recent performance of three horizontal wells drilled by Lime Rock in the same area last year, Lime Rock Resources II-A, L.P. hereby amends this proposal by lowering the TVD from the Upper Yeso (Paddock @ 3175') to the Lower Yeso (Blinebry @ 3800'). All other details of the well proposal remain unchanged.

As you are aware, we are pursuing a Pooling Application and still await a response from you so please provide your election as detailed in the original well proposal or contact me. Again, should you have questions of a technical nature, please contact our East Artesia Production Manager, Frank Falleri at 713-360-5714, via email at <u>ffalleri@limerockresources.com</u> or you may reach me at my direct number at 713-345-2147.

Sincerely

Landman



January 30, 2020

Via email to Blair Brummell@xtoenergy.com

Blair Brummell XTO Energy Inc. 22777 Springwoods Village Parkway W4.5A.534 Spring, TX 77389

Re:

Horizontal Well Proposal revision

Hawk 9 Federal Com #1H N/2 N/2 Sec 9-18S-27E Eddy County, New Mexico

Dear Blair,

The subject well was proposed by the attached letter dated December 2, 2019. Based on the recent performance of three horizontal wells drilled by Lime Rock in the same area last year, Lime Rock Resources II-A, L.P. hereby amends this proposal by lowering the TVD from the Upper Yeso (Paddock @ 3175') to the Lower Yeso (Blinebry @ 3800'). All other details of the well proposal remain unchanged.

As you are aware, we are pursuing a Pooling Application and still await a response from you so please provide your election as detailed in the original well proposal or contact me. Again, should you have questions of a technical nature, please contact our East Artesia Production Manager, Frank Falleri at 713-360-5714, via email at <u>ffalleri@limerockresources.com</u> or you may reach me at my direct number at 713-345-2147.

Sincerely.

Doug Lace

Landman

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. 21050

AFFIDAVIT OF STAN BISHOP

Stan Bishop, of lawful age and being first duly sworn, declares as follows:

1. My name is Stan Bishop and I am employed by Lime Rock Resources ("Lime

Rock") as a geologist.

2. I have not previously testified before the New Mexico Oil Conservation Division.

I graduated from the University of Memphis with a Bachelor of Arts in Applied Sciences in

1974. I have worked with Lime Rock as a Geologist in the Permian Basin for 14 years and

within the Oil and Gas Industry as a Geologist since 1974. I have been a member of the AAPG

since the 1980's. I believe that these credentials qualify me as an expert in petroleum geology.

3. I am familiar with the application filed in this case and have conducted a geologic

study of the targeted formation underlying the subject acreage.

4. Lime Rock is targeting the Blinebry interval of the Yeso formation with its

proposed Hawk 9 Federal Com 1H and Hawk 9 Federal Com 2H wells.

5. **Exhibits C-1 and C-2** are the same structure map with 20' contour intervals that I

prepared for the Top of the Yeso formation. Each map depicts the path of one lateral. Yeso

producing wells are highlighted with black dots. Each proposed wellbore is depicted by a green

hashed line. The structure map demonstrates that the formation is gently dipping to the southeast

BEFORE THE OIL CONSERVATION DIVISION

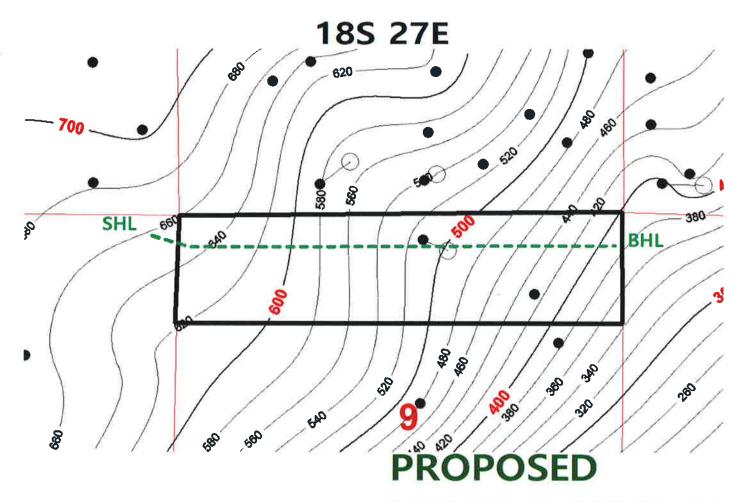
(contours are above sea level) in this area. I do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted interval with horizontal wells.

- 6. Exhibits C-1 and C-2 also contains a blue line referencing four wells penetrating the Yeso formation that I used to construct a stratigraphic cross-section from A to A'. I used these wells because they penetrate the targeted formation and have good logs. In my opinion, these wells are representative of the geology in the area.
- 7. Exhibit C-3 is a stratigraphic cross section using the four representative wells depicted on Exhibit C-1 & C-2. Two of the four wells in the cross-section contain gamma ray, resistivity, porosity log information. The other two are cased hole logs containing porosity and gamma ray information only. Three of the four wells contain mud log oil and gas readings. The proposed target interval landing is labeled with a red line on the exhibit. The cross-section demonstrates that the targeted interval extends across the proposed unit.
- 8. In my opinion, the laydown orientation of the proposed well is appropriate to efficiently and effectively develop the subject acreage.
- 9. Based on my geologic study, the targeted formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing unit will contribute more-or-less equally to the production from the wellbore.
- 10. In my opinion, the granting of this application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.
- 11. Exhibits C-1, C-2, and C-3 were either prepared by me or compiled under my direction and supervision.

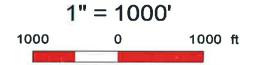
FURTHER AFFIANT SAYETH NOT.

Stan Bishop

STATE OF TEXAS)					
COUNTY OF HARRIS)					
SUBSCRIBED and	SWORN to befo	re me this	umday of	FEBRUADEDO20	by	Star
Bishop						
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My Commission Expires:		Notary Public	O PHAM c, State of Texas	1.0		
MAY 25, 2022		Per :	131582786			

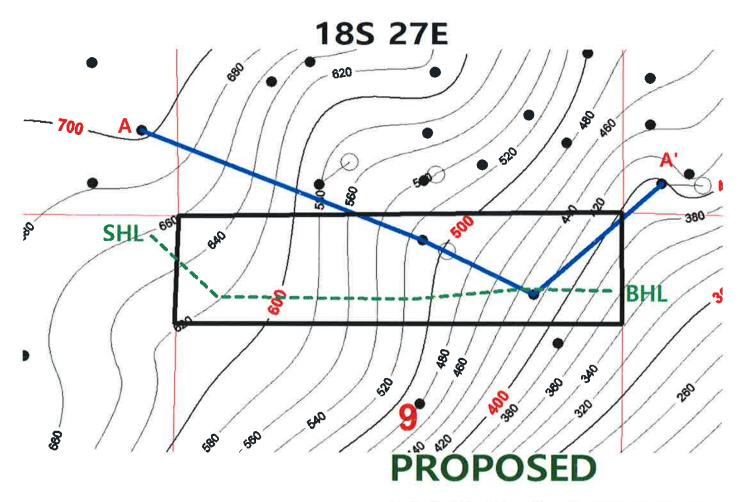


HAWK 9 FEDERAL 1H





TOP YESO SS STRUCTURE

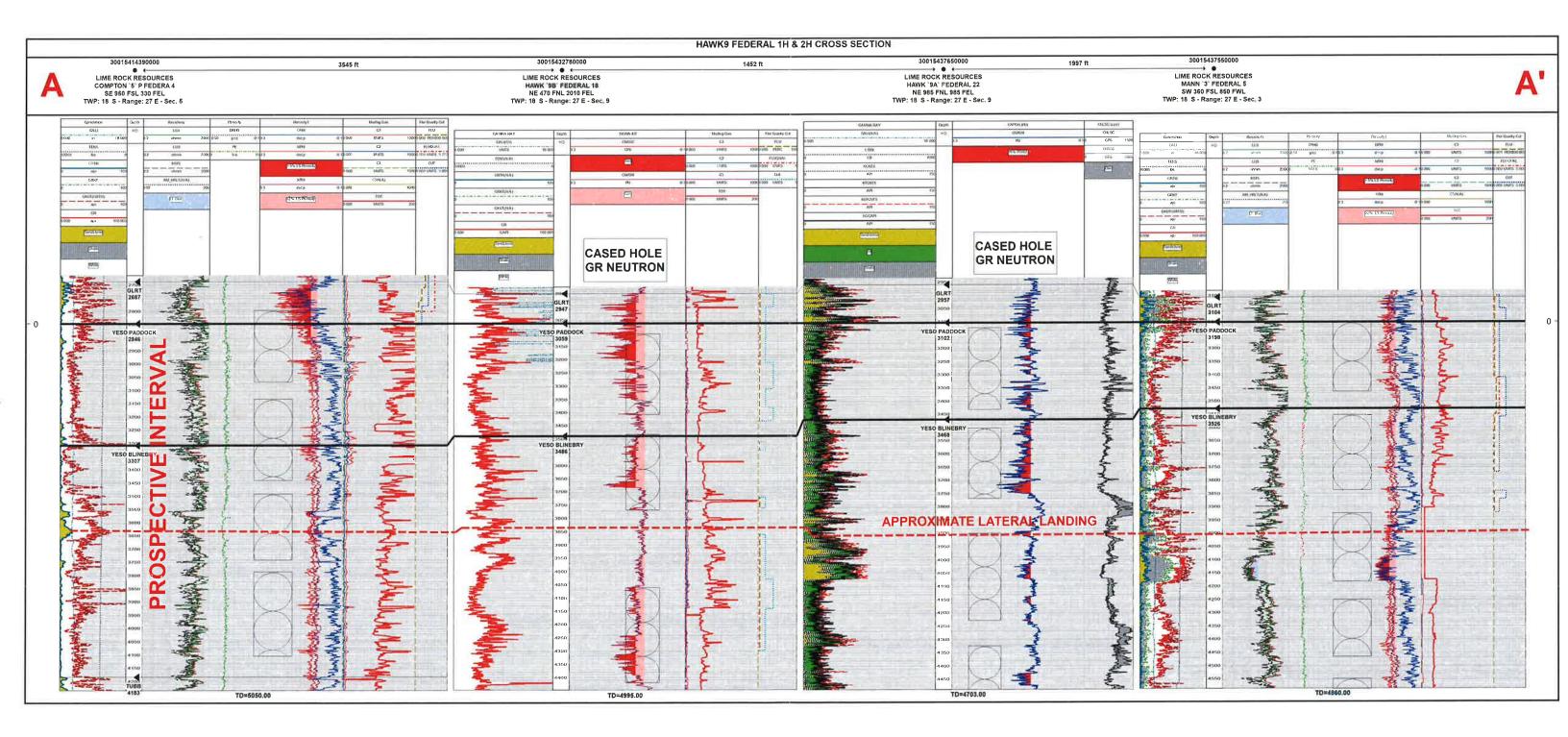


HAWK 9 FEDERAL 2H MAP LEGEND

1" = 1000'
1000 0 1000 ft



TOP YESO SS STRUCTURE



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. 21050

AFFIDAVIT

STATE OF NEW MEXICO)	
)	SS
COUNTY OF SANTA FE)	

Michael H. Feldewert, attorney in fact and authorized representative of Lime Rock Resources II-A, L.P., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.

Michael H. Feldewert

SUBSCRIBED AND SWORN to before me this 5th day of February, 2020 by Michael H. Feldewert.

My Commission Expires:

Nov. 12,2023

OFFICIAL SEAL
Carla Garcia
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: Nov. 12, 2023



Adam G. Rankin Phone (505) 988-4421 Fax (505) 983-6043 agrankin@hollandhart.com

January 17, 2020

<u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Lime Rock Resources II-A, L.P. for compulsory pooling, Eddy

County, New Mexico.

Hawk 9 Federal Com 1H & 2H Wells

Ladies & Gentlemen:

This letter is to advise you that Lime Rock Resources II-A, L.P. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on February 6, 2020 and the status of the hearing can be monitored through the Division's website at http://www.emnrd.state.nm.us/ocd/. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint 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 this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Doug Lacey at (713) 345-2147 or dlacey@limerockresources.com.

Adam G. Rankin

ATTORNEY FOR LIME ROCK RESOURCES II-A, L.P.

14026898_v1

Lime Rock - Hawk 1H, 2H Case No. 21050 Postal Delivery Report

9214890194038304325900 Occidental Permian Limited Partnership 5 Greenway Plaza Suite 110 Houston TX 77046 9214890194038304325924 Joan A Hudson 660 Camino De Los Gares Apt 334 San Clemente CA 92673 9214890194038304325917 Jane Ann Hudson Davis 6770 Wolf Creek Court Rio Rancho NM 87144 9214890194038304325894 XTO Energy Inc 22777 Springwoods Village Parkway Spring TX 77389 Recipient **Tracking Number**

Status
Delivered Signature Received
Delivered Signature Received
Delivered Signature Received
Delivered Signature Received





Shipment Confirmation Acceptance Notice

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

Lime Rock Hawk 9 Fed Com 1H, 2H Case No. 21050 CM# 59980.0003

Shipment Date: 01/17/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume				
Priority Mail Express®*					
Priority Mail®	0				
First-Class Package Service®					
Returns					
International*					
Other	4				
Total	4				

^{*}Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

- Note to RSS Clerk:

 1. Home screen > Mailing/Shipping > More
 2. Select Shipment Confirm
- Scan or enter the barcode/label number from PS Form 5630
- Confirm the volume count message by selecting Yes or No
 Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE

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Check type of mail or service	Adult Signature Required Priority Mail Express Adult Signature Restricted Delivery Registered Mail X Certified Mail Restricted Delivery Merchandise Collect on Delivery (COD) Signature Confirmation Insured Mail Restricted Delivery Restricted Delivery Priority Mail Point Mail Priority Mail Priority Mail Restricted Delivery Adult Signature Required Priority Mail Restricted Delivery Priority Mail Priority Mail	Addressee (Name, Street, City, State, & ZIP Code [™])	XTO Energy Inc 22777 Springwoods Village Parkway Spring TX 77389	Occidental Permion Limited Partnership 5 Greenway Plaza Suite 110 Houston TX 77046	Jane Ann Hudson Davis 6770 Wolf Creek Court Rio Rancho NM 87144	Joan A Hudson 660 Camino De Los Gares Apt 334 San Clemente CA 92673					Postmaster, Per (Name of receiving employee)
Name and Address of Sender	Holland & Hart LLP (1) 110 N Guadalupe St # 1 Santa Fe NM 87501	USPS Tracking/Article Number	1. 9214 8901 9403 8304 3258 94	2. 9214 8901 9403 8304 3259 00	3, 9214 8901 9403 8304 3259 17	4. 9214 8901 9403 8304 3259 24					Total Number of Pieces Total Number of Pieces Listed by Sender Received at Post Office 4

Special Handling