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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. 20212

AMENDED APPLICATION

Pursuant to NMSA § 70-2-17, Lime Rock Resources II-A, L.P. ("Lime Rock") applies for an order pooling all uncommitted mineral interests in the Yeso formation in a standard 200-acre horizontal spacing unit comprised of the N/2 S/2 of Section 11 and the NW/4 SW/4 of Section 12, Township 18 South, Range 26 East, Eddy County, New Mexico. In support of its application, Lime Rock states:

1. Lime Rock (OGRID No. 277558) is a working interest owner in the N/2 S/2 of Section 11 and the NW/4 SW/4 of Section 12 and has the right to drill a well thereon.

2. The horizontal spacing unit will be dedicated to Lime Rock's proposed Brainard 12 #2H well, which will be horizontally drilled from a surface location in Unit K in Section 12 to a last take point in Unit L of Section 11, Township 18 South, Range 26 East.

3. The completed interval for the well will be orthodox.

4. Lime Rock has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well, but has been unable to obtain voluntary agreements from all of the mineral interest owners.

5. The pooling of those uncommitted mineral interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow Lime Rock to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interest owners should be pooled.

WHEREFORE, Lime Rock requests that, after notice and hearing, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Yeso formation in the N/2 S/2 of Section 11 and the NW/4 SW/4 of Section 12, Township 18 South, Range 26 East in Eddy County:

B. Designating Lime Rock as the operator of the Brainard 12 #2H well;

C. Authorizing Lime Rock to recover its costs of drilling, equipping, and completing the Brainard 12 #2H well and allocating the costs among the working interest owners;

D. Approving the actual operating charges and costs of supervision during drilling and after completion, together with a provision for adjusting the rates pursuant to the COPAS accounting procedure; and

E. Imposing a 200% penalty for the risk assumed by Lime Rock in drilling and completing the Brainard 12 #2H well against any mineral interest owner who does not voluntarily participate in the drilling of the well.

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Counsel for Lime Rock Resources II-A, L.P.

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of January 2019, I served a true and correct copy of the foregoing Amended Application via email to:

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