

30-015-39451

MULTI POINT SURFACE USE AND OPERATIONS PLAN

LIME ROCK RESOURCES A, L.P.
Falcon 3 D Federal, Well No. 30
250' FNL & 1300' FWL, Sec. 3-T18S-R27E
Eddy County, New Mexico
Lease No.: NMLC-065478-B
(Development Well)

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan to be followed in rehabilitating the surface and environmental effects associated with the operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a BLM topo map showing the location of the proposed well as staked. The well site location is approximately 9.9 road miles east of Artesia, NM. Traveling east of Artesia on U.S. Hwy 82 there will be approximately 9.2 miles of existing highway and .7 mile of County Rd. 204 and 225..
- B. Directions: Travel east of U.S. Hwy 285 in Artesia on U.S. Hwy 82 for approximately 9.2 miles to County Rd. 204. Turn south approximately .1 mile, then southwest on County Rd. 225. Continue southwest for approximately 2.2 mile. Continue SW on CR 227 for .5 mile. Turn north for .15 mile, and then turn left NW for .1 mile and then west for .4 mile. The lease road will access the NE corner of the well pad..

2. PLANNED ACCESS ROAD:

- A. Length and Width: The existing lease access road will serve as the well access road. The existing roads are color coded on Exhibit "A".
- B. Construction: The existing access road will be upgraded, as needed, by grading and topping with compacted caliche. The surface will be properly drained.
- C. Turnouts: None will be required.
- D. Culverts: None.
- E. Cuts and Fills: None required.
- F. Gates, Cattle guards: None will be required.
- G. Off lease right of way: None required.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two-mile radius are shown on Exhibit "C".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES;

- A. Lime Rock Resources A, L.P. has production facilities on the lease at this time.
- B. If the well proves to be commercial, the necessary production facilities will be installed on the drilling pad. A 3" SDR 11 PVC surface production flow line will be run parallel to the road and other flow lines to the Falcon Tank Battery .65 mile south of the well @ 1450' FNL & 2310' FEL Sec. 3-T18S-T27E.

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5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with fresh water that will be obtained from private or commercial sources and will be transported over the existing and proposed access roads

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the proposed access road and well site pad will be obtained from the approved COG private pit in the SW4/SW4 Sec. 32-T17S-R28E or a closer pit if available. No surface materials will be disturbed except those necessary to for grading and leveling the pad area and access road.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings and liquids will be stored in the steel tanks of the closed loop mud system during the drilling operations and delivered to CRI, Permit No. R-9166, as needed, and at closure.
- B. There will be no mud pits to be fenced.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to the BLM for approval.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. Trash, waste paper, garbage and junk will be contained in trash bins to prevent scattering by the wind and will be removed for deposit in an approved sanitary landfill within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, closed loop system and major rig components. The pad and pit area has been staked and flagged, 600' X 600'.
- B. Mat Size: 300' X 120', plus 80' X 300' pad to service the closed loop mud system on the north.
- C. Cut & Fill: The location will require approximately a 1.5' foot cut on the east with fill to the west.
- D. The surface will be topped with compacted caliche.

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10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not required for operations will be removed. The location will be cleaned of all trash and junk to leave the well site in an aesthetically pleasing a condition as possible.
- B. There will be no unguarded pits containing fluids.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. Mud from the closed system will be disposed of as required.

11. OTHER INFORMATION:

- A. Topography: The proposed well site and access road are located on a overall 2.24% slope to the northwest. The location has an elevation of 3573.5' GL.
- B. Soil: The topsoil at the well site is a tan loamy soil. The soil is part of the Reeves-Gypsum land complex.
- C. Flora and Fauna: The location has a fair to poor grass cover of grama, tobosa three-awn and alkali sacaton along with plants of mesquite, yucca, broomweed, cacti and miscellaneous weeds and wildflowers. The wildlife consists of rabbits, coyotes, antelope, deer, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: None.
- E. Residences and Other Structures: None in the immediate vicinity, except producing oil wells surrounding the location of the Falcon 3 D Federal, Well No. 30.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed well site and access road is on Federal surface and minerals.
- H. There is no immediate evidence of an archaeological site on the location of the staked area. Archaeological Survey Consultants, PO Box 2285, Roswell NM 88202, is conducting an archaeological survey and their report will be submitted to the appropriate government agencies.

12. OPERATOR'S REPRESENTATIVE:

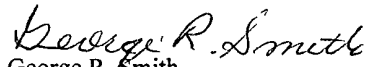
- A. The field representative for assuring compliance with the approved use and operations plan is as follows:

Sid Ashworth
LIME ROCK RESOURCES A, L.P.
Heritage Plaza
1111 Bagby Street, Suite 4600
Houston, TX 77002
Office Phone: 713-292-9526
Cell Phone: 713-906-7750

CERTIFICATION:

I hereby certify that I have inspected the proposed drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have knowledge of state and Federal laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions which it is approved. I also certify that I, or the company I represent, am/is responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Executed this June 23 2011


George R. Smith

POA agent for Lime Rock Resources A, L.P.

P.O. Box 458

Roswell, NM 88202

575-623-4940

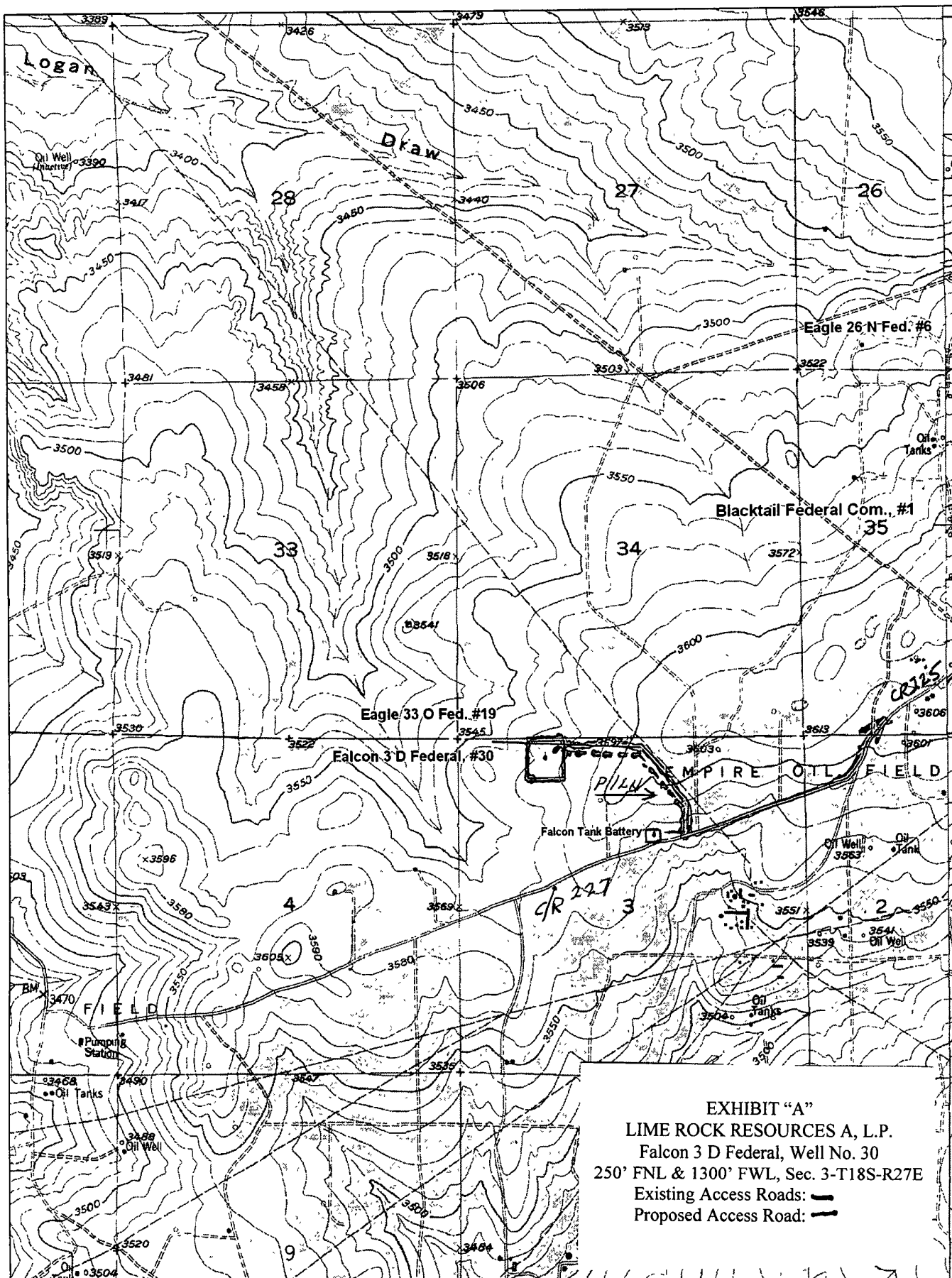
Sid Ashworth

111 Bagby St., Suite 4600

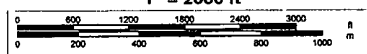
Houston, TX 77002

713-292-9526 (office)

713-906-7750 (cell)



Scale 1 : 24,000
1" = 2000 ft



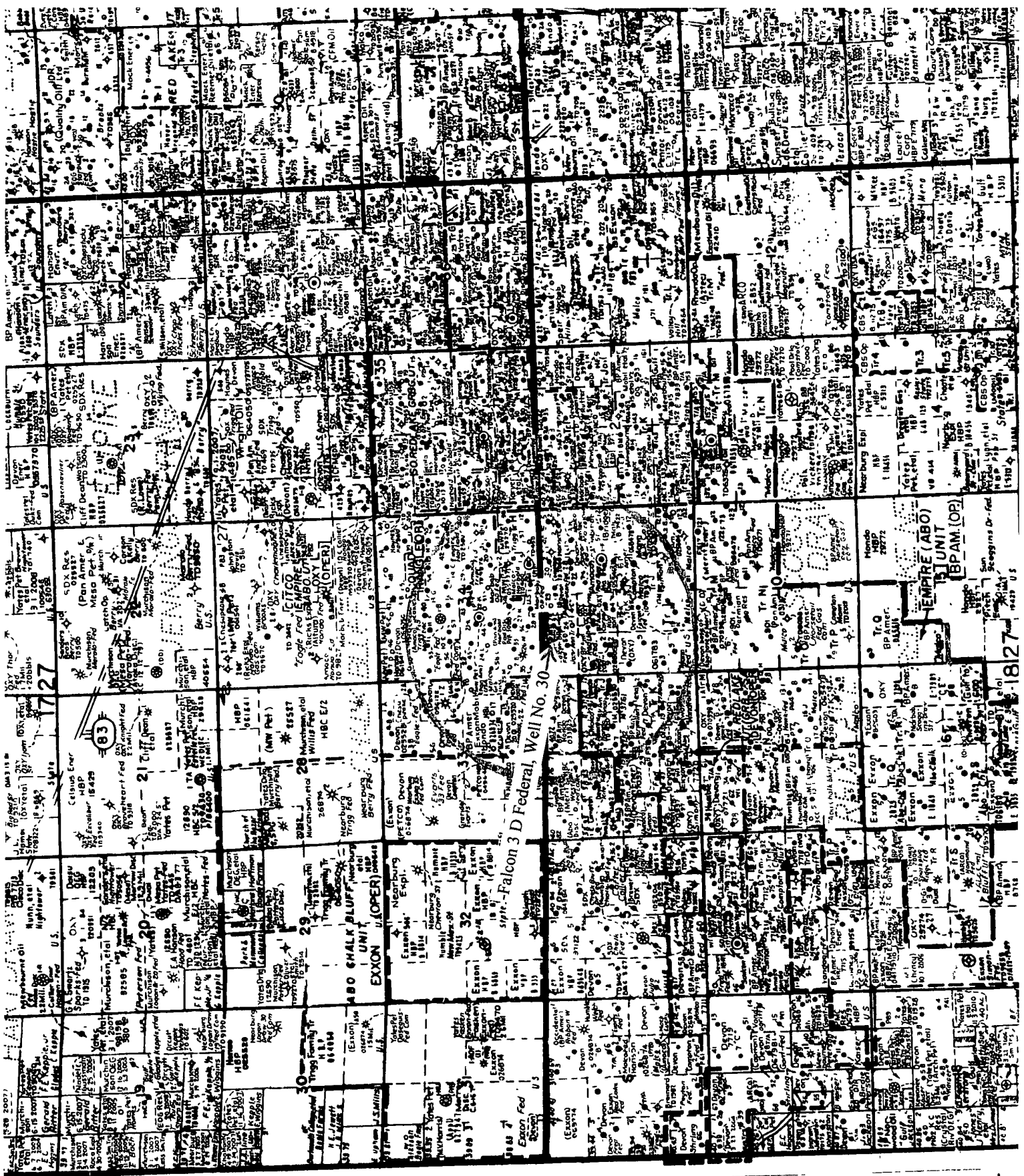
DELOME

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www.delorme.com

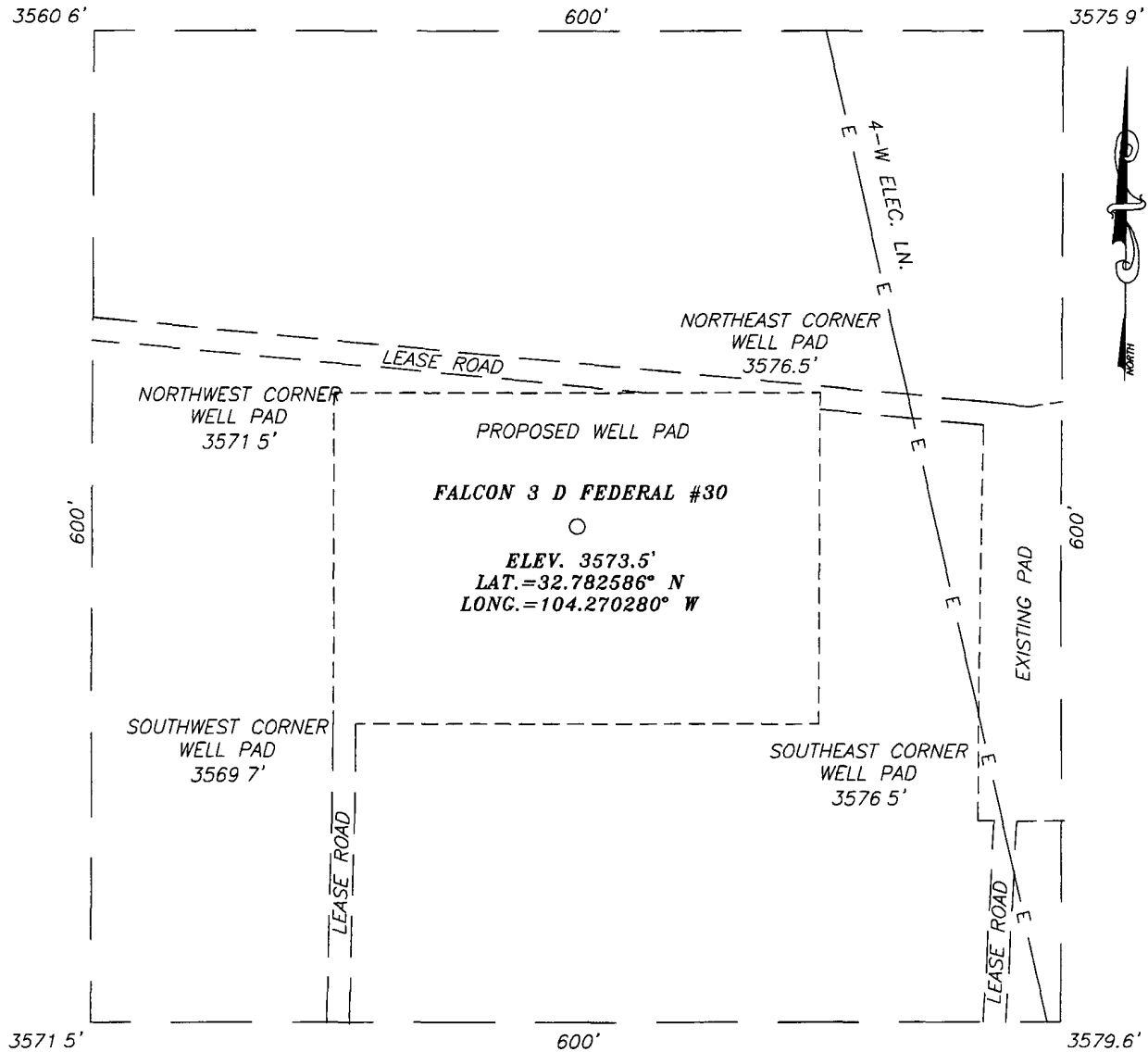
EXHIBIT "A"
LIME ROCK RESOURCES A, L.P.
Falcon 3 D Federal, Well No. 30
250' FNL & 1300' FWL, Sec. 3-T18S-R27E
Existing Access Roads: —
Proposed Access Road: - - -

T 17S

EXHIBIT "C"
LIME ROCK RESOURCES A, L.P.
Falcon 3 D Federal, Well No. 30
250' FNL & 1300' FWL, Sec. 3-T18S-R27E
Existing Wells

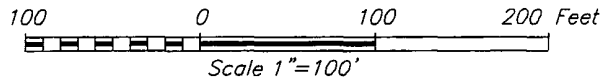


SECTION 3, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



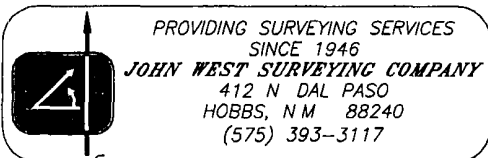
DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF CO. RD. #225 (EMPIRE RD) AND CO RD #227 (LITTLE DIAMOND) GO WEST ON CO RD #227 APPROX 0.5 MILES TURN RIGHT AND GO NORTH APPROX 0.15 MILES. TURN LEFT AND GO NORTHWEST APPROX 0.1 MILE TURN LEFT AND GO WEST APPROX APPROX 0.4 MILES THE LOCATION STAKE IS APPROX 90 FEET SOUTH



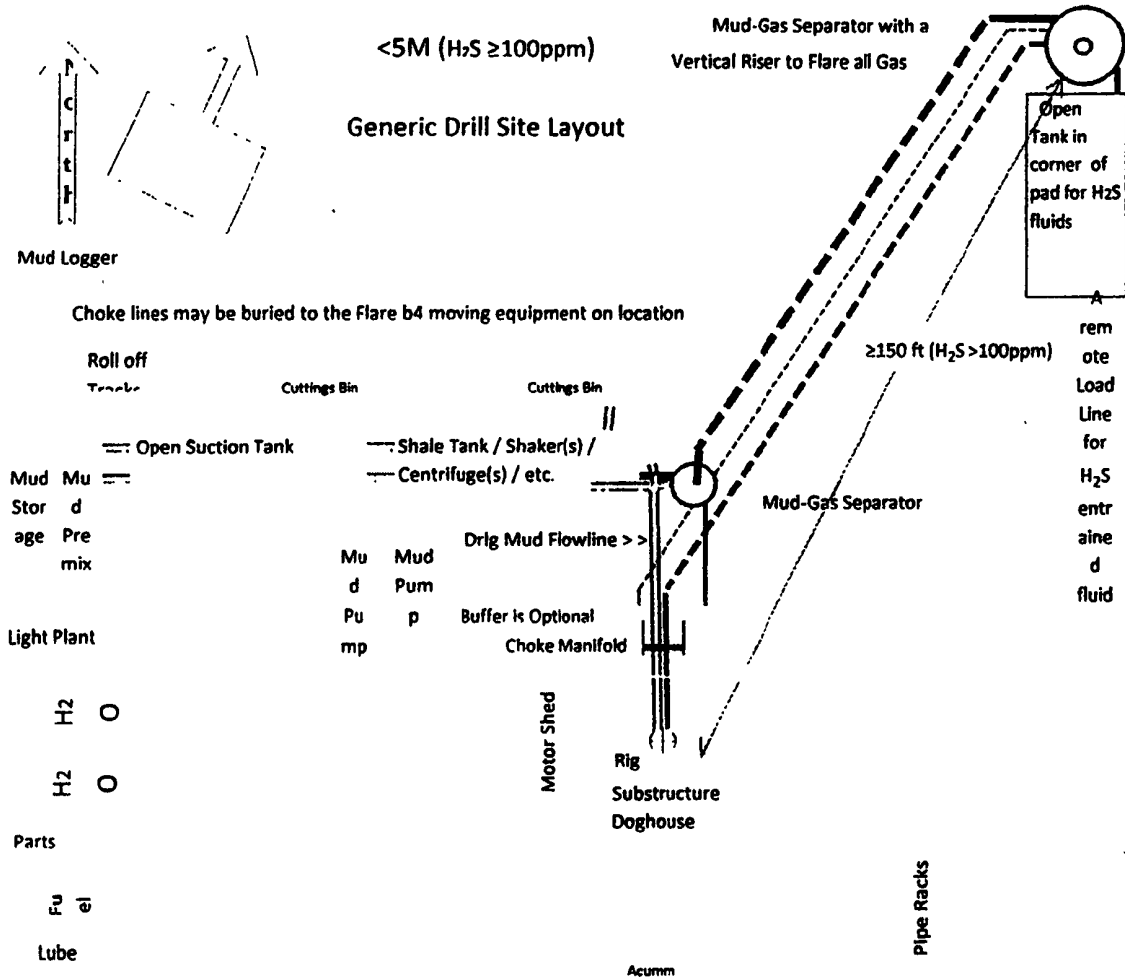
LIME ROCK REOURCES A, L.P.

FALCON 3 D FEDERAL #30 WELL
 LOCATED 250 FEET FROM THE NORTH LINE
 AND 1300 FEET FROM THE WEST LINE OF SECTION 3,
 TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO

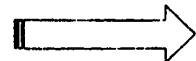


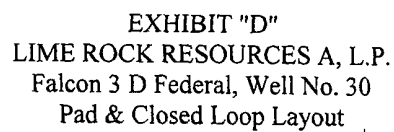
Survey Date: 2/14/11	Sheet 1 of 1 Sheets
W O Number. 11 11.0296	Dr By LA
Date. 2/21/11	11110296
	Scale. 1"=100'

For a vertical gas vent or flare to be 150ft from the wellbore, the well needs to be centered in a square 250ft min on a side. To be 100ft from the wellbore, the well needs to be centered in a square 150ft min on a side.



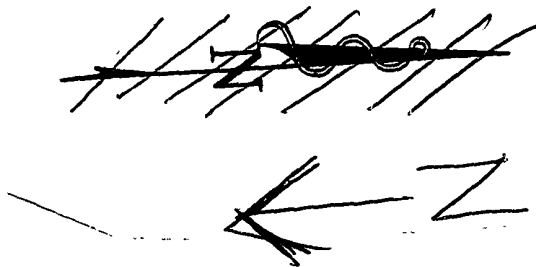
Preplanning reasonable accommodations to achieve necessary and useable "Closed Loop" drillsite features is challenging. Specific considerations must be custom fitted to each wellsite. This generic plat was prepared to emphasize desired APD planning elements for lower pressure wells with the potential for H₂S gas. As a minimum the plat should include: a north arrow, prevailing wind direction, access road, a mud-gas separator, and steel tank location or blowdown pit for overpressured fluids. Include truck routing for removal of cuttings bins. Consider an overpressured situation, with the BOPE being closed. Show the choke manifold and a piping system for venting overpressured fluid through a gas/liquid separator to burn gas and flow liquids into the steel tank. Also consider the need for fluid/gas separation during normal drilling with fluid discharged to mud tanks and H₂S gas from the flowline venting to the flare.





V-door: West
See COAs

UNITED BRYLINC, INC.
LOCATION PLAT
RIG



UNITED BUILDINGS, INC.
LOCATION PLAT