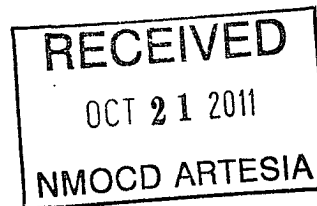


District I
1625 N French Dr , Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St , Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr , Santa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

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised August 1, 2011



Permit

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Lime Rock Resources A, L. P. 1111 Bagby Street, Suite 4600 Houston, Tx. 77002		² OGRID Number 255333
⁴ Property Code 38881		³ Property Name Kaiser B-18 G
		⁵ API Number 30-015-39541
		⁶ Well No. 12

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
G	18	18S	27E		1650	N	2310	E	Eddy

⁸ Pool Information

Red Lake, Glorieta Yeso	51120
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Additional Well Information

⁹ Work Type N	¹⁰ Well Type 0	¹¹ Cable/Rotary R	¹² Lease Type P	¹³ Ground Level Elevation 3288
¹⁴ Multiple No	¹⁵ Proposed Depth 4200'	¹⁶ Formation Glorieta Yeso	¹⁷ Contractor United	¹⁸ Spud Date
Depth to Ground water 250'		Distance from nearest fresh water well		Distance to nearest surface water 1/4 mi.

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
	17 1/2"	13 3/8"	48#	250	215	Surface
	12 1/4"	8 5/8"	24#	1600	350	Lead
					420	Tail to Surface
	7 7/8"	5 1/2"	17#	4200	225 Sx 35/55 Poz-c	Lead to Surface
					400 Sx 50/50 Poz-c	Tail to Surface

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
XLT 11"	5,000#	2,000#	National Barco

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan X ☒.

Printed name: Barry W. Hunt

Barry W. Hunt

Title: Permit Agent

E-mail Address: specialtpermitting@gmail.com

Date: 10/21/11

Phone (575) 361-4078

OIL CONSERVATION DIVISION

Approved By

RR Dade

Title:

Dist II Supervisor

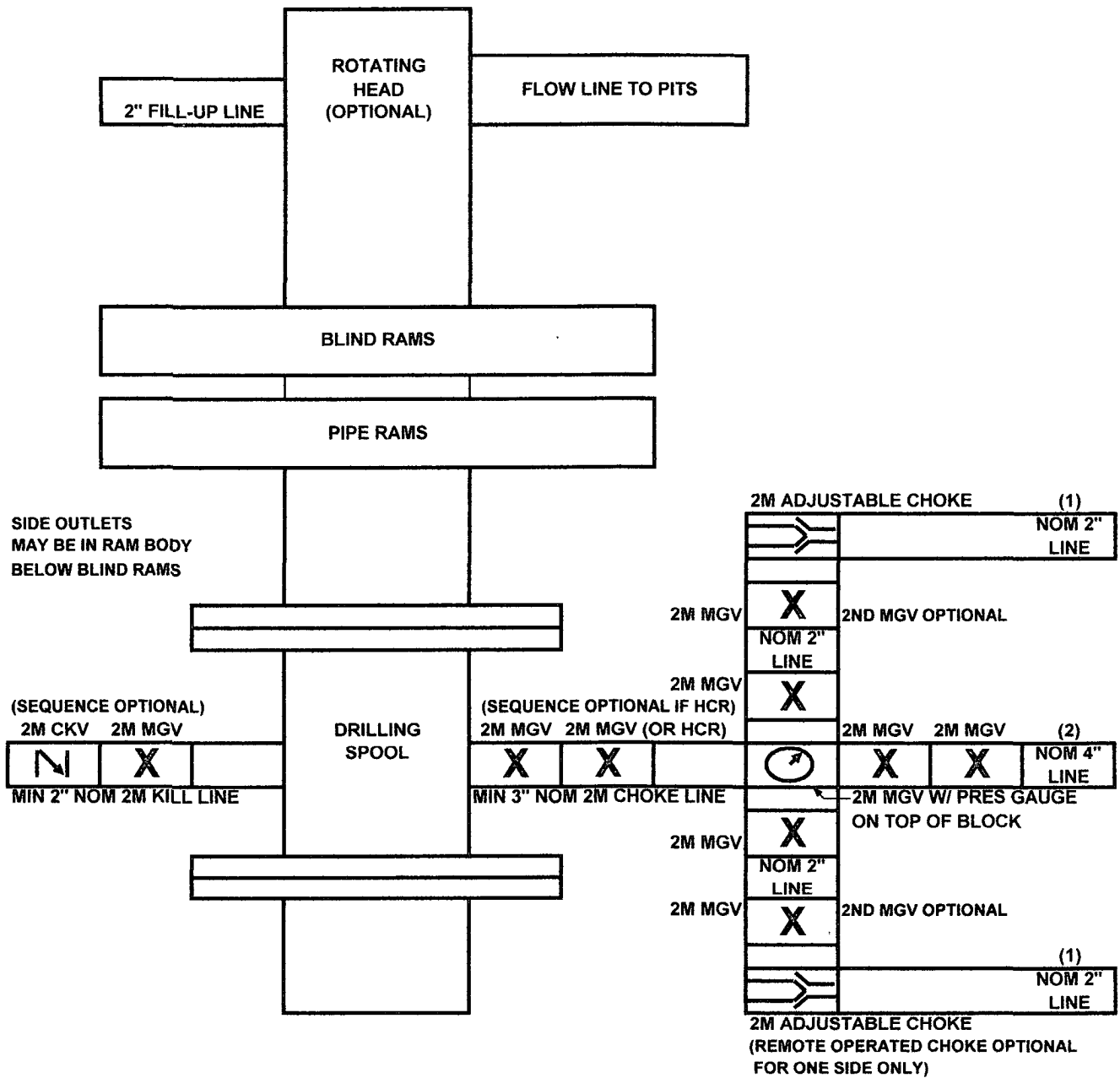
Approved Date:

10/28/2011

Expiration Date:

Conditions of Approval Attached

2M BOP SCHEMATIC



- (1) Line to mud gas separator and/or pit
- (2) Bleed line to pit

MGV - Manual Gate Valve

CKV - Check Valve

HCR - Hydraulically Controlled Remote Valve

HYDROGEN SULFIDE (H₂S) CONTINGENCY PLAN

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H₂S monitors and air packs in order to control the release.
- Use the "buddy system" to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
 - Detection of H₂S, and
 - Measures for protection against the gas,
 - Equipment used for protection and emergency response.

Ignition of Gas source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever this is an ignition of the gas.

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Lime Rock Resources personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. Lime Rock Resources response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

H₂S CONTINGENCY PLAN EMERGENCY CONTACTS

Company Office –Lime Rock Resources 713-292-9510
Answering Service (During Non-Office Hours) 713-292-9555

Key Personnel

<u>Name</u>	<u>Title</u>	<u>Phone Number</u>
Richard Ghiselin.	Production Engineer	713-345-2136 Cell: 218-507-0386
Mike Barrett	Production Supervisor	575-623-8424 Cell: 505-353-2644

Ambulance	911
State Police	575-746-2703
City Police	575-746-2703
Sheriff's Office	575-746-9888
Fire Department	575-746-2701
Local Emergency Planning Committee	575-746-2122
New Mexico Oil Conservation Division	575-748-1283

Carlsbad

Ambulance	911
State Police	575-8885-3137
City Police	575-885-2111
Sheriff's Office	575-887-7551
Fire Department	575-887-3798
Local Emergency Planning Committee	575-887-6544
US Bureau of Land Management	575-887-6544

New Mexico Emergency Response Commission (Santa Fe)	505-476-9600
24 Hour	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635
National Emergency Response Center (Washington, DC)	800-424-8802

Other

Boots & Coots IWC	800-256-9688 or 281-931-8884
Cudd PressureControl	915-699-0139 or 915-563-3356
Halliburton	575-746-2757
B. J. Services	575-746-3569
Flight For Life – 4000 24 th St. Lubbock, Texas	806-743-9911
Aerocare – R3, Box 49F, Lubbock, Texas	806-747-8923
Med Flight Air Amb – 2301 Yale Blvd SE #D3, Albuquerque, NM	505-842-4433
S B Air Med Service – 2505 Clark Carr Loop SE, Albuquerque, NM	505-842-4949

DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

Operator Lime Rock Resources OGRID # 255333
 Well Name & # Kaiser 18 G Surface Type (F) (S) (P) (P)
 Location: UL G Sect 18, Township 18 s, RNG 27 e, Sub-surface Type (F) (S) (P) (P)

A. Date C101 rec'd 10/21/2011 C101 reviewed 10/26/

B. 1. Check mark, Information is OK on Forms:

OGRID ☒ BONDING ☒ PROP CODE WELL # SIGNATURE
 2. Inactive Well list as of: 10/26/2011 # wells 670, # Inactive wells 6

a. District Grant APD but see number of inactive wells:

No Letter required ; Sent Letter to Operator , to Santa Fe

3. Additional Bonding as of: 10/26/2011

a. District Denial because operator needs addition bonding:

No Letter required ☒; Sent Letter to Operator , To Santa Fe

b. District Denial because of Inactive well list and Financial Assurance:

No Letter required ☒; Sent Letter to Operator , To Santa Fe

C. C102 YES ☒ NO , Signature

1. Pool Kaiser 18 G, Code 38881

a. Dedicated acreage 40, What Units G

b. SUR. Location Standard ☒: Non-Standard Location

c. Well shares acres: Yes , No , # of wells plus this well #

2. 2nd. Operator in same acreage, Yes , No

Agreement Letter , Disagreement letter

3. Intent to Directional Drill Yes , No

a. Dedicated acreage , What Units

b. Bottomhole Location Standard , Non-Standard Bottomhole

4. Downhole Commingle: Yes , No

a. Pool #2 , Code , Acres

Pool #3 , Code , Acres

Pool #4 , Code , Acres

5. POTASH Area Yes , No ☒

D. Blowout Preventer Yes ☒ No

E. H2S Yes , No

F. C144 Pit Registration Yes , No

G. Does APD require Santa Fe Approval:

1. Non-Standard Location: Yes , No , NSL #

2. Non-Standard Proration: Yes , No , NSP #

3. Simultaneous Dedication: Yes , No , SD #

Number of wells Plus #

4. Injection order Yes , No ☒; PMX # or WFX #

5. SWD order Yes , NO ☒; SWD #

6. DHC from SF ; DHC-HOB ; Holding

7. OCD Approval Date 10/26/2011

API #30-0 15-39541

8. Reviewers TES