

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

Form C-101
Revised July 18, 2013

HOBBS Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

AMENDED Report

Amended Directional

MAY 03 2016

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

| | | |
|---|-----------------------------|----------------------------|
| Operator Name and Address Lime Rock Resources II-A, L.P. 1111 Bagby Street, Suite 4600 Houston, Texas 77002 | | OGRID Number 277558 |
| Property Code 39343 | Property Name Terry 14 C | API Number 30-015-40486 |
| | | Well No. #2 |

7 Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| C | 14 | 18S | 26E | | 185 | N | 2210 | W | Eddy |

8 Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| C | 14 | 18S | 26E | | 330 | N | 2300 | W | Eddy |

9 Pool Information

| | |
|----------------------|------|
| Atoka; Gloricta-Yeso | 3250 |
|----------------------|------|

Additional Well Information

| | | | | |
|-----------------------------------|--|--|-------------------------------------|--|
| Work Type N | Well Type O | Cable/Retary R | Lease Type P | Ground Level Elevation 3315.6 |
| Multile N | Proposed Depth 4550' MD / 4571' TVD | Formation Yeso | Contractor United Drilling, Inc. | Soud Date After 2/1/2016 |
| Depth to Ground Water: 100 Ft. | | Distance from nearest fresh water well: 0.127 Miles | | Distance from nearest surface water: 1.84 Miles |

We will be using a closed-loop system in lieu of lined pits *new APD: 900' 560 sks cement. Top SA 955'*

19 Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Conductor | 26" | 20" | 91.5 | 80 | 80 | Surface |
| Surface | 11" | 8-5/8" | 24 | 425 | 300 | Surface |
| Production | 7-7/8" | 5-1/2" | 17 | 4571 | 850 | Surface |

Casing/Cement Program: Additional Comments *995 sks cement*

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|---------|------------------|---------------|----------------|
| XLT 11" | 5000 | 2000 | National Varco |

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC 0, if applicable.

Signature: *Eric P. McClusky*
Printed Name: Eric McClusky
Title: Operations Engineer
E-mail Address: emcclusky@limerockresources.com
Date: 12/30/2015 Phone: 713-360-5714

OIL CONSERVATION DIVISION

Approved By: *RP Dade* **Denied**
Title: *DIST. PP. SUPERVISOR*
Approved Date: *1/13/2016* Expiration Date: *1/13/2018*
Conditions of Approval At

SEE ATTACHED FOR EXPLANATION

Handwritten initials

HOBBS OCD

1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0720
 511 S. First St., Artesia, NM 88210
 Phone: (505) 745-1253 Fax: (505) 745-9220
 1000 Rio Huerfano Road, Aztec, NM 87410
 Phone: (505) 334-6173 Fax: (505) 334-6170
 1220 N. 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

MAY 03 2016

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|--|---|
| API Number 30.015-40486 | Pool Code 3250 | Pool Name Atoka - Glorieta - Yeso |
| Property Code 39343 | Property Name TERRY 14C | Well Number 2 |
| OGRID No. 277558 | Operator Name LIME ROCK RESOURCES II-A, L.P. | Elevation 3315.6 |

* Surface Location

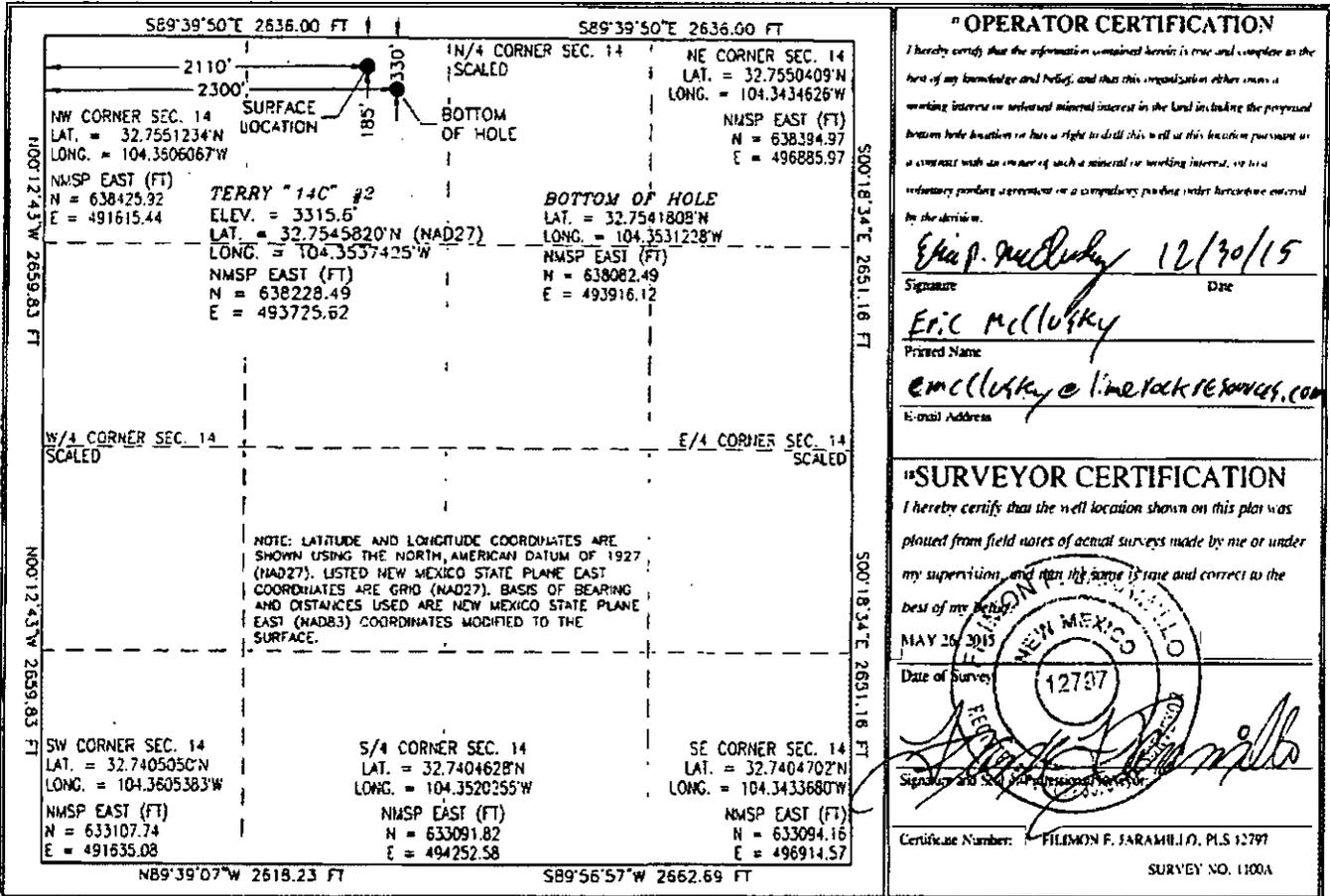
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 14 | 18 S | 26 E | | 185 | NORTH | 2110 | WEST | EDDY |

" Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 14 | 18 S | 26 E | | 330 | NORTH | 2300 | WEST | EDDY |

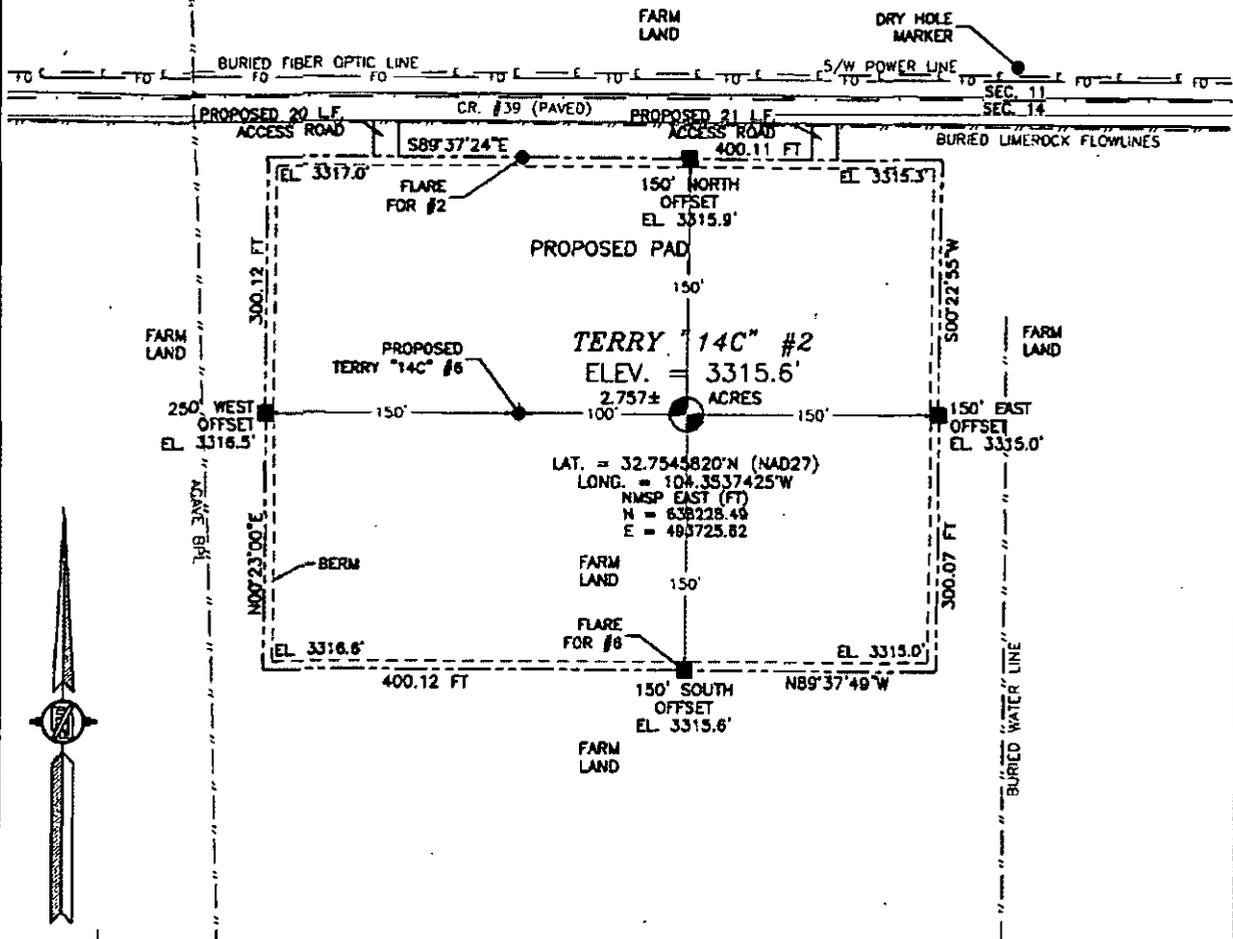
| | | | |
|------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 40 | Joint or Infill | Consolidation Code | Order No. |
|------------------------------|-----------------|--------------------|-----------|

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.



**SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
SITE MAP**

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1927 (NAD27). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD27). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES (NAD 83) MODIFIED TO THE SURFACE.



0 10 50 100 200

SCALE 1" = 100'
DIRECTIONS TO LOCATION
FROM STATE ROAD #229 (HALDEMAN ROAD) AND CR. #39
(FOUR-DANKUS) GO EAST ON CR. #39 0.4 MILE AND NORTH EDGE
OF CENTER OF PAD IS 30' SOUTH FOR THIS LOCATION.

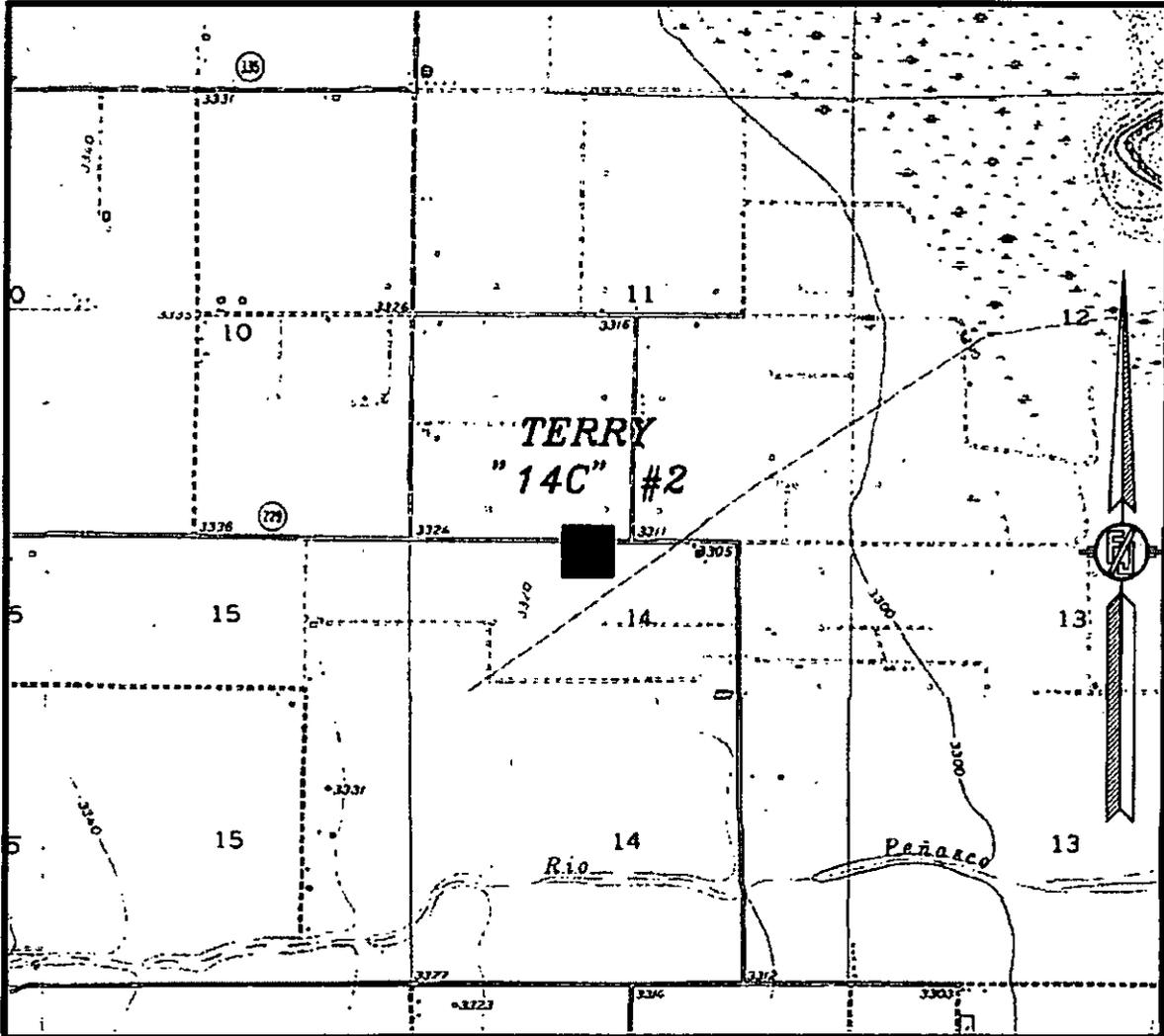
**LIME ROCK RESOURCES II-A, L.P.
TERRY "14C" #2
LOCATED 185 FT. FROM THE NORTH LINE
AND 2110 FT. FROM THE WEST LINE OF
SECTION 14, TOWNSHIP 18 SOUTH,
RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO**

MAY 26, 2015

SURVEY NO. 1100A

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 234-3341

SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO
 LOCATION VERIFICATION MAP



USGS QUAD MAP:
 SPRING LAKE

NOT TO SCALE

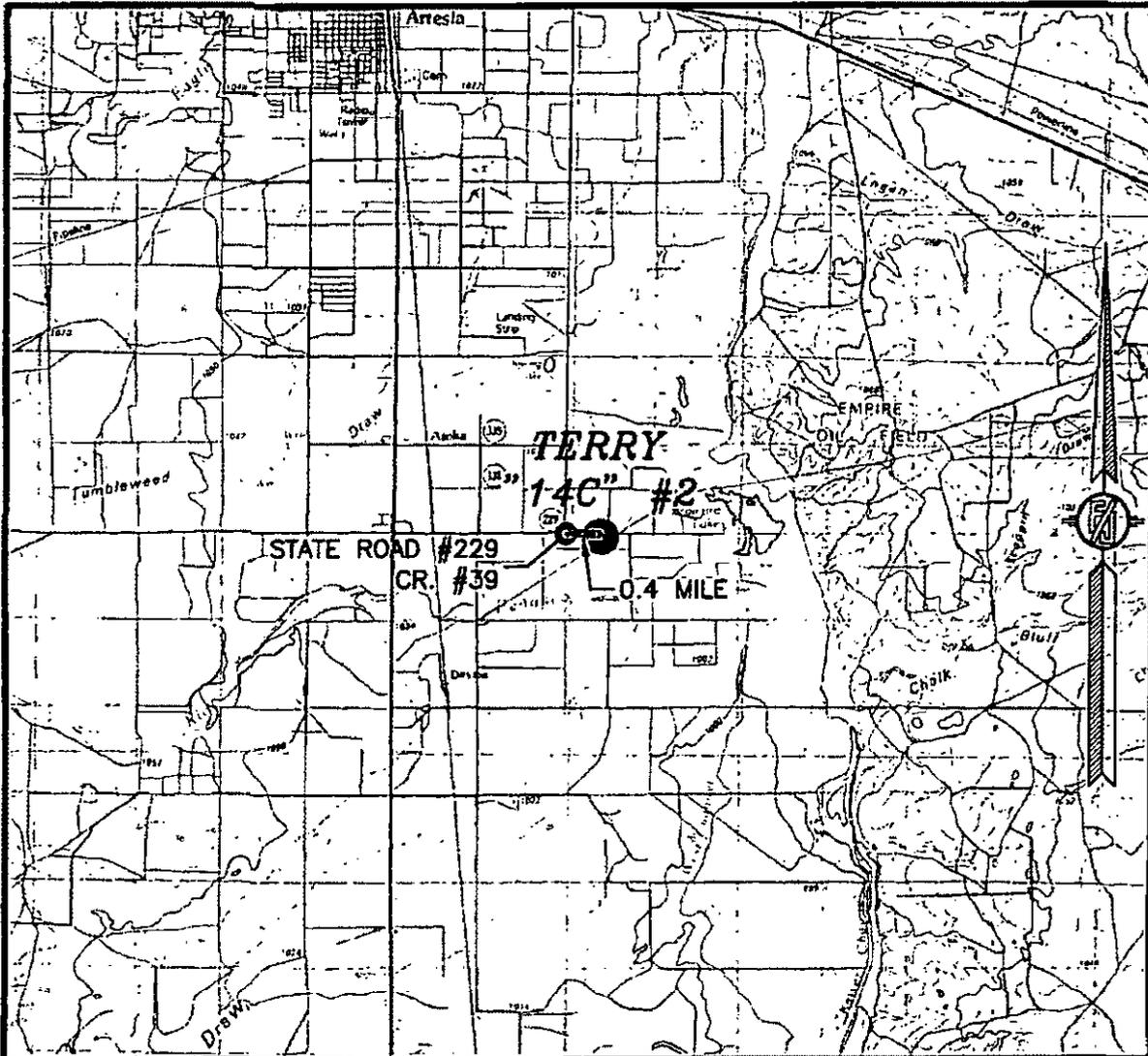
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 SECTION 14, TOWNSHIP 18 SOUTH,
 RANGE 26 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

MAY 26, 2015

SURVEY NO. 1100A

MADRON SURVEYING, INC. 501 SOUTH CANAL CARLSBAD, NEW MEXICO
 (575) 234-3341

SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO
 VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

DIRECTIONS TO LOCATION
 FROM STATE ROAD #229 (MALDEMAN ROAD) AND CR. #39
 (FOUR-DINKUS) GO EAST ON CR. #39 0.4 MILE AND NORTH EDGE
 OF CENTER OF PAD IS 30' SOUTH FOR THIS LOCATION.

LIME ROCK RESOURCES II-A, L.P.
TERRY "14C" #2
 LOCATED 185 FT. FROM THE NORTH LINE
 AND 2110 FT. FROM THE WEST LINE OF
 SECTION 14, TOWNSHIP 18 SOUTH,
 RANGE 26 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

MAY 26, 2015

SURVEY NO. 1100A

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
 (575) 234-3341

SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
MAY 2014

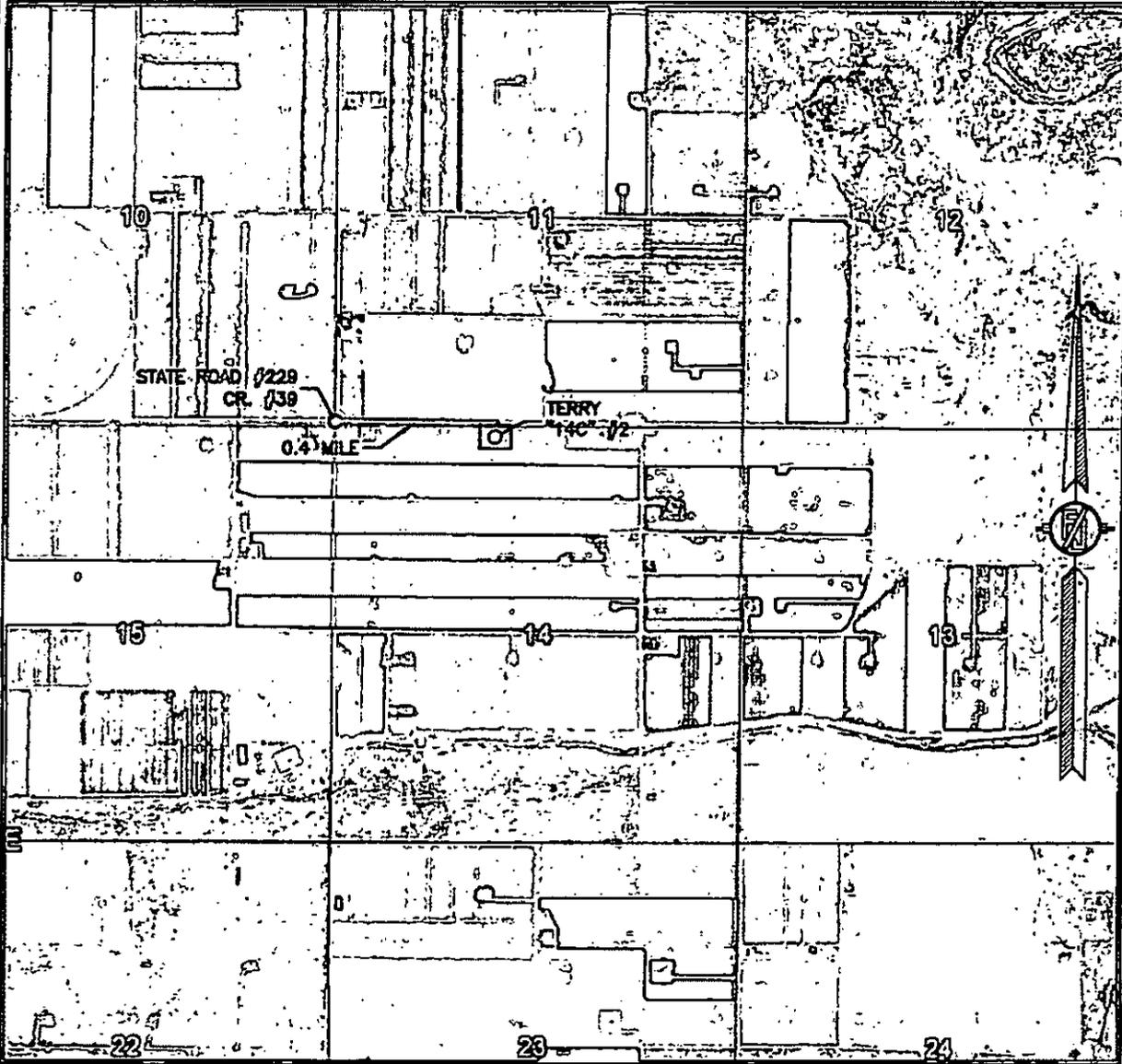
LIME ROCK RESOURCES II-A, L.P.
TERRY "14C" #2
LOCATED 185 FT. FROM THE NORTH LINE
AND 2110 FT. FROM THE WEST LINE OF
SECTION 14, TOWNSHIP 18 SOUTH,
RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

MAY 26, 2015

SURVEY NO. 1100A

MADRON SURVEYING, INC. 361 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
AERIAL ACCESS ROUTE MAP



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
MAY 2014

LIME ROCK RESOURCES II-A, L.P.
TERRY "14C" #2
LOCATED 185 FT. FROM THE NORTH LINE
AND 2110 FT. FROM THE WEST LINE OF
SECTION 14, TOWNSHIP 18 SOUTH,
RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

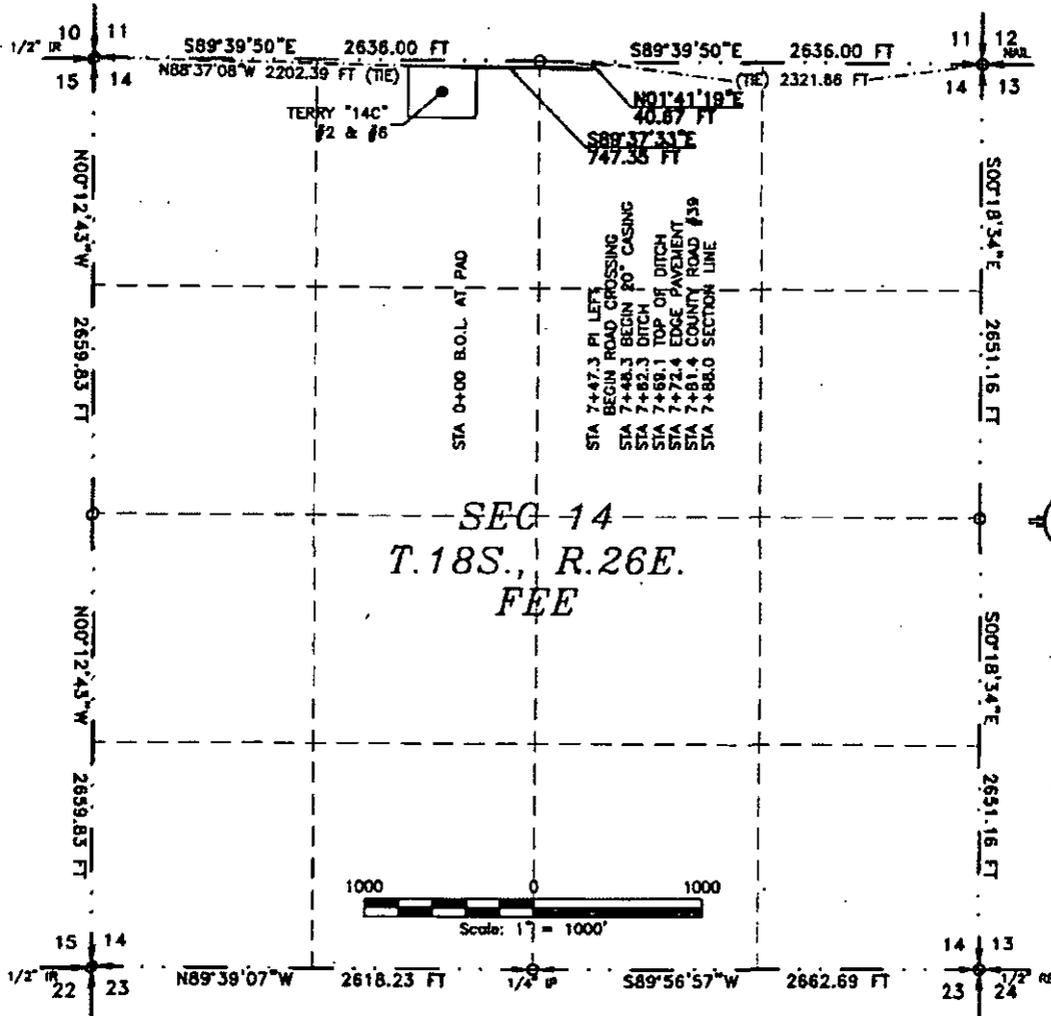
MAY 26, 2015

SURVEY NO. 1100A

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 234-3341

FLOWLINE PLAT
 R-0-W FOR FOUR-3" SDR 7 BURIED POLY FLOWLINES FROM TERRY "14C" #2 & #6 TO TERRY "14" BATTERY

LIME ROCK RESOURCES II-A, L.P.
CENTERLINE SURVEY OF A PIPELINE CROSSING
 SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO
 JUNE 19, 2015



SEE NEXT SHEET (2-6) FOR DESCRIPTION

SURVEYOR CERTIFICATE

I, FILMON F. CARABALLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS 19th DAY OF JUNE, 2015

GENERAL NOTES

- 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.
- 2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES.

Filmon F. Caraballo
 REGISTERED PROFESSIONAL SURVEYOR
 FILMON F. CARABALLO, P.S. 12797

MADRON SURVEYING, INC.
 301 SOUTH CANAL
 CARLSBAD, NEW MEXICO 88220
 Phone (575) 234-3341

SHEET: 1-6

MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO

SURVEY NO. 1100A

FLOWLINE PLAT
R-O-W FOR FOUR-3" SDR 7 BURIED POLY FLOWLINES FROM TERRY "14C" #2 & #8 TO TERRY "14" BATTERY

LIME ROCK RESOURCES II-A, L.P.
CENTERLINE SURVEY OF A PIPELINE CROSSING
SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
JUNE 19, 2015

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING FEE LAND IN SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE NE/4 NW/4 OF SAID SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M., WHENCE THE NORTHWEST CORNER OF SAID SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. BEARS N88°37'08"W, A DISTANCE OF 2202.39 FEET;
THENCE S89°37'33"E A DISTANCE OF 747.35 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;
THENCE N01°41'19"E A DISTANCE OF 40.67 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE NORTHEAST CORNER OF SAID SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. BEARS S89°39'50"E, A DISTANCE OF 2321.66 FEET;

SAID STRIP OF LAND BEING 788.02 FEET OR 47.76 RODS IN LENGTH, CONTAINING 0.543 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

| | | | |
|-----------|-------------|------------|-------------|
| NE/4 NW/4 | 434.23 L.F. | 26.32 RODS | 0.299 ACRES |
| NW/4 NE/4 | 353.79 L.F. | 21.44 RODS | 0.244 ACRES |

SURVEYOR CERTIFICATE

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12787, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS 25 DAY OF JUNE 2015

GENERAL NOTES

- 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.
- 2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES.

FILMON F. JARAMILLO
MADRON SURVEYING, INC.
5381 SOUTH CANAL
CARLSBAD, NEW MEXICO 88220
Phone (575) 234-3341

SHEET: 2-6

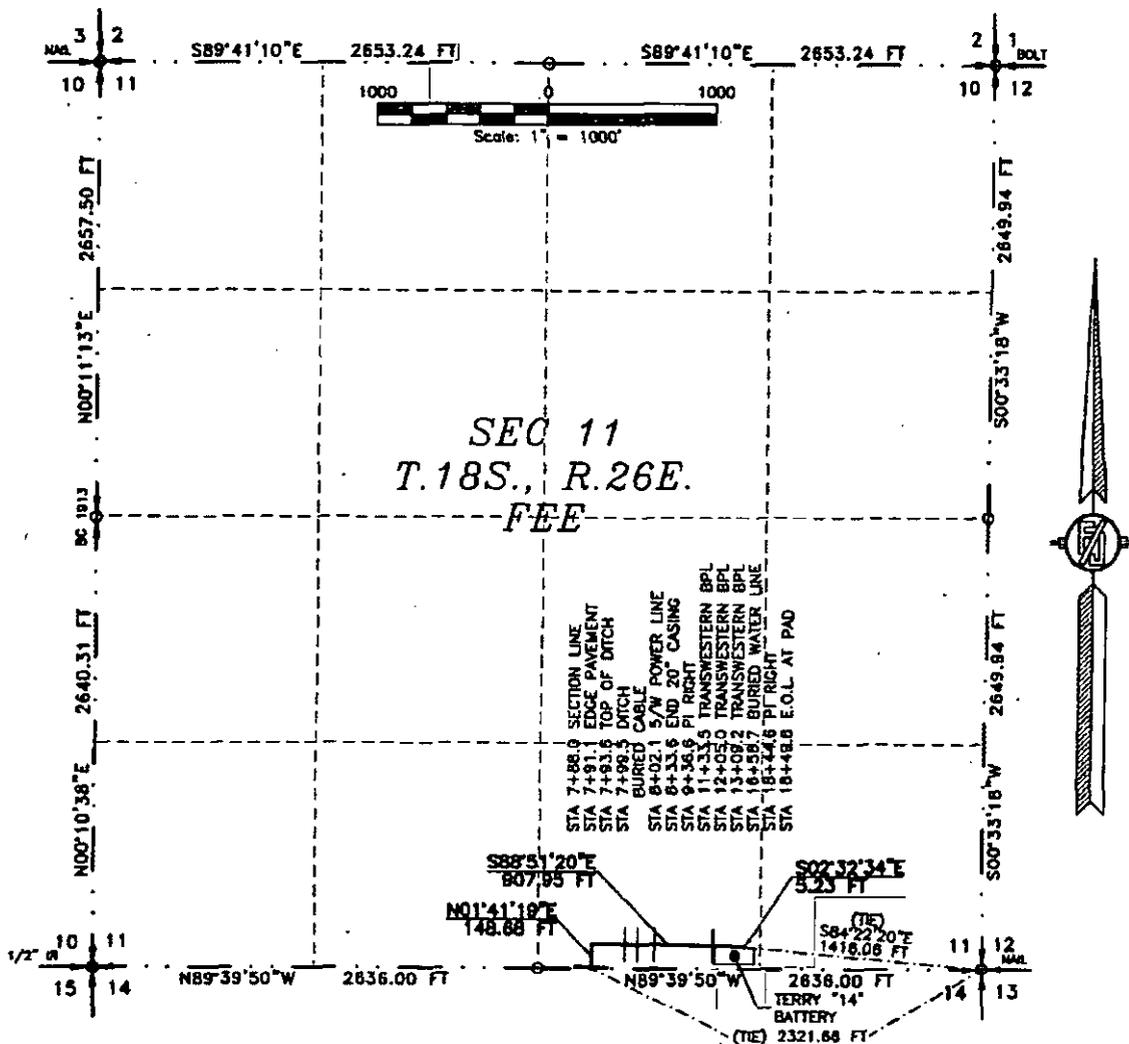
MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO SURVEY NO. 1100A

5381 SOUTH CANAL
(575) 234-3341

FLOWLINE PLAT

R-0-W FOR FOUR-3" SDR 7 BURIED POLY FLOWLINES FROM TERRY "14C" #2 & #6 TO TERRY "14" BATTERY

LIME ROCK RESOURCES II-A, L.P.
CENTERLINE SURVEY OF A PIPELINE CROSSING
SECTION 11, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
JUNE 19, 2015



SEE NEXT SHEET (4-6) FOR DESCRIPTION

SURVEYOR CERTIFICATE

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS 23 DAY OF JUNE, 2015.

Filmon F. Jaramillo
 FILMON F. JARAMILLO, P.E.S. 12797

MADRON SURVEYING, INC.
 301 SOUTH CANAL
 CARLSBAD, NEW MEXICO 88220
 Phone (575) 234-3341

GENERAL NOTES

- 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.
- 2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES.

SHEET: 3-6

MADRON SURVEYING, INC.

301 SOUTH CANAL
 (575) 234-3341

CARLSBAD, NEW MEXICO

SURVEY NO. 1100A

FLOWLINE PLAT
R-O-W FOR FOUR-3" SDR 7 BURIED POLY FLOWLINES FROM TERRY "14C" #2 & #6 TO TERRY "14" BATTERY

LIME ROCK RESOURCES II-A, L.P.
CENTERLINE SURVEY OF A PIPELINE CROSSING
SECTION 11, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
JUNE 19, 2015

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING FEE LAND IN SECTION 11, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SW/4 SE/4 OF SAID SECTION 11, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M., WHENCE THE SOUTHEAST CORNER OF SAID SECTION 11, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. BEARS S89°39'50"E, A DISTANCE OF 2321.66 FEET;
THENCE N01°41'19"E A DISTANCE OF 148.68 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;
THENCE S88°51'20"E A DISTANCE OF 907.95 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;
THENCE S02°32'34"E A DISTANCE OF 5.23 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE SOUTHEAST CORNER OF SAID SECTION 11, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. BEARS S84°22'20"E, A DISTANCE OF 1418.06 FEET;

SAID STRIP OF LAND BEING 1061.86 FEET OR 64.36 RODS IN LENGTH, CONTAINING 0.731 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SW/4 SE/4 1061.86 L.F. 64.36 RODS 0.731 ACRES

GENERAL NOTES

- 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.
- 2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES.

SURVEYOR CERTIFICATE

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, NEW MEXICO, THIS 23 DAY OF JUNE 2015

FILMON F. JARAMILLO
MADRON SURVEYING, INC.
301 SOUTH CANAL
CARLSBAD, NEW MEXICO 88220
Phone (575) 234-3341

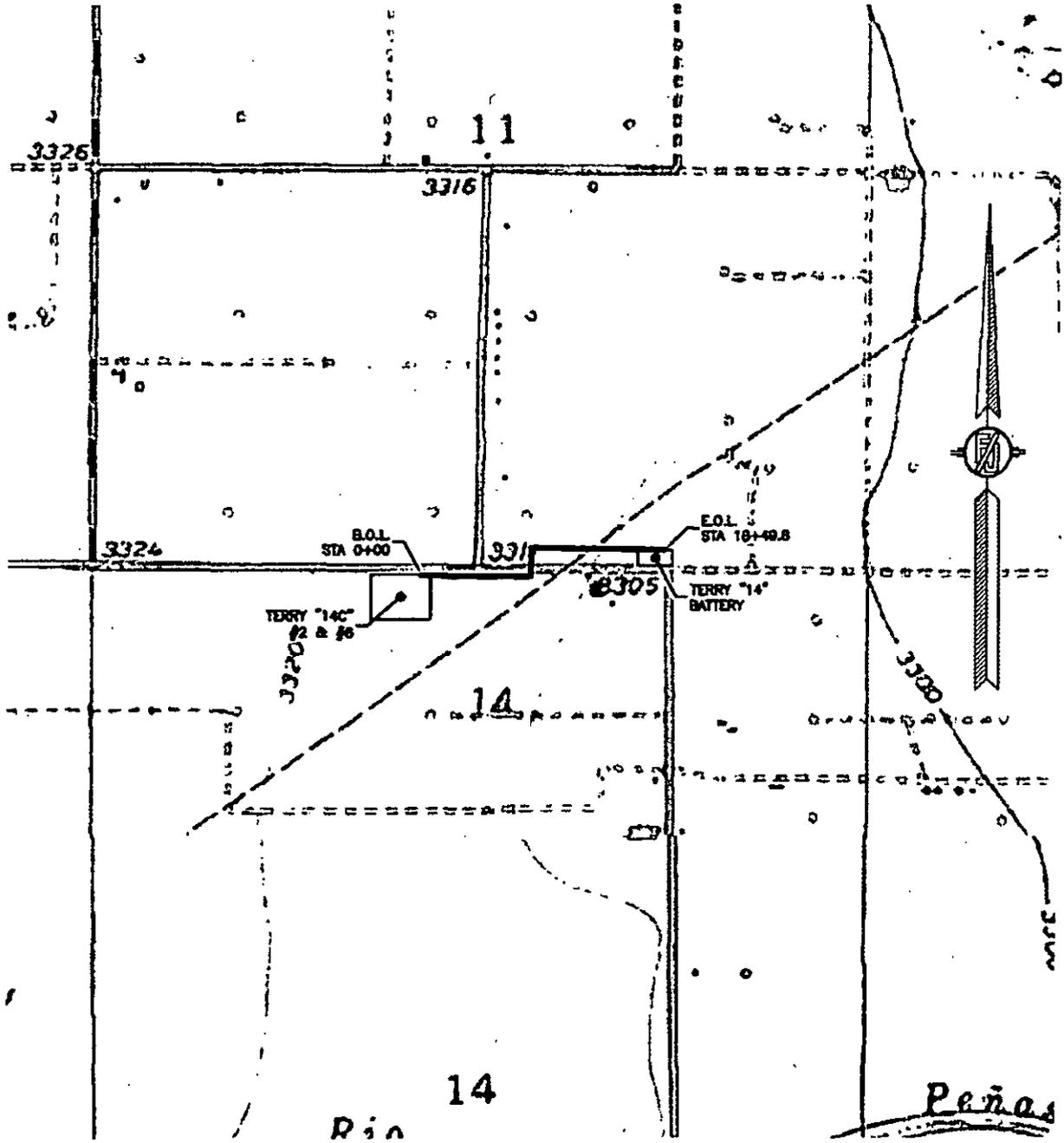
SHEET: 4-6

MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO SURVEY NO. 1100A

301 SOUTH CANAL
(575) 234-3341

FLOWLINE PLAT
R-O-W FOR FOUR-3" SDR 7 BURIED POLY FLOWLINES FROM TERRY "14C" #2 & #6 TO TERRY "14" BATTERY

LIME ROCK RESOURCES II-A, L.P.
CENTERLINE SURVEY OF A PIPELINE CROSSING
SECTIONS 14 & 11, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
JUNE 19, 2015



SHEET: 5-6

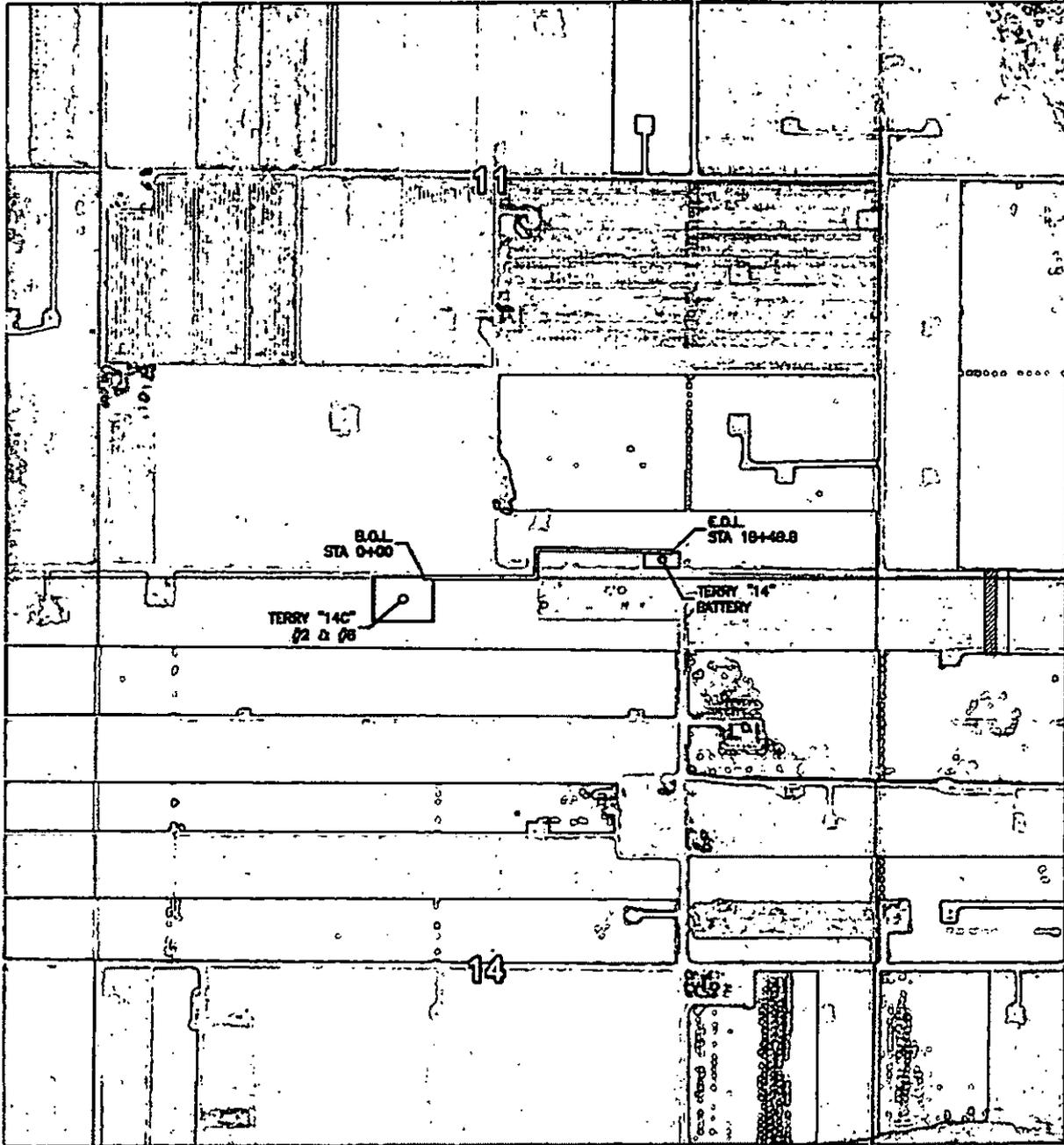
MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SURVEY NO. 1100A

FLOWLINE PLAN

R-0-W FOR FOUR-3" SDR 7 BURIED POLY FLOWLINES FROM TERRY "14C" #2 & #6 TO TERRY "14" BATTERY

LIME ROCK RESOURCES II-A, L.P.
CENTERLINE SURVEY OF A PIPELINE CROSSING
SECTIONS 14 & 11, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
JUNE 19, 2015



SHEET: 6-6

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3541 CARLSBAD, NEW MEXICO

SURVEY NO. 1100A

**Lime Rock Resources II-A, L.P.
Drilling Plan**

HOBBS OCD

MAY 03 2016

RECEIVED

**Terry 14 C #2
185' FNL 2210' FWL
(C) 14-18S-26E
Eddy County, NM**

1. The elevation of the unprepared ground is 3315.6 feet above sea level.
2. The geologic name of the surface formation is Quaternary – Alluvium.
3. A rotary rig will be utilized to drill the well to 4571' and run casing. This equipment will be rigged down and the well will be completed with a workover rig.
4. Well will be drilled to a total proposed depth of 4550' MD./ 4571' TVD. inside a 30' X 30' square target inside of 40 acre spacing regulatory quarter-quarter setback distances. The KOP for directional drilling will be at 500'. See directional plan for detail.
5. Estimated tops of geologic markers:
6. Estimated depths at which anticipated oil, gas, or other mineral bearing formations are expected to be encountered:

| | MD | TVD |
|-----------------------|---------|---------|
| Quaternary – Alluvium | Surface | Surface |
| Yates | NA | NA |
| 7 Rivers | NA | NA |
| Queen | 244 | 244 |
| Grayburg | 686 | 686 |
| Premier | NA | NA |
| San Andres | 955 | 959 |
| Glorieta | 2303 | 2324 |
| Yeso | 2421 | 2442 |
| Tubb | 3850 | 3871 |
| TD | 4550 | 4571 |

| | MD | TVD |
|------------|------|------|
| Yates | NA | NA |
| 7 Rivers | NA | NA |
| Queen | 244 | 244 |
| Grayburg | 686 | 686 |
| Premier | NA | NA |
| San Andres | 955 | 959 |
| Glorieta | 2303 | 2324 |
| Yeso | 2421 | 2442 |
| Tubb | 3850 | 3871 |
| TD | 4550 | 4571 |

7. Proposed Casing and Cement program is as follows:

| Type | Hole | Casing | Wt | Grade | Thread | Depth | Sx | Density | Yield | Components |
|--------------|--------|--------|------|-------|--------|-------|-----|---------|-------|---|
| Conductor | 26" | 20" | 91.5 | B | Welded | 80 | 80 | | | Ready Mix |
| Surface | 11" | 8-5/8" | 24 | J-55 | ST&C | 425 | 300 | 14.8 | 1.35 | Cl C Cmt + 0.25 lbs/sk Cello Flake + 2% CaCl2 |
| Intermediate | | | | | | | | | | |
| Production | 7-7/8" | 5-1/2" | 17 | J-55 | LT&C | 4571 | 200 | 12.8 | 1.903 | (35.65) Poz/Cl C Cmt + 5% NaCl + 0.25 lbs/sk Cello Flake + 5 lbs/sk LCM-1 + 0.2% R-3 + 5% Gel |
| | | | | | | | 650 | 14.8 | 1.33 | Cl H w/ 0.6% R-3, 0.125% Cello Flake, 2% Ge: |

8. Proposed Mud Program is as follows

| Depth | 0-425 | 425-4400 | 4400-4571 |
|------------|-----------------|--|--|
| Mud Type | Fresh Water Mud | Brine | Brine, Salt Gel, & Starch |
| Properties | | | |
| MW | 8.4-9.2 | 9.8-10.1 | 9.9-10.1 |
| pH | 9.0-10.5 | 10.0-12.0 | 10.0-12.0 |
| WL | NC | NC | 20-30 |
| Vis | 28-34 | 28-29 | 32-34 |
| MC | NC | NC | <2 |
| Solids | NC | <2% | <3% |
| Pump Rate | 300-500 gpm | 375-425 gpm | 400-425 gpm |
| Special | | Use Poymers sticks and MF-55 Hi-Vis Sweeps as necessary | Hi Vis Sweeps, add acid and starch as req. Raise Vis to 35 for log. |

9. Pressure Control Equipment: See Attached Description and diagram of Pressure Control Equipment.

10. Testing, Logging and Coring Program

Testing Program: No drill stem tests are anticipated

Electric Logging Program: SGR-DLL-CDL-CNL Quad Combo from 4550 to surf. Csg. SGR-CNL to Surf.

Coring Program: No full or sidewall cores are anticipated.

11. Potential Hazards:

No abnormal temperatures or pressures are expected. There is no known presence of H₂S in this area. If H₂S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 2002 psi based on 0.44 x TD. The estimated BHT is 125 degrees F.

12. Duration of Operations:

Anticipated spud date will be soon after approval and as soon as a rig will be available. Move in operations and drilling is expected to take 10 days. An additional 14 days will be needed it complete the well and to construct surface facilities.

Hydrogen Sulfide Drilling Plan Summary

A. All personnel shall receive proper H₂S training in accordance with Onshore Order 6 III.C.3.a.

B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.

C. Required Emergency Equipment:

■ Well control equipment

- a. Flare line 150' from wellhead to be ignited by flare gun.
- b. Choke manifold with a remotely operated choke.
- c. Mud/gas separator

■ Protective equipment for essential personnel.

Breathing apparatus:

- a. Rescue Packs (SCBA) — 1 unit shall be placed at each breathing area, 2 shall be stored in the safety trailer.
- b. Work/Escape packs —4 packs shall be stored on the rig floor and contain sufficiently long air hoses as to not to restrict work activity.
- c. Emergency Escape Packs —4 packs shall be stored in the doghouse for emergency evacuation.

Auxiliary Rescue Equipment:

- a. Stretcher
- b. Two OSHA full body harness
- c. 100 ft 5/8 inch OSHA approved rope
- d. 1-20# class ABC fire extinguisher

■ H₂S detection and monitoring equipment:

The stationary detector with three sensors will be placed in the upper dog house if equipped, set to visually alarm @ 10 ppm and audible @ 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: Rig floor / Bell nipple / End of flow line or where well bore fluid is being discharged.
(Gas sample tubes will be stored in the safety trailer)

■ Visual warning systems:

- a. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
- b. A colored condition flag will be on display, reflecting the current condition at the site at the time.
- c. Two wind socks will be placed in strategic locations, visible from all angles.

■ Mud program:

The mud program has been designed to minimize the volume of H₂S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H₂S bearing zones.

■ Metallurgy:

- a. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H₂S service.
- b. All elastomers used for packing and seals shall be H₂S trim.

■ Communication:

Communication will be via two way radio in emergency and company vehicles. Cell phones and land lines where available.

H2S CONTINGENCY DRILLING PLAN EMERGENCY CONTACTS

| | |
|---|--------------|
| Company Offices - Lime Rock Houston Office | 713-292-9510 |
| Answering Service (After Hours) | 713-292-9555 |
| Artesia, NM Office | 575-748-9724 |
| Roswell, NM | 575-623-8424 |

KEY PERSONNEL

| Name | Title | Location | Office # | Cell # | Home # |
|-----------------|---------------------------------|-----------------|--------------|--------------|--------------|
| Steve Hunter | Production Manager | Houston | 713-292-9516 | 832-330-7313 | Same as Cell |
| Spencer Cox | Operations Engineer | Houston | 713-292-9528 | 432-254-5140 | Same as Cell |
| Eric McClusky | Operations Engineer | Houston | 713-360-5714 | 832-491-3079 | 405-821-0534 |
| Jerry Smith | Assistant Production Supervisor | Artesia | 575-748-9724 | 505-918-0556 | 575-746-2478 |
| Michael Barrett | Production Supervisor | Roswell | 575-623-8424 | 505-353-2644 | 575-623-4707 |
| Gary McCelland | Well Site Supervisor | Rotates on Site | NA | 903-503-8997 | NA |
| Dave Williamson | Well Site Supervisor | Rotates on Site | NA | 575-308-9980 | NA |

Agency Call List

| City | Agency or Office | Telephone # |
|------------|--|--------------|
| Artesia | Ambulance | 911 |
| Artesia | State Police | 575-746-2703 |
| Artesia | Sherriff's Office | 575-746-9888 |
| Artesia | City Police | 575-746-2703 |
| Artesia | Fire Department | 575-746-2701 |
| Artesia | Local Emergency Planning Committee | 575-746-2122 |
| Artesia | New Mexico OCD District II | 575-748-1283 |
| Carlsbad | Ambulance | 911 |
| Carlsbad | State Police | 575-885-3137 |
| Carlsbad | Sherriff's Office | 575-887-7551 |
| Carlsbad | City Police | 575-885-2111 |
| Carlsbad | Fire Department | 575-885-2111 |
| Carlsbad | Local Emergency Planning Committee | 575-887-3798 |
| Carlsbad | US DOI Bureau of Land Management | 575-887-6544 |
| State Wide | New Mexico Emergency Response Commisssion ("NMERC") | 505-476-9600 |
| State Wide | NMERC 24 Hour Number | 505-827-9126 |
| State Wide | New Mexico State Emergency Operations Center | 505-476-9635 |
| National | National Emergency Response Center (Washington D.C.) | 800-424-8802 |

Emergency Services

| Name | Service | Location | Telephone Number | Alternate Number |
|--|---------------------------------|-------------------------|------------------|-----------------------|
| Boots & Coots International Well Control | Well Control | Houston / Odessa | 1-800-256-9688 | 281-931-8884 |
| Cudd Pressure Control | Well Control/Pumping | Odessa | 915-699-0139 | 915-563-3356 |
| Baker Hughes Inc. | Pumping Services | Artesia, Hobbs & Odessa | 575-746-2757 | Same |
| Total Safety | Safety Equipment & Personnel | Artesia | 575-746-2847 | Same |
| Cutter Oilfield Services | Drilling Systems Equipment | Midland | 432-488-6707 | Same |
| Safety Dog | Safety Equipment & Personnel | Artesia | 575-748-5847 | 575-441-1370 |
| Fighting for Life | Emergency Helicopter Evacuation | Lubbock | 806-743-9911 | Same |
| Aerocare | Emergency Helicopter Evacuation | Lubbock | 806-747-8923 | Same |
| Med Flight Air Ambulance | Emergency Helicopter Evacuation | Albuquerque | 505-842-4433 | Same |
| Artesia General Hospital | Emergency Medical Care | Artesia | 575-748-3333 | 702 North 13th Street |

Pressure Control Equipment

The blowout preventer equipment (BOP) will consist of a 5000 psi rated, "XLT" type, National VARCO double ram preventer that will be tested to a maximum pressure of 2000 psi. The unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and drill pipe rams on bottom. The 2M BOP will be installed on the 8 5/8" surface casing and utilized continuously until total depth is reached. All casing strings will be tested as per Onshore Order #2. This also includes a thirty day (30) test, should the rig still be operating on the same well in thirty days.

Pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily drilling logs.

The BOP equipment will consist of the following:

- Double ram with blind rams (top) and pipe rams (bottom),
- Drilling spool, or blowout preventer with 2 side outlets (choke side shall be a 2" minimum diameter, kill side will be at least 2 inch diameter),
- Kill line (2 inch minimum),
- A minimum of 2 choke line valves (2 inch minimum),
- 2 inch diameter choke line,
- 2 kill valves, one of which will be a check valve (2 inch minimum),
- 2 chokes, one of which will be capable of remote operation,
- Pressure gauge on choke manifold,
- Upper Kelly cock valve with handle available,
- Safety valve and subs to fit all drill string connections in use,
- All BOPE connections subjected to well pressure will be flanged, welded, or clamped,
- A Fill-up line above the uppermost preventer.

Lime Rock Resources II-A, L.P.

Terry 14 C #2

Unit C, S14-T18S-R26E, Eddy County, NM

Design: Closed Loop System with roll-off steel bins (pits)

CRI/HOBBS will supply (2) bins (100 bbl) volume, rails and transportation relating to the Close Loop System. Specification of the Closed Loop System is attached.

Contacts: Gary Wallace (432) 638-4076 Cell (575) 393-1079 Office

Scomi Oil Tool: Supervisor – Armando Soto (432) 553-7979 Hobbs, NM

Monitoring 24 Hour service

Equipment:

Centrifuges – Derrick Brand

Rig Shakers – Brandt Brand

D-watering Unit

Air pumps on location for immediate remediation process

Layout of Close Loop System with bins, centrifuges and shakers attached.

Cuttings and associated liquids will be hauled to a State regulated third party disposal site (CRI or Controlled Recovery, Inc.). The disposal site permit is DFP = #R9166.

2- (250 bbl) tanks to hold fluid

2-CRI bins with track system

2-500 bbl frac tanks with fresh water

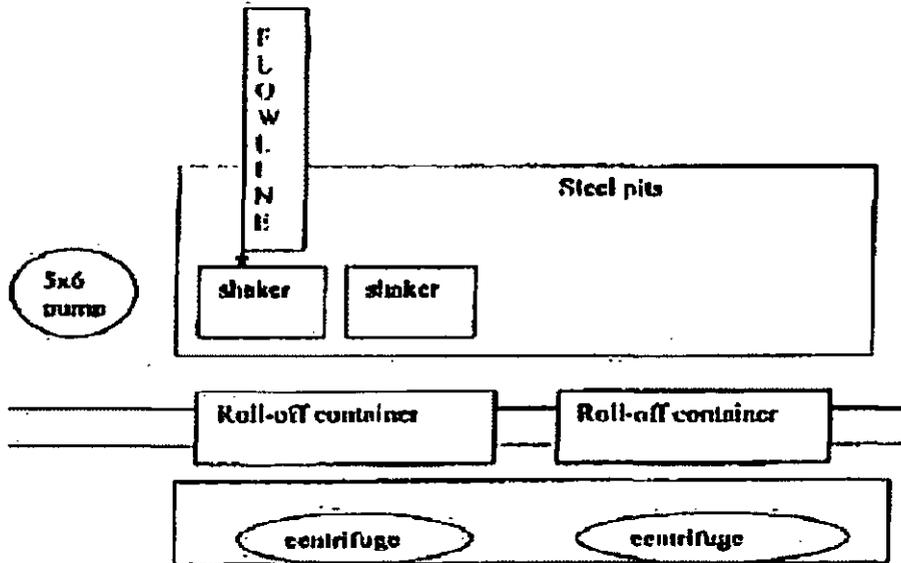
2-500 bbl frac tanks for brine water

Operations:

Closed Loop System equipment will be inspected daily by each tour and any necessary maintenance performed. leak in system will be repaired and/or contained immediately. OCD will be notified within 48 hours of any spill. Remediation process will start immediately.

Closure:

During drilling operations all liquids, drilling fluids and cuttings will be hauled off via CRI equipment to DFP #R9166.



This will be maintained by 24 hour solids control personnel that stay on location.

TOMMY WILSON
CLS
CLOSED LOOP
SPECIALTY

Office: 573.746.1689

Cell: 573.748.6367

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-015-40486 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name TERRY 14 C |
| 8. Well Number #2 |
| 9. OGRID Number 277558 |
| 10. Pool name or Wildcat Atoka, Glorieta-Yeso (3250) |

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
LIME ROCK RESOURCES II-A, L.P.

3. Address of Operator
c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401

4. Well Location
Unit Letter C : 185 feet from the North line and 2110 feet from the West line
Section 14 Township 18-S Range 26-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3316' GL

HOBBS OCD
 MAY 03 2016
 RECEIVED

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|---|--|--|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input checked="" type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL. <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| CLOSED-LOOP SYSTEM <input checked="" type="checkbox"/> | | | |
| OTHER: Extend APD & Directionally Drill <input checked="" type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

As per our phone conversation on 1/13/16, LIME ROCK RESOURCES II-A, L.P. would like to extend this well's approved APD to 717116 & directionally drill as per the attached directionally drilling plan. The new bottom hole location will be 330' FNL & 2300' FWL. See the attached C-102.

1-13-18

NM OIL CONSERVATION
 ARTESIA DISTRICT
 JAN 14 2016

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

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE 1/13/16

Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APD TITLE Dist. P. Spewer DATE 1/15/2016

Form C101 on file to accommodate well Accepted for record
 NMOCD

NM OIL CONSERVATION
ARTESIA DISTRICT

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

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 397-6161 Fax: (575) 397-0720
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
1320 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|-------------------------------------|--|--|--|--|------------------------------|
| 1 API Number 30-019-40486 | | 2 Pool Code 3250 | | 3 Pool Name ATOKA, GLORIETA-YESO | |
| 4 Property Code 39343 | | 5 Property Name TERRY 14C | | | 6 Well Number 2 |
| 7 OGRID No. 277558 | | 8 Operator Name LIME ROCK RESOURCES II-A, L.P. | | | 9 Elevation 3315.6 |

Surface Location

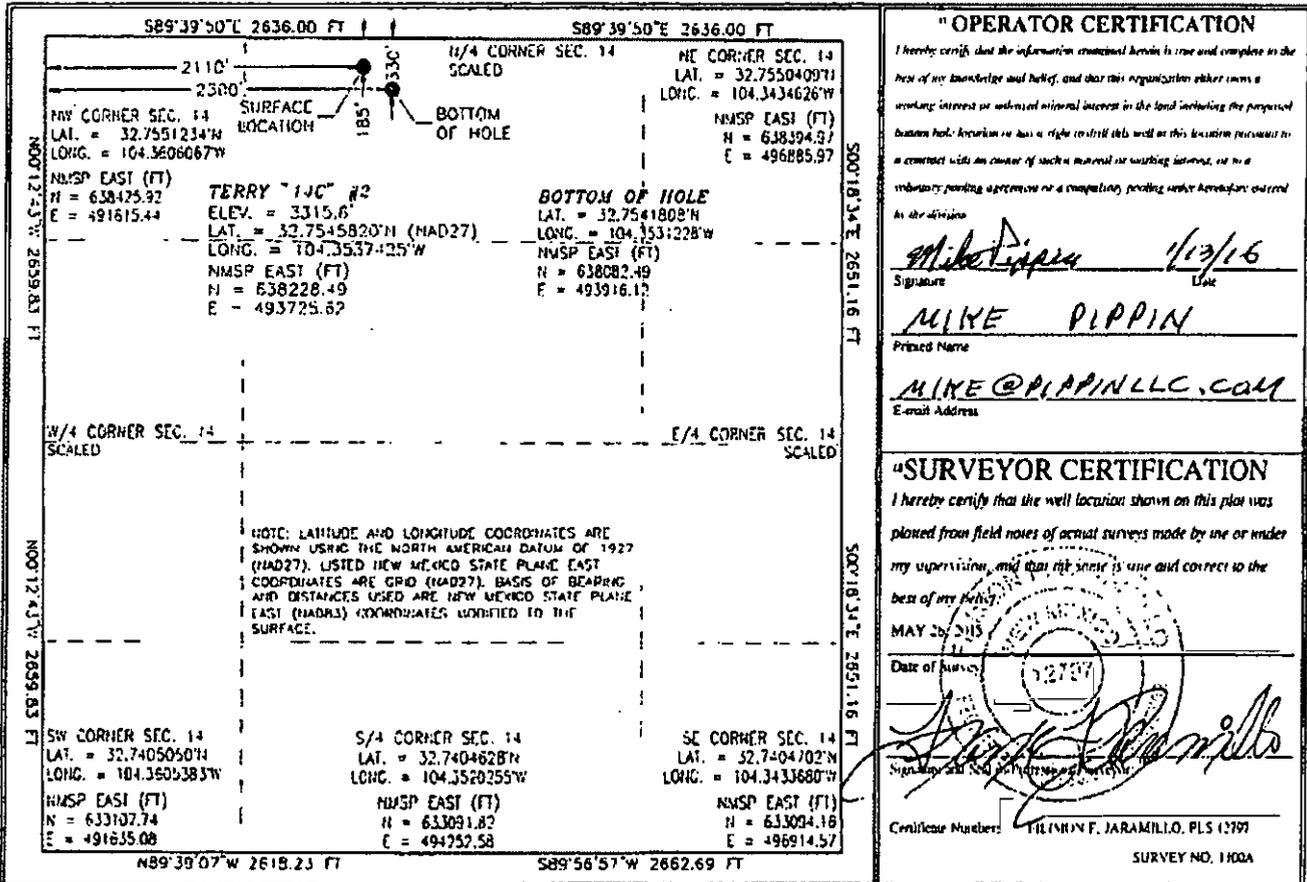
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|-------------|
| C | 14 | 18 S | 26 E | | 185 | NORTH | 2110 | WEST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|-------------|
| C | 14 | 18 S | 26 E | | 330 | NORTH | 2300 | WEST | EDDY |

| | | | |
|--------------------|--------------------|-----------------------|--------------|
| 10 Dedicated Acres | 11 Joint or Infill | 12 Consolidation Code | 13 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.





**CHILDRESS
DIRECTIONAL
DRILLING**

Lime Rock Resources

Eddy County NM (NAD 27)

Terry 14C

#2

Original Hole

Plan: Plan #1

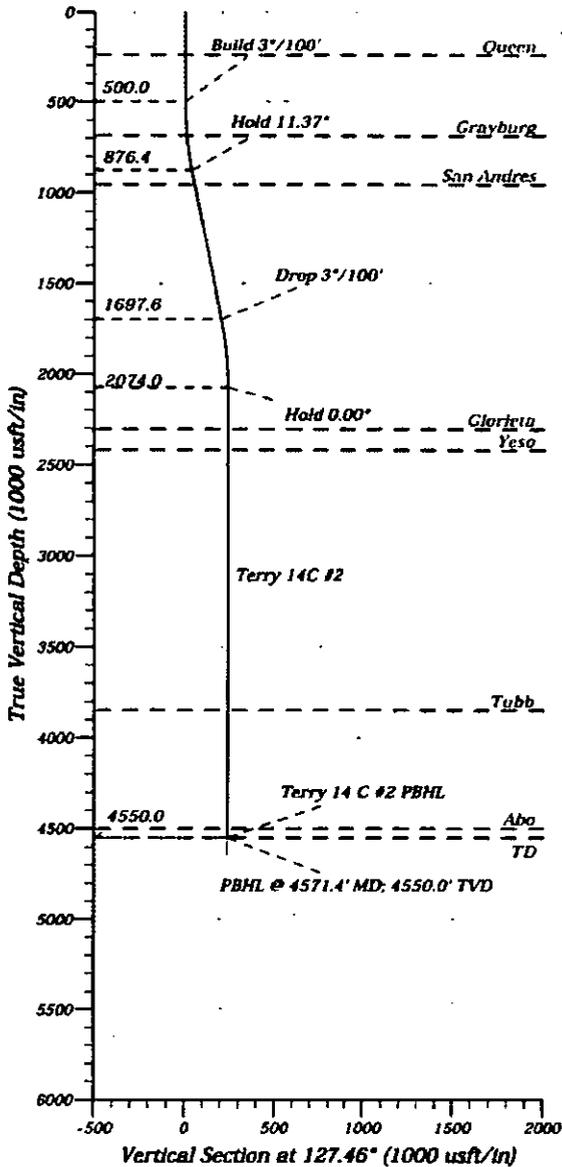
Standard Planning Report

29 December, 2015

**NM OIL CONSERVATION
ARTESIA DISTRICT
JAN 14 2016
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**LIME ROCK
RESOURCES**



WELL DETAILS: #2

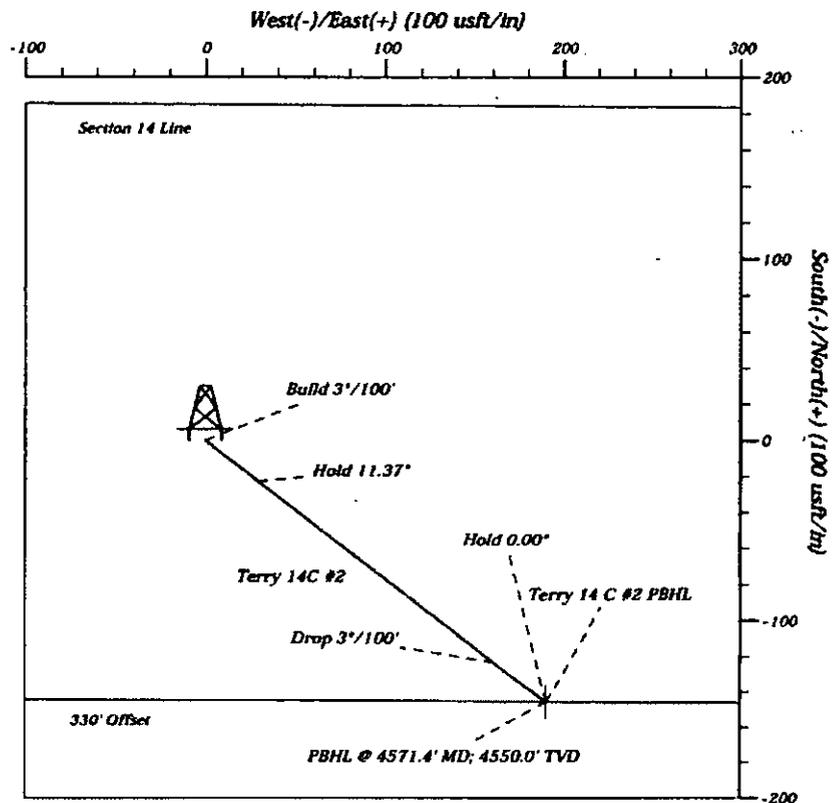
| | | | | | |
|----------------------|-------|------------------|-----------|------------------|-------------------|
| Ground Level: 3315.6 | | RKB @ 3328.4usft | | | |
| +N/-S | +E/-W | Northing | Easting | Latitude | Longitude |
| 0.0 | 0.0 | 638228.49 | 493725.62 | 32° 45' 16.495 N | 104° 21' 13.473 W |

DESIGN TARGET DETAILS

| | | | | | |
|--------------------|--------|--------|-------|-----------|-----------|
| Name | TYD | +N/-S | +E/-W | Northing | Easting |
| Terry 14 C #2 PBHL | 4550.0 | -146.0 | 190.5 | 638082.49 | 493916.12 |

PROJECT DETAILS: Eddy County NM (NAD 27)

Ceodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico East 3001
System Datum: Mean Sea Level



FORMATION TOP DETAILS

| TVDPATH | MDPATH | FORMATION |
|---------|--------|------------|
| 244.0 | 244.0 | Queen |
| 686.0 | 686.3 | Grayburg |
| 855.0 | 859.1 | San Andres |
| 2303.0 | 2324.4 | Glorieta |
| 2421.0 | 2442.4 | Yeso |
| 3850.0 | 3871.4 | Tubb |
| 4500.0 | 4521.4 | Abo |
| 4550.0 | 4571.4 | TD |

Azimuths to True North
Magnetic North: 7.51°

Magnetic Field
Strength: 48320.0nT
Dip Angle: 60.44°
Date: 12/29/2015
Model: IGRF2015

To convert a Magnetic Direction to a True Direction, Add 7.51° East
Magnetic North is 7.51° East of True North (Magnetic Declination)

Section Plans

| MD | Inc | Azi | TYD | +N/-S | +E/-W | Ddeg | TFace | VSect | Annotation |
|--------|-------|--------|--------|--------|-------|------|--------|-------|--------------------------------|
| 0.0 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.0 | |
| 500.0 | 0.00 | 0.00 | 500.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.0 | Build 3°/100' |
| 878.9 | 11.37 | 127.46 | 876.4 | -22.8 | 29.7 | 3.00 | 127.46 | 37.5 | Hold 11.37° |
| 1716.5 | 11.37 | 127.46 | 1697.6 | -123.2 | 180.8 | 0.00 | 0.00 | 202.5 | Drop 3°/100' |
| 2095.4 | 0.00 | 0.00 | 2074.0 | -146.0 | 190.5 | 3.00 | 180.00 | 240.0 | Hold 0.00° |
| 4571.4 | 0.00 | 0.00 | 4550.0 | -146.0 | 190.5 | 0.00 | 0.00 | 240.0 | PBHL @ 4571.4' MD; 4550.0' TVD |



Planning Report



| | | | |
|-----------|---------------------------|------------------------------|-------------------|
| Database: | EDM 5000.1 Single User Db | Local Co-ordinate Reference: | Well #2 |
| Company: | Lime Rock Resources | TVD Reference: | RKB @ 3328.4usft |
| Project: | Eddy County NM (NAD 27) | MD Reference: | RKB @ 3328.4usft |
| Site: | Terry 14C | North Reference: | True |
| Well: | #2 | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Original Hole | | |
| Design: | Plan #1 | | |

| | | | |
|-------------|--------------------------------------|---------------|----------------|
| Project | Eddy County NM (NAD 27) | | |
| Map System: | US State Plane 1927 (Exact solution) | System Datum: | Mean Sea Level |
| Geo Datum: | NAD 1927 (NADCON CONUS) | | |
| Map Zone: | New Mexico East 3001 | | |

| | | | | |
|-----------------------|-----------|-----------------|------------|---------------------------|
| Site | Terry 14C | | | |
| Site Position: | Northing: | 638,228.49 usft | Latitude: | 32° 45' 16.495 N |
| From: Map | Easting: | 493,725.62 usft | Longitude: | 104° 21' 13.473 W |
| Position Uncertainty: | 0.0 usft | Slot Radius: | 13-3/16 " | Grid Convergence: -0.01 ° |

| | | | | |
|----------------------|----------|---------------------|-----------|----------------------------|
| Well | #2 | | | |
| Well Position | +N/-S | 0.0 usft | Northing: | 638,228.49 usft |
| | +E/-W | 0.0 usft | Easting: | 493,725.62 usft |
| Position Uncertainty | 0.0 usft | Wellhead Elevation: | 0.0 usft | Ground Level: 3,315.6 usft |

| | | | | | |
|-----------|---------------|-------------|-----------------|---------------|---------------------|
| Wellbore | Original Hole | | | | |
| Magnetics | Model Name | Sample Date | Declination (°) | Dip Angle (°) | Field Strength (nT) |
| | IGRF2015 | 12/29/2015 | 7.51 | 80.44 | 48,320 |

| | | | | |
|-------------------|-------------------------|--------------|---------------|---------------|
| Design | Plan #1 | | | |
| Audit Notes: | | | | |
| Version: | Phase: | PROTOTYPE | Tie On Depth: | 0.0 |
| Vertical Section: | Depth From (TVD) (usft) | +N/-S (usft) | +E/-W (usft) | Direction (°) |
| | 0.0 | 0.0 | 0.0 | 127.46 |

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | TFO (°) | Target |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|------------------------|-----------------------|---------|--------------------|
| 0.0 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 500.0 | 0.00 | 0.00 | 500.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 878.9 | 11.37 | 127.46 | 876.4 | -22.8 | 29.7 | 3.00 | 3.00 | 0.00 | 127.46 | |
| 1,716.5 | 11.37 | 127.46 | 1,697.6 | -123.2 | 180.8 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,095.4 | 0.00 | 0.00 | 2,074.0 | -146.0 | 190.5 | 3.00 | -3.00 | 0.00 | 180.00 | |
| 4,571.4 | 0.00 | 0.00 | 4,550.0 | -146.0 | 190.5 | 0.00 | 0.00 | 0.00 | 0.00 | Terry 14 C #2 PBHL |



Planning Report



Database: EDM 5000.1 Single User Db
 Company: Lime Rock Resources
 Project: Eddy County NM (NAD 27)
 Site: Terry 14C
 Well: #2
 Wellbore: Original Hole
 Design: Plan #1

Local Co-ordinate Reference: Well #2
 TVD Reference: RKB @ 3328.4usft
 MD Reference: RKB @ 3328.4usft
 North Reference: True
 Survey Calculation Method: Minimum Curvature

Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| 0.0 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 100.0 | 0.00 | 0.00 | 100.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 200.0 | 0.00 | 0.00 | 200.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 244.0 | 0.00 | 0.00 | 244.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| Queen | | | | | | | | | |
| 300.0 | 0.00 | 0.00 | 300.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 400.0 | 0.00 | 0.00 | 400.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| 500.0 | 0.00 | 0.00 | 500.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| Build 3°/100' | | | | | | | | | |
| 600.0 | 3.00 | 127.46 | 600.0 | -1.8 | 2.1 | 2.8 | 3.00 | 3.00 | 0.00 |
| 688.3 | 5.59 | 127.46 | 688.0 | -5.5 | 7.2 | 8.1 | 3.00 | 3.00 | 0.00 |
| Grayburg | | | | | | | | | |
| 700.0 | 6.00 | 127.48 | 699.8 | -6.4 | 8.3 | 10.5 | 3.00 | 3.00 | 0.00 |
| 800.0 | 9.00 | 127.46 | 798.8 | -14.3 | 18.7 | 23.5 | 3.00 | 3.00 | 0.00 |
| 878.8 | 11.37 | 127.46 | 878.4 | -22.8 | 28.7 | 37.5 | 3.00 | 3.00 | 0.00 |
| Hold 11.37° | | | | | | | | | |
| 900.0 | 11.37 | 127.46 | 897.1 | -25.3 | 33.0 | 41.6 | 0.00 | 0.00 | 0.00 |
| 959.1 | 11.37 | 127.46 | 956.0 | -32.4 | 42.3 | 53.3 | 0.00 | 0.00 | 0.00 |
| San Andres | | | | | | | | | |
| 1,000.0 | 11.37 | 127.48 | 995.1 | -37.3 | 48.7 | 61.3 | 0.00 | 0.00 | 0.00 |
| 1,100.0 | 11.37 | 127.46 | 1,093.2 | -49.3 | 64.3 | 81.0 | 0.00 | 0.00 | 0.00 |
| 1,200.0 | 11.37 | 127.46 | 1,191.2 | -61.3 | 80.0 | 100.8 | 0.00 | 0.00 | 0.00 |
| 1,300.0 | 11.37 | 127.46 | 1,289.3 | -73.3 | 95.8 | 120.5 | 0.00 | 0.00 | 0.00 |
| 1,400.0 | 11.37 | 127.46 | 1,387.3 | -85.2 | 111.3 | 140.2 | 0.00 | 0.00 | 0.00 |
| 1,500.0 | 11.37 | 127.46 | 1,485.3 | -97.2 | 126.9 | 159.9 | 0.00 | 0.00 | 0.00 |
| 1,600.0 | 11.37 | 127.46 | 1,583.4 | -109.2 | 142.6 | 179.8 | 0.00 | 0.00 | 0.00 |
| 1,700.0 | 11.37 | 127.46 | 1,681.4 | -121.2 | 158.2 | 199.3 | 0.00 | 0.00 | 0.00 |
| 1,716.5 | 11.37 | 127.46 | 1,697.8 | -123.2 | 160.8 | 202.5 | 0.00 | 0.00 | 0.00 |
| Drop 3°/100' | | | | | | | | | |
| 1,800.0 | 8.88 | 127.46 | 1,779.8 | -132.1 | 172.4 | 217.2 | 3.00 | -3.00 | 0.00 |
| 1,900.0 | 5.88 | 127.46 | 1,878.9 | -139.9 | 182.8 | 230.0 | 3.00 | -3.00 | 0.00 |
| 2,000.0 | 2.86 | 127.46 | 1,978.6 | -144.5 | 188.6 | 237.6 | 3.00 | -3.00 | 0.00 |
| 2,085.4 | 0.00 | 0.00 | 2,074.0 | -146.0 | 190.5 | 240.0 | 3.00 | -3.00 | -133.81 |
| Hold 0.00° | | | | | | | | | |
| 2,100.0 | 0.00 | 0.00 | 2,078.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 2,200.0 | 0.00 | 0.00 | 2,178.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 2,300.0 | 0.00 | 0.00 | 2,278.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 2,324.4 | 0.00 | 0.00 | 2,303.0 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| Glorieta | | | | | | | | | |
| 2,400.0 | 0.00 | 0.00 | 2,378.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 2,442.4 | 0.00 | 0.00 | 2,421.0 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| Yaso | | | | | | | | | |
| 2,500.0 | 0.00 | 0.00 | 2,478.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 2,600.0 | 0.00 | 0.00 | 2,578.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 2,700.0 | 0.00 | 0.00 | 2,678.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 2,800.0 | 0.00 | 0.00 | 2,778.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 2,900.0 | 0.00 | 0.00 | 2,878.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 3,000.0 | 0.00 | 0.00 | 2,978.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 3,100.0 | 0.00 | 0.00 | 3,078.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 3,200.0 | 0.00 | 0.00 | 3,178.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 3,300.0 | 0.00 | 0.00 | 3,278.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 3,400.0 | 0.00 | 0.00 | 3,378.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 3,500.0 | 0.00 | 0.00 | 3,478.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |



Planning Report



| | | | |
|-----------|---------------------------|------------------------------|-------------------|
| Database: | EDM 5000.1 Single User Db | Local Co-ordinate Reference: | Well #2 |
| Company: | Lime Rock Resources | TVD Reference: | RKB @ 3328.4usft |
| Project: | Eddy County NM (NAD 27) | MD Reference: | RKB @ 3328.4usft |
| Site: | Terry 14C | North Reference: | True |
| Well: | #2 | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Original Hole | | |
| Design: | Plan #1 | | |

Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N-S (usft) | +E-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|-----------------------|-----------------|-------------|-----------------------|-------------|-------------|-------------------------|-------------------------|------------------------|-----------------------|
| 3,600.0 | 0.00 | 0.00 | 3,578.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 3,700.0 | 0.00 | 0.00 | 3,678.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 3,800.0 | 0.00 | 0.00 | 3,778.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 3,871.4 | 0.00 | 0.00 | 3,850.0 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| Tubb | | | | | | | | | |
| 3,900.0 | 0.00 | 0.00 | 3,878.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 4,000.0 | 0.00 | 0.00 | 3,978.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 4,100.0 | 0.00 | 0.00 | 4,078.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 4,200.0 | 0.00 | 0.00 | 4,178.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 4,300.0 | 0.00 | 0.00 | 4,278.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 4,400.0 | 0.00 | 0.00 | 4,378.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 4,500.0 | 0.00 | 0.00 | 4,478.6 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| 4,521.4 | 0.00 | 0.00 | 4,500.0 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |
| Abo | | | | | | | | | |
| 4,571.4 | 0.00 | 0.00 | 4,550.0 | -146.0 | 190.5 | 240.0 | 0.00 | 0.00 | 0.00 |

PBHL @ 4571.4' MD: 4550.0' TVD - TD

Design Targets

| Target Name | Dip Angle (°) | Dip Dir. (°) | TVD (usft) | +N-S (usft) | +E-W (usft) | Northing (usft) | Easting (usft) | Latitude | Longitude |
|--------------------|---------------|--------------|------------|-------------|-------------|-----------------|----------------|------------------|-------------------|
| Terry 14 C #2 PBHL | 0.00 | 0.00 | 4,550.0 | -146.0 | 190.5 | 638,082.49 | 493,916.12 | 32° 45' 15.051 N | 104° 21' 11.242 W |

- hit/miss target
- Shape
- plan hits target center
- Point

Formations

| Measured Depth (usft) | Vertical Depth (usft) | Name | Lithology | Dip (°) | Dip Direction (°) |
|-----------------------|-----------------------|------------|-----------|---------|-------------------|
| 244.0 | 244.0 | Queen | | 0.00 | |
| 686.3 | 686.0 | Grayburg | | 0.00 | |
| 859.1 | 855.0 | San Andres | | 0.00 | |
| 2,324.4 | 2,303.0 | Glorieta | | 0.00 | |
| 2,442.4 | 2,421.0 | Yeso | | 0.00 | |
| 3,871.4 | 3,850.0 | Tubb | | 0.00 | |
| 4,521.4 | 4,500.0 | Abo | | 0.00 | |
| 4,571.4 | 4,550.0 | TD | | 0.00 | |

Plan Annotations

| Measured Depth (usft) | Vertical Depth (usft) | Local Coordinates | | Comment |
|-----------------------|-----------------------|-------------------|-------------|--------------------------------|
| | | +N-S (usft) | +E-W (usft) | |
| 500.0 | 500.0 | 0.0 | 0.0 | Build 3°/100' |
| 878.9 | 876.4 | -22.8 | 29.7 | Hold 11.37° |
| 1,716.5 | 1,697.5 | -123.2 | 160.8 | Drop 3°/100' |
| 2,095.4 | 2,074.0 | -146.0 | 190.5 | Hold 0.00° |
| 4,571.4 | 4,550.0 | -146.0 | 190.5 | PBHL @ 4571.4' MD: 4550.0' TVD |

Lime Rock Resources
 #2 - Plan #1

Eddy County NM (NAD 27)
 Terry 14C
 Your Ref:

| Measured Depth (ft) | Incl. | Azim. | Vertical Depth (ft) | Northings (ft) | Eastings (ft) | Vertical Section (ft) | Dogleg Rate ("/100ft) |
|---------------------------|--------|---------|---------------------------|-------------------|------------------|-----------------------------|-----------------------------|
| 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| 100 | | 0 | 0 | 100 | 0 | 0 | 0 |
| 200 | | 0 | 0 | 200 | 0 | 0 | 0 |
| 300 | | 0 | 0 | 300 | 0 | 0 | 0 |
| 400 | | 0 | 0 | 400 | 0 | 0 | 0 |
| 500 | | 0 | 0 | 500 | 0 | 0 | 0 |
| 600 | 3 | 127.456 | 599.95 | -1.59 | 2.08 | 2.62 | 3 |
| 700 | 6 | 127.456 | 699.63 | -6.36 | 8.31 | 10.46 | 3 |
| 800 | 9 | 127.456 | 798.77 | -14.3 | 18.67 | 23.51 | 3 |
| 878.91 | 11.367 | 127.456 | 876.43 | -22.78 | 29.74 | 37.46 | 3 |
| 900 | 11.367 | 127.456 | 897.11 | -25.31 | 33.04 | 41.62 | 0 |
| 1000 | 11.367 | 127.456 | 995.14 | -37.3 | 48.69 | 61.33 | 0 |
| 1100 | 11.367 | 127.456 | 1093.18 | -49.28 | 64.33 | 81.04 | 0 |
| 1200 | 11.367 | 127.456 | 1191.22 | -61.27 | 79.98 | 100.75 | 0 |
| 1300 | 11.367 | 127.456 | 1289.26 | -73.26 | 95.62 | 120.46 | 0 |
| 1400 | 11.367 | 127.456 | 1387.3 | -85.24 | 111.27 | 140.17 | 0 |
| 1500 | 11.367 | 127.456 | 1485.34 | -97.23 | 126.92 | 159.88 | 0 |
| 1600 | 11.367 | 127.456 | 1583.37 | -109.22 | 142.56 | 179.59 | 0 |
| 1700 | 11.367 | 127.456 | 1681.41 | -121.2 | 158.21 | 199.3 | 0 |
| 1716.48 | 11.367 | 127.456 | 1697.57 | -123.18 | 160.79 | 202.55 | 0 |
| 1800 | 8.862 | 127.456 | 1779.78 | -132.1 | 172.43 | 217.21 | 3 |
| 1900 | 5.862 | 127.456 | 1878.95 | -139.89 | 182.6 | 230.03 | 3 |
| 2000 | 2.862 | 127.456 | 1978.65 | -144.51 | 188.64 | 237.63 | 3 |
| 2095.39 | 0 | 0 | 2074 | -145.96 | 190.53 | 240.01 | 3 |
| 2100 | 0 | 0 | 2078.61 | -145.96 | 190.53 | 240.01 | 0 |
| 2200 | 0 | 0 | 2178.61 | -145.96 | 190.53 | 240.01 | 0 |
| 2300 | 0 | 0 | 2278.61 | -145.96 | 190.53 | 240.01 | 0 |
| 2400 | 0 | 0 | 2378.61 | -145.96 | 190.53 | 240.01 | 0 |
| 2500 | 0 | 0 | 2478.61 | -145.96 | 190.53 | 240.01 | 0 |
| 2600 | 0 | 0 | 2578.61 | -145.96 | 190.53 | 240.01 | 0 |
| 2700 | 0 | 0 | 2678.61 | -145.96 | 190.53 | 240.01 | 0 |
| 2800 | 0 | 0 | 2778.61 | -145.96 | 190.53 | 240.01 | 0 |

| | | | | | | | |
|---------|---|---|---------|---------|--------|--------|---|
| 2900 | 0 | 0 | 2878.61 | -145.96 | 190.53 | 240.01 | 0 |
| 3000 | 0 | 0 | 2978.61 | -145.96 | 190.53 | 240.01 | 0 |
| 3100 | 0 | 0 | 3078.61 | -145.96 | 190.53 | 240.01 | 0 |
| 3200 | 0 | 0 | 3178.61 | -145.96 | 190.53 | 240.01 | 0 |
| 3300 | 0 | 0 | 3278.61 | -145.96 | 190.53 | 240.01 | 0 |
| 3400 | 0 | 0 | 3378.61 | -145.96 | 190.53 | 240.01 | 0 |
| 3500 | 0 | 0 | 3478.61 | -145.96 | 190.53 | 240.01 | 0 |
| 3600 | 0 | 0 | 3578.61 | -145.96 | 190.53 | 240.01 | 0 |
| 3700 | 0 | 0 | 3678.61 | -145.96 | 190.53 | 240.01 | 0 |
| 3800 | 0 | 0 | 3778.61 | -145.96 | 190.53 | 240.01 | 0 |
| 3900 | 0 | 0 | 3878.61 | -145.96 | 190.53 | 240.01 | 0 |
| 4000 | 0 | 0 | 3978.61 | -145.96 | 190.53 | 240.01 | 0 |
| 4100 | 0 | 0 | 4078.61 | -145.96 | 190.53 | 240.01 | 0 |
| 4200 | 0 | 0 | 4178.61 | -145.96 | 190.53 | 240.01 | 0 |
| 4300 | 0 | 0 | 4278.61 | -145.96 | 190.53 | 240.01 | 0 |
| 4400 | 0 | 0 | 4378.61 | -145.96 | 190.53 | 240.01 | 0 |
| 4500 | 0 | 0 | 4478.61 | -145.96 | 190.53 | 240.01 | 0 |
| 4571.39 | 0 | 0 | 4550 | -145.96 | 190.53 | 240.01 | 0 |

All data are in feet unless otherwise stated. Directions and coordinates are relative to True North.
Vertical depths are relative to RKB. Northings and Eastings are relative to Well.

The Dogleg Severity is in Degrees per 100 feet.

Vertical Section is from Slot and calculated along an Azimuth of 127.456° (True).

Coordinate System is NAD 1927 (NADCON CONUS) US State Plane 1927 (Exact solution), New Mexico East 3
Central meridian is -104.333°.

Grid Convergence at Surface is -0.011°.

Based upon Minimum Curvature type calculations, at a Measured Depth of 4571.39ft.,
the Bottom Hole Displacement is 240.01ft., in the Direction of 127.456° (True).

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

Form C-101
Revised December 16, 2011

Energy Minerals and Natural Resources

RECEIVED
JUL 16 2012
NMOCD ARTESIA

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

original vertical

Permit



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

| | | |
|---|--|-----------------------------------|
| Operator Name and Address Lime Rock Resources II-A, L.P. 1111 Bagby Street, Suite 4600 Houston, Texas 77042 | | OGRID Number 277558 |
| Property Code 39343 | | API Number 30-015-70486 |
| Property Name Terry 14 C | | Well No #2 |

Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| C | 14 | 18S | 26E | | 330 | N | 2210 | W | Eddy |

Pool Information

ATOCA **3250**
~~Red Lake~~, Glorieta-Yeso ~~51120~~

Additional Well Information

| | | | | |
|--------------------------------|------------------------|--|------------------------------------|--|
| Work Type N | Well Type O | Cable/Rotary R | Lease Type P | Ground Level Elevation 3314.9 |
| Multiple N | Proposed Depth 4550 | Formation Yeso | Contractor United Drilling, Inc | Spud Date After 07/15/2012 |
| Depth to Ground water 100 Feet | | Distance from nearest fresh water well 0.127 Miles | | Distance to nearest surface water 1.84 Miles |

Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Conductor | 26" | 20" | 91.5 | 40 | Ready Mix | Surface |
| Surface | 12-1/4" | 8-5/8" | 24 | 425 | 300 | Surface |
| Production | 7-7/8" | 5-1/2" | 17 | 4550 | 825 | Surface |
| | | | | | | |

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|---------|------------------|---------------|----------------|
| XLT 11" | 5000 | 2000 | National Varco |

| | | |
|---|-----------------------------------|-----------------------------------|
| 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 <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input checked="" type="checkbox"/> . Signature: <i>Sid Ashworth</i> Printed name: Sid Ashworth Title: Operations Manager E-mail Address: sashworth@limerockresources.com Date: <i>7/11/12</i> | OIL CONSERVATION DIVISION | |
| | Approved By: <i>T. C. Shepard</i> | |
| | Title: <i>Geologist</i> | |
| | Approved Date: <i>7/17/2012</i> | Expiration Date: <i>7/17/2014</i> |
| | Phone: 713-292-9561 | Conditions of Approval Attached |

District I
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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 30-015-40486 | ² Pool Code SH20-3250 | ³ Pool Name ASTORA RED LAKE; GLORIETA-YESO |
| ⁴ Property Code 39343 | ⁵ Property Name TERRY "14" C | |
| ⁶ OGRID No. 277558 | ⁷ Operator Name LIME ROCK RESOURCES II A, L.P. | ⁸ Well Number 2 |
| ⁹ Elevation 3314.9 | | |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 14 | 18 S | 26 E | | 330 | NORTH | 2210 | WEST | EDDY |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 40 | 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.

| | | | |
|--|--|--|---|
| <p>N89°39'53"W 2636.03 FT</p> <p>COMPUTED</p> <p>NE CORNER SEC. 14 LAT. = 32 7550409"N LONG. = 104.3434626"W</p> | | <p>N89°39'53"W 2636.03 FT</p> <p>COMPUTED</p> | |
| <p>2210'</p> <p>NW CORNER SEC. 14 LAT. = 32.7551232°N LONG. = 104.3606069°W</p> | <p>330'</p> <p>SURFACE LOCATION</p> <p>TERRY "14" C #2 ELEV. = 3314.9' LAT. = 32 7541820"N (NAD27) LONG. = 104.3534154°W</p> | <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1927 (NAD27), AND ARE IN DECIMAL DEGREE FORMAT</p> | |
| <p>COMPUTED</p> <p>500°12'43"E 2659.17 FT</p> | | | <p>COMPUTED</p> <p>500°12'43"E 2659.17 FT</p> |
| <p>SW CORNER SEC. 14 LAT. = 32.7405084°N LONG. = 104.3605385°W</p> | <p>S/4 CORNER SEC. 14 LAT. = 32 7404662°N LONG. = 104.3520278°W</p> | <p>SE CORNER SEC. 14 LAT. = 32 7404736°N LONG. = 104.3433724°W</p> | <p>COMPUTED</p> <p>500°12'43"E 2659.17 FT</p> |
| <p>S89°39'07"E 2617.59 FT</p> | | <p>N89°56'57"E 2662.03 FT</p> | |

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

[Signature] 7/11/12
Signature Date

SID ASHWORTH
Printed Name

sashworth@limerockresources.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 the same is true and correct to the best of my belief

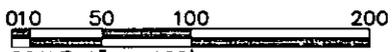
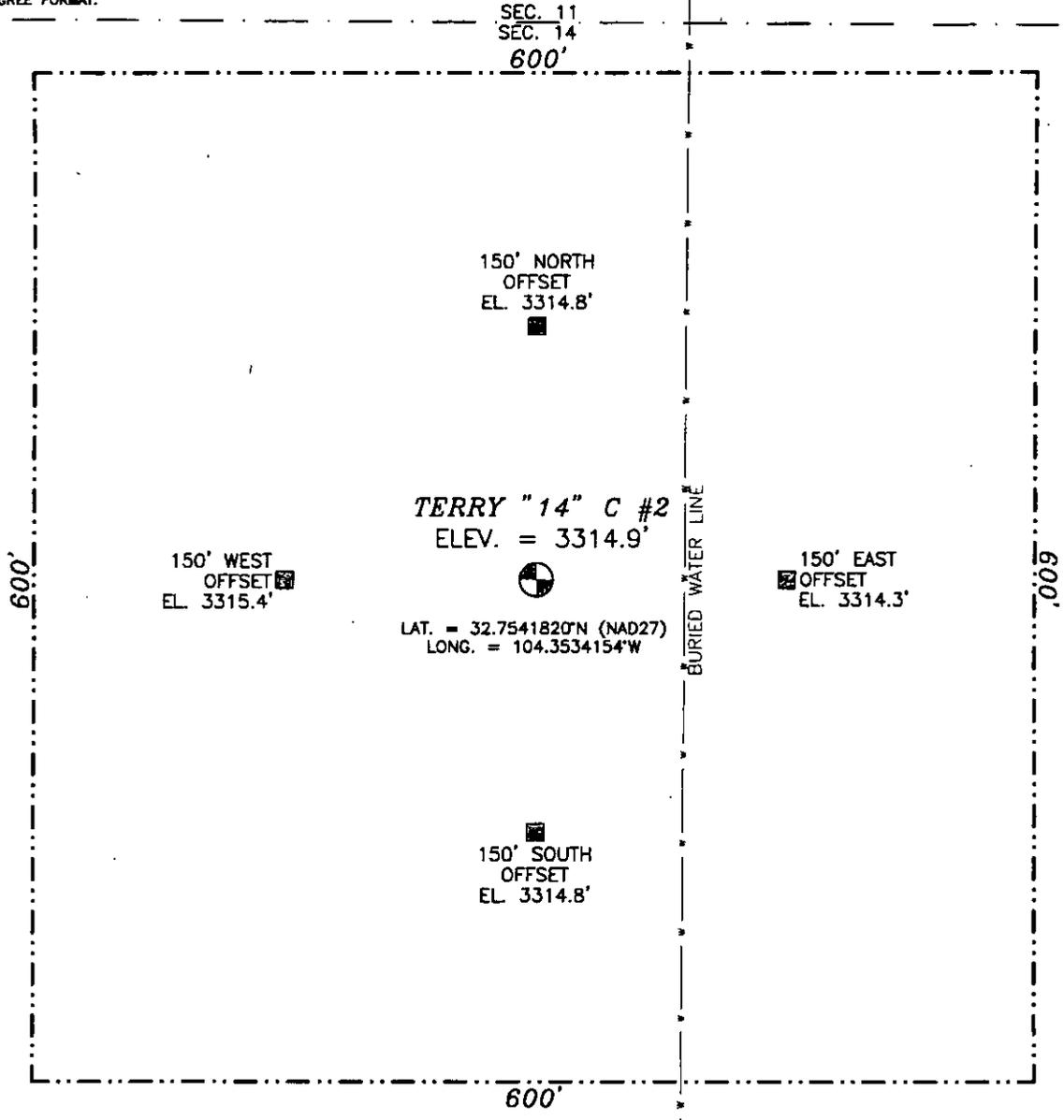
JUNE 16, 2012
Date of Survey

[Signature]
Signature and Seal of Professional Surveyor

Certificate Number: FILIMON F JARAMILLO, PLS 12797
REGISTERED LAND SURVEYOR NO 1100

SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

NOTE: THE LATITUDE AND LONGITUDE COORDINATES ARE SHOWN
 USING THE NORTH AMERICAN DATUM OF 1927 (NAD27), AND ARE IN
 DECIMAL DEGREE FORMAT.



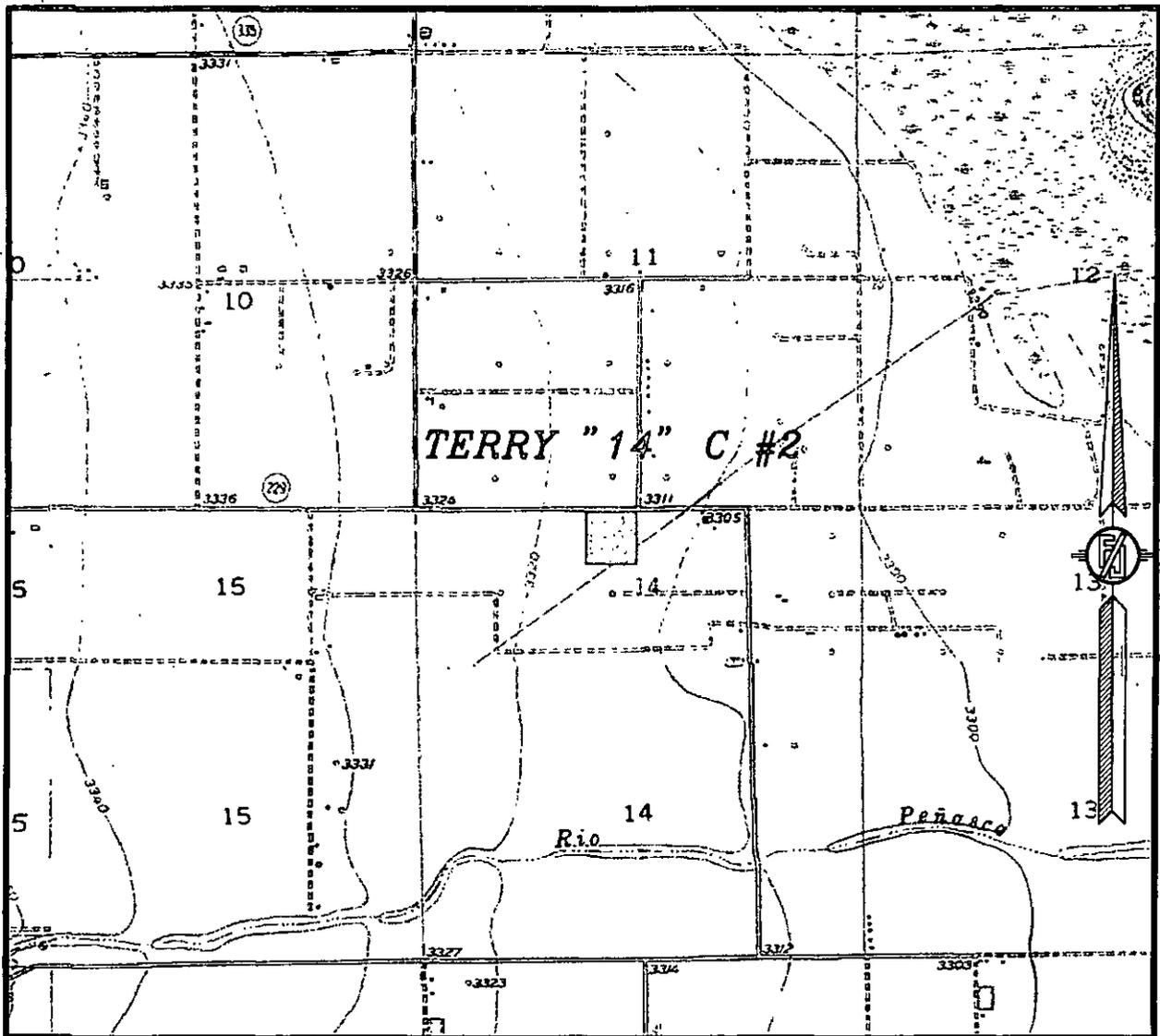
SCALE 1" = 100'
 DIRECTIONS TO LOCATION
 FROM PAVED CR. #44 (FANNING) AND PAVED CR. #39 (4-DINKUS)
 GO WEST ON CR. #39 0.35 MILES AND LOCATION IS ON THE LEFT
 (SOUTH) 330'

LIME ROCK RESOURCES II-A, L.P.
TERRY "14" C #2
 LOCATED 330 FT. FROM THE NORTH LINE
 AND 2210 FT. FROM THE WEST LINE OF
 SECTION 14, TOWNSHIP 18 SOUTH,
 RANGE 26 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

JUNE 16, 2012

SURVEY NO. 1100
 MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
 (575) 234-3341

SECTION 14, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
LOCATION VERIFICATION MAP



USGS QUAD MAP:
SPRING LAKE

NOT TO SCALE

LIME ROCK RESOURCES II-A, L.P.

TERRY "14" C #2

LOCATED 330 FT. FROM THE NORTH LINE
AND 2210 FT. FROM THE WEST LINE OF

SECTION 14, TOWNSHIP 18 SOUTH,
RANGE 26 EAST, N.M.P.M.

EDDY COUNTY, STATE OF NEW MEXICO

JUNE 16, 2012

SURVEY NO. 1100

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

**Lime Rock Resources II-A, L.P.
Drilling Plan**

**Terry 14 C #2
330' FNL 2210' FWL
C-S14-T18S-R26E
Eddy County, NM**

1. The elevation of the unprepared ground is 3314.9' feet above sea level.
2. The geologic name of the surface formation is Quaternary – Alluvium.
3. A rotary rig will be utilized to the well to 4550' and run casing. This equipment will be rigged down and the well will be completed with a workover rig.
4. Proposed total depth is 4550'.
5. Estimated tops of geologic markers:

| Quaternary – Alluvium | Surface |
|-----------------------|---------|
| Queen | 244 |
| Grayburg | 686 |
| San Andres | 955 |
| Glorieta | 2303 |
| Yeso | 2421 |
| Tubb | 3850 |
| | |
| | |
| | |
| TD | 4550' |

6. Estimated depths at which anticipated oil, gas, or other mineral bearing formations are expected to be encountered:

| | |
|------------|-------|
| Queen | 244 |
| Grayburg | 686 |
| San Andres | 955 |
| Glorieta | 2303 |
| Yeso | 2421 |
| Tubb | 3850 |
| | |
| | |
| | |
| TD | 4550' |

7. Proposed Casing and Cement program is as follows:

| Type | Hole Size | Casing Size | WT | Grade | Thread | Depth | Sx | Density | Yield | Components |
|------------|-----------|-------------|------|-------|--------|-------|-----|---------|-------|--|
| Conductor | 26" | 20" | 91.5 | B | Welded | 40 | | | | Ready Mix |
| Surface | 12-1/4" | 8-5/8" | 24 | J-55 | ST&C | 425 | 300 | 14.8 | 1.35 | CI C Cmt + 0.25 lbs/sk Cello Flake + 2% CaCl ₂ |
| Production | 7-7/8" | 5-1/2" | 17 | J-55 | LT&C | 4550 | 200 | 12.8 | 1.903 | 35:65 Poz/CI H w/ 6% Gel, 0.125 lbs/sk Cello Flake, 5 pps LCM-1 and retarder |
| | | | | | | | 625 | 14.8 | 1.33 | CI H w/ 0.6% R-3, 0.125% Cello Flake, 2% Gel |

8. Proposed Mud Program is as follows

| Depth | 0-40 | 40-4250 | 4250-4550 |
|-------------------|-----------------|---|---|
| Mud Type | Fresh Water Mud | Brine | Brine, Salt Gel, & Starch |
| Properties | | | |
| MW | 8.5-9.2 | 9.8-10.1 | 9.9-10.2 |
| pH | 10 | 10-11.5 | 11/12/2012 |
| WL | NC | NC | 20-30 |
| Vis | 28-34 | 29-32 | 32-35 |
| MC | NC | NC | <2 |
| Solids | NC | <1 | <3 |
| Pump Rate | 300-350 | 375-425 | 400-450 |
| Special | | Use Poymers sticks and MF-55 Hi-Vis Sweeps as necessary | Hi Vis Sweeps, add acid and starch as req. Raise Vis to 35 for log. |

9. Pressure Control Equipment: See Attached Description and diagram of Pressure Control Equipment.

10. Testing, Logging and Coring Program

Testing Program: No drill stem tests are anticipated

Electric Logging Program: SGR-DLL-CDL-CNL Quad Combo from 4550 to surf. Csg. SGR-CNL to Surf.

Coring Program: No full or sidewall cores are anticipated.

11. Potential Hazards:

No abnormal temperatures or pressures are expected. There is no known presence of H2S in this area. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 2002 psi based on 0.44 x TD. The estimated BHT is 125 degrees F.

12. Duration of Operations:

Anticipated spud date will be soon after approval and as soon as a rig will be available. Move in operations and drilling is expected to take 10 days. An additional 14 days will be needed it complete the well and to construct surface facilities.

Pressure Control Equipment

The blowout preventer equipment (BOP) will consist of a 5000 psi rated, 11", "XLT" type, National VARCO double ram preventer that will be tested to a maximum pressure of 2000 psi. The unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and drill pipe rams on bottom. The 2M BOP will be installed on the 8 5/8" surface casing and utilized continuously until total depth is reached. All casing strings will be tested as per Onshore Order #2. This also includes a thirty day (30) test, should the rig still be operating on the same well in thirty days.

Pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily drilling logs.

The BOP equipment will consist of the following:

- Double ram with blind rams (top) and pipe rams (bottom),
- Drilling spool, or blowout preventer with 2 side outlets (choke side shall be a 2" minimum diameter, kill side will be at least 2 inch diameter),
- Kill line (2 inch minimum),
- A minimum of 2 choke line valves (2 inch minimum),
- 2 inch diameter choke line,
- 2 kill valves, one of which will be a check valve (2 inch minimum),
- 2 chokes, one of which will be capable of remote operation,
- Pressure gauge on choke manifold,
- Upper Kelly cock valve with handle available,
- Safety valve and subs to fit all drill string connections in use,
- All BOPE connections subjected to well pressure will be flanged, welded, or clamped.
- A Fill-up line above the uppermost preventer.

Lime Rock Resources II-A, L.P.

Terry 14 C #2

HYDROGEN SULFIDE (H₂S) CONTINGENCY DRILLING PLAN

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be rigged up and in use when the company drills out from under surface casing. H₂S monitors, warning signs, wind indicators and flags will be in use.

EMERGENCY PROCEDURES

Escape

Crews shall escape upwind of escaping gas in the event of an emergency release of gas, or if monitors indicate H₂S is present. Escape will take place via the entry road away from the flare stack, or a foot path marked and designated before the well is spud by on site personnel. Once crews and other personnel are a safe distance, the crews will move to evacuate any persons in the Radius of Exposure, followed by blocking access to the Radius of Exposure.

There are no homes or buildings within the Radius of Exposure ("ROE"), so efforts will be concentrated on evacuating any third parties within the ROE. Immediate response will include evacuation of any persons potentially affected by toxic or flammable gasses. Once evacuation is under way, perimeter monitoring and control of access will be executed to ensure safe areas and stage areas.

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
 - o Detection of H₂S, and
 - o Measures for protection against the gas,
 - o Equipment used for protection and emergency response.

H2S CONTINGENCY DRILLING PLAN EMERGENCY CONTACTS

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 | 2ppm | 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) and BLM Onshore Order #6.

H₂S Operations

Though no H₂S is anticipated during the drilling operation, this contingency plan will provide for methods to ensure the well is kept under control in the event an H₂S reading of 100 ppm or more are encountered. Once personnel are safe and the proper protective gear is in place and on personnel, the operator and rig crew essential personnel will ensure the well is under control, suspend drilling operations and shut-in the well (unless pressure build up or other operational situations dictate suspending operations will prevent well control), increase the mud weight and circulate all gas from the hole utilizing the mud/gas separator downstream of the choke, the choke manifold and the emergency flare system located 150' from the well. Bring the mud system into compliance and the H₂S level below 10 ppm, then notify all emergency officers that drilling ahead is practical and safe.

Proceed with drilling ahead only after all provisions of Onshore Order 6, Section III.C. have been satisfied.

H2S CONTINGENCY DRILLING PLAN EMERGENCY CONTACTS

Company Offices - Lime Rock Houston Office 713-292-9510
 Answering Service(After Hours) 713-292-9555
 Artesia, NM Office 575-748-9724
 Roswell, NM 575-623-8424

| KEY PERSONNEL | | | | | |
|------------------------|--|------------------------|---------------------|---------------------|---------------------|
| Name | Title | Location | Office # | Cell # | Home # |
| SID ASHWORTH | PRODUCTION ENGINEER | HOUSTON | 713-292-9526 | 713-906-7750 | 713-783-1959 |
| JERRY SMITH | ASSISTANT PRODUCTION SUPERVISOR | ARTESIA | 575-748-9724 | 505-918-0556 | 575-746-2478 |
| MICHAEL BARRETT | PRODUCTION SUPERVISOR | ROSWELL | 575-623-8424 | 505-353-2644 | 575-623-4707 |
| GARY FATHEREE | WELL SITE SUPERVISOR | ROTATES ON SITE | NA | 940-389-6044 | NA |
| GARY MCELLEND | WELL SITE SUPERVISOR | ROTATES ON SITE | NA | 903-503-8997 | NA |

| Agency Call List | | |
|-------------------------|--|-------------------------|
| City | Agency or Office: | Telephone Number |
| Artesia | Ambulance | 911 |
| Artesia | State Police | 575-746-2703 |
| Artesia | Sheriff's Office | 575-746-9888 |
| Artesia | City Police | 575-746-2703 |
| Artesia | Fire Department | 575-746-2701 |
| Artesia | Local Emergency Planning Committee | 575-746-2122 |
| Artesia | New Mexico OCD District II | 575-748-1283 |
| Carlsbad | Ambulance | 911 |
| Carlsbad | State Police | 575-885-3137 |
| Carlsbad | Sheriff's Office | 575-887-7551 |
| Carlsbad | City Police | 575-885-2111 |
| Carlsbad | Fire Department | 575-885-2111 |
| Carlsbad | Local Emergency Planning Committee | 575-887-3798 |
| Carlsbad | US DOI Bureau of Land Management | 575-887-6544 |
| State Wide | New Mexico Emergency Response Commission ("NMERC") | 505-476-9600 |
| State Wide | NMERC 24 hour Number | 505-827-9126 |
| State Wide | New Mexico State Emergency Operations Center | 505-476-9635 |
| National | National Emergency Response Center (Washington, D.C.) | 800-424-8802 |

H2S CONTINGENCY DRILLING PLAN EMERGENCY CONTACTS

| Emergency Services | | | | |
|---|--|----------------------------------|-------------------------|----------------------------|
| Name | Service | Location | Telephone Number | Alternate Number |
| Boots & Coots International Well Control | Well Control | Houston / Odessa | 1-800-256-9688 | 281-931-8884 |
| Cudd Pressure Control | Well Control & Pumping | Odessa | 915-699-0139 | 915-563-3356 |
| Baker Hughes Inc. | Pumping Service | Artesia, Hobbs and Odessa | 575-746-2757 | SAME |
| Total Safety | Safety Equipment and Personnel | Artesia | 575-746-2847 | SAME |
| Cutter Oilfield Services | Drilling Systems Equipment | Midland | 432-488-6707 | SAME |
| Assurance Fire & Safety | Safety Equipment and Personnel | Artesia | 575-396-9702 | 575-441-2224 |
| Flight for Life | Emergency Helicopter Evacuation | Lubbock | 806-743-9911 | SAME |
| Aerocare | Emergency Helicopter Evacuation | Lubbock | 806-747-8923 | SAME |
| Med Flight Air Ambulance | Emergency Helicopter Evacuation | Albuquerque | 505-842-4433 | SAME |
| Artesia General Hospital | Emergency Medical Care | Artesia | 575-748-3333 | 702 North 13 Street |

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-144 CLEZ
Revised August 1, 2011

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)



Type of action: Permit Closure

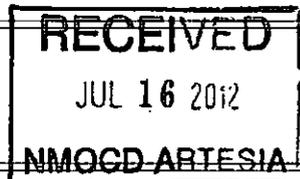
Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1. Operator: Lime Rock Resources II-A, L.P. OGRID #: 277558
Address: 1111 Bagby Street, Suite 4600 Houston, Texas 77042
Facility or well name: Terry 14 C #2
API Number: 30-015-40486 OCD Permit Number: 213208
U/L or Qtr/Qtr C Section 14 Township 18S Range 26E County: Eddy
Center of Proposed Design: Latitude 32.7541820°N Longitude 104.3534154°W NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2. **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Operation: Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) P&A
 Above Ground Steel Tanks or Haul-off Bins

3. **Signs:** Subsection C of 19.15.17.11 NMAC
 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
 Signed in compliance with 19.15.16.8 NMAC



4. **Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
 Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
 Previously Approved Design (attach copy of design) API Number: _____
 Previously Approved Operating and Maintenance Plan API Number: _____

5. **Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: Controlled Recovery Inc. Hobbs(R360) Disposal Facility Permit Number: R-9166
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
 Yes (If yes, please provide the information below) No
Required for impacted areas which will not be used for future service and operations:
 Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6. **Operator Application Certification:**
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): Sid Ashworth Title: Operations Manager
Signature: [Signature] Date: 7/11/12
e-mail address: sashworth@limerockresources.com Telephone: 713-292-9561

7. **OCD Approval:** Permit Application (including closure plan) Closure Plan (only)

OCD Representative Signature: [Signature] Approval Date: 7/17/2012

Title: Asst. Supervisor OCD Permit Number: 213208

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC
Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

Closure Completion Date: _____

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**
Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

Yes (If yes, please demonstrate compliance to the items below) No

Required for impacted areas which will not be used for future service and operations.

- Site Reclamation (Photo Documentation)
- Soil Backfilling and Cover Installation
- Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

Lime Rock Resources II-A, L.P.
Terry 14 C #2
UNIT C, S14-T18S-R26E, Eddy COUNTY, NM

Design: Closed Loop System with roll-off steel bins (pits)

CRI/HOBBS will supply (2) bins (100 bbl) volume, rails and transportation relating to the Close Loop System. Specification of the Closed Loop System is attached

Contacts: Gary Wallace (432) 638-4076 Cell (575) 393-1079 Office

Scomi Oil Tool: Supervisor – Armando Soto (432) 553-7979 Hobbs, NM

Monitoring 24 Hour service

Equipment: Centrifuges – Derrick Brand
Rig Shakers – Brandt Brand
D-watering Unit
Air pumps on location for immediate remediation process
Layout of Close Loop System with bins, centrifuges and shakers attached.

Cuttings and associated liquids will be hauled to a State regulated third party disposal site (CRI or Controlled Recovery, Inc.). The disposal site permit is DFP = #R9166.

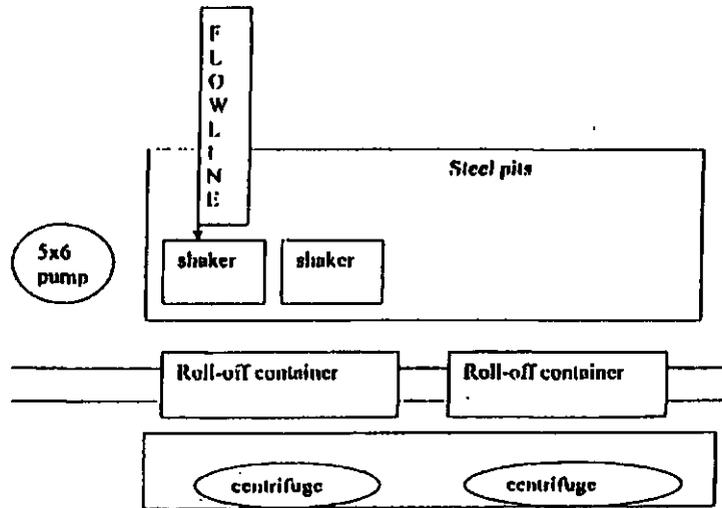
2- (250 bbl) tanks to hold fluid
2-CRI bins with track system
2-500 bbl frac tanks with fresh water
2-500 bbl frac tanks for brine water

Operations:

Closed Loop System equipment will be inspected daily by each tour and any necessary maintenance performed. Any leak in system will be repaired and/or contained immediately. OCD will be notified within 48 hours of any spill. Remediation process will start immediately.

Closure:

During drilling operations all liquids, drilling fluids and cuttings will be hauled off via CRI equipment to DFP #R9166.



This will be maintained by 24 hour solids control personnel that stay on location.

TOMMY WILSON



**CLOSED LOOP
SPECIALTY**

Office: 875.746.1689

Cell: 575.748.6367

| # Cross Section | Well | API # | Location | Spud | Surface Csg | Intermediate Csg | Production Csg | Perforations | Shallowest Mudlog Show | SA Top |
|-----------------|------------------------------|--------------|-------------------------|--------------|-------------------------|-------------------------|---------------------------|--|------------------------|--------|
| 1 | Oleaus 25-1 | 30-015-35260 | Sec 25-1185-R26E Unit B | 9/25/2007 | 13 3/8" 24# 155 at 424' | 9 5/8" 40# 155 at 1362' | 5 1/2" 17# 155 at 956.6' | Morrow 9024'-9260', Shrewn 8741'-8794' | 1028' | 1365' |
| 2 | Everest Estate 157 Fee #1 | 30-015-40521 | Sec 15-1185-R26E Unit P | 8/9/2012 | 8 5/8" 24# 155 at 433' | NA | 5 1/2" 17# 155 at 4310' | Yaso 2548'-3954' | 1100' | 925' |
| 3 | Everest 14N #8 | 30-015-40488 | Sec 14-1185-R26E Unit N | 1/30/2013 | 8 5/8" 24# 155 at 437' | NA | 5 1/2" 17# 155 at 4315' | Yaso 2506'-3945' | 1280' | 980' |
| 4 | Meatier-Vandergriff 14P #2 | 30-015-40489 | Sec 14-1185-R26E Unit P | 9/15/2012 | 8 5/8" 24# 155 at 536' | NA | 5 1/2" 17# 155 at 4293' | Yaso 2870'-4209' | 1315' | 1045' |
| 5 | Vandergriff 13M #1 | 30-015-40493 | Sec 13-1185-R26E Unit M | 5/23/2013 | 8 5/8" 24# 155 at 428' | NA | 5 1/2" 17# 155 at 4286' | Yaso 2709'-4108' | 1740' | 1100' |
| 6 | Waldrop 13O #2 | 30-015-40494 | Sec 13-1185-R26E Unit O | 5/15/2013 | 8 5/8" 24# 155 at 443' | NA | 5 1/2" 17# 155 at 4350' | Yaso 2732'-4172' | 1260' | 1155' |
| 7 | Waldrop 13P Fee #1 | 30-015-39429 | Sec 13-1185-R26E Unit P | 1/25/2012 | 13 3/8" 48# 140 at 255' | 8 5/8" 24# 155 at 1565' | 5 1/2" 17# 155 at 4272' | Yaso 3050'-4228' | 1020' | 1170' |
| 8 | Farming 13J #1 | 30-015-40484 | Sec 13-1185-R26E Unit J | 9/30/2012 | 8 5/8" 24# 155 at 446' | NA | 5 1/2" 17# 155 at 4308' | Yaso 3040'-4152' | 740' | 1105' |
| 9 | Simpson 15A #1 | 30-015-35095 | Sec 15-1185-R26E Unit A | 3/5/2007 | 8 5/8" 24# 155 at 880' | NA | 5 1/2" 15.5# 155 at 3505' | Yaso 2420'-4201' | 1155' | 950' |
| 10 | Leavitt 13C #1 | 30-015-40482 | Sec 13-1185-R26E Unit C | 8/31/2014 | 8 5/8" 24# 155 at 459' | NA | 5 1/2" 17# 155 at 4703' | Yaso 3018'-4498' | 1300' | 1010' |
| 11 | Higgins Trust 13A #2 | 30-015-40977 | Sec 13-1185-R26E Unit A | 8/7/2013 | 8 5/8" 24# 155 at 405' | NA | 5 1/2" 17# 155 at 4308' | Yaso 3025'-4034' | 1270' | 1040' |
| 12 | Hawk 8V Federal #21 | 30-015-34964 | Sec 8-1185-R27E Unit A | 7/3/2006 | 8 5/8" 24# 155 at 412' | NA | 5 1/2" 15.5# 155 at 3410' | Yaso 2844'-3145', SA 1829'-2595' | 1200' | 1200' |
| 13 | Hawk 8K Federal #14 | 30-015-34336 | Sec 8-1185-R27E Unit K | 5/22/2006 | 8 5/8" 24# 155 at 445' | NA | 5 1/2" 15.5# 155 at 3515' | Yaso 2748'-3045', SA 1516'-2206' | 1090' | 1220' |
| 14 | Brainard 11G #3 | 30-015-35744 | Sec 11-1185-R26E Unit G | 11/7/2007 | 8 5/8" 24# 155 at 950' | NA | 5 1/2" 15.5# 155 at 3799' | Yaso 2401'-3331' | 1320' | 990' |
| Drill Order | Well | API # | Location | APD Approved | Surface Csg | Intermediate Csg | Production Csg | Perforations - Anticipated | Shallowest Mudlog Show | SA Top |
| 1 | Higgins Cartoon 12 D #3 (SE) | 30-015-43116 | Sec 12-1185-R26E Unit D | 5/20/2015 | 8 5/8" 24# 155 at 425' | NA | 5 1/2" 17# 155 at 4603' | Yaso 2442'-4603' | | 1053' |
| 2 | Terry 14 C #2 (NE) | 30-015-40486 | Sec 14-1185-R26E Unit C | 1/13/2016 | 8 5/8" 24# 155 at 425' | NA | 5 1/2" 17# 155 at 4571' | Yaso 2421'-4571' | | 955' |
| 3 | Simpson 15 B4 (NE) | 30-015-43299 | Sec 15-1185-R26E Unit B | 8/14/2015 | 8 5/8" 24# 155 at 425' | NA | 5 1/2" 17# 155 at 4000' | Yaso 2395'-4000' | | 946' |
| 4 | Terry 14E #4 (SW) | 30-015-43297 | Sec 14-1185-R26E Unit E | 8/14/2015 | 8 5/8" 24# 155 at 425' | NA | 5 1/2" 17# 155 at 4694' | Yaso 2445'-4694' | | 978' |
| 5 | Brainard 11 P #4 (NE) | 30-015-40978 | Sec 11-1185-R26E Unit P | 1/25/2013 | 8 5/8" 24# 155 at 425' | NA | 5 1/2" 17# 155 at 4650' | Yaso 2473'-4650' | | 997' |
| 6 | Everest 14 M #9 | 30-015-40980 | Sec 14-1185-R26E Unit M | 1/15/2013 | 8 5/8" 24# 155 at 425' | NA | 5 1/2" 17# 155 at 4650' | Yaso 2532'-4650' | | 961' |
| 7 | Everest 14 O #7 (SW) | 30-015-41015 | Sec 14-1185-R26E Unit O | 1/25/2013 | 8 5/8" 24# 155 at 425' | NA | 5 1/2" 17# 155 at 4300' | Yaso 2613'-4300' | | 1020' |
| 8 | Waldrop 13 N #3 (NE) | 30-015-41016 | Sec 13-1185-R26E Unit N | 1/25/2013 | 8 5/8" 24# 155 at 425' | NA | 5 1/2" 17# 155 at 4662' | Yaso 2751'-4662' | | 1101' |
| 9 | Kaiser 7M 14 (NW) | 30-015-43112 | Sec 7-1185-R27E Unit M | 5/20/2015 | 8 5/8" 24# 155 at 425' | NA | 5 1/2" 17# 155 at 4693' | Yaso 2476'-4693' | | 1024' |

| # Cross Section | Well | API # | Location | Spud | Surface Csg | Intermediate Csg | Production Csg | Perforations | Shallowest Mudlog Show | SA Top |
|--------------------|-----------------------------|--------------|-------------------------|---------------------|---------------------------|-------------------------|---------------------------|--|-------------------------------|---------------|
| 1 | Orleans 25-1 | 30-015-35260 | Sec 25-T18S-R26E Unit B | 3/25/2007 | 13 3/4" 54.5# J55 at 424' | 9 5/8" 40# J55 at 1362' | 5 1/2" 17# N80 at 9616' | Morrow 9024'-9260', Strawn 8741'-8754' | 1028' | 1365' |
| 2 | Everest Estate 15P Fee #1 | 30-015-40521 | Sec 15-T18S-R26E Unit P | 8/9/2012 | 8 5/8" 24# J55 at 433' | NA | 5 1/2" 17# J55 at 4310' | Yeso 2548'-3954' | 1100' | 925' |
| 3 | Everest 14N #8 | 30-015-40488 | Sec 14-T18S-R26E Unit N | 1/30/2013 | 8 5/8" 24# J55 at 437' | NA | 5 1/2" 17# J55 at 4315' | Yeso 2506'-3945' | 1280' | 980' |
| 4 | McNatt-Vandergrieff 14P #2 | 30-015-40489 | Sec 14-T18S-R26E Unit P | 9/15/2012 | 8 5/8" 24# J55 at 536' | NA | 5 1/2" 17# J55 at 4293' | Yeso 2870'-4209' | 1315' | 1045' |
| 5 | Vandergrieff 13M #1 | 30-015-40493 | Sec 13-T18S-R26E Unit M | 5/23/2013 | 8 5/8" 24# J55 at 428' | NA | 5 1/2" 17# J55 at 4286' | Yeso 2709'-4108' | 1740' | 1100' |
| 6 | Waldrop 13O #2 | 30-015-40494 | Sec 13-T18S-R26E Unit O | 5/15/2013 | 8 5/8" 24# J55 at 443' | NA | 5 1/2" 17# J55 at 4350' | Yeso 2732'-4172' | 1260' | 1155' |
| 7 | Waldrop 13P Fee #1 | 30-015-39429 | Sec 13-T18S-R26E Unit P | 1/25/2012 | 13 3/8" 48# H40 at 255' | 8 5/8" 24# J55 at 1565' | 5 1/2" 17# J55 at 4272' | Yeso 3050'-4226' | 1020' | 1170' |
| 8 | Fanning 13J #1 | 30-015-40484 | Sec 13-T18S-R26E Unit J | 9/30/2012 | 8 5/8" 24# J55 at 446' | NA | 5 1/2" 17# J55 at 4308' | Yeso 3040'-4152' | 740' | 1105' |
| 9 | Simpson 15A #1 | 30-015-35095 | Sec 15-T18S-R26E Unit A | 3/5/2007 | 8 5/8" 24# J55 at 880' | NA | 5 1/2" 15.5# J55 at 3505' | Yeso 2420'-3201' | 1155' | 950' |
| 10 | Leavitt 13C #1 | 30-015-40482 | Sec 13-T18S-R26E Unit C | 8/31/2014 | 8 5/8" 24# J55 at 459' | NA | 5 1/2" 17# J55 at 4703' | Yeso 3018'-4498' | 1300' | 1010' |
| 11 | Higgins Trust 13A #2 | 30-015-40977 | Sec 13-T18S-R26E Unit A | 8/7/2013 | 8 5/8" 24# J55 at 405' | NA | 5 1/2" 17# J55 at 4308' | Yeso 3025'-4034' | 1270' | 1040' |
| 12 | Hawk 8N Federal #21 | 30-015-34964 | Sec 8-T18S-R27E Unit N | 7/3/2006 | 8 5/8" 24# J55 at 412' | NA | 5 1/2" 15.5# J55 at 3410' | Yeso 2844'-3145', SA 1829'-2595' | 1200' | 1200' |
| 13 | Hawk 8K Federal #14 | 30-015-34336 | Sec 8-T18S-R27E Unit K | 5/22/2006 | 8 5/8" 24# J55 at 445' | NA | 5 1/2" 15.5# J55 at 3515' | Yeso 2748'-3045', SA 1516'-2206' | 1090' | 1220' |
| 14 | Brainard 11G #3 | 30-015-35744 | Sec 11-T18S-R26E Unit G | 11/7/2007 | 8 5/8" 24# J55 at 950' | NA | 5 1/2" 15.5# J55 at 3799' | Yeso 2401'-3331' | 1320' | 990' |
| Drill Order | Well | API # | Location | APD Approved | Surface Csg | Intermediate Csg | Production Csg | Perforations - Anticipated | Shallowest Mudlog Show | SA Top |
| 1 | Higgins Cahoon 12 D #3 (SE) | 30-015-43116 | Sec 12-T18S-R26E Unit D | 5/20/2015 | 8 5/8" 24# J55 at 425' | NA | 5 1/2" 17# J55 at 4603' | Yeso 2442'-4603' | | 1053' |
| 2 | Terry 14 C #2 (NE) | 30-015-40486 | Sec 14-T18S-R26E Unit C | 1/13/2016 | 8 5/8" 24# J55 at 425' | NA | 5 1/2" 17# J55 at 4571' | Yeso 2421'-4571' | | 955' |
| 3 | Simpson 15 B4 (NE) | 30-015-43299 | Sec 15-T18S-R26E Unit B | 8/14/2015 | 8 5/8" 24# J55 at 425' | NA | 5 1/2" 17# J55 at 4000' | Yeso 2395'-4000' | | 946' |
| 4 | Terry 14E #4 (SW) | 30-015-43297 | Sec 14-T18S-R26E Unit E | 8/14/2015 | 8 5/8" 24# J55 at 425' | NA | 5 1/2" 17# J55 at 4694' | Yeso 2445'-4694' | | 978' |
| 5 | Brainard 11 P #4 (NE) | 30-015-40978 | Sec 11-T18S-R26E Unit P | 1/25/2013 | 8 5/8" 24# J55 at 425' | NA | 5 1/2" 17# J55 at 4650' | Yeso 2473'-4650' | | 997' |
| 6 | Everest 14 M #9 | 30-015-40980 | Sec 14-T18S-R26E Unit M | 1/15/2013 | 8 5/8" 24# J55 at 425' | NA | 5 1/2" 17# J55 at 4650' | Yeso 2532'-4650' | | 961' |
| 7 | Everest 14 O #7 (SW) | 30-015-41015 | Sec 14-T18S-R26E Unit O | 1/25/2013 | 8 5/8" 24# J55 at 425' | NA | 5 1/2" 17# J55 at 4300' | Yeso 2613'-4300' | | 1020' |
| 8 | Waldrop 13 N #3 (NE) | 30-015-41016 | Sec 13-T18S-R26E Unit N | 1/25/2013 | 8 5/8" 24# J55 at 425' | NA | 5 1/2" 17# J55 at 4662' | Yeso 2751'-4662' | | 1101' |
| 9 | Kaiser 7M 14 (NW) | 30-015-43112 | Sec 7-T18S-R27E Unit M | 5/20/2015 | 8 5/8" 24# J55 at 425' | NA | 5 1/2" 17# J55 at 4693' | Yeso 2476'-4693' | | 1024' |