

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

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

Form C-103
Revised July 18, 2013

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.)		WELL API NO. 30-015-41015
1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐		5. Indicate Type of Lease STATE ☐ FEE ☒
2. Name of Operator LIME ROCK RESOURCES II-A, L.P.		6. State Oil & Gas Lease No.
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401		7. Lease Name or Unit Agreement Name EVEREST 14 O
4. Well Location Unit Letter <u>O</u> : <u>940</u> feet from the <u>South</u> line and <u>1850</u> feet from the <u>East</u> line Section <u>14</u> Township <u>18-S</u> Range <u>26-E</u> NMPM <u>Eddy</u> County		8. Well Number #7
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3312' GL		9. OGRID Number 277558
		10. Pool name or Wildcat Atoka, Glorieta-Yeso (3250)

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
CLOSED-LOOP SYSTEM ☒			
OTHER: Change Approved APD to 3 Strings of Casing ☒		OTHER: ☐	

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.

In order to comply with the anticipated new rules for wells in the Exhibit "A" area of E-42 and not release our contracted drilling rig, Lime Rock Resources II-A, L.P. recommends the following csg & cmt changes to our approved APD:

HOLE SIZE	CSG SIZE	DEPTH	CMT
26"	20"	40'	100
17-1/2"	13-3/8"	400'	400 sx
12-1/4"	8-5/8"	965'	500 sx
7-7/8"	5-1/2"	4350'	200 sx lead & 625 sx tail

NM OIL CONSERVATION
ARTESIA DISTRICT

SEP 30 2016

Our Geology dept. has estimated that the top oil show will be ~915' as per mud logs & the top of the San Andres. If the highest oil show is above 915', the csg will be raised accordingly so as to stay 50' above the highest oil show. The surface & intermediate csqs will be drilled with fresh water mud.

See the attached details, new drilling plan, & new deviated drilling plan.

Rev P.K. 10-5-16

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 9/29/16

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

For State Use Only

APPROVED BY: Saren Sharp TITLE Bus Oper Spec-Adv DATE 10-5-16

Conditions of Approval (if any):

NM OIL CONSERVATION ARTESIA DISTRICT

SEP 30 2016

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

☐ AMENDED REPORT

Office:
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
Office:
811 S. First St., Artesia, NM 88210
Phone: (575) 745-1283 Fax: (575) 745-0720
Office:
1000 Rio Brains Road, Aztec, NM 87410
Phone: (505) 334-6175 Fax: (505) 334-6170
Office:
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-71015	Pool Code 3250	Pool Name Atoka; Glaviera - Yeso
Property Code 39659	Property Name EVEREST "14" O	Well Number 7
GRID No. 277558	Operator Name LIME ROCK RESOURCES II A, L.P.	Elevation 3311.7

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
O	14	18 S	26 E		940	SOUTH	1850	EAST	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
O	14	18 S	26 E		990	SOUTH	1650	EAST	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.

N89°39'53"W 2636.03 FT NW CORNER SEC. 14 LAT. = 32.7551232°N LONG. = 104.3606069°W COMPUTED		N89°39'53"W 2636.03 FT NE CORNER SEC. 14 LAT. = 32.7550409°N LONG. = 104.3434626°W COMPUTED	
NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1927 (NAD27), AND ARE IN DECIMAL DEGREE FORMAT.			
COMPUTED		COMPUTED	
BOTTOM OF HOLE LAT. = 32.7431898°N LONG. = 104.3487545°W EVEREST "14" O #7 ELEV. = 3311.7' LAT. = 32.7430517°N (NAD27) LONG. = 104.3494037°W SURFACE LOCATION SW CORNER SEC. 14 LAT. = 32.7405084°N LONG. = 104.3605385°W S/4 CORNER SEC. 14 LAT. = 32.7404662°N LONG. = 104.3520278°W SE CORNER SEC. 14 LAT. = 32.7404736°N LONG. = 104.343724°W 589°39'07"E 2617.59 FT N89°36'57"E 2662.03 FT			

" 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: Spencer Cox Date: 1-23-13

Printed Name: Spencer Cox

E-mail Address: scoc@limerockresources.com

" 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.

Date of Survey: JUNE 21, 2013

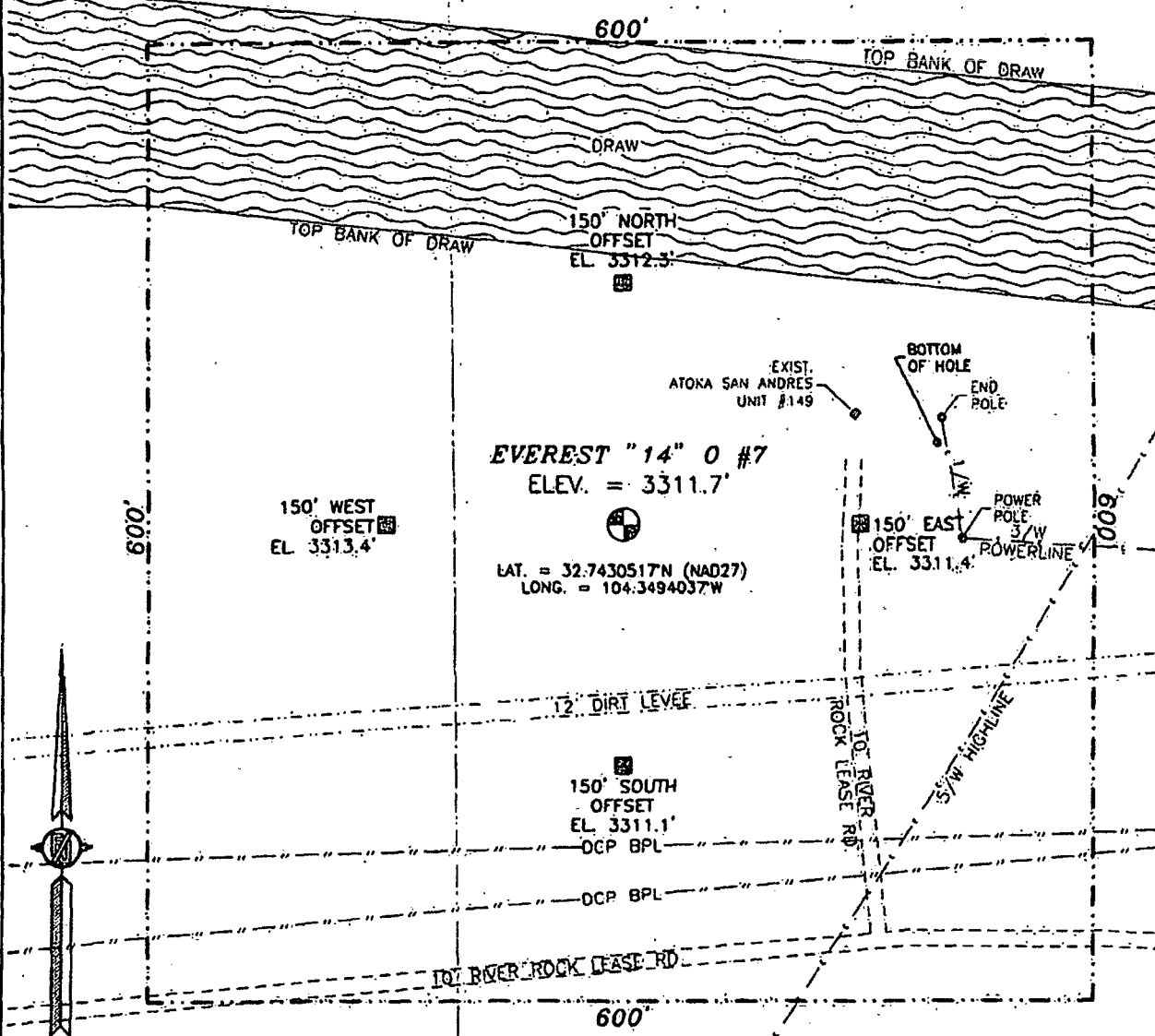
Signature and Seal of Professional Surveyor: [Signature]

Certificate Number: ELMON F. JARAMILLO PLS 12797

REGISTERED LAND SURVEYOR NO. 1155

**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.



010 50 100 200

SCALE 1" = 100'

DIRECTIONS TO LOCATION

FROM PAVED CR. #44 (FANNING) AND PAVED CR. #43 (THISTLE) GO NORTH ON CR. #44 873'. TURN LEFT ON LEASE ROAD AND GO WEST 348'. TURN RIGHT AND GO NORTH 282' AND LOCATION IS 140' ON THE LEFT (WEST).

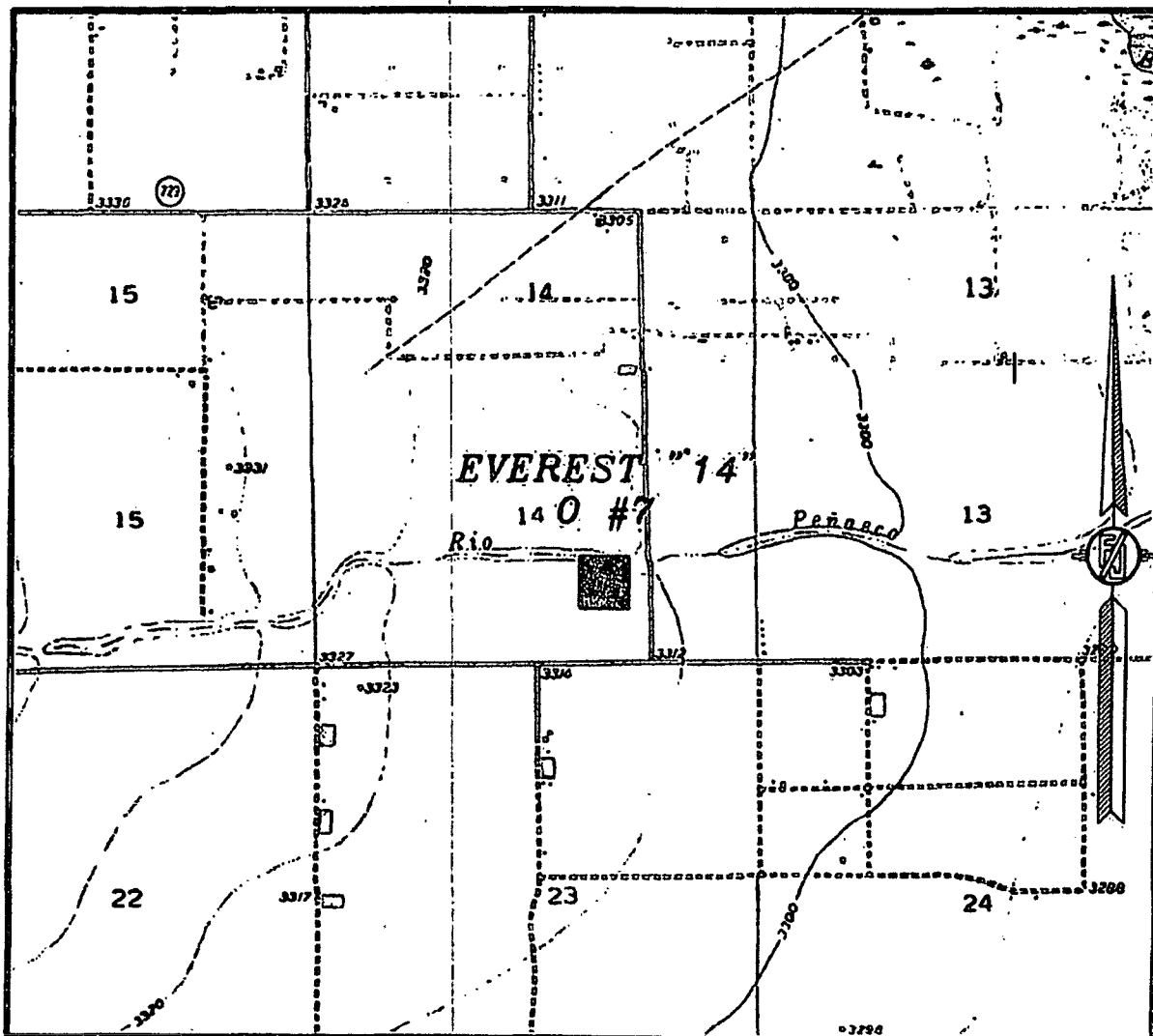
**LIME ROCK RESOURCES II-A, L.P.
EVEREST "14" O #7
LOCATED 940 FT. FROM THE SOUTH LINE
AND 1850 FT. FROM THE EAST LINE OF
SECTION 14, TOWNSHIP 18 SOUTH,
RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO**

JUNE 23, 2012

SURVEY NO. 1155

MADRON SURVEYING, INC. 301 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
 LOCATION VERIFICATION MAP



USGS QUAD MAP:
 SPRING LAKE

NOT TO SCALE

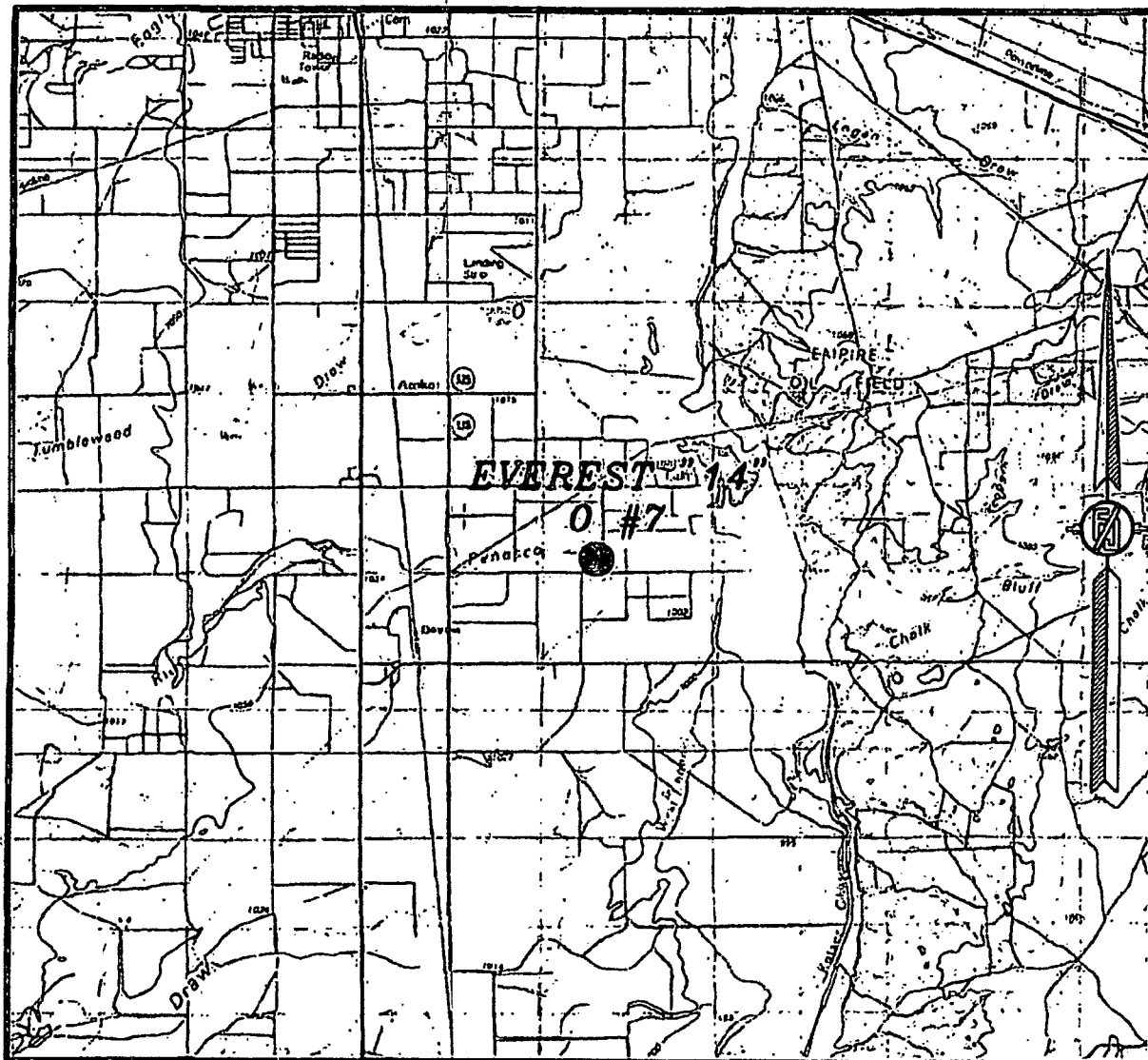
LIME ROCK RESOURCES II-A, L.P.
 EVEREST "14" O #7
 LOCATED 940 FT. FROM THE SOUTH LINE
 AND 1850 FT. FROM THE EAST LINE OF
 SECTION 14, TOWNSHIP 18 SOUTH,
 RANGE 26 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

JUNE 23, 2012

SURVEY NO. 1155

MADRON SURVEYING, INC. 301 SOUTH CANAL (375) 734-3341 CARLSBAD, NEW MEXICO

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



NOT TO SCALE

**LIME ROCK RESOURCES II-A, L.P.
EVEREST "14" 0 #7
LOCATED 940 FT. FROM THE SOUTH LINE
AND 1850 FT. FROM THE EAST LINE OF
SECTION 14, TOWNSHIP 18 SOUTH,
RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO**

JUNE 23, 2012

SURVEY NO. 1155

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

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

**Everest 14 O #7
940' FSL 1850' FEL
(O) 14-18S-26E
Eddy County, NM**

1. The elevation of the unprepared ground is 3311.7 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 4340' 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 4350' MD./ 4340' TVD. inside a 30' X 30' square tail inside of 40 acre spacing regulatory quarter-quarter setback distance. The KOP for directional drilling will be at 500'. See directional plan for details
5. Estimated tops of geologic markers:

	MD	TVD
Quaternary – Alluvium	Surface	Surface
Yates	NA	NA
7 Rivers	NA	NA
Queen	390	390
Grayburg	768	767
Premier	NA	NA
San Andres	1019	1017
Glorieta	2485	2475
Yeso	2610	2600
Tubb	4085	4075
TD	4350	4340

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

	MD	TVD
Yates	NA	NA
7 Rivers	NA	NA
Queen	390	390
Grayburg	768	767
Premier	NA	NA
San Andres	1019	1017
Glorieta	2485	2475
Yeso	2610	2600
Tubb	4085	4075
TD	4350	4340

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	40	100			Ready Mix
Surface	17-1/2"	13-3/8"	54.5	J-55	ST&C	400	400	14.8	1.35	Cl C Cmt + 0.25 lbs/sk Cello Flake + 2% CaCl ₂
Intermediate	12-1/4"	8-5/8"	24	J-55	ST&C	965	500		1.4	Cl C Cmt + 0.25 lbs/sk Cello Flake + 2% CaCl ₂
Production	7-7/8"	5-1/2"	17	J-55	LT&C	4350	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 + 6% Gel
							625	14.8	1.33	Cl H w/ 0.6% R-3, 0.125% Cello Flake, 2% Gel

8. Proposed Mud Program is as follows

Depth	0-965	965-4200	4200-4350
Mud Type	Fresh Water Mud	Brine, Salt Gel, & Starch	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 4350 to surf. Csg. SGR-CNL to Surf.

Coring Program: No full or sidewall cores are anticipated.

11. Potential Hazards:

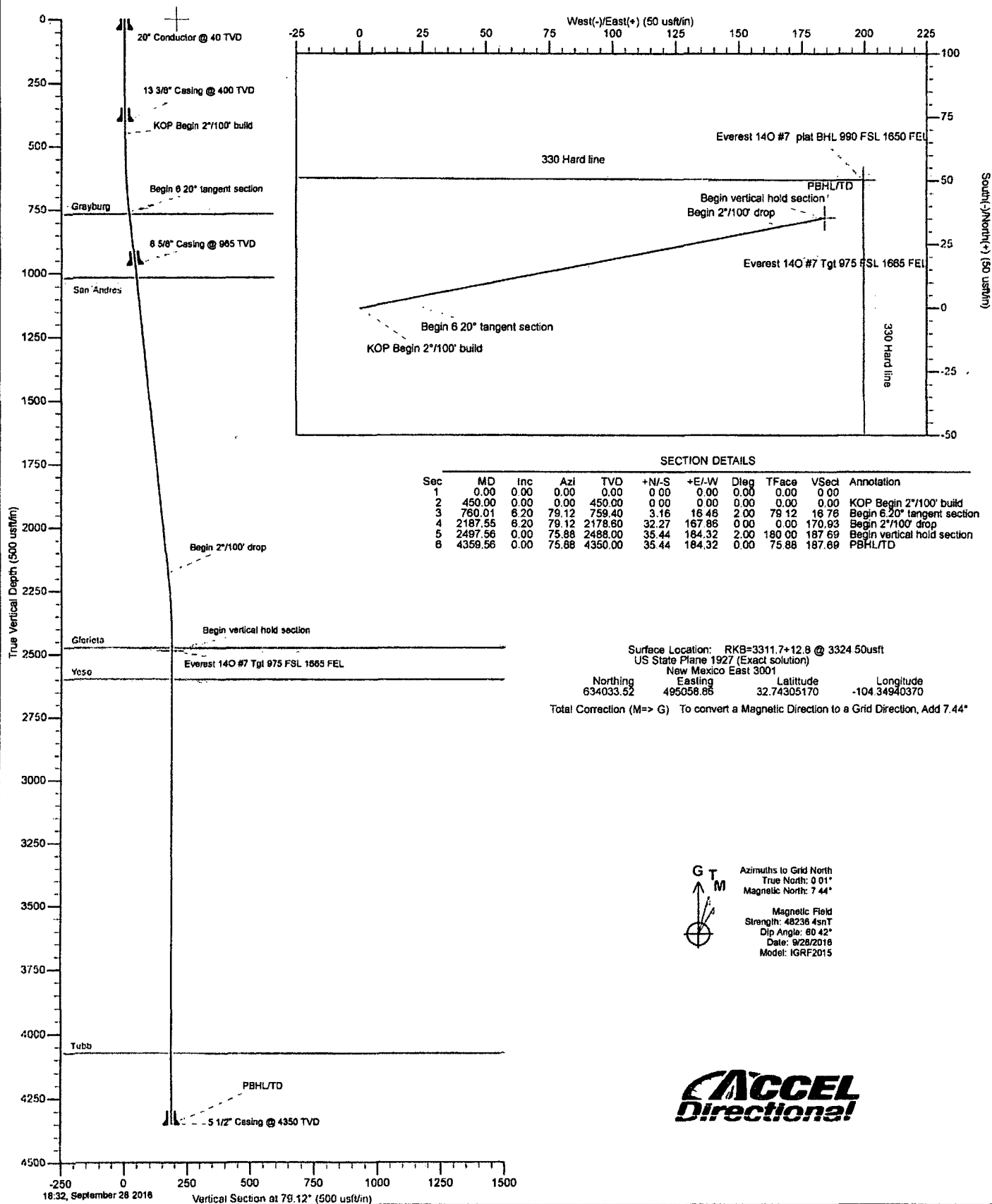
No abnormal temperatures or pressures are expected. There is no known presence of H₂S in this H₂S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. personnel will be familiar with all aspects of safe operation of equipment being used to drill this well Estimated BHP 1914 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 complet well and to construct surface facilities.



Well: Everest 14 O Well No. 7
 Site: Everest 14 O
 Project: Eddy County, New Mexico NAD27
 Design: rev1
 Rig:



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSEct	Annotation
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	450.00	0.00	0.00	450.00	0.00	0.00	0.00	0.00	0.00	KOP Begin 2"/100' build
3	760.01	6.20	79.12	759.40	3.16	16.48	2.00	79.12	16.76	Begin 6 20" tangent section
4	2187.55	6.20	79.12	2178.60	32.27	167.86	0.00	0.00	170.93	Begin 2"/100' drop
5	2497.56	0.00	75.88	2488.00	35.44	184.32	2.00	180.00	187.69	Begin vertical hold section
6	4359.56	0.00	75.88	4350.00	35.44	184.32	0.00	75.88	187.69	PBHL/TD

Surface Location: RKB=3311.7+12.8 @ 3324.50usft
 US State Plane 1927 (Exact solution)

New Mexico East 3001
 Northing: 634033.52 Easting: 495058.86 Latitude: 32.74305170 Longitude: -104.34940370

Total Correction (M=> G) To convert a Magnetic Direction to a Grid Direction, Add 7.44°

G T M
 Azimuths to Grid North
 True North: 0 01°
 Magnetic North: 7 44°
 Magnetic Field
 Strength: 48238 4snT
 Dip Angle: 60 42°
 Date: 9/28/2018
 Model: IGRF2015

ACCEL
 Directional

18:32, September 28 2018

Vertical Section at 79.12" (500 usft/in)



Standard_Report

ANM OIL CONSERVATION
ARTESIA DISTRICT
SEP 30 2016

RECEIVED

Company: Lime Rock Resources
Project: Eddy County, New Mexico NAD27
Site: Everest 14 O
Well: Everest 14 O Well No. 7
Wellbore: Original Hole
Design: rev1

Local Co-ordinate Reference: Well Everest 14 O Well No. 7
TVD Reference: RKB=3311.7+12.8 @ 3324.50usft
#ID Reference: RKB=3311.7+12.8 @ 3324.50usft
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: DB Jul2216dt

Project: Eddy County, New Mexico NAD27

Map System: US State Plane 1927 (Exact solution)
Geo Datum: NAD 1927 (NADCON CONUS)
Map Zone: New Mexico East 3001

System Datum: Mean Sea Level

Site: Everest 14 O

Site Position: Northing: 634,033.52 usft Latitude: 32.74305170
From: Lat/Long Easting: 495,058.86 usft Longitude: -104.34940370
Position Uncertainty: Slot Radius: 13-3/16 " Grid Convergence: -0.01 °

Well: Everest 14 O Well No. 7, Surf Loc: 940 FSL 1850 FEL Sect14-T18S-R28E

Well Position: +N-S 0.00 usft Northing: 634,033.52 usft Latitude: 32.74305170
+E-W 0.00 usft Easting: 495,058.86 usft Longitude: -104.34940370
Position Uncertainty: 0.00 usft Wellhead Elevation: 0.00 usft Ground Level: 3,311.70 usft

Wellbore: Original Hole

Magnetics: Model Name Sample Date Declination (°) Dip Angle (°) Field Strength (nT)
IGRF2015 9/28/2016 7.43 60.42 48,236

Design: rev1

Audit Notes:

Version: Phase: PLAN Tie On Depth: 0.00

Vertical Section: Depth From (TVD) (usft) +N-S (usft) +E-W (usft) Direction (°)
0.00 0.00 0.00 79.12

Survey Tool Program Date 9/28/2016

From (usft) To (usft) Survey (Wellbore) Description
0.00 4,359.56 rev1 (Original Hole) MWD - Standard

Tool Name MWD
Description MWD - Standard



Standard_Report

Company: Lime Rock Resources
 Project: Eddy County, New Mexico NAD27
 Site: Everest 14 O
 Well: Everest 14 O Well No. 7
 Wellbore: Original Hole
 Design: rev1

Local Co-ordinate Reference: Well Everest 14 O Well No. 7
 TVD Reference: RKB=3311.7+12.8 @ 3324.50usft
 MD Reference: RKB=3311.7+12.8 @ 3324.50usft
 North Reference: Grid
 Survey Calculation Method: Minimum Curvature
 Database: DB Jul2216dt

Planned Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	N/S (usft)	EW (usft)	D/Leg (°/100usft)	V. Sec (usft)	Northing (usft)	Easting (usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	634,033.52	495,058.86
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	634,033.52	495,058.86
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	634,033.52	495,058.86
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	634,033.52	495,058.86
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	634,033.52	495,058.86
450.00	0.00	0.00	450.00	0.00	0.00	0.00	0.00	634,033.52	495,058.86
KOP Begin 2°/100' build									
500.00	1.00	79.12	500.00	0.08	0.43	2.00	0.44	634,033.60	495,059.29
600.00	3.00	79.12	599.93	0.74	3.86	2.00	3.93	634,034.26	495,062.72
700.00	5.00	79.12	699.68	2.06	10.71	2.00	10.90	634,035.58	495,069.57
760.01	6.20	79.12	759.40	3.16	16.46	2.00	16.76	634,036.69	495,075.32
Begin 6.20° tangent section									
767.65	6.20	79.12	767.00	3.32	17.27	0.00	17.58	634,036.84	495,076.13
Grayburg									
800.00	6.20	79.12	799.16	3.98	20.70	0.00	21.08	634,037.50	495,079.56
900.00	6.20	79.12	898.57	6.02	31.30	0.00	31.88	634,039.54	495,090.17
1,000.00	6.20	79.12	997.99	8.06	41.91	0.00	42.68	634,041.58	495,100.77
1,019.12	6.20	79.12	1,017.00	8.45	43.94	0.00	44.74	634,041.97	495,102.80
San Andres									
1,100.00	6.20	79.12	1,097.40	10.10	52.51	0.00	53.48	634,043.62	495,111.38
1,200.00	6.20	79.12	1,196.82	12.14	63.12	0.00	64.28	634,045.66	495,121.98
1,300.00	6.20	79.12	1,296.23	14.18	73.73	0.00	75.08	634,047.70	495,132.59
1,400.00	6.20	79.12	1,395.65	16.21	84.33	0.00	85.88	634,049.74	495,143.20
1,500.00	6.20	79.12	1,495.06	18.25	94.94	0.00	96.68	634,051.78	495,153.80
1,600.00	6.20	79.12	1,594.48	20.29	105.54	0.00	107.48	634,053.81	495,164.41
1,700.00	6.20	79.12	1,693.89	22.33	116.15	0.00	118.28	634,055.85	495,175.01
1,800.00	6.20	79.12	1,793.31	24.37	126.76	0.00	129.08	634,057.89	495,185.62
1,900.00	6.20	79.12	1,892.72	26.41	137.36	0.00	139.88	634,059.93	495,196.23



Standard_Report

Company: Lime Rock Resources
 Project: Eddy County, New Mexico NAD27
 Site: Everest 14 O
 Well: Everest 14 O Well No. 7
 Wellbore: Original Hole
 Design: rev1

Local Co-ordinate Reference: Well Everest 14 O Well No. 7
 TVD Reference: RKB=3311.7+12.8 @ 3324.50usft
 MD Reference: RKB=3311.7+12.8 @ 3324.50usft
 North Reference: Grid
 Survey Calculation Method: Minimum Curvature
 Database: DB Jul2216dt

Planned Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	N/S (usft)	E/W (usft)	DLeg (°/100usft)	V. Sec (usft)	Northing (usft)	Easting (usft)
2,000.00	6.20	79.12	1,992.14	28.45	147.97	0.00	150.68	634,061.97	495,206.83
2,100.00	6.20	79.12	2,091.55	30.49	158.57	0.00	161.48	634,064.01	495,217.44
2,187.55	6.20	79.12	2,178.60	32.27	167.86	0.00	170.93	634,065.80	495,226.72
Begin 2°/100' drop									
2,200.00	5.95	79.12	2,190.97	32.52	169.15	2.00	172.25	634,066.04	495,228.02
2,300.00	3.95	79.12	2,290.59	34.15	177.63	2.00	180.88	634,067.67	495,236.49
2,400.00	1.95	79.12	2,390.45	35.12	182.68	2.00	186.03	634,068.65	495,241.55
2,484.56	0.26	79.12	2,475.00	35.43	184.29	2.00	187.66	634,068.95	495,243.15
Glorieta									
2,497.56	0.00	75.88	2,488.00	35.44	184.32	2.00	187.69	634,068.96	495,243.18
Begin vertical hold section									
2,500.00	0.00	0.00	2,490.44	35.44	184.32	0.00	187.69	634,068.96	495,243.18
2,599.99	0.00	0.00	2,590.44	35.44	184.32	0.00	187.69	634,068.96	495,243.18
2,609.56	0.00	0.00	2,600.00	35.44	184.32	0.00	187.69	634,068.96	495,243.18
Yeso									
2,699.99	0.00	0.00	2,690.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
2,799.99	0.00	0.00	2,790.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
2,899.99	0.00	0.00	2,890.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
2,999.99	0.00	0.00	2,990.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
3,099.99	0.00	0.00	3,090.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
3,199.99	0.00	0.00	3,190.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
3,299.99	0.00	0.00	3,290.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
3,399.99	0.00	0.00	3,390.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
3,499.99	0.00	0.00	3,490.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
3,599.99	0.00	0.00	3,590.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
3,699.99	0.00	0.00	3,690.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
3,799.99	0.00	0.00	3,790.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18



Standard_Report

Company: Lime Rock Resources
 Project: Eddy County, New Mexico NAD27
 Site: Everest 14 O
 Well: Everest 14 O Well No. 7
 Wellbore: Original Hole
 Design: rev1

Local Co-ordinate Reference: Well Everest 14 O Well No. 7
 TVD Reference: RKB=3311.7+12.8 @ 3324.50usft
 MD Reference: RKB=3311.7+12.8 @ 3324.50usft
 North Reference: Grid
 Survey Calculation Method: Minimum Curvature
 Database: DB Jul2216dt

Planned Survey

MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	N/S (usft)	E/W (usft)	D/Leg (°/100usft)	V. Sec (usft)	Northing (usft)	Easting (usft)
3,899.99	0.00	0.00	3,890.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
3,999.99	0.00	0.00	3,990.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
4,084.56	0.00	0.00	4,075.00	35.44	184.32	0.00	187.69	634,068.96	495,243.18
Tubb									
4,099.99	0.00	0.00	4,090.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
4,199.99	0.00	0.00	4,190.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
4,299.99	0.00	0.00	4,290.43	35.44	184.32	0.00	187.69	634,068.96	495,243.18
4,359.56	0.00	0.00	4,350.00	35.44	184.32	0.00	187.69	634,068.96	495,243.18

PBHLJTD

Casing Points

Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")
40.00	40.00	20" Conductor @ 40 TVD	20	26
4,359.56	4,350.00	5 1/2" Casing @ 4350 TVD	5-1/2	7-7/8
966.81	965.00	8 5/8" Casing @ 965 TVD	8-5/8	12-1/4
400.00	400.00	13 3/8" Casing @ 400 TVD	13-3/8	17-1/2

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip Direction (°)	Dip Direction (°)
4,084.56	4,075.00	Tubb		0.00	
2,484.56	2,475.00	Glionieta		0.00	
767.65	767.00	Grayburg		0.00	
2,609.56	2,600.00	Yeso		0.00	
1,019.12	1,017.00	San Andres		0.00	



Standard_Report

Company: Lime Rock Resources
Project: Eddy County, New Mexico NAD27
Site: Everest 14 O
Well: Everest 14 O Well No. 7
Wellbore: Original Hole
Design: rev1

Local Co-ordinate Reference: Well Everest 14 O Well No. 7
TVD Reference: RKB=3311.7+12.8 @ 3324.50usft
MD Reference: RKB=3311.7+12.8 @ 3324.50usft
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: DB Jul2216dt

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
450.00	450.00	0.00	0.00	KOP Begin 2°/100' build
760.01	759.40	3.16	15.46	Begin 6.20° tangent section
2,187.55	2,178.60	32.27	167.86	Begin 2°/100' drop
2,497.56	2,488.00	35.44	184.32	Begin vertical hold section
4,359.56	4,350.00	35.44	184.32	PBHL/TD

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/Escapes packs — 4 packs shall be stored on the rig floor and contain sufficiently long air hoses as to not 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

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

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.

MGV = Manual Gate Valve
CKV = Check Valve
HCR = Hydraulically Controlled Remote Valve

NOTE: All lines, valves and chokes are shown minimum size allowed, but may be larger

Lime Rock Resources II-A, L.P.

Everest 14 O #7

Unit O, 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 attache

Cuttings and associated liquids will be hauled to a State regulated third party disposal site (CRI or Controlled Recc Inc.). The disposal site permit is DFP = #R916

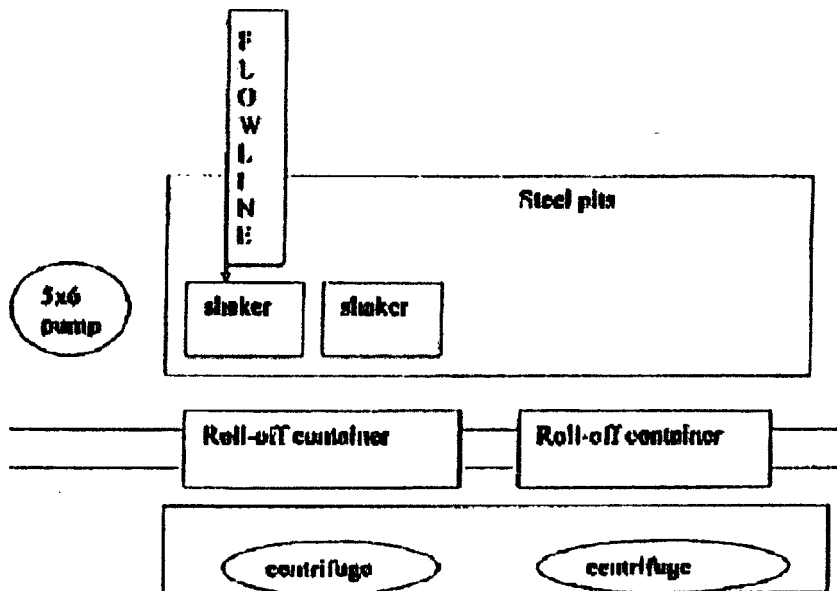
2- (250 bbl) tanks to hold fluid
2-CRI bins with track system
2-500 bbl frac tanks with fresh water
2-500 bbl frac tanks for brine water

Operations:

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

Closure:

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



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

TOMMY WILSON



**CLOSED LOOP
SPECIALTY**

Office: 875.746.1689

Cell: 875.748.6367