

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

OCT 24 2016
RECEIVED

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

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| <p>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.)</p> | | <p>WELL API NO. 30-015-43833</p> |
| <p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p> | | <p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p> |
| <p>2. Name of Operator LIME ROCK RESOURCES II-A, L.P.</p> | | <p>6. State Oil & Gas Lease No.</p> |
| <p>3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401</p> | | <p>7. Lease Name or Unit Agreement Name SIMPSON 15 B</p> |
| <p>4. Well Location Unit Letter <u>B</u> : <u>430</u> feet from the <u>North</u> line and <u>1760</u> feet from the <u>East</u> line Section <u>15</u> Township <u>18-S</u> Range <u>26-E</u> NMPM <u>Eddy</u> County</p> | | <p>8. Well Number #5</p> |
| <p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3335' GL</p> | | <p>9. OGRID Number 277558</p> |
| <p>10. Pool name or Wildcat Atoka, Glorieta-Yeso (3250)</p> | | |

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☒
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☒
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: Spud & Csgs ☒

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.

Spud well on 10/4/16. Drilled 17-1/2" hole to 420'. Landed 13-3/8" 54.5# J-55 csg @ 415'. Cmted w/400 sx (536 cf) "C" cmt w/2% Cacl2 & 0.125#/sx cello flake. Circ 155 sx cmt to surface. On 10/5/16, PT 13-3/8" csg to 600 psi for 30 min-OK.

Drilled 12-1/4" hole from 13-3/8" csg shoe to 753' on 10/7/16. Since 1st oil show was @ 732', changed intermediate csg depth to 680'. On 10/7/16, landed 8-5/8" 24# J-55 csg @ 680'. Cmted lead w/300 sx (747 cf) 50/50 poz "C" cmt w/10/0% gel, 5#/sx salt, 0.4#/sx PF45 defoamer & 0.125#/sx cello flake. Tailed w/225 sx (302 cf) "C" cmt w/2% Cacl2 & 0.125# cello flake. Circ 90 sx cmt to pit. On 10/7/16, PT 8-5/8" csg to 600 psi for 30 min-OK.

Drilled 7-7/8" hole from 8-5/8" csg shoe to TD4101' on 10/11/16. Ran open hole logs. On 10/12/16, landed 5-1/2" 17# J-55 csg @ 4087'. Cmted lead w/200 sx (392 cf) 35/65 poz "C" cmt w/6% gel, 0.125#/sx cello flake, 2% fluid loss, 0.4#/sx defoamer, 3#/sx kol seal, 0.1% retarder, & 5% salt. Tailed w/625 sx (831 cf) "C" cmt w/0.125# cello flake, 2% fluidloss, 0.1% retarder, & 2% dispersant. Circ 212 sx cmt to pit. Released drilling rig on 10/12/16. We plan to pressure test the 5-1/2" csg before completion operations.

Bottom hole @ 330' FNL & 2303' FWL

Spud Date: 10/4/16

Drilling Rig Release Date: 10/12/16

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 10/18/16

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

For State Use Only
APPROVED BY: Karen Sharp TITLE Bus Oper Spec - Adv DATE 10/26/16
Conditions of Approval (if any):