

Submit 1 Copy To Appropriate District  
Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
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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  
ARTESIA DISTRICT  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505  
RECEIVED

Form C-103  
Revised July 18, 2013

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-015-43112
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator <b>LIME ROCK RESOURCES II-A, L.P.</b>		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 <b>KAISER 7M</b>
4. Well Location Unit Letter <u>M</u> : <u>990</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>West</u> line Section <u>7</u> Township <u>18-S</u> Range <u>27-E</u> NMPM <u>Eddy</u> County		8. Well Number <u>#14</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3286' GL		9. OGRID Number <u>277558</u>
		10. Pool name or Wildcat Red Lake, Glorieta-Yeso (51120)

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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	P AND A <input type="checkbox"/>
CLOSED-LOOP SYSTEM <input checked="" type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: <u>Change APD for Order R-14164-D</u>	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.

LIME ROCK RESOURCES II-A, L.P. would like to extend this well's approved APD for 6 months to 11/20/17. This well would have been drilled last summer but was postponed due to State order E-42. This sundry along with the attached drilling plan outlines our drilling procedure following the new State order R-14164-D. This well is now scheduled to spud in August 2017.

A 26" hole will be drilled, & 20" 91.5# B conductor csg set @ ~80' w/80 sx cmt.

An 11" hole will be drilled, & 8-5/8" 24# J-55 csg set @ ~755' w/~375 sx cmt (or 50' above the 1<sup>st</sup> oil show).

A 7-7/8" hole will be drilled, & 5-1/2" 17# J-55 csg set @ ~4500' w/~900 sx cmt.

All details of this drilling will follow State order R-14164-D along with State required drilling practices.

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 2/14/17

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

APPROVED BY: Raymond H. Delany TITLE Geologist DATE 3-3-2017  
Conditions of Approval (if any):

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

**Kaiser 7M #14  
990' FSL 330' FWL  
(M) 7-18S-27E  
Eddy County, NM**

1. The elevation of the unprepared ground is 3285.8 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 4500' 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 4500' MD.

5. Estimated tops of geologic markers:

	MD	TVD
Quaternary – Alluvium	Surface	Surface
Yates	NA	NA
7 Rivers	NA	NA
Queen	365	365
Grayburg	809	809
Premier	1038	1038
San Andres	1024	1024
Glorieta	2362	2362
Yeso	2476	2476
Tubb	3964	3964
TD	4500	4500

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	365	365
Grayburg	809	809
Premier	1038	1038
San Andres	1024	1024
Glorieta	2362	2362
Yeso	2476	2476
Tubb	3964	3964
TD	4500	4500

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	755	375	14.8	1.35	Cl C Cmt + 0.25 lbs/sk Cello Flake + 2% CaCl <sub>2</sub>
Intermediate										
Production	7-7/8"	5-1/2"	17	J-55	LT&C	4500	300	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
							600	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	0-755	755-4350	4350-4500
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 4500 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 H<sub>2</sub>S in this H<sub>2</sub>S 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 1980 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.