

Submit 1 Copy To Appropriate District
Office
District I - (575) 393-6161
1525 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

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. 30-015-43113
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 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 KAISER 7N
4. Well Location Unit Letter <u>N</u> : <u>330</u> feet from the <u>South</u> line and <u>2280</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>#6</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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☒
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☒
OTHER: Change APD for Order R-14164-D

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
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.

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 June 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 @ ~975' w/~400 sx cmt (or 50' above the 1st oil show).
A 7-7/8" hole will be drilled, & 5-1/2" 17# J-55 csg set @ ~4550' 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 2/15/17

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

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

NM OIL CONSERVATION
ARTESIA DISTRICT

FEB 16 2017

RECEIVED

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

**Kaiser 7 N #6
330' FSL 2280' FWL
(N) 7-18S-27E
Eddy County, NM**

1. The elevation of the unprepared ground is 3285.5 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 4550' 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.

5. Estimated tops of geologic markers:

	MD	TVD
Quaternary – Alluvium	Surface	Surface
Yates	NA	NA
7 Rivers	20	20
Queen	439	439
Grayburg	1026	1026
Premier	NA	NA
San Andres	1063	1063
Glorieta	2463	2463
Yeso	2618	2618
Tubb	4118	4118
TD	4550	4550

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	20	20
Queen	439	439
Grayburg	1026	1026
Premier	NA	NA
San Andres	1063	1063
Glorieta	2463	2463
Yeso	2618	2618
Tubb	4118	4118
TD	4550	4550

7. Proposed Casing and Cement program is as follows

Type	Line	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	975	400	14.8	1.35	Cl C Cmt + 0.25 lbs/sk Cello Flake + 2% CaCl ₂
Intermediate										
Production	7-7/8"	5-1/2"	17	J-55	LT&C	4550	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	Class C w/ 0.6% R-3 and 1/4 pps cello flake

8. Proposed Mud Program is as follows

Depth	0-975	975-4400	4400-4550
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 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 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 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 complet well and to construct surface facilities.