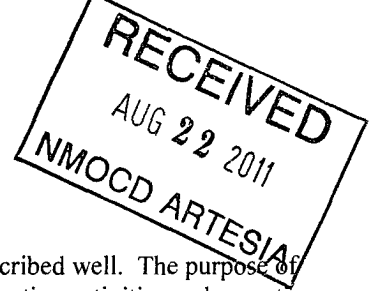


30-015-39360

**MULTI POINT SURFACE USE AND OPERATIONS PLAN**

**LIME ROCK RESOURCES A, L.P.**  
Eagle 26 P Federal, Well No. 4  
330' FSL & 530' FEL, Sec. 26-T17S-R27E  
Eddy County, New Mexico  
Lease No.: NMNm-0557370  
(Development Well)



This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan to be followed in rehabilitating the surface and environmental effects associated with the operations.

**1. EXISTING ROADS:**

- A. Exhibit "A" is a portion of a BLM topo map showing the location of the proposed well as staked. The well site location is approximately 9.9 road miles east of Artesia, NM. Traveling east of Artesia on U.S. Hwy 82 there will be approximately 9.2 miles of existing highway and .7 mile of County Rd. 204 and 225..
- B. Directions: Travel east of U.S. Hwy 285 in Artesia on U.S. Hwy 82 for approximately 9.2 miles to County Rd. 204. Turn south approximately .1 mile, then southwest on County Rd. 225. Continue southwest for approximately .6 mile. The proposed access road will start at this point and will run east for 103' to the proposed pad.

**2. PLANNED ACCESS ROAD:**

- A. Length and Width: The proposed new access road will be 103' in length and 12' in width. The existing roads are color coded on Exhibit "A".
- B. Construction: The proposed access road will be constructed by grading and topping with compacted caliche. The surface will be properly drained.
- C. Turnouts: None will be required.
- D. Culverts: None.
- E. Cuts and Fills: None required.
- F. Gates, Cattle guards: None will be required.
- G. Off lease right of way: None required.

**3. LOCATION OF EXISTING WELLS:**

- A. Existing wells within a two-mile radius are shown on Exhibit "C".

**4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES;**

- A. Lime Rock Resources A, L.P. has production facilities on the lease at this time.
- B. If the well proves to be commercial, the necessary production facilities will be installed on the drilling pad. A 3" SDR 11 PVC surface production flow line will be installed parallel to the east side of the CR 225 running SW to a highway crossing under the road to the west and to the Eagle tank battery.

**LIME ROCK RESOURCES A, L.P.**

Eagle 26 P Federal, Well No. 4

Page 2

**5. LOCATION AND TYPE OF WATER SUPPLY:**

- A. It is planned to drill the proposed well with fresh water that will be obtained from private or commercial sources and will be transported over the existing and proposed access roads

**6. SOURCE OF CONSTRUCTION MATERIALS:**

- A. Caliche for surfacing the proposed access road and well site pad will be obtained from the approved COG private pit in the SW4/SW4 Sec. 32-T17S-R28E or a closer pit if available. No surface materials will be disturbed except those necessary to for grading and leveling the pad area and access road.

**7. METHODS OF HANDLING WASTE DISPOSAL:**

- A. Drill cuttings and liquids will be stored in the steel tanks of the closed loop mud system during the drilling operations and delivered to CRI, Permit No. R-9166, as needed, and at closure.
- B. There will be no mud pits to be fenced.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to the BLM for approval.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. Trash, waste paper, garbage and junk will be contained in trash bins to prevent scattering by the wind and will be removed for deposit in an approved sanitary landfill within 30 days after finishing drilling and/or completion operations.

**8. ANCILLARY FACILITIES:**

- A. None required.

**9. WELL SITE LAYOUT:**

- A. Exhibit "D" shows the relative location and dimensions of the well pad, closed loop system and major rig components. The pad and pit area has been staked and flagged, 600' X 600'.
- B. Mat Size: 300' X 120', plus 80' X 300' pad to service the closed loop mud system on the north.
- C. Cut & Fill: The location will require approximately a 5' foot cut on the northeast with fill to the northwest and southwest.
- D. The surface will be topped with compacted caliche.

**LIME ROCK RESOURCES A, L.P.**

Eagle 26 P Federal, Well No. 4

Page 3

**10. PLANS FOR RESTORATION OF THE SURFACE:**

- A. After completion of drilling and/or completion operations, all equipment and other material not required for operations will be removed. The location will be cleaned of all trash and junk to leave the well site in an aesthetically pleasing condition as possible.
- B. There will be no unguarded pits containing fluids.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. Mud from the closed system will be disposed of as required.

**11. OTHER INFORMATION:**

- A. Topography: The proposed well site and access road are located on a 3.6% slope to the southwest. The location has an elevation of 3564.6' GL.
- B. Soil: The topsoil at the well site is a reddish brown loamy soil. The soil is part of the Largo Silt Loam, overflow silt loam land complex.
- C. Flora and Fauna: The location has a fair to poor grass cover of grama, tobosa and alkali sacaton along with plants of mesquite, yucca, broomweed, cacti and miscellaneous weeds and wildflowers. The wildlife consists of rabbits, coyotes, antelope, deer, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: None.
- E. Residences and Other Structures: None in the immediate vicinity, except producing oil wells surrounding the location of the Eagle 26 P Federal, Well No. 4.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed well site and access road is on Federal surface and minerals.
- H. There is no immediate evidence of an archaeological site on the location of the staked area. Archaeological Survey Consultants, PO Box 2285, Roswell NM 88202, has conducted an archaeological survey and their report will be submitted to the appropriate government agencies.

**12. OPERATOR'S REPRESENTATIVE:**

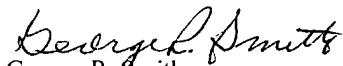
- A. The field representative for assuring compliance with the approved use and operations plan is as follows:

Richard Ghiselin  
LIME ROCK RESOURCES A, L.P.  
Heritage Plaza  
1111 Bagby Street, Suite 4600  
Houston, TX 77002  
Office Phone: 713-345-2136  
Cell Phone: 281-507-0386

**CERTIFICATION:**

I hereby certify that I have inspected the proposed drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have knowledge of state and Federal laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions which it is approved. I also certify that I, or the company I represent, am/is responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Executed this May 12, 2011

  
George R. Smith

POA agent for Lime Rock Resources A, L.P.

P.O. Box 458  
Roswell, NM 88202  
575-623-4940

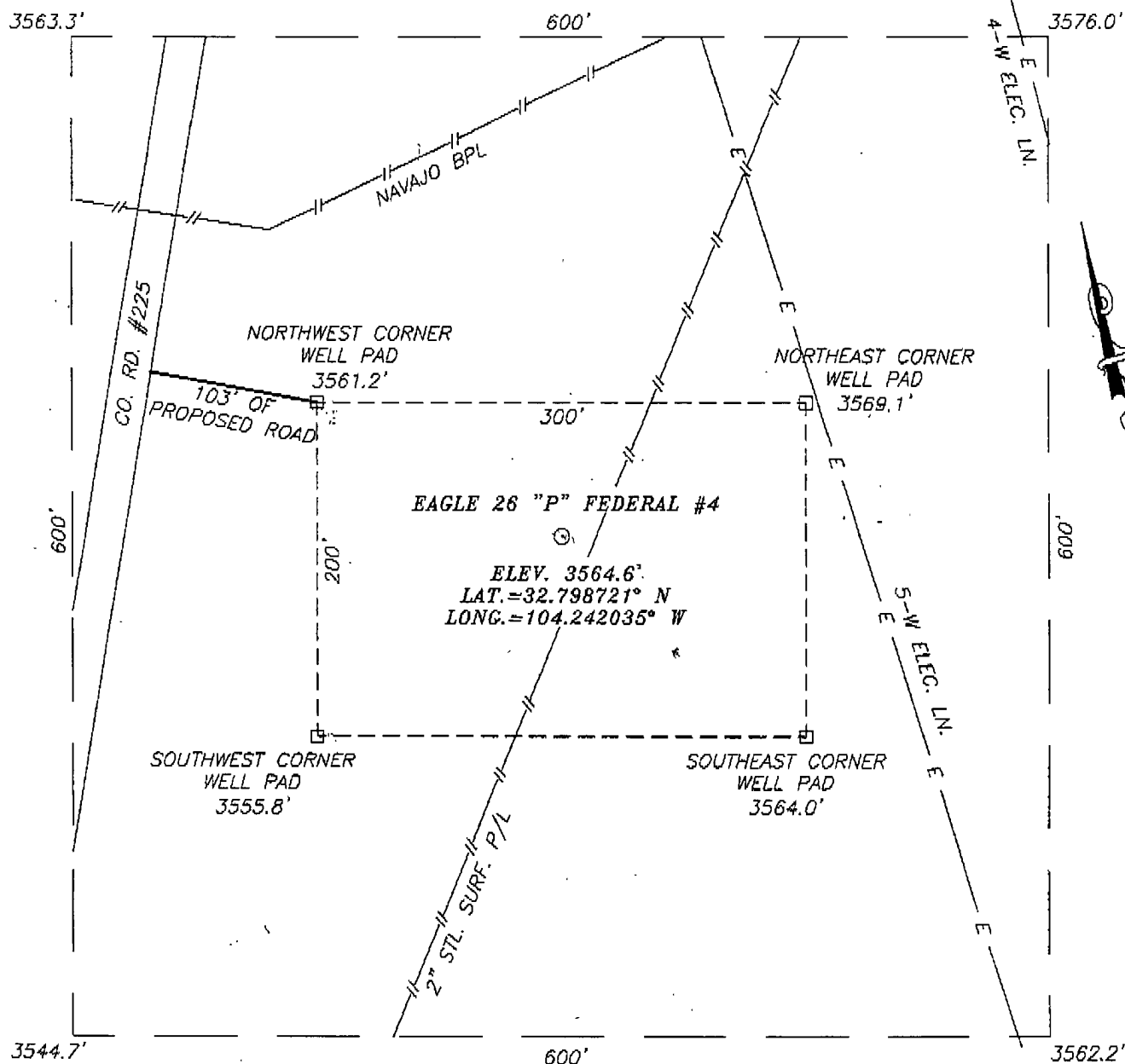
Richard Ghiselin  
111 Bagby St., Suite 4600  
Houston, TX 77002  
713-345-2136 (office)  
281-507-0386 (cell)





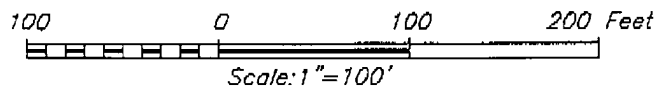
EXHIBIT "C"  
LIME ROCK RESOURCES A, L.P.  
Eagle 26 P Federal, Well No. 4  
330' FSL & 530' FEL, Sec. 26-T17S-R27E  
Existing Wells

**SECTION 26, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,**  
**EDDY COUNTY, NEW MEXICO**



**DIRECTIONS TO LOCATION**

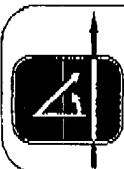
FROM THE INTERSECTION OF CO. RD. #204  
 (HILLTOP RD.) AND CO. RD. #225 (EMPIRE ROAD)  
 GO SOUTHWEST ON CO. RD. #225 APPROX. 0.6  
 MILES. THE LOCATION STAKE IS 300 FEET EAST.



**LIME ROCK RESORUCES A, L.P.**

EAGLE 26 "P" FEDERAL #4 WELL  
 LOCATED 330 FEET FROM THE SOUTH LINE  
 AND 530 FEET FROM THE EAST LINE OF SECTION 26,  
 TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

|                         |                     |
|-------------------------|---------------------|
| Survey Date: 2/21/11    | Sheet 1 of 1 Sheets |
| W.O. Number: 11 11.0288 | Dr By: LA           |
| Date: 3/4/11            | 11110288            |
|                         | Scale: 1"=100'      |



PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

[illegible]

Preplanning reasonable accommodations to achieve necessary and useable "Closed Loop" drillsite features is challenging. Specific considerations must be custom fitted to each wellsite. This generic plat was prepared to emphasize desired APD planning elements for lower pressure wells with the potential for H<sub>2</sub>S gas. As a minimum the plat should include: a north arrow, prevailing wind direction, access road, a mud-gas separator, and steel tank location or blowdown pit for overpressured fluids. Include truck routing for removal of cuttings bins. Consider an overpressured situation, with the BOPE being closed. Show the choke manifold and a piping system for venting overpressured fluid through a gas/liquid separator to burn gas and flow liquids into the steel tank. Also consider the need for fluid/gas separation during normal drilling with fluid discharged to mud tanks and H<sub>2</sub>S gas from the flowline venting to the flare.

### Tool Pusher Housing

## Company man Housing



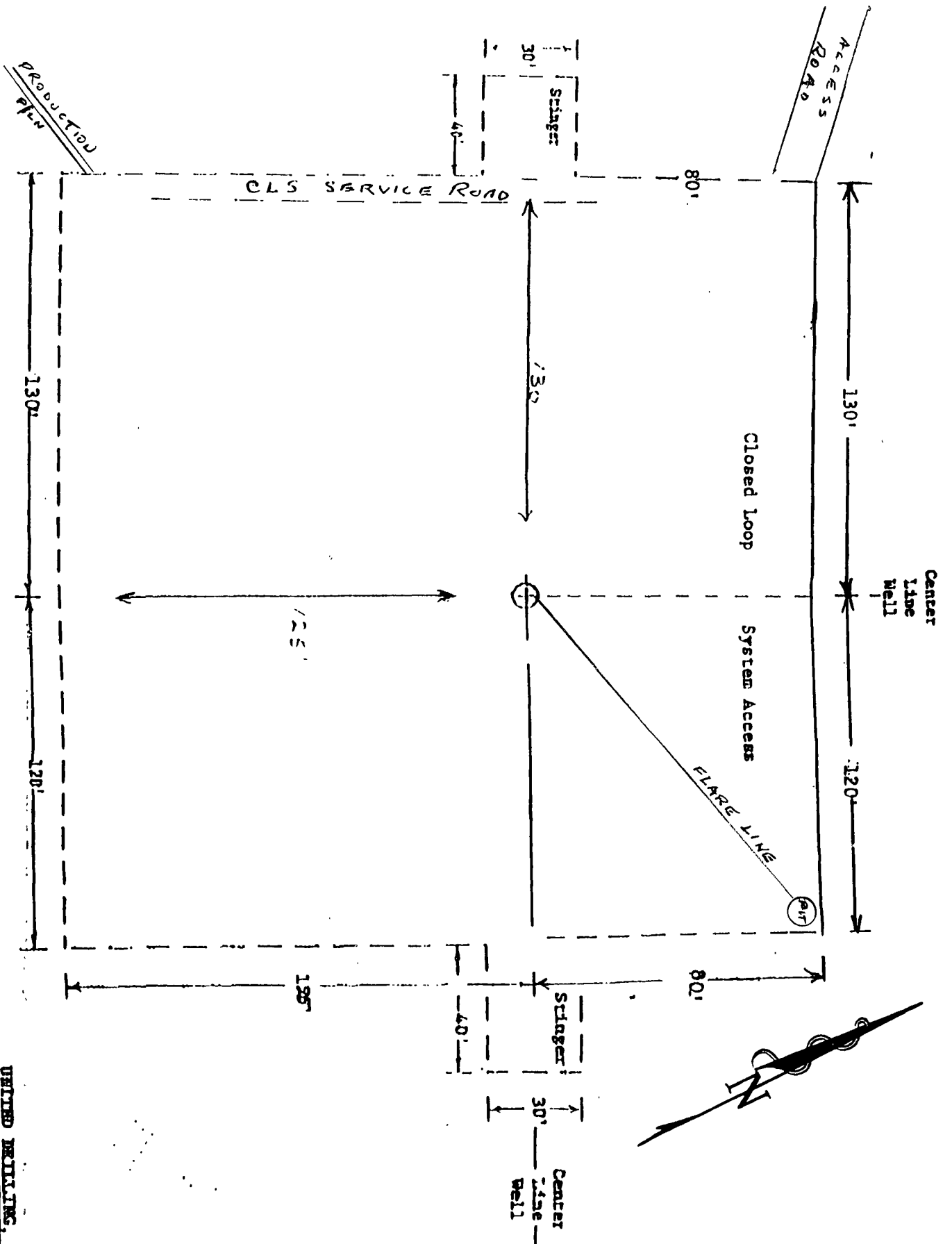


EXHIBIT "D"  
 LIME ROCK RESOURCES A, L.P.  
 Eagle 26 P Federal, Well No. 4  
 Pad & Closed Loop Layout

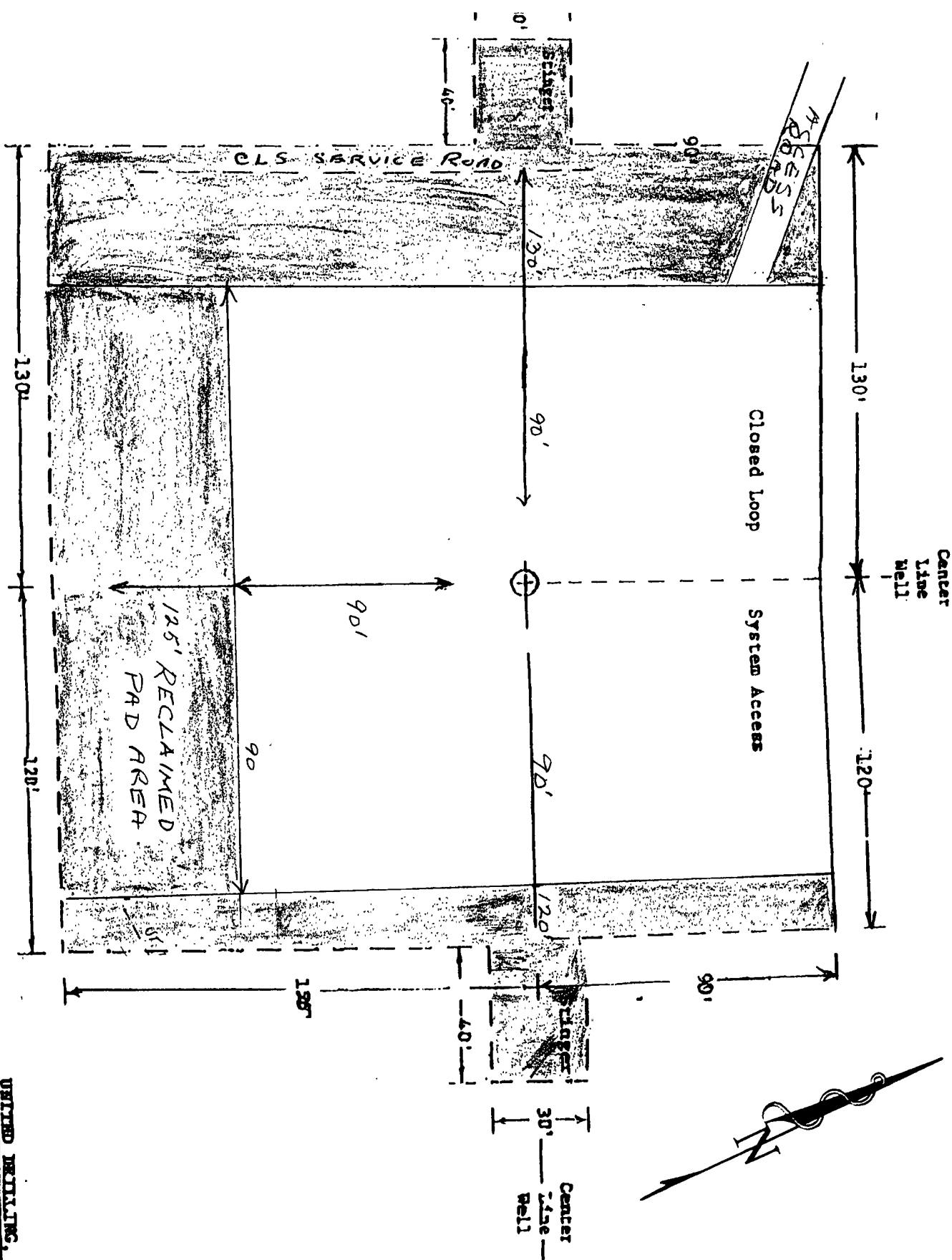


EXHIBIT "D"  
 LIME ROCK RESOURCES A, L.P.  
 Eagle 26 P Federal, Well No. 4  
 Reclaimed Pad