

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION  
ARTESIA DISTRICT

N.M. OIL CONSERVATION DIVISION  
FORM APPROVED  
811 S. FIRST STREET  
CARRISBAGO, NM 87101  
NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

MAR 02 2015

6. If Indian, Allottee or Tribe Name \_\_\_\_\_

7. If Unit or CA/Agreement, Name and/or No. \_\_\_\_\_

8. Well Name and No.  
CHALK FEDERAL 2

9. API Well No.  
30-015-29706-00-S1 ✓

10. Field and Pool, or Exploratory  
RED LAKE

11. County or Parish, and State  
EDDY COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

RECEIVED

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
LRE OPERATING LLC  
Contact: MIKE BARRETT  
E-Mail: mbarrett@limerockresources.com

3a. Address  
1111 BAGBY SUITE 4600  
HOUSTON, TX 77002

3b. Phone No. (include area code)  
Ph: 575-623-8424  
Fx: 575-623-8810

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 5 T18S R27E SENW 1980FNL 2310FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Venting and/or Flaring
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Requesting to flare gas due to Force Majeure event affecting Frontier's Empire Abo Gas Plant. Flaring will be intermittent.

Estimated Volume - 20 MCFPD

Estimated Time - 30 Days

Please see attached well list for wells in battery.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Accepted for record  
HRS NIMCOB 3/2/15

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #237103 verified by the BLM Well Information System  
For LRE OPERATING LLC, sent to the Carlsbad  
Committed to AFMSS for processing by MEIGHAN SALAS on 05/01/2014 (14MMS0159SE)

Name (Printed/Typed) TRISH MEALAND Title PRODUCTION ANALYST

Signature (Electronic Submission) Date 02/27/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office \_\_\_\_\_

ACCEPTED FOR RECORD  
MAR 20 2015  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



**Lease # NMNM97122**

**Chalk Federal Battery:**

Chalk Federal #2	30-015-29706
Chalk Federal #4	30-015-29707
Chalk Federal #5	30-015-29650
Chalk Federal #6	30-015-29651

**Chalk Federal 2  
30-015-29706  
LRE Operating LLC  
February 20, 2015  
Conditions of Approval**

1. Report all volumes on OGOR B as disposition code 08.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. Flared volumes will still require payment of royalties
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5. Include meter serial number on sundry.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.
8. Approval not to exceed 90 days for date of approval.
9. Submit Subsequent Report to this sundry with actual volumes of gas flared monthly on 3160-5 (sundry notice).
10. If flaring is still required past 90 days submit new request for approval.
11. If a portable unit is used to flare gas it must be monitored at all times.
12. Comply with any restrictions or regulations when on State or Fee surface.

**022015 JAM**