

Submit 1 Copy To Appropriate District Office
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

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

WELL API NO. 30-015-40486
5. Indicate Type of Lease STATE ☐ FEE ☒
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name TERRY 14 C
8. Well Number #2
9. OGRID Number 277558
10. Pool name or Wildcat Atoka, Glorieta-Yeso (3250)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3316' GL

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.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

LIME ROCK RESOURCES II-A, L.P.

3. Address of Operator

c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401

4. Well Location

Unit Letter C : 185 feet from the North line and 2110 feet from the West line
Section 14 Township 18-S Range 26-E NMPM Eddy County

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 Approved APD to 3 Strings of Casing ☒

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.

In order to comply with the anticipated new rules for wells in the Exhibit "A" area of E-42 and not release our contracted drilling rig, Lime Rock Resources II-A, L.P. recommends the following csg & cmt changes to our approved APD: **NM OIL CONSERVATION.**

ARTESIA DISTRICT

MAY 26 2016

RECEIVED

HOLE SIZE	CSG SIZE	DEPTH	CMT
26"	20"	80'	100
17-1/2"	13-3/8"	400'	400 sx
11 5/8"	8-5/8"	900'	400 sx
7-7/8"	5-1/2"	4571'	200 sx lead & 750 sx tail

Our Geology dept. has estimated that the top oil show will be ~950' as per mud logs & the top of the San Andres. If the highest oil show is above 950', the csg will be raised accordingly so as to stay 50' above the highest oil show. The surface & intermediate csqs will be drilled with fresh water mud.

See the attached details, new drilling plan, & new deviated drilling plan.

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 5/25/16

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

For State Use Only

APPROVED BY: [Signature] TITLE Geologist DATE 6/2/16

Conditions of Approval (if any):

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

**Terry 14 C #2
185' FNL 2210' FWL
(C) 14-18S-26E
Eddy County, NM**

1. The elevation of the unprepared ground is 3315.6 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 4575' MD./ 4550' TVD. inside a 30' X 30' square target inside of 40 acre spacing regulatory quarter-quarter setback distances. The KOP for directional drilling will be at 950'. See directional plan for detail.
5. Estimated tops of geologic markers:

	MD	TVD
Quaternary – Alluvium	Surface	Surface
Yates	NA	NA
7 Rivers	NA	NA
Queen	244	244
Grayburg	686	686
Premier	NA	NA
San Andres	955	955
Glorieta	2328	2303
Yeso	2446	2446
Tubb	3875	3850
TD	4575	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	NA	NA
Queen	244	244
Grayburg	686	686
Premier	NA	NA
San Andres	955	955
Glorieta	2328	2303
Yeso	2446	2446
Tubb	3875	3850
TD	4575	4550

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	100			Ready Mix
Surface	17-1/2"	13-3/8"	54.5	J-55	ST&C	400	400	14.8	1.35	CI C Cmt + 0.25 lbs/sk Cello Flake + 2% CaCl ₂
Intermediate	11 5/8"	8-5/8"	24	J-55	ST&C	900	400		1.4	CI C Cmt + 0.25 lbs/sk Cello Flake + 2% CaCl ₂
Production	7-7/8"	5-1/2"	17	J-55	LT&C	4575	200	12.8	1.903	(35/65) Poz/CI C Cmt + 5% NaCl + 0.25 lbs/sk Cello Flake + 5 lbs/sk LCM-1 + 0.2% R-3 + 6% Gel
							750	14.8	1.33	CI H w/ 0.6% R-3, 0.125% Cello Flake, 2% Gel

8. Proposed Mud Program is as follows

Depth	0-900	900-4425	4425-4575
Mud Type	Fresh Water Mud	Brine	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 4575 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 area. If H₂S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 2013 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 to complete the well and to construct surface facilities.



**LIME ROCK
RESOURCES**

Lime Rock

Eddy, NM (Nad27)

Terry 14C

#2

Original Hole

Plan: Plan 2

Standard Planning Report

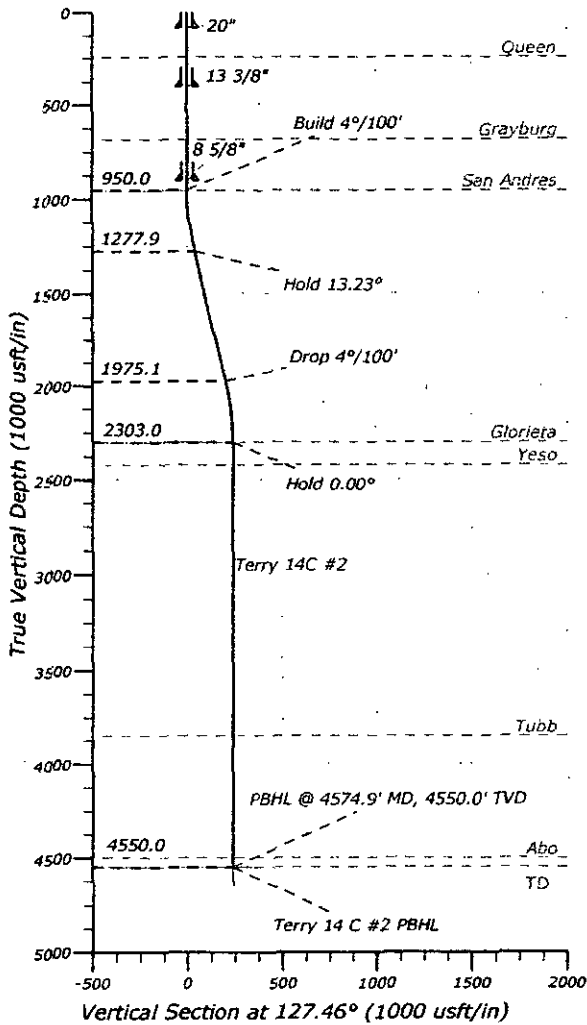
16 May, 2016

**NM OIL CONSERVATION
ARTESIA DISTRICT**

MAY 26 2016

RECEIVED





FORMATION TOP DETAILS

TVDPATH	MDPATH	FORMATION
244.0	244.0	Queen
686.0	686.0	Grayburg
955.0	955.0	San Andres
2303.0	2327.9	Glorieta
2421.0	2445.9	Yeso
3850.0	3874.9	Tubb
4500.0	4524.9	Abo
4550.0	4574.9	TD

CASING DETAILS

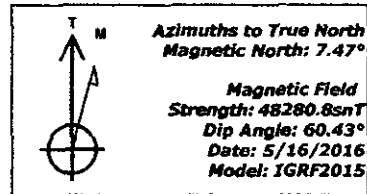
TVDPATH	MDPATH	SIZE
80.0	80.0	20
400.0	400.0	13-3/8
900.0	900.0	8-5/8

WELL DETAILS: Terry 14C #2

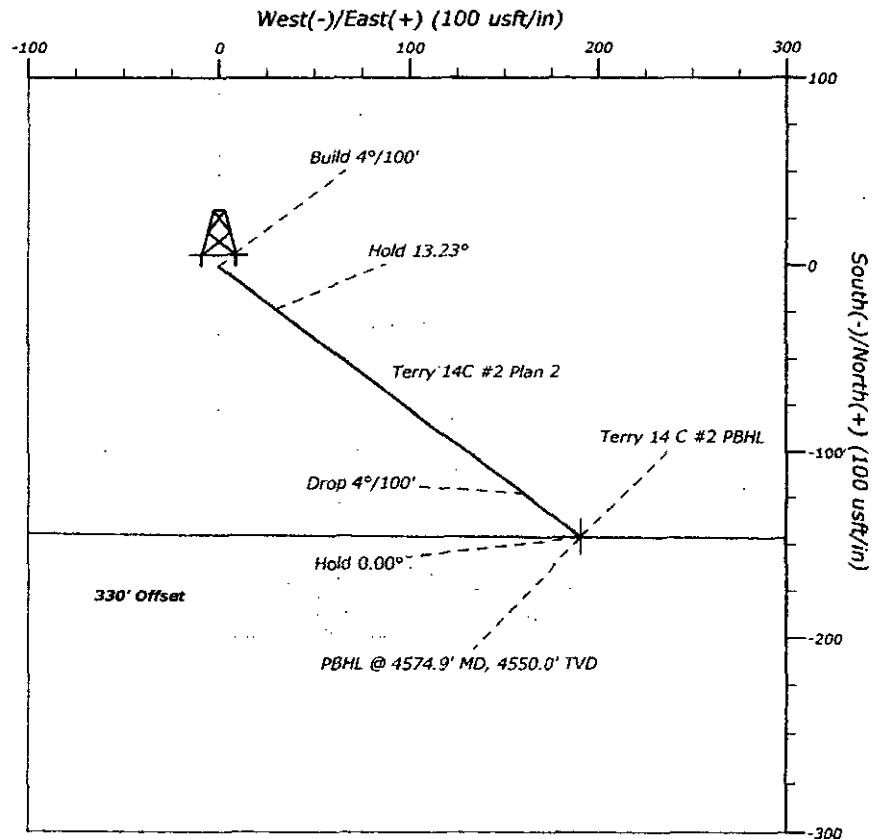
		Ground Level: 3315.6		RKB @ 3328.4usft	
<u>+N/-S</u>	<u>+E/-W</u>	<u>Northing</u>	<u>Easting</u>	<u>Latitude</u>	<u>Longitude</u>
0.0	0.0	638228.49	493725.62	32° 45' 16.495 N	104° 21' 13.473 W

PROJECT DETAILS: Eddy, NM (Nad27)

Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico East 3001
System Datum: Mean Sea Level



To convert a Magnetic Direction to a True Direction, Add 7.47° East
Magnetic North is 7.47° East of True North (Magnetic Declination)



Section Plans

MD	Inc	Azi	TVDPATH	+N/-S	+E/-W	Dleg	TFace	VSeet	Annotation
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
950.0	0.00	0.00	950.0	0.0	0.0	0.00	0.00	0.0	Build 4°/100'
1280.8	13.23	127.46	1277.9	-23.1	30.2	4.00	127.46	38.0	Hold 13.23°
1997.1	13.23	127.46	1975.1	-122.8	160.3	0.00	0.00	202.0	Drop 4°/100'
2327.9	0.00	0.00	2303.0	-146.0	190.5	4.00	180.00	240.0	Hold 0.00°
4574.9	0.00	0.00	4550.0	-146.0	190.5	0.00	0.00	240.0	PBHL @ 4574.9' MD, 4550.0' TVD

Database: EDM 5000.1 Single User Db
Company: Lime Rock
Project: Eddy, NM (Nad27)
Site: Terry 14C
Well: #2
Wellbore: Original Hole
Design: Plan 2

Local Co-ordinate Reference:
TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:
Well #2
RKB @ 3328.4usft
RKB @ 3328.4usft
True
Minimum Curvature

Project: Eddy, NM (Nad27)
Map System: US State Plane 1927 (Exact solution)
Geo Datum: NAD 1927 (NADCON CONUS)
Map Zone: New Mexico East 3001
System Datum: Mean Sea Level

Site: Terry 14C
Site Position: Northing: 638,228.49 usft Latitude: 32° 45' 16.495 N
From: Map Easting: 493,725.62 usft Longitude: 104° 21' 13.473 W
Position Uncertainty: 0.0 usft Slot Radius: 13-3/16 " Grid Convergence: -0.01 °

Well: #2
Well Position: +N/-S 0.0 usft Northing: 638,228.49 usft Latitude: 32° 45' 16.495 N
+E/-W 0.0 usft Easting: 493,725.62 usft Longitude: 104° 21' 13.473 W
Position Uncertainty: 0.0 usft Wellhead Elevation: 0.0 usft Ground Level: 3,315.6 usft

Wellbore: Original Hole
Magnetics: Model Name Sample Date Declination Dip Angle Field Strength
(°) (°) (nT)
IGRF2015 5/16/2016 7.47 60.43 48,281

Design: Plan 2
Audit Notes:
Version: Phase: PROTOTYPE Tie On Depth: 0.0
Vertical Section: Depth From (TVD) +N/-S +E/-W Direction
(usft) (usft) (usft) (°)
0.0 0.0 0.0 127.46

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
950.0	0.00	0.00	950.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,280.8	13.23	127.46	1,277.9	-23.1	30.2	4.00	4.00	0.00	127.46	
1,997.1	13.23	127.46	1,975.1	-122.8	160.3	0.00	0.00	0.00	0.00	
2,327.9	0.00	0.00	2,303.0	-146.0	190.5	4.00	-4.00	0.00	180.00	
4,574.9	0.00	0.00	4,550.0	-146.0	190.5	0.00	0.00	0.00	0.00	Terry 14 C #2 PBHL

Database: EDM 5000.1 Single User Db
Company: Lime Rock
Project: Eddy, NM (Nad27)
Site: Terry 14C
Well: #2
Wellbore: Original Hole
Design: Plan 2

Local Co-ordinate Reference:
TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:
Well #2
RKB @ 3328.4usft
RKB @ 3328.4usft
True
Minimum Curvature

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
80.0	0.00	0.00	80.0	0.0	0.0	0.0	0.00	0.00	0.00
20"									
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
244.0	0.00	0.00	244.0	0.0	0.0	0.0	0.00	0.00	0.00
Queen									
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
13 3/8"									
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
686.0	0.00	0.00	686.0	0.0	0.0	0.0	0.00	0.00	0.00
Grayburg									
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
8 5/8"									
950.0	0.00	0.00	950.0	0.0	0.0	0.0	0.00	0.00	0.00
Build 4°/100'									
955.0	0.20	127.46	955.0	0.0	0.0	0.0	4.00	4.00	0.00
San Andres									
1,000.0	2.00	127.46	1,000.0	-0.5	0.7	0.9	4.00	4.00	0.00
1,100.0	6.00	127.46	1,099.7	-4.8	6.2	7.8	4.00	4.00	0.00
1,200.0	10.00	127.46	1,198.7	-13.2	17.3	21.8	4.00	4.00	0.00
1,280.8	13.23	127.46	1,277.9	-23.1	30.2	38.0	4.00	4.00	0.00
Hold 13.23°									
1,300.0	13.23	127.46	1,296.6	-25.8	33.7	42.4	0.00	0.00	0.00
1,400.0	13.23	127.46	1,393.9	-39.7	51.8	65.3	0.00	0.00	0.00
1,500.0	13.23	127.46	1,491.2	-53.6	70.0	88.2	0.00	0.00	0.00
1,600.0	13.23	127.46	1,588.6	-67.6	88.2	111.1	0.00	0.00	0.00
1,700.0	13.23	127.46	1,685.9	-81.5	106.4	134.0	0.00	0.00	0.00
1,800.0	13.23	127.46	1,783.3	-95.4	124.5	156.9	0.00	0.00	0.00
1,900.0	13.23	127.46	1,880.6	-109.3	142.7	179.8	0.00	0.00	0.00
1,997.1	13.23	127.46	1,975.1	-122.8	160.3	202.0	0.00	0.00	0.00
Drop 4°/100'									
2,000.0	13.12	127.46	1,978.0	-123.2	160.9	202.6	4.00	-4.00	0.00
2,100.0	9.12	127.46	2,076.1	-135.0	176.2	221.9	4.00	-4.00	0.00
2,200.0	5.12	127.46	2,175.3	-142.5	186.0	234.3	4.00	-4.00	0.00
2,300.0	1.12	127.46	2,275.1	-145.8	190.3	239.7	4.00	-4.00	0.00
2,327.9	0.00	0.00	2,303.0	-146.0	190.5	240.0	4.00	-4.00	0.00
Hold 0.00° - Glorieta									
2,400.0	0.00	0.00	2,375.1	-146.0	190.5	240.0	0.00	0.00	0.00
2,445.9	0.00	0.00	2,421.0	-146.0	190.5	240.0	0.00	0.00	0.00
Yeso									
2,500.0	0.00	0.00	2,475.1	-146.0	190.5	240.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,575.1	-146.0	190.5	240.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,675.1	-146.0	190.5	240.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,775.1	-146.0	190.5	240.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,875.1	-146.0	190.5	240.0	0.00	0.00	0.00
3,000.0	0.00	0.00	2,975.1	-146.0	190.5	240.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,075.1	-146.0	190.5	240.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,175.1	-146.0	190.5	240.0	0.00	0.00	0.00

Database: EDM 5000.1 Single User Db
Company: Lime Rock
Project: Eddy, NM (Nad27)
Site: Terry 14C
Well: #2
Wellbore: Original Hole
Design: Plan 2

Local Co-ordinate Reference:
TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well #2
RKB @ 3328.4usft
RKB @ 3328.4usft
True
Minimum Curvature

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N-S (usft)	+E-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
3,300.0	0.00	0.00	3,275.1	-146.0	190.5	240.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,375.1	-146.0	190.5	240.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,475.1	-146.0	190.5	240.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,575.1	-146.0	190.5	240.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,675.1	-146.0	190.5	240.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,775.1	-146.0	190.5	240.0	0.00	0.00	0.00
3,874.9	0.00	0.00	3,850.0	-146.0	190.5	240.0	0.00	0.00	0.00
Tubb									
3,900.0	0.00	0.00	3,875.1	-146.0	190.5	240.0	0.00	0.00	0.00
4,000.0	0.00	0.00	3,975.1	-146.0	190.5	240.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,075.1	-146.0	190.5	240.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,175.1	-146.0	190.5	240.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,275.1	-146.0	190.5	240.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,375.1	-146.0	190.5	240.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,475.1	-146.0	190.5	240.0	0.00	0.00	0.00
4,524.9	0.00	0.00	4,500.0	-146.0	190.5	240.0	0.00	0.00	0.00
Abo									
4,574.9	0.00	0.00	4,550.0	-146.0	190.5	240.0	0.00	0.00	0.00

PBHL @ 4574.9' MD, 4550.0' TVD - TD - Terry 14 C #2 PBHL

Design Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N-S (usft)	+E-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
hit/miss target									
Shape									
Terry 14 C #2 PBHL	0.00	0.00	4,550.0	-146.0	190.5	638,082.49	493,916.12	32° 45' 15.051 N	104° 21' 11.242 W
- plan hits target center									
- Point									

Casing Points

Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")
80.0	80.0	20"	20	26
400.0	400.0	13 3/8"	13-3/8	17-1/2
900.0	900.0	8 5/8"	8-5/8	11

Database: EDM 5000.1 Single User Db
Company: Lime Rock
Project: Eddy, NM (Nad27)
Site: Terry 14C
Well: #2
Wellbore: Original Hole
Design: Plan 2

Local Co-ordinate Reference:
TVD Reference: RKB @ 3328.4usft
MD Reference: RKB @ 3328.4usft
North Reference: True
Survey Calculation Method: Minimum Curvature

Formations						
Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)	
244.0	244.0	Queen				
686.0	686.0	Grayburg				
955.0	955.0	San Andres				
2,327.9	2,303.0	Glorieta				
2,445.9	2,421.0	Yeso				
3,874.9	3,850.0	Tubb				
4,524.9	4,500.0	Abo				
4,574.9	4,550.0	TD				

Plan Annotations					
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates			
		+N/-S (usft)	+E/-W (usft)	Comment	
950.0	950.0	0.0	0.0	Build 4"/100'	
1,280.8	1,277.9	-23.1	30.2	Hold 13.23°	
1,997.1	1,975.1	-122.8	160.3	Drop 4"/100'	
2,327.9	2,303.0	-146.0	190.5	Hold 0.00°	
4,574.9	4,550.0	-146.0	190.5	PBHL @ 4574.9' MD, 4550.0' TVD	