

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

LIME ROCK RESOURCES A, L.P.

3a. Address c/o Mike Pippin LLC

3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (include area code)

505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface: 1980' FSL & 990' FEL Unit I Sec. 33, T17S, R33E

Bottom Hole: 2310' FSL & 2310' FWL Unit K Sec. 34, T17S, R33E

5. Lease Serial No.

NM 04242 99146

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

DENIUS FEDERAL #1

9

30-025-01374

10. Field and Pool, or Exploratory Area

Corbin, Abo (13150)

AND

LEA County, New Mexico

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 Cut a Window in 5-1/2" Casing & Drill Lateral in Abo
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back

13 Describe Proposed or Completed Operations (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 recomple 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.)

Lime Rock would like to cut a window in the 5-1/2" casing & drill a horizontal lateral in the Corbin, Abo. Attached is a drilling plan, a detailed procedure, the existing C-102, the proposed C-102, the proposed wellbore diagram, a well plot map, & the proposed horizontal drilling detail from the horizontal drilling company..

As requested by WEGLEY Leslie Ingram on 3/15/10, this 3160-5 form is to replace the 3160-3 form, in the horizontal drilling package dated 3/3/10.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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

Name (Printed/Typed)

Mike Pippin

Title

Petroleum Engineer (Agent)

Signature

*M. Pippin*

Date

March 15, 2010

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

APPROVED

/s/ Roger Hall

MAR 25 2010

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.

Title 18 U.S.C. Section 1001, makes 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.

(Instructions on reverse)

DENIED BY Oil Conservation Division

On 4/2/10 see attached letter

APD Reviewed by dm

For more information on this matter, please call

Donna Mull @ (575) 393-6161 ext 115 or

email donna.mull@state.nm.us

Denied

APD denied due to operator being out of compliance with Rule 5.9 due to financial assurance.

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-01374	<sup>2</sup> Pool Code 13150	<sup>3</sup> Pool Name Corbin, Abo
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>DENIUS FEDERAL</b>	
<sup>7</sup> OGRID No. 255333	<sup>8</sup> Operator Name <b>LIME ROCK RESOURCES A, L.P.</b>	<sup>6</sup> Well Number <b>1</b>
		<sup>9</sup> Elevation 4112' GL

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	33	17-S	33-E		1980'	SOUTH	990'	EAST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	34	17-S	33-E		2310'	SOUTH	2310'	WEST	LEA

<sup>12</sup> Dedicated Acres 120	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

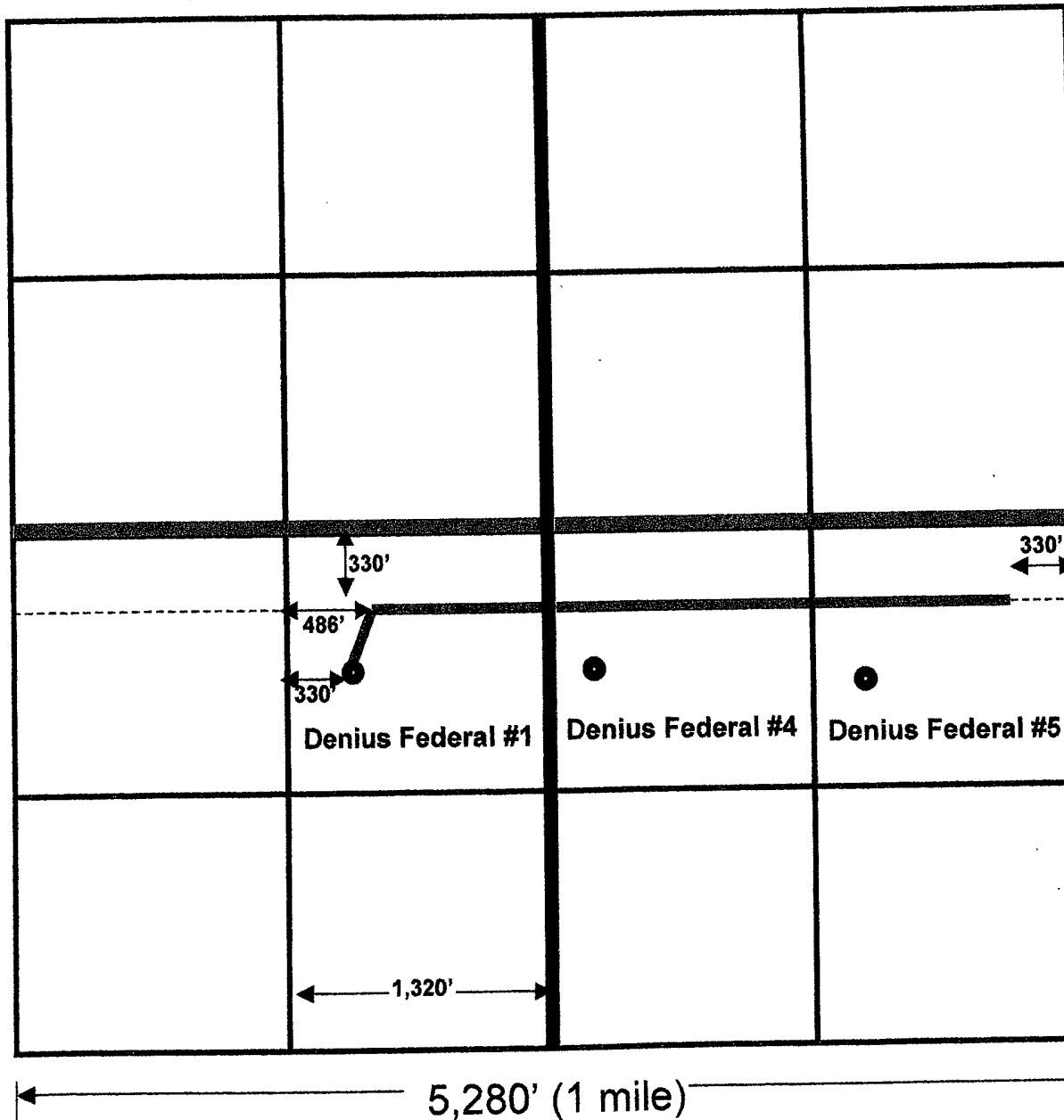
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

				<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>Mike Pippin</u> Date: 3/1/10</p> <p>Printed Name: <u>Mike Pippin</u></p>	
				<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: 3/9/60</p> <p>Signature and Seal of Professional Surveyor: <u>John A. Maibaugh</u></p> <p>Certificate Number: 1502</p>	



## Section 33

## Section 34



**T17S-R33E**  
**Lea County, NM**

Denius Federal 1 is  
located 1,980' from  
South Line & 990' from  
East Line of Sec 33

**Proposed Lateral**

**Length of +/- 3144'**

**Lease Line**

# RECEIVED

APR 01 2010

HOBBSOCD

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED

OMB No 1004-0136

Expires November 30, 2000

~~APPLICATION FOR PERMIT TO DRILL OR REENTER~~

5. Lease Designation and Serial No.

NM 04242

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement, Name and No.

8. Lease Name and Well No.

DENIUS FEDERAL #1

9. API Well No.

30-025-01374

10. Field and Pool, or Exploratory  
Corbin, Abo (13150)

11. Sec., T., R., M., or Blk. and Survey or Area

Sec 33, T-17-S, R-33-E

12. County or Parish,

LEA

13. State

New Mexico

17. Spacing Unit dedicated to this well

Sec. 33 - NESE

Sec. 34 - NWSW & NESW

20. BLM/BIA Bond No. on file

NMB000499

23. Estimated duration

12 days

1a. Type of Work

☐

DRILL

☒

REENTER & DRILL LATERAL

1b. Type of Well:

☒

Oil Well

☐

Gas Well

☐

Other

☐

Single Zone

☐

Multiple Zone

2. Name of Operator

LIME ROCK RESOURCES A,L.P.

NM OGRID # 255333

3a. Address

c/o Mike Pippin LLC

3b. Phone Number

3104 N. Sullivan, Farmington, NM 87401

(505) 327-4573

4. Location of Well (Footage, Sec, T, R., M, or Survey Description)

At surface:

Sec. 33, Unit I, 1980' FSL, 990' FEL

At proposed prod. Zone:

Sec. 34, Unit K, 2310' FSL, 2310' FWL

14. Distance in miles and direction from nearest town or post office\*

~26 miles NW of Hobbs, NM

15. Distance from proposed\*

location to nearest

990'

property or lease line, ft

(Also to nearest drig. Unit line, if any)

18. Distance from proposed\*

location to nearest well

738'

16. No of Acres in lease

320

19. Proposed Depth

TVD - 8444'

MD - 44,677'

8675

11731

22. Approximate date work will start\*

April 1, 2010

21. Elevation (Show whether DF, KDB, RT, GL, etc.)

4085' GL

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form:

1. Existing well plat (C-102) certified by a registered surveyor (Current & Proposed).

2. A Drilling Plan

3. Proposed wellbore diagram

4. Procedure & proposed horizontal drilling detail.

5. Well plat map.

6. BOP schematic.

authorized officer

Size of Hole	Grade, Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12-1/4"	13-3/8" J-55	48#	406'	375 Sxs Circ Cmt to Surface
8-3/4"	8-5/8" J-55	24, 28, & 32#	4764'	950 Sxs TOC @ 2270' - CBL
6-1/4"	5-1/2" N-80	15.5#	8950'	200 Sxs TOC @ 7700' - Calc.

SURFACE LOCATION

Latitude: 32 Deg, 47 Min, 21.29 Sec N

Longitude: -103 Deg, 39 Min, 44.18 Sec W

SEE ATTACHED APD INFORMATION

25. Signature

*Mike Pippin*

Name(Printed/Typed)

Mike Pippin

mike@pippinllc.com

Date

March 3, 2010

Title Petroleum Engineer

Approved by (Signature)

Name(Printed/Typed)

Date

Title

Office

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Conditions of approval, if any, are attached.

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.

\*(Instructions on reverse)

**LIME ROCK RESOURCES A, L.P.**  
**DENIUS FEDERAL #1**  
1980' FSL, 990' FEL  
Unit I Sec. 33 T17S R33E  
Lea County, NM

**Drilling Program**

1. **ESTIMATED FORMATION TOPS (KB)**

<u>Formation Name</u>	<u>Depth</u>
Rustler	1423'
Yates	2850'
Queen	3907'
San Andres	4724'
Glorieta	5900'
Abo	8360'
Abo Reef	8575'

2. **NOTABLE ZONES**

Gas or Oil Zones  
Abo Reef

Water Zones

3. **PRESSURE CONTROL**

Maximum expected pressure is ~1800 psi. The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical 11" 5,000 psi model BOP and choke manifold is attached.

See COA — BOP equipment and all accessories will meet or exceed BLM requirements in 43 CFR Part 3160 for a 5000 psi system. A 5000 psi double ram hydraulic BOP will be used. Accumulator system capacity will be sufficient to close all BOPE with a 50% safety factor. Fill, kill, and choke manifold lines will be 2". Accessories will include upper and lower Kelly cocks with handles, stabbing valve to fit drill pipe on floor at all times, string float at bit, 5000 psi choke manifold with 2" adjustable and 2" positive chokes, and pressure gauge. BOPs will be tested every 24 hours. Test pressure will be 500 psi for 30 min. Tests will be recorded on IADC log.

See COA

4. **CASING & CEMENT**

The horizontal Abo lateral will be completed open hole. It will not have any casing set or cemented.

**LIME ROCK RESOURCES A, L.P.**  
**DENIUS FEDERAL #1**  
1980' FSL, 990' FEL  
Unit I Sec. 33 T17S R33E  
Lea County, NM

5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>Wt./ppg.</u>	<u>Vis.</u>	<u>Fluid Loss</u>	<u>PH</u>
Kickoff to TMD	BW gel/Polymer	8.4-8.9	30-35	<20cc's	9.5

Lost circulation and absorption material will be on location.

6. CORING, TESTING, & LOGGING

No cores, open hole logs, or drill stem tests are planned. The horizontal lateral will be mud logged.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected.  
Maximum pressure will be ~1800 psi.

See  
COA

8. OTHER INFORMATION

The anticipated spud date is April 1, 2010. It is expected it will take ~12 days to drill and complete the well.

9. DIRECTIONS TO WELL

From Hobbs, N.M. go West on US 62-180 for approx. 10 miles.  
Turn NW on NM 529. Continue on NM 529 for approx. 18 miles.  
Turn East across from the Caprock Sand & Gravel sign between  
MM #14 & MM #13. Travel East / NE for approx 3 miles to  
Denius Federal battery. From battery follow lease road ¾ mile to location.

**DENIUS FEDERAL 1  
ABO CORBIN FIELD  
LEA COUNTY, NEW MEXICO  
DRILLING PROCEDURE**

**Date: 23 March 2010**

**OBJECTIVE:**

Drill a uncased lateral in the Abo Sand.

**WELL INFORMATION:**

Surface casing: 13 13-3/8", 54.5#, J-55, ST&C, Surface Casing @ 406'. Circulated cement to surface.

Intermediate Casing: 8-5/8"; 24, 28 & 32#; J-55; ST&C Casing @ 4,764'.

Production Casing: 5-1/2"; 15.5 & 17#; N-80; ST&C Casing @ 8,950'.  
Cemented w/ 1,090 sxs. TOC @ 7,700'.

Casing Ratings: 

<u>Size</u>	<u>Wgt</u>	<u>Yield</u>	<u>Burst</u>	<u>Collapse</u>	<u>ID/Drift</u>
5-1/2"	15.5	356,000	7,740	6,390	4.892"/4.767"
	17	392,000	9,190	8,580	4.892"/4.767"

Perforations:

Existing:

<u>Zone</u>	<u>Perforated Interval</u>	<u>Shot Density</u>
Abo	8,574-97'; 8,601-10' 8,632-50' 8,667-90' 8,710-53'	4 SPF

Existing TD/PBTD: 8,950'/8,909'

Proposed TVD/MD: 8,429'/11,731'

**PROCEDURE:**

- 1) Rig up well service unit. Pull and lay down sucker rod string.
- 2) ND tree. NU BOP assembly. Release tubing anchor and POOH with tubing string.

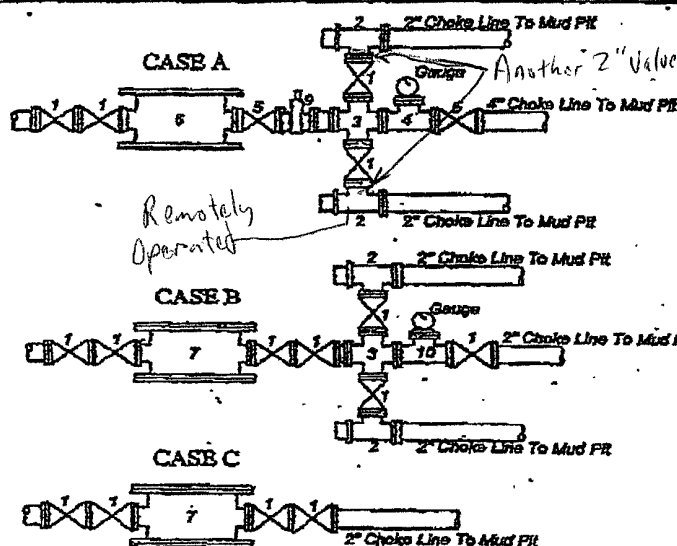
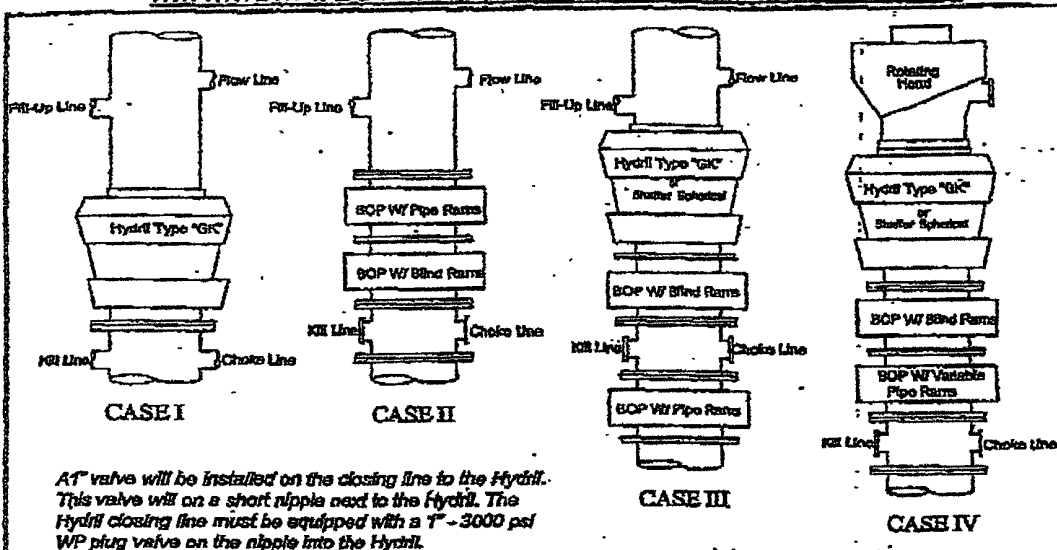
- 3) MU retrievable bridge plug for 5-1/2" casing. RIH and set bridge plug at 8,375'. POOH, laying down tubing string. RDMO well service unit.
- 4) Dismantle and move existing pumping unit. Disconnect electrical service.
- 5) Drill mouse and rat holes prior to moving in drilling rig.
- 6) Move in and rig up drilling rig with closed-loop mud system. Rig up mud logging unit.
- 7) Make-up whipstock and RIH on 2-7/8" AOH drillpipe.
- 8) Mill window from 8,360 to 8,375'. Drill lateral hole to insure that window is clean.
- 9) POOH and pick-up directional drilling assembly with GR for correlation.
- 10) Drill 4-3/4" hole (maximum length to be 3,144').
- 11) After reaching TD, release drilling rig. Move in coiled tubing unit and acidize open hole lateral.
- 12) Run pulling assembly and recover whipstock. Run retrieving head and pull RBP.
- 13) Run production equipment.
- 14) Prior to turning well over to Production, conduct required all state flow tests.

**Directions to Well:**

From Hobbs, N.M. go West on US 62-180 for approx. 10 miles.  
Turn NW on NM 529. Continue on NM 529 for approx. 18 miles.  
Turn East across from the Caprock Sand & Gravel sign between  
MM #14 & MM #13. Travel East / NE for approx 3 miles to  
Denius Federal battery.  
From battery follow lease road 3/4 mile to location.



## MINIMUM BLOWOUT PREVENTER REQUIREMENTS



BOP SIZE	BOP CASE	WORKING PRESSURE	CHOKE CASE
13-5/8"	IV	5000	A

**\*Rotating head required**

Bredenthead furnished by Coosco will be:  
 Mr. Wood Group  
 Description: 13-5/8" x 13-5/8" 3N  
 Type: SCW

### Legend

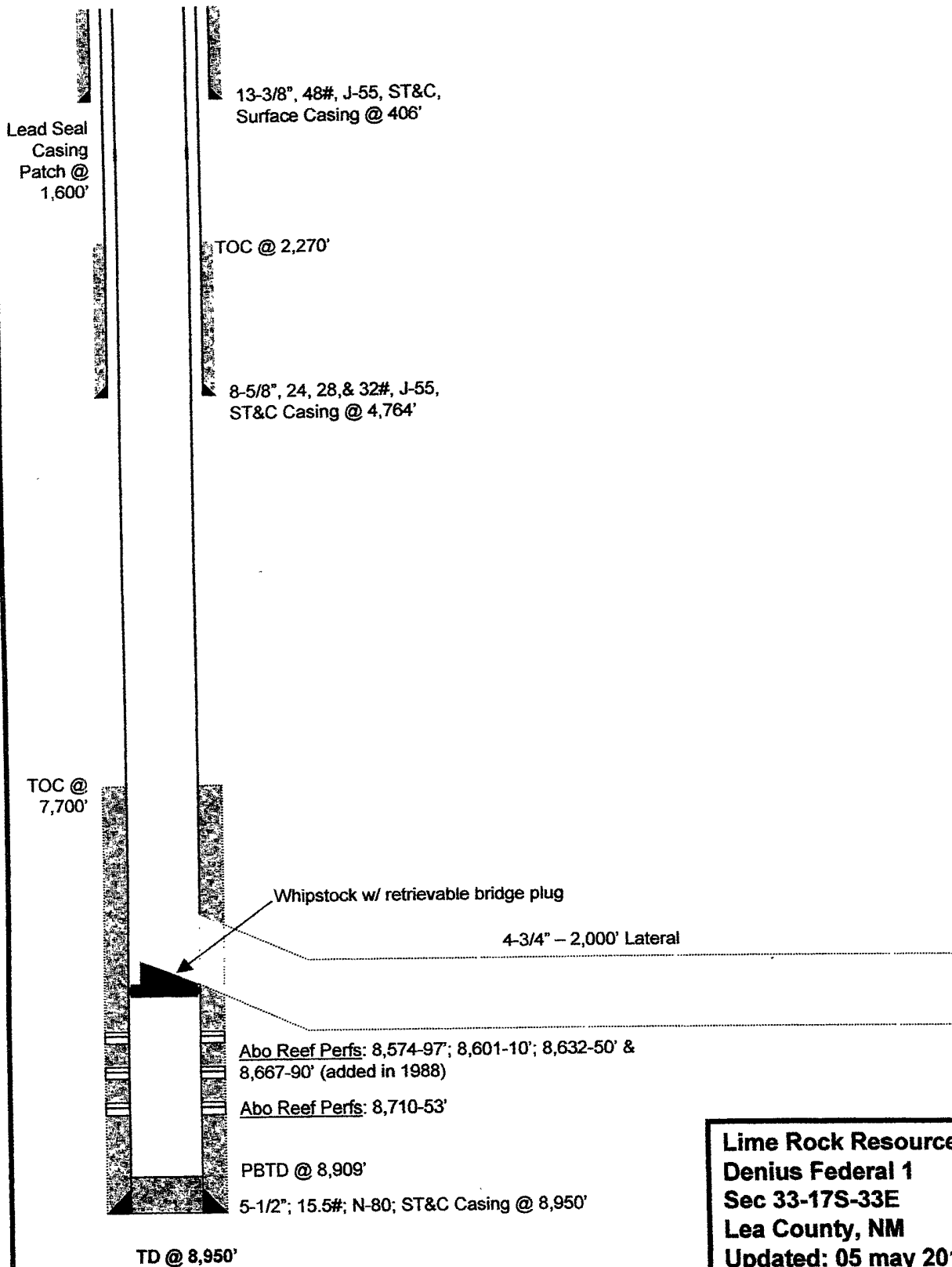
- 2" flanged all steel valve must be either Cameron "P", Halliburton Low Torque or Shaffer Flo-Seal.
- 2" flanged adjustable chokes, min. 1" full opening & equipped with hand trim.
- 4" x 2" flanged steel cross.
- 4" flanged steel tee.
- 4" flanged all steel valve (Type as in no. 1).
- Drilling Spool with 2" x 4" flanged outlet.
- Drilling Spool with 2" x 2" flanged outlet.
- 2" x 2" flanged steel cross.
- 4" pressure operated gate valve.
- 2" flanged steel tee.

### Notes

Choke manifold may be located in any convenient position. Use all steel fittings throughout. Make 90° turns with bull plugged tees only. No field welding will be permitted on any of the components of the choke manifold and related equipment upstream of the chokes. The choke spool and all lines and fittings must be at least equivalent to the test pressure of the preventers required. Independent closing control unit with clearly marked controls to be located on derrick floor near driller's position.



**LIME ROCK  
RESOURCES**



**Lime Rock Resources**  
**Denius Federal 1**  
**Sec 33-17S-33E**  
**Lea County, NM**  
**Updated: 05 may 2010 SJH**

**NEW MEXICO OIL CONSERVATION COMMISSION**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

FORM C-128  
 Revised 5/1/57

**SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE**

**SECTION A**

Operator <b>James P. Dunigan</b>			Lease <b>Denius et al Federal</b>		Well No. <b>141</b>
Unit Letter	Section <b>33</b>	Township <b>17 South</b>	Range <b>33 East</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>1980</b> feet from the <b>South</b> line and <b>990</b> feet from the <b>East</b> line					
Ground Level Elev. <b>4112</b>	Producing Formation		Pool	Dedicated Acreage: Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES \_\_\_\_\_ NO **No**. ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.) **Denius, et al owns rights above 5500 Feet, and James P. Dunigan owns rights below 5500 Feet.**
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES **Yes** NO \_\_\_\_\_. If answer is "yes," Type of Consolidation **Operating Agreement**
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

**SECTION B**

<div align="center"> <b>RECEIVED</b>  <b>MAR 15 1960</b>  <b>U. S. GEOLOGICAL SURVEY</b>  <b>ARTESIA, NEW MEXICO</b> </div>							
<div align="center"> </div>							

**CERTIFICATION**

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name <i>J. B. Shull, Jr.</i>
Position <b>Superintendent</b>
Company <b>James P. Dunigan</b>
Date <b>March 14, 1960</b>

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed <b>March 9, 1960</b>
Registered Professional Engineer and/or Land Surveyor <i>John A. M. [Signature]</i>
Certificate No. <b>1502</b>

**NOTE: Lease operated by James P. Dunigan covers the N 1/2 of S 1/2 of Sec. 33 & N 1/2 of S 1/2 of Sec. 34 T-17S R-33E**