

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.

RECEIVED

APR 01 2010

HOBBSDOCD

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

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 99/46

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

3

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
	<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

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 recompleat 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 recompleat 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 Wesley Lestle 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

Date

March 15, 2010

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

PETROLEUM ENGINEER

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)

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

APR 15 2010

## 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 DENIUS FEDERAL	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 255333	<sup>8</sup> Operator Name LIME ROCK RESOURCES A, L.P.	<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

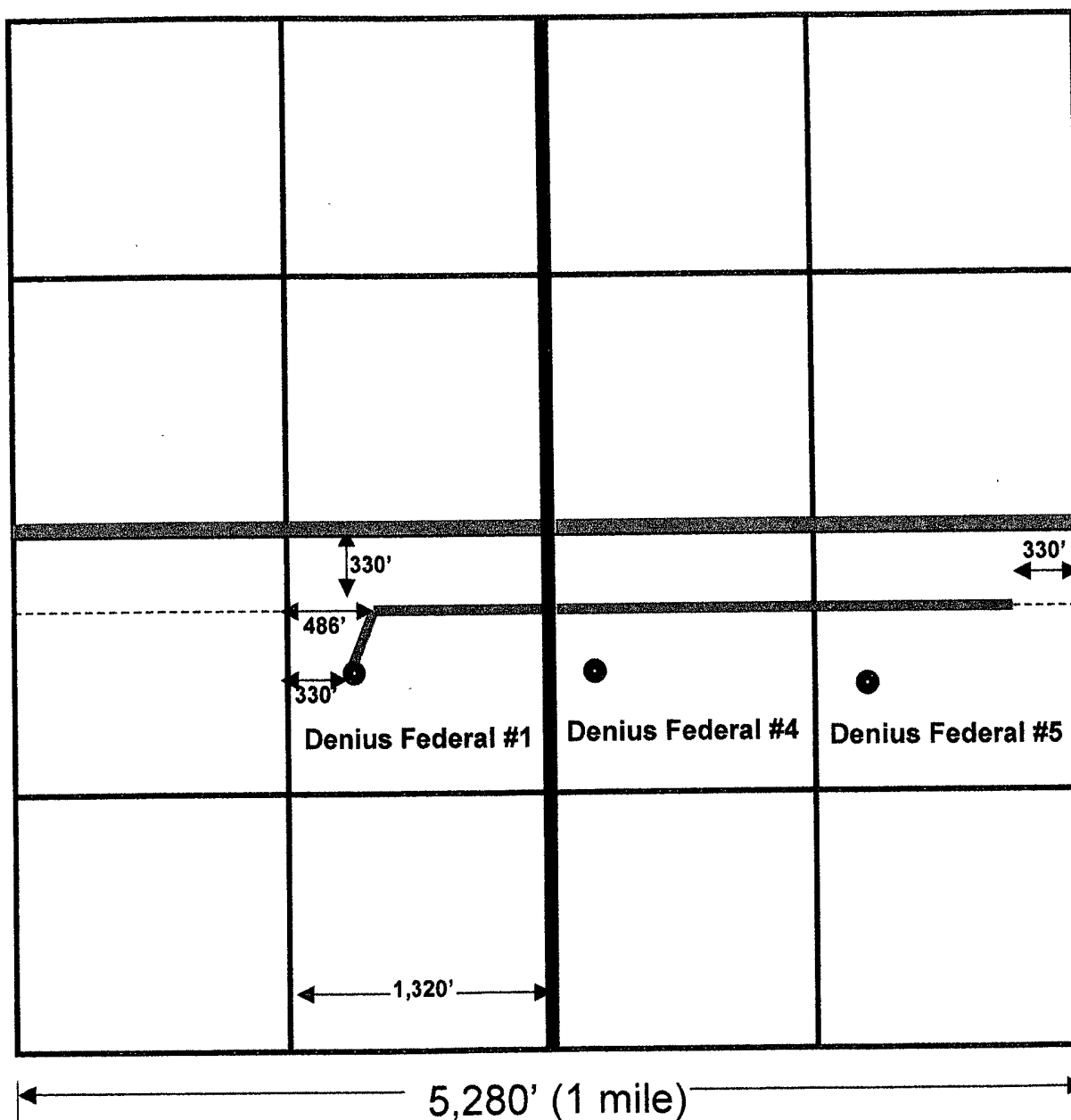
<sup>11</sup> Bottom Hole Location If Different From Surface

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.

					<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. Signature <u>Mike Pippin</u> Date <u>3/1/10</u> Mike Pippin Printed Name	
					<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. Date of Survey <u>3/9/60</u> Signature and Seal of Professional Surveyor: John A. Maibaugh 1502 Certificate Number	

## Lease Line



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APR 01 2010

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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~~

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  
3104 N. Sullivan, Farmington, NM 87401

3b. Phone Number  
(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  
property or lease line, ft  
(Also to nearest drlg. Unit line, if any)  
990'

16. No of Acres in lease  
320

18. Distance from proposed\*  
location to nearest well  
738'

19. Proposed Depth  
TVD - 8444' 8675  
MD - 44,677' 11731

17. Spacing Unit dedicated to this well  
Sec. 33 - NESE  
Sec. 34 - NWSW & NESW

20. BLM/BIA Bond No. on file  
NMB000499

21. Elevation (Show whether DF, KDB, RT, GL, etc.)  
4085' GL

22. Approximate date work will start\*  
April 1, 2010

23. Estimated duration  
12 days

## 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.

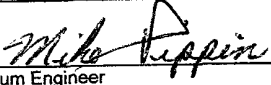
authorized officer

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 	Name(Printed/Typed) Mike Pippin	Date March 3, 2010
Title Petroleum Engineer	mike@pippinllc.com	
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. — See  
Maximum pressure will be ~1800 psi. 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:

Size	Wgt	Yield	Burst	Collapse	ID/Drift
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:

Zone	Perforated Interval	Shot Density
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.

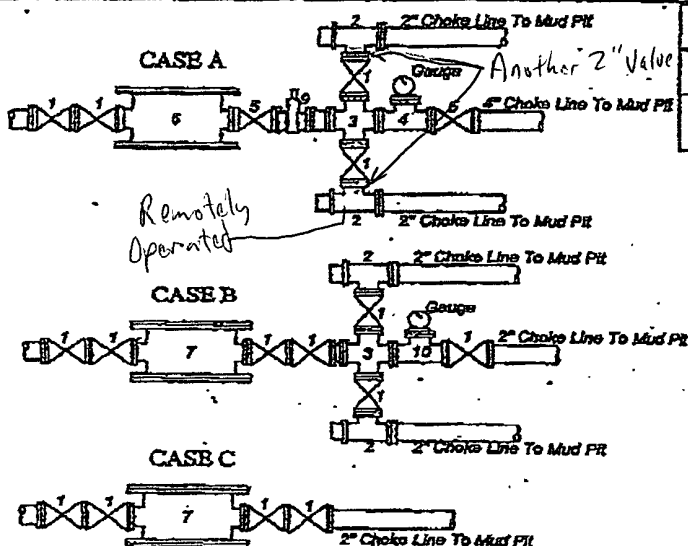
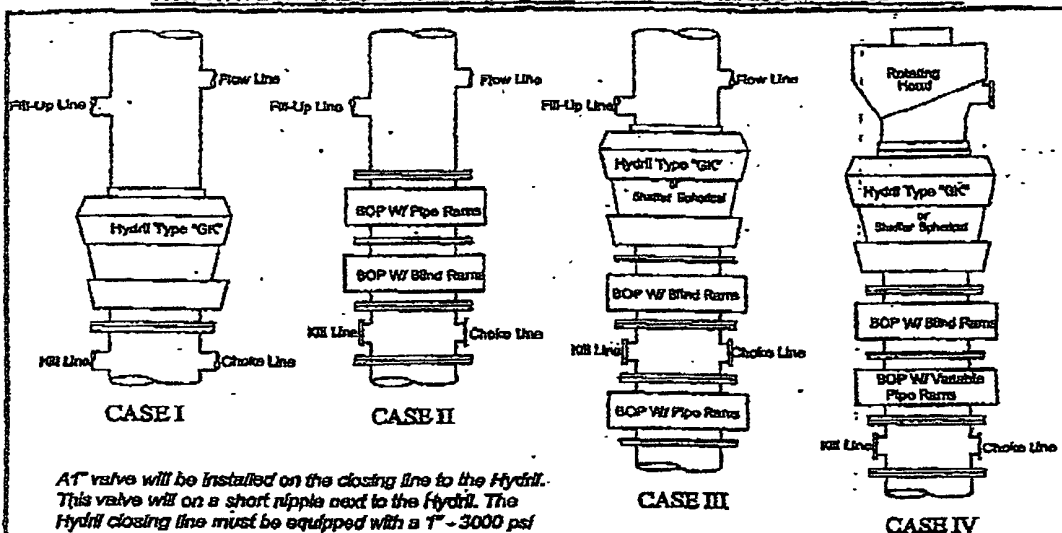
- 3) MU retrievable bridge plug for 5-1/2" casing. RIH and set bridge plug at 8,375'. POOH, laying down tubing string. RDMO well service unit.
- 4) Dismantle and move existing pumping unit. Disconnect electrical service.
- 5) Drill mouse and rat holes prior to moving in drilling rig.
- 6) Move in and 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

Breakdown furnished by Conoco will be:  
 Mfr: Wood Group  
 Description: 13-5/8" x 13-5/8" 3M  
 Type: BOP

## Legend

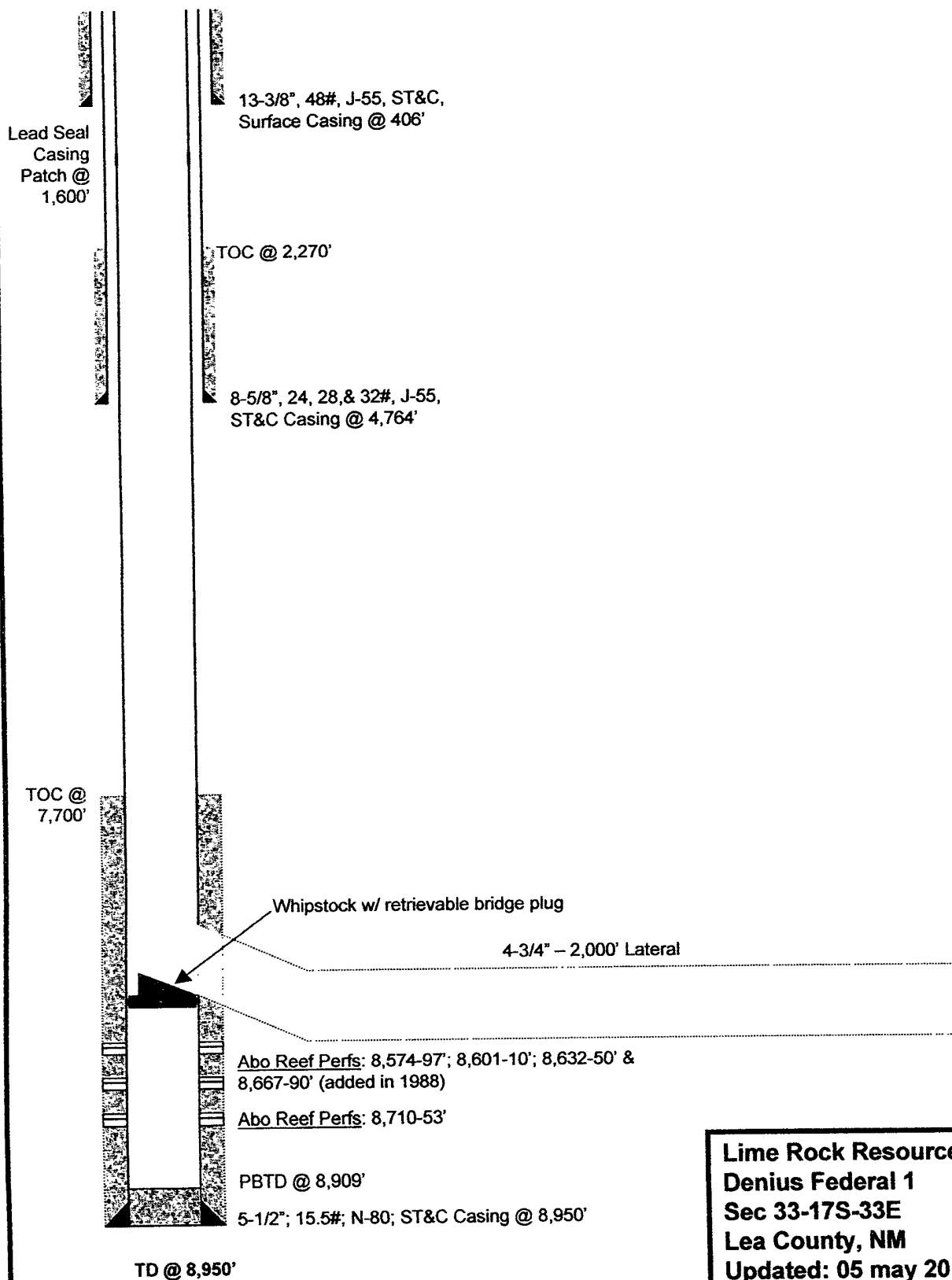
- 2" flanged all steel valve must be either Cameron 1", Halliburton Low Torque or Shafter Flo-Seal.
- 2" flanged adjustable chokes, min. 1" full opening & equipped with hard trim.
- 4" x 2" flanged steel cross.
- 4" flanged steel tee.
- 4" flanged all steel valve (Type as in no. 1).
- Drilling Spool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

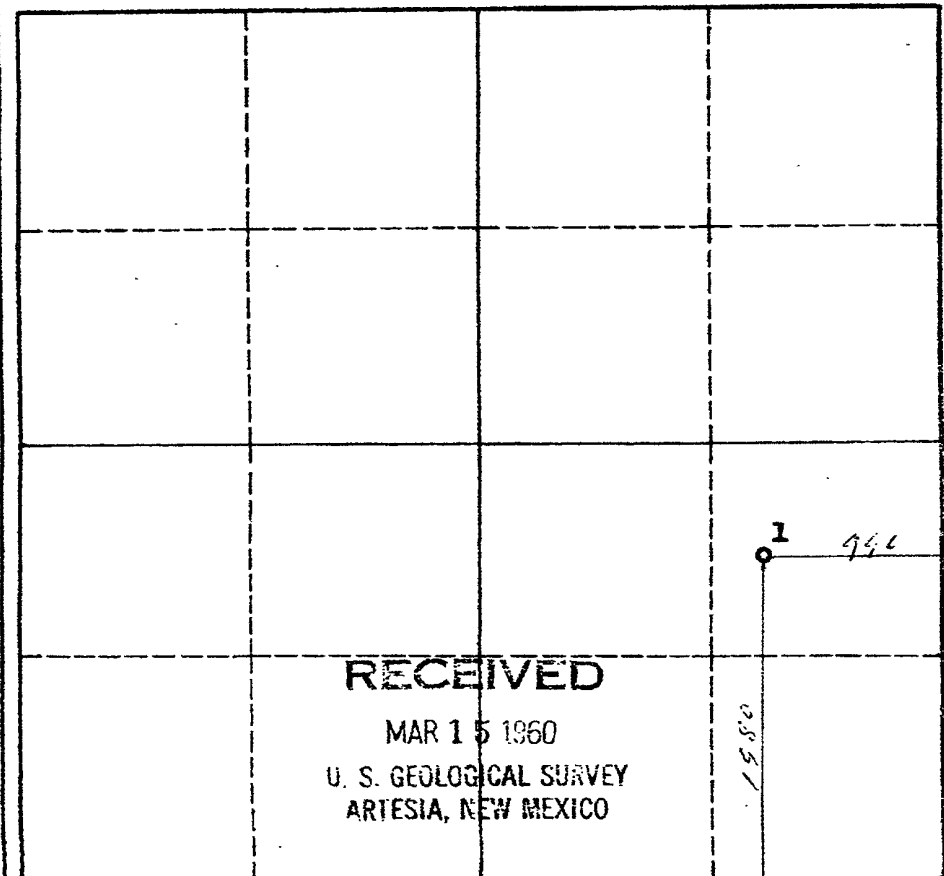
**SECTION A**

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**



**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. F. Smith, 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>J. B. F. Smith, Jr.</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