

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
MAY 10 2010
HOBBS CO

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM 04242
2. Name of Operator LIME ROCK RESOURCES A, L.P.		6. If Indian, Allottee or Tribe Name
3a. Address c/o Mike Pippin LLC 3104 N. Sullivan, Farmington, NM 87401	3b. Phone No. (include area code) 505-327-4573	7. If Unit or CA/Agreement, Name and/or No.
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		8. Well Name and No. DENIUS FEDERAL #1
		9. 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 Amend BOP Test
	<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 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 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.)

Lime Rock requests that the BLM's "conditions of approval" be amended for the sundry dated 3/15/10. The original sundry was to cut a window in this well's 5-1/2" casing & drill a horizontal lateral in the Abo. Since this 50 year old well has a 3000 psi wellhead, Lime Rock still plans to utilize a 5000 psi BOP, but would like to only test it to 2000 psi. The current BHP in this well is less than 200 psi.

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 <i>Mike Pippin</i>	Date April 28, 2010

THIS SPACE FOR FEDERAL OR STATE USE

Approved by PETROLEUM ENGINEER	Title PETROLEUM ENGINEER	Date MAY 10 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.		APPROVED /s/ Roger Hall APR 28 2010 Petroleum Engineer BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE
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)		

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Lime Rock Resources A, L.P.
LEASE NO.:	NMNM99146
WELL NAME & NO.:	Denius Federal #1
SURFACE HOLE FOOTAGE:	1980' FSL & 990' FEL, Section 33, T17S, R33E
BOTTOM HOLE FOOTAGE	2310' FSL & 2310' FWL
LOCATION:	Section 34, T 17 S, R 33 E, NMPM
COUNTY:	Lea County, New Mexico

I. DRILLING – ADDITION OF HORIZONTAL LEG

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

a. BOPE test

☒ **Lea County**

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 393-3612

1. **Hydrogen Sulfide has been encountered in the Abo formation, it is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide prior to milling out the window. If Hydrogen Sulfide is encountered, please report measurements and formations to the BLM.**

B. CASING – Addition of horizontal leg

Changes to the approved casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

A RBP is to be set at +/- 8375 feet. A whipstock is to be set on the RBP and a window will be milled from +/- 8360-8375 feet to drill the lateral portion (+/- 3144 feet) with a 4-3/4 inch bit to 11731 feet MD/ 8429 feet VD. After the lateral is drilled, the well will be acidized using a coiled tubing unit and the whipstock/RBP removed. The well will be produced from the existing Abo perfs at 8574-8753 feet and from the open-hole lateral in the Abo zone.

1. **The 13-3/8 inch surface casing is set at 306 feet with cement circulated to surface.**

2. The 8-5/8 inch intermediate casing is set at 4764 feet with TOC cement at 2270 feet (CBL).
3. The 5-1/2 inch production casing is set at 8950 feet with calculated TOC at 7700 feet (verified by temperature survey).

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling the lateral leg shall be **5000 (5M) psi. 5M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure. The operator is using a 5M and testing as a 2M.**
3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company using a test plug.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. SUBSEQUENT REPORT

A subsequent report will need to be filed after the work is done containing the final directional survey and well tests.

RGH 042810