

## OCD-ARTESIA

Form 3160-5  
(November 1994)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.**

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

5. Lease Serial No.

NMNM 048344

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

KERSEY WILLIAMS A FEDERAL #10

9. API Well No.

30-015-37248

10. Field and Pool, or Exploratory Area

Artesia, Glorieta-Yeso (96830)

Red Lake, Qn-Grayburg-San Andres (51300)

AND

Eddy County, New Mexico

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

LRE OPERATING, LLC

3a. Address

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)

1650' FNL & 990' FEL Unit H  
Sec. 28, T17S, R28E**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

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 DHC APPLICATION
	<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 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.)

LRE Operating, LLC requests ~~administrative~~ approval to downhole commingle the existing Artesia, Glorieta-Yeso (96830) and the prospective Red Lake, Queen-Grayburg-San Andres (51300).

Both intervals have common ownership, & we have not experienced any significant cross flows, & all the fluids are compatible.

Downhole commingling will improve recovery of liquids & gas, eliminate redundant surface equipment, & maximize productivity. Notice has been filed concurrently on form C-107A with the State.

LRE has submitted an NOI sundry notice to open the San Andres. LRE is requesting approval to commingle the two pools upon completion of rig operations. The production allocation will be calculated by subtracting the total well production after two months of commingled production from the current (Yeso) production of 5.3 BOPD and 12 MCF/D. We plan to submit these calculations and the resulting allocation to your office after the well has been on line for about 2 months.

DHC - 4483 from NMOCID 12/22/2011

Accepted for record  
NMOCID 12/20/2011

Permit

Name (Printed/Typed)

Mike Pippin

Title

Petr. Engr. (Agent)

Signature

Date

December 15, 2011

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

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

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.

WESLEY W. INGRAM

P.E. PROFESSIONAL ENGINEER

**Kersey Williams A Federal 10  
30-015-37248  
LRE Operating, LLC  
January 10, 2012  
Conditions of Approval**

- 1. When the well is commingled down hole, a new completion report with production shown for both zones shall be submitted. A subsequent sundry shall be submitted with the date that commingling commences.**

**WWI 011012**

UNITED STATES **OCD-ARTESIA**  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**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.**

5. Lease Serial No.

NMNM 048344

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

**KERSEY WILLIAMS A FEDERAL #10**

3

30-015-37248

10. Field and Pool, or Exploratory Area

Red Lake, Queen-Grayburg-San Andres(51300)

AND: Artesia, Glorieta-Yeso (96830)

Eddy County, New Mexico

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

**LRE OPERATING, LLC**

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)

1650' FNL & 990' FEL Unit H

Sec. 28, T17S, R28E

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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input checked="" 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 checked="" type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other <u>Open San Andres</u>
	<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 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.)

LRE Operating, LLC would like to open the San Andres in this Glorieta-Yeso oil well as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a CBP @ about 3346' & top w/10' cmt. Perf San Andres in 3 stages @ about 2330'-2604', 2890'-3080', & 3286'-3313' testing each before stimulating or squeezing w/cmt. Each stage that tests good, it will be treated w/about 100,000# 16/30 Brady sand in X-linked gel. Any stage that tests poor, will be squeezed w/cmt as required. CO after fracs to ~3336'. Land 2-7/8" tbg @ ~2700' & run pump & rods. Release workover rig & complete as a single San Andres oil well. LRE has applied for a DHC & may commingle the new San Andres with the existing Glorieta/Yeso interval in the future.

*shall*

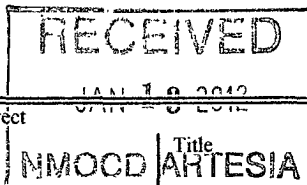
Existing Glorieta/Yeso perfs are @ 3363'-3503' w/97 holes.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**  
Accepted for record

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Mike Pippin



Title  
NMOCD ARTESIA

Petroleum Engineer (Agent)

Signature

*Mike Pippin*

Date

December 15, 2011

**APPROVED**

Approved by

Title

Date

JAN 10 2012

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

WESLEY W. INGRAM

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.



**LIME ROCK  
RESOURCES**

## PROPOSED San Andres Recompletion

### Summary Procedures:

- MIRU pulling unit, pull pmp and rods Lower tubing to measure any fill if present, then TOOH w/ tbg
- Set CBP at 3346' and dump bail 10' cement above CBP,
- Test casing to 4000 psig,
- Perf lowest stage of San Andres from 3286'-3313' MD as shown below,
- Swab test lower stage of San Andres and if good swab test frac with 20000 gal x-linked gel and 28000# 16/30 Brady sand then set plug for next test – if not a good test, squeeze off new perfs with 50 sx cement,
- Perf mid stage in San Andres from 2890'- 3080' as shown below,
- Swab test mid stage in San Andres and if good swab test frac with about 45000 gal x-linked gel and 100000# 16/30 Brady sand then set another plug – if not a good test, squeeze mid stage of San Andres with 100-150 sx cement,
- Perf upper stage of San Andres from 2330'-2604' w/ 1 shot per 5 feet as shown below,
- Swab test upper San Andres stage and if good swab test frac with about 60000 gal x-linked gel and 100000# 16/30 Brady sand,
- Clean out wellbore to top of CBP/Cement at 3336' MD,
- Set tubing at 2700' MD, install pump and rods and place well on production

8-5/8",  
24#, J-55,  
ST&C  
Casing @  
473'. Circ  
62 sx of  
cement to  
Surface.

2-7/8"; 6.5#, L-80 Tubing @ 2700' after Recompletion

Perf Middle San Andres at 2330'- 2604' at 1 Shot every 5 feet (55 holes, 0.41" EHD, 31+" Penetration API on 3-1/8" gun)

Perf Lower San Andres at 2890'- 3080' at 1 Shot every 5 feet (38 holes, 0.41" EHD, 31+" Penetration API on 3-1/8" gun)

Perf Lower San Andres at 3286'- 3313' at 1 Shot every other foot (14 holes, 0.41" EHD, 31+" Penetration API on 3-1/8" gun)

SET CBP @ 3,346' and Dump Bail 10' CMT on Plug

Perfs: 3,363' – 3,431' (1 SPF – 29 Holes)

Perfs: 3,455' – 3,468' (2 SPF – 26 Holes)

Perfs: 3,482' – 3,503' (2 SPF – 42 Holes)

Stim Info: 5000 gal 15% NEFE; Frac w/ 18# x-link gel +  
75,369# 16/30 + 39,313# 12/20. (10/23/09)

PBTD @ 3,599'

5-1/2"; 17#, J-55; LT&C Casing @ 3,594'. Circ 83 sx to surface.  
(9/25/2009).

TD @ 3,605'

**Kersey Williams A Fed #10  
Sec 28-17S-28E (H)  
1650' FNL, 990' FEL  
Elevation – 3657'  
API # 30-015-37248  
Eddy County, NM**

### GEOLOGY

Zone	Top
Queen	1,248'
Grayburg	1,673'
San Andres	1,964'
Glorieta	3,359'
Yeso	3,432'

### SURVEYS

Degrees	Depth
1/2°	476'
1/4°	997'
3/4°	1,945'
3/4°	2,646'
1-1/4°	3,277'

**Kersey Williams A Federal 10  
30-015-37248  
LRE Operating, LLC  
January 10, 2012  
Conditions of Approval**

**Contact BLM at 575-361-2822 a minimum of 24 hours prior to commencing work for BLM inspector to witness setting of CIBP above existing perforations.**

- 1. Surface disturbance beyond the originally approved pad must have prior approval.**
- 2. Closed loop system required.**
- 3. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**
- 4. Pressure test CIBP to 1000 psi to verify that Yeso is sealed prior to perforating the San Andres formation.**
- 5. Operator to submit a subsequent sundry with details of work performed and a completion report for the new zone.**
- 6. When the well is commingled down hole, a new completion report with production shown for both zones shall be submitted. A subsequent sundry shall be submitted with the date that commingling commences. The well shall be commingled as the current production is in paying quantities.**
- 7. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**

**WWI 011012**