

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-38188
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name AID 24 STATE
8. Well Number #9
9. OGRID Number 281994
10. Pool name or Wildcat: Empire, Glorieta-Yeso (96210)

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 LRE OPERATING, LLC
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401
4. Well Location Unit Letter <u>N</u> : <u>330</u> feet from the <u>SOUTH</u> line and <u>1650</u> feet from the <u>WEST</u> line Section <u>24</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3682' GL

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Upper Yeso Payadd Workover ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

LRE OPERATING, LLC would like to perform a payadd workover as follows: MIRUSU. TOH w/rods, pump, & tbg. Set 5-1/2" CBP @ ~4075'. Perf the upper Yeso @ about 3717'-4045' w/about 36 holes. The existing Yeso perms are 4095'-5094'. Stimulate new perms with ~4100 gal 15% NEFE acid & frac w/~122,000# 16/30 sand in 25# X-linked gel. CO after frac, drill CBP @ 4075', & CO to ~5170'. Land 2-7/8" 6.5# J-55 tbg @ ~5105'. Run pump & rods & release workover rig. Resume production from the Empire, Glorieta-Yeso pool. See attached wellbore diagram.

Spud Date: 2/18/11

Drilling Rig Release Date: 3/6/11

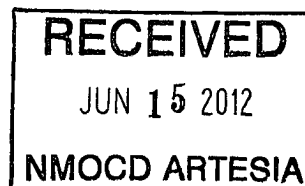
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE 6/14/12

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

APPROVED BY: J. C. Shepard TITLE Geologist DATE 6/15/2012

Conditions of Approval (if any):

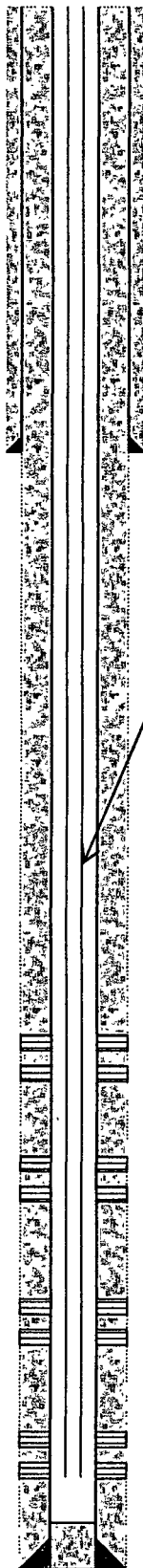




LIME ROCK
RESOURCES

Proposed Upper Yeso Pay Add AFE W12042

AID 24 State #9
Sec 24-17S-28E (N)
330' FSL, 1650' FWL
Elevation – 3,682'
API # 30-015-38188
Eddy County, NM



8-5/8", 24#, J-55, ST&C Casing @ 397'. Circ 153 sx
cmt to Surface.

2-7/8"; 6.5#, J-55 Tubing @ 5,104' (6/24/11)

Proposed Perfs: 3,717' – 4,045' (1 SPF - 36
holes)

Perfs: 4,095' – 4,334' (2 SPF - 42 holes)

Perfs: 4,395' – 4,645' (2 SPF - 44 holes)

Perfs: 4,775' – 5,094' (2 SPF - 46 holes)

PBTD @ 5,212'

5-1/2"; 17#, J-55; ST&C Casing @ 5,261'. Circ 153 sx to Surface. (3/6/2011)

TD @ 5,277'

GEOLOGY

Zone	Top
7 Rivers	958'
Queen	1,502'
Grayburg	1,899'
Premier	2,170'
San Andres	2,192'
Middle SA	2,532'
Lower SA	3,046'
Glorieta	3,592'
Yeso	3,681'
Tubb	5,097'

SURVEYS

Degrees	Depth
1/4°	414'
1/4°	967'
1/4°	1,473'
3/4°	2,483'
1°	2,988'
1 - 1/4°	3,530'
1°	3,998'
1-1/2°	4,509'
1-1/4°	5,010'

Stim Info: 7140 gal 15% NEFE;
Frac w/ 103,790# 16/30 TC &
44,980# 16/30 SLC in 20# x-
linked gel. (4/1/10)

Stim Info: 3150 gal 15% NEFE; Frac w/ 103,160# 16/30
TC & 31,251# 16/30 SLC in 20# x-linked gel. (4/1/11)

Stim Info: 3150 gal 15% NEFE; Frac w/ 112,868# 16/30
TG & 33,000# 16/30 SLC in 20# x-linked gel. (4/1/11)

PMP 6/14/12