

Submit 3 Copies To Appropriate District Office
District I JUN 22 2012
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Main 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. 30-015-40026
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STALEY STATE
8. Well Number #17
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836)

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 N : 330 feet from the SOUTH line and 2410 feet from the WEST line
Section 30 Township 17-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3880' 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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: Spud & Casings ☒

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.

Spud well on 3/15/12. Drilled 12-1/4" hole to 445'. Landed 8-5/8" 24# J-55 csg @ 438'. Cmted w/280 sx (375 cf) "C" cmt w/2% CaCl2 & 0.25% CF. Circ 36 sx cmt to surface. On 3/17/12, PT 8-5/8" csg to 800 psi for 30 min-OK.

Drilled 7-7/8" deviated hole from 8-5/8" csg shoe to MD5108' on 3/22/12. Ran open hole logs. On 3/23/12, landed 5-1/2" 17# J-55 csg @ MD5100'. Cmted lead w/330 sx (627 cf) 35/65 poz "C" cmt w/0.125#/sx CF, 5% salt, 5# LCM-1 & 0.06% R-3. Tailed w/580 sx (766 cf) "C" cmt w/0.125#/sx CF & 0.06% R-3. Circ 106 sx cmt to pit. Released drilling rig on 3/23/12. Plan to pressure test the 5-1/2" csg before completion operations.

TD of 7-7/8" hole is 340' FSL & 2290' FWL Sec 30 T17S R28E.

Spud Date: 3/15/12

Drilling Rig Release Date: 3/23/12

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 3/25/12

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

For State Use Only

APPROVED BY: SR Doble TITLE Dist # Supervisor DATE 7/5/12

Conditions of Approval (if any):

District I

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State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

AS DRILLED

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

¹ API Number 30-015-40026	² Pool Code 96836	³ Pool Name Red Lake, Glorieta-Yeso NE
⁴ Property Code 309874	⁵ Property Name STALEY STATE	⁶ Well Number 17
⁷ OGRID No. 281994	⁸ Operator Name LRE OPERATING, LLC.	⁹ Elevation 3880' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	30	17-S	28-E		330	SOUTH	2410	WEST	EDDY

¹¹ 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
N	30	17-S	28-E		340	SOUTH	2290	WEST	EDDY

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

30 BOTTOM HOLE AS DRILLED SURFACE	¹⁷ OPERATOR CERTIFICATION <i>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.</i> 3/25/12 Signature Date Mike Pippin Printed Name
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> 9/22/11 Date of Survey Signature and Seal of Professional Surveyor: Filmont F. Jaramillo
	12797
	Certificate Number

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	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey: <u>9/22/11</u> Signature and Seal of Professional Surveyor: <u>Filmont F Jaramillo</u> Certificate Number: <u>12797</u>

STALEY STATE #17

30-015-40026

Survey Tool Type	Survey Depth (ft)	Inclina- tion (deg)	Azimu- (deg)	Direction (Quad)	Cour: True Vert. Leng (ft)	Vertical Depth (ft)	Section (ft)	Coordinates N/S (ft)	E/W (ft)
Tie-In	0	0	0						
1	460	0.3	203 S	22.7 W	460	459.9979	0.207464 S	1.110989 W	0.464737
2	490	0.5	151 S	29.1 E	30	489.9972	0.13361 S	1.29782 W	0.431385
3	553	0.4	355 N	4.6 W	63	552.9965	0.01579 S	1.318807 W	0.315333
4	616	2.6	319 N	41.3 W	63	615.9717	1.238845 S	0.025926 W	1.276196
5	679	3.8	300 N	60.2 W	63	678.874	4.392445 N	2.085211 W	4.031042
6	741	4.6	280 N	79.9 W	62	740.7102	8.840705 N	3.54233 W	8.261785
7	804	6.6	281 N	78.6 W	63	803.4064	14.9843 N	4.701094 W	14.29861
8	865	8.2	284 N	75.8 W	61	863.8966	22.83825 N	6.46125 W	21.95282
9	928	7.8	284 N	76.3 W	63	926.2833	31.60421 N	8.575871 W	30.4618
10	991	7.6	282 N	78.3 W	63	988.7154	40.04406 N	10.4332 W	38.69475
11	1086	8.8	280 N	80.4 W	95	1082.743	53.58129 N	12.91912 W	52.01198
12	1180	8.4	278 N	82 W	94	1175.686	67.60265 N	15.0738 W	65.90079
13	1275	7.6	276 N	84.2 W	95	1269.761	80.75332 N	16.6744 W	79.02246
14	1369	7.2	275 N	85.4 W	94	1362.978	92.75409 N	17.775 W	91.07844
15	1432	6.9	276 N	84.2 W	63	1425.501	100.4182 N	18.47406 W	98.77867
16	1495	5.8	268 S	88.2 W	63	1488.115	107.2556 N	18.75651 W	105.7257
17	1558	4.4	270 S	#### W	63	1550.864	112.6934 N	18.65652 W	111.3243
18	1621	4.7	272 N	88.5 W	63	1613.665	117.5814 N	18.72408 W	116.3211
19	1684	3.2	264 S	84.3 W	63	1676.514	121.7806 N	18.617 W	120.6513
20	1748	2.2	274 N	86.1 W	64	1740.443	124.6885 N	18.52313 W	123.6544
21	1810	0.2	24.9 N	24.9 E	62	1802.428	125.8417 N	18.70225 W	124.7962
22	1905	0.2	23.5 N	23.5 E	95	1897.427	125.776 N	19.00469 W	124.6603
23	1999	1.7	118 S	62.1 E	94	1991.413	124.3994 N	18.50267 W	123.3625
24	2094	1.5	120 S	59.9 E	95	2086.376	121.852 N	17.2197 W	121.0415
25	2189	1.6	112 S	68.3 E	95	2181.341	119.3547 N	16.10574 W	118.7334
26	2283	1.6	121 S	59.5 E	94	2275.305	116.8082 N	14.95446 W	116.3834
27	2377	1.7	122 S	57.7 E	94	2369.266	114.244 N	13.54335 W	114.0741
28	2470	1.5	122 S	57.9 E	93	2462.229	111.7951 N	12.15939 W	111.8769
29	2564	1.6	132 S	48.5 E	94	2556.195	109.4832 N	10.63603 W	109.8518
30	2658	0.8	114 S	66.4 E	94	2650.174	107.6877 N	9.503726 W	108.2676
31	2753	0.9	103 S	77.1 E	95	2745.164	106.2902 N	9.071647 W	106.9326
32	2847	0.9	99.8 S	80.2 E	94	2839.152	104.8147 N	8.781177 W	105.4855
33	2941	0.8	106 S	74.5 E	94	2933.142	103.422 N	8.480153 W	104.1257
34	3036	0.5	308 N	52 W	95	3028.139	103.1345 N	8.558121 W	103.8132
35	3129	0.5	280 N	80 W	93	3121.135	103.907 N	8.878411 W	104.5326
36	3224	0.7	282 N	77.9 W	95	3216.13	104.9012 N	9.072033 W	105.5082
37	3318	0.7	284 N	76.3 W	94	3310.123	106.0495 N	9.328388 W	106.6275
38	3413	0.7	279 N	81.1 W	95	3405.116	107.2087 N	9.555606 W	107.7647
39	3507	0.7	283 N	77.4 W	94	3499.109	108.3558 N	9.769698 W	108.8923
40	3601	0.8	278 N	82.1 W	94	3593.101	109.5839 N	9.98515 W	110.1027
41	3696	0.5	260 S	80.2 W	95	3688.095	110.6274 N	10.00575 W	111.1681
42	3790	0.7	269 S	88.6 W	94	3782.089	111.5628 N	9.921911 W	112.1462
43	3884	0.6	281 N	78.7 W	94	3876.083	112.6115 N	10.00432 W	113.2029
44	3979	0.4	257 S	77.2 W	95	3971.08	113.4079 N	10.02832 W	114.014
45	4073	0.6	238 S	57.8 W	94	4065.076	114.052 N	9.693356 W	114.7505
46	4167	0.6	268 S	87.9 W	94	4159.071	114.8758 N	9.413053 W	115.6588
47	4261	0.4	245 S	65.4 W	94	4253.068	115.6122 N	9.258428 W	116.449
48	4356	0.4	270 S	89.9 W	95	4348.065	116.199 N	9.119806 W	117.0821
49	4450	0.4	179 S	0.9 E	94	4442.064	116.4412 N	8.791152 W	117.4051

50	4544	0.3	209 S	29.1 W	94	4536.062	116.4328 N	8.248047 W	117.5196
51	4639	0.2	288 N	71.9 W	95	4631.062	116.6678 N	8.082244 W	117.7982
52	4733	0.3	231 S	51.4 W	94	4725.061	116.9847 N	7.979683 W	118.1464
53	4827	0.1	336 N	23.7 W	94	4819.06	117.1871 N	7.901264 W	118.3717
54	4922	0.4	320 N	40.2 W	95	4914.059	117.5011 N	8.230458 W	118.6191
55	5016	0.6	323 N	37.2 W	94	5008.056	118.14 N	8.873106 W	119.1284
56	5065	0.7	329 N	30.7 W	49	5057.052	118.5425 N	9.33483 W	119.4364
Bit	5108	0.7	329 N	30.7 W	43	5100.049	118.904 N	9.786537 W	119.7046

STALEY STATE #17

30-015-40026

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9	928	7.8	284 N	76.3 W	63	926.2833	31.60421 N	8.575871 W	30.4618
10	991	7.6	282 N	78.3 W	63	988.7154	40.04406 N	10.4332 W	38.69475
11	1086	8.8	280 N	80.4 W	95	1082.743	53.58129 N	12.91912 W	52.01198
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47	4261	0.4	245 S	65.4 W	94	4253.068	115.6122 N	9.258428 W	116.449
48	4356	0.4	270 S	89.9 W	95	4348.065	116.199 N	9.119806 W	117.0821
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52	4733	0.3	231 S	51.4 W	94	4725.061	116.9847 N	7.979683 W	118.1464
53	4827	0.1	336 N	23.7 W	94	4819.06	117.1871 N	7.901264 W	118.3717
54	4922	0.4	320 N	40.2 W	95	4914.059	117.5011 N	8.230458 W	118.6191
55	5016	0.6	323 N	37.2 W	94	5008.056	118.14 N	8.873106 W	119.1284
56	5065	0.7	329 N	30.7 W	49	5057.052	118.5425 N	9.33483 W	119.4364
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