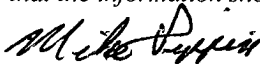


Submit To Appropriate District Office Two Copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505		<div style="border: 2px solid black; padding: 5px; display: inline-block;"> <b>RECEIVED</b>  <b>JUN 29 2012</b>  <b>NM OGD ARTESIA</b> </div> State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 220 South St. Francis Dr. Santa Fe, NM 87505				<b>Form C-105</b> July 17, 2008				
1. WELL API NO. 30-015-40340										
2. Type of Lease <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN										
3. State Oil & Gas Lease No.										
<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>										
4. Reason for filing: <input checked="" type="checkbox"/> <b>COMPLETION REPORT</b> (Fill in boxes #1 through #31 for State and Fee wells only)  <input type="checkbox"/> <b>C-144 CLOSURE ATTACHMENT</b> (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33, attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)						5. Lease Name or Unit Agreement Name <b>STALEY STATE</b>				
						6. Well Number: <b>#19</b>				
7. Type of Completion: <input checked="" type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER										
8. Name of Operator: <b>LRE OPERATING, LLC</b>						9. OGRID: 281994				
10. Address of Operator: c/o Mike Pippin LLC, 3104 N Sullivan, Farmington, NM 87401						11. Pool name or Wildcat: Red Lake, Glorieta-Yeso NE (96836)				
12. Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:	L	30	17-S	28-E		2160	South	455	West	Eddy
BH:	L	30	17-S	28-E		2293	South	343	West	Eddy
13. Date Spudded 6/6/12	14. Date T.D. Reached 6/14/12	15. Date Drilling Rig Released 6/15/12		16. Date Completed (Ready to Produce) 6/27/12		17. Elevations (DF and RKB, RT, GR, etc.). 3582' GR				
18. Total Measured Depth of Well MD4750'		19. Plug Back Measured Depth MD4688'		20. Was Directional Survey Made? Yes		21. Type Electric and Other Logs Run Induction, Density/Neutron				
22. Producing Interval(s), of this completion - Top, Bottom, Name MD3279'-3498'-Upper Yeso, MD3550'-3784'- Upper Yeso, MD3847'-4112' - Middle Yeso, MD4182'-4532' - Lower Yeso										
<b>23. CASING RECORD (Report all strings set in well)</b>										
CASING SIZE		WEIGHT LB./FT.		DEPTH SET		HOLE SIZE		CEMENTING RECORD		AMOUNT PULLED
8-5/8"		24# J-55		423'		12-1/4"		280 sx CI C		0'
5-1/2"		17# J-55		MD4746'		7-7/8"		300 sx 35/65 Poz/C		0'
								+ 550 sx C		
<b>24. LINER RECORD</b>										
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN						
					2-7/8"		MD4591'			
26. Perforation record (interval, size, and number) Upper Yeso: MD3279'-3498', 34 holes Upper Yeso: MD3550'-3784', 35 holes Middle Yeso: MD3847'-4112', 37 holes Lower Yeso: MD4182'-4532', 59 holes						27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.				
						DEPTH INTERVAL		AMOUNT AND KIND MATERIAL USED		
						MD3279'-3498'		2158 gals 7.5% HCL; fraced w/58,037# 16/30 & 36,844# 16/30 Siber prop sand in X-linked gel		
						MD3550'-3784'		2000 gals 7.5% HCL; fraced w/58,025# 16/30 & 18,821# 16/30 Siber prop sand in X-linked gel		
						MD3847'-4112'		2000 gals 7.5% HCL, fraced w/65,682# 16/30 & 20,040# 16/30 Siber prop sand in X-linked gel		
28. <b>PRODUCTION</b>										
						MD4182'-4532'		2000 gals 7.5% HCL, fraced w/81,958# 16/30 Brady & 22,729# 16/30 siber prop sand in X-linked gel		
Date First Production READY		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping				Well Status (Prod. or Shut-in) Pumping				
Date of Test Within 30 days	Hours Tested	Choke Size	Prod'n For Test Period:	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio			
Flow Tubing Press.	Casing Pressure	Calculated 24- Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl	Oil Gravity - API - (Corr.)				
29. Disposition of Gas (Sold, used for fuel, vented, etc.) To Be Sold								30. Test Witnessed By: Jerry Smith		
31. List Attachments										
32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit										
33. If an on-site burial was used at the well, report the exact location of the on-site burial										
Latitude					Longitude			NAD 1927 1983		
I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief										
Signature 			Printed Name Mike Pippin		Title: Petroleum Engineer		Date: 6/28/12			
E-mail Address: mike@pippinllc.com										

**STALEY STATE #19 -- New Well**

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

## OIL OR GAS SANDS OR ZONES

No. 3, from.....to.....  
No. 4, from.....to.....

**Include data on rate of water inflow and elevation to which water rose in hole.**

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology
			- On File -