

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. 30-015-40983
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STALEY STATE
8. Well Number #20
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 O : 330 feet from the SOUTH line and 1650 feet from the EAST line
Section 30 Township 17-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3648' 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 3/3/13. Drilled 12-1/4" hole to 435'. Landed 8-5/8" 24# J-55 csg @ 430'. Cmted w/375 sx (506 cf) "C" cmt w/2% CaCl₂, 0.005# static free, & 0.25# CF. Circ 125 sx cmt to surface. On 3/5/13, PT 8-5/8" csg to 800 psi for 30 min-OK.

Drilled 7-7/8" hole from 8-5/8" csg shoe to 4920' on 3/8/13. Ran open hole logs. On 3/9/13, landed 5-1/2" 17# J-55 csg @ 4908'. Cmted lead w/350 sx (665 cf) 35/65 poz "C" cmt w/1/8#/sx CF, 5% salt, 5# LCM-1 & 0.5% R-3. Tailed w/650 sx (865 cf) "C" cmt w/0.25#/sx CF, 0.25% R-3. Circ 198 sx cmt to pit. Released drilling rig on 3/10/13. Plan to pressure test the 5-1/2" csg before completion operations.

Spud Date: 3/3/13

Drilling Rig Release Date: 3/10/13

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

SIGNATURE Mike Pippin
Type or print name Mike Pippin

TITLE Petroleum Engineer - Agent DATE 3/11/13
E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: R. Wade
Conditions of Approval (if any):

TITLE Dist. P. Supervisor DATE 3/18/2013

