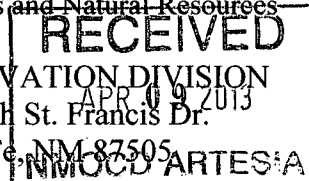


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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



WELL API NO. 30-015-41079
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 AID 24 STATE
8. Well Number #22
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 **J** : **2160** feet from the **SOUTH** line and **2270** feet from the **EAST** line
Section **24** Township **17-S** Range **28-E** NMPM **Eddy** County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3690' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input checked="" type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Spud & Casings <input checked="" type="checkbox"/>	

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 3/29/13. Drilled 12-1/4" hole to 500'. Landed 8-5/8" 24# J-55 csg @ 495'. Cmted w/375 sx (506 cf) "C" cmt w/2% Cacl2 & 0.25# CF. Circ 188 sx cmt to surface. On 3/31/13, PT 8-5/8" csg to 600 psi for 30 min-OK.

Drilled 7-7/8" hole from 8-5/8" csg shoe to 5415' on 4/3/13. Ran open hole logs. On 4/4/13, landed 5-1/2" 17# J-55 csg @ 5410'. Cmted lead w/350 sx (666 cf) 35/65 poz "C" gel cmt w/0.125#/sx CF, 5% salt, 5# LCM-1 & 0.2% R-3. Tailed w/650 sx (865 cf) "C" cmt w/0.25#/sx CF & 0.6% R-3. Circ 173 sx cmt to pit. Released drilling rig on 4/5/13. Plan to pressure test the 5-1/2" csg before completion operations.

Bottom Hole Location: 2303' FSL & 2251' FEL Sec 24 T17S R28E.

Spud Date: **3/29/13** Drilling Rig Release Date: **4/5/13**
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 4/5/13
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573
For State Use Only
APPROVED BY: *DR Dade* TITLE *Dr R Supervisor* DATE *4/11/2013*
Conditions of Approval (if any):

