

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. 30-015-37673
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 #12
9. OGRID Number 281994
10. Pool name or Wildcat: (96836) Red Lake, Glorieta-Yeso NE
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3633' GL

**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 1650 feet from the WEST line  
 Section 30 Township 17-S Range 28-E NMPM Eddy County

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

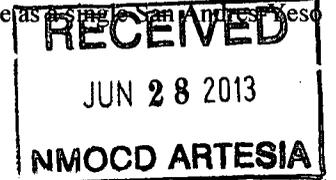
<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE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

LRE would like to recomplete into the San Andres in this Yeso oil well as follows: MIRUSU. TOH w/all production equipment. CO to PBTD ~4737'. Set a 5-1/2" CBP @ ~3200' & PT 5-1/2" csg & CBP to 3500 psi. Perf lower San Andres @ about 2750'-3123' w/about 28 holes. Breakdown new perfs w/about 3800 gal 15% NEFE acid & frac w/about 100,000# 16/30 sand in X-linked gel. Set a 5-1/2" CBP @ ~2700' & PT 5-1/2" csg & CBP to 3500 psi. Perf middle San Andres @ about 2308'-2601' w/about 28 holes. Breakdown new perfs w/about 3000 gal 15% NEFE acid & frac w/about 83,000# 16/30 sand in X-linked gel. Set a 5-1/2" CBP @ ~2250' & PT 5-1/2" csg & CBP to 3500 psi. Perf upper San Andres @ about 1954'-2221' w/about 25 holes. Breakdown new perfs w/about 2700 gal 15% NEFE acid & frac w/about 80,000# 16/30 sand in X-linked gel. Drill CBPs @ 2250' & 2700' & CO after frac to CBP @ 3200'. Land 2-7/8" 6.5# J-55 tbg @ ~3185'. Run pump & rods & release workover rig. See the attached WBD. Complete as a single San Andres Yeso oil well. In about two months, this well will be evaluated for DHC.

Existing Yeso perfs before workover: 3285'-4598'.

Spud Date: 5/24/10 Drilling Rig Release Date: 6/12/10



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 6/27/13

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

APPROVED BY: RDade TITLE District Supervisor DATE 7/2/2013

Conditions of Approval (if any): C102

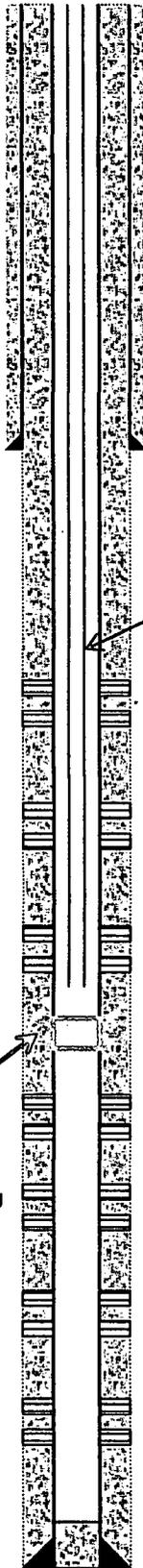
LRE Operating, LLC  
 Proposed 3 Stage San Andres  
 Recompletion  
 AFE # R13014

**Staley State #12**  
**Sec 30-17S-28E (N)**  
**330' FSL, 1650' FWL**  
**Elevation - 3,633'**  
**API #: 30-015-37673**  
**Eddy County, NM**

Spud  
 5/25/10

**RECEIVED**  
 JUN 28 2013  
 NMOC D ARTESIA

GEOLOGY	
Zone	Top
Queen	1,038'
Grayburg	1,423'
San Andres	2,082'
Glorieta	3,165'
Yeso	3,273'
Tubb	4,679'



8-5/8", 23#, J-55, ST&C Casing @ 425'. Circulated  
 125 sx to Surface.

2-7/8", 6.5#, J-55 Tubing, TAC @ 1900', SN @3150',  
 4' slotted sub, 1 jt MA w BP @ 3185'

Stage 3 San Andres Perfs: 1954' - 2221',  
 (1 spf 25 holes)

Stim Info: 2,700 g 15% NEFE;  
 Frac w 62,000 # 16/30 Brady &  
 18,000 # 16/30 Resin in 49,000 g  
 20 # x-linked gel.

Stage 2 San Andres Perfs: 2308' - 2601',  
 (1 spf 28 holes)

Stim Info: 3,000 g 15% NEFE;  
 Frac w 65,000 # 16/30 Brady &  
 18,000 # 16/30 Resin in 52,000 g  
 20 # x-linked gel.

Stage 1 San Andres Perfs: 2750' - 3123',  
 (1 spf 28 holes)

Stim Info: 3,800 g 15% NEFE;  
 Frac w 88,500 # 16/30 Brady &  
 22,500 # 16/30 Resin in 69,000 g  
 20 # x-linked gel.

CBP at  
 3200'  
 Do Not Drill  
 Until a  
 commingling  
 permit is  
 obtained  
 and San  
 Andres  
 Production  
 declines.

Yeso Perfs: 3,285' - 3,544' (1 SPF - 39 holes)  
 (10/19/12)

Stim Info: 2500 g 15% NEFE; Frac w 75,284 #  
 16/30 Brady & 19,583 # 16/30 Siber in 48,892 g 25#  
 x-linked gel. (10/19/12)

Yeso Perfs: 3,623' - 3,859' (2 SPF - 48 holes)  
 (6/30/10)

Stim Info: 4536 gal 15% NEFE; Frac w/ 76,970 # 16/30  
 Ottawa & 32,762 # Siber Prop in 80k gal of 20# x-linked  
 gel. (6/30/10)

Yeso Perfs: 3,924' - 4,222' (2 SPF - 56 holes)  
 (6/30/10)

Stim Info: 4000 gal 15% NEFE; Frac w/ 94,820 # 16/30  
 Ottawa & 41,513 # Siber Prop in 106k gal 20# x-linked  
 gel. (6/30/10)

Yeso Perfs: 4,290' - 4,598' (2 SPF - 48 holes)  
 (6/30/10)

Stim Info: 5000 gal 15% NEFE; Frac w/ 93,250 # 16/30  
 Ottawa & 43,670 # Siber Prop in 106k gal of 20# x-linked  
 gel. (6/30/10)

PBTD @ 4,737'

5-1/2", 17#, J-55, ST&C Casing @ 4,773'. Circulated  
 135 sx to Surface. (06/12/2010)

TD @ 4,785'

SURVEYS	
Degrees	Depth
1/2°	416'
1/4°	1,032'
1/4°	1,512'
1/2°	2,017'
3/4°	2,517'
3/4°	3,022'
1°	3,526'
1-1/4°	4,025'
1°	4,505'