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District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
RECEIVED
MAR 26 2014
NM OGD ARTESIA

Form C-103
Revised July 18, 2013

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.)		WELL API NO. 30-015-38511
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator LRE OPERATING, LLC		6. State Oil & Gas Lease No.
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401		7. Lease Name or Unit Agreement Name STALEY STATE
4. Well Location Unit Letter <u>J</u> : <u>1746</u> feet from the <u>South</u> line and <u>1896</u> feet from the <u>East</u> line Section <u>30</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County		8. Well Number #15
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3606' GL		9. OGRID Number 281994
		10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres (51300)

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 ☐
CLOSED-LOOP SYSTEM ☒
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: Recomplete to San Andres & DHC ☒

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

LRE has recompleted this Yeso well to the San Andres & DHC as follows: On 3/7/14, MIRUSU. TOH w/rods, pump, & tbg. Set 5-1/2" CBP @ 3200' & PT 5-1/2" csg & CBP to 3500 psi-OK. Perfed lower San Andres @ 2753', 65', 76', 81', 90', 94', 2802', 06', 12', 20', 26', 32', 40', 44', 50', 60', 72', 82', 2904', 14', 20', 28', 36', 44', 50', 62', 74', 84', 92', 3002', 12', 24', 36', 48', 56', 66', 74', 88', 98', 3106', 16', 24' w/1-0.41" spf. Total 42 holes. Treated w/3317 gal 15% HCL acid & 63 perf balls. On 3/12/14, fraced lower San Andres w/89,524# 16/30 Arizona & 29,598# 16/30 resin coated sand in 20# X-linked gel.

Set 5-1/2" CBP @ 2700'. PT csg & CBP to 3500 psi-OK. Perfed middle San Andres @ 2300', 10', 18', 28', 38', 48', 54', 62', 72', 82', 92', 2400', 08', 16', 36', 46', 58', 64', 70', 80', 90', 2500', 12', 22', 30', 38', 50', 60', 68', 78', 90', 2600', 04' w/1-0.41" spf. Total 33 holes. Treated perfs w/3151 gal 15% HCL acid & 49 perf balls. Fraced w/73,721# 16/30 Arizona & 18,972# resin coated 16/30 sand in 20# X-linked gel.

Set 5-1/2" CBP @ 2276'. PT CBP & 5-1/2" csg to 3500 psi-OK. Perfed upper San Andres @ 2007', 12', 18', 28', 32', 40', 46', 51', 62', 70', 78', 86', 92', 2100', 10', 20', 30', 42', 52', 61', 70', 78', 90', 2202', 12', 20', 30', 38', 48' w/1-0.41" spf. Total 29 holes. Treated perfs w/2500 gal 15% HCL acid & 44 perf balls. Fraced w/62,475# 16/30 Arizona & 17,951# 16/30 resin coated sand in 20# X-linked gel.

Set 5-1/2" CBP @ 1985'. PT CBP & 5-1/2" csg to 3500 psi-OK. Perfed Grayburg/upper San Andres @ 1732', 42', 48', 55', 62', 70', 78', 1801', 10', 20', 34', 44', 52', 64', 80', 88', 1900', 12', 20', 26', 40', 48', 62', 72', 74', 76' w/1-0.41" spf. Total 26 holes. Treated perfs w/1756 gal 15% HCL acid & 39 perf balls. Fraced w/45,232# 16/30 Arizona & 18,887# 16/30 resin coated sand in 20# X-linked gel.

On 3/13/14, MIRUSU. Drilled CBPs @ 1985', 2276', 2700', & 3200' & CO to PBTD4736'. On 3/15/14, landed 2-7/8" 6.5# J-55 tbg @ 4675'. Ran pump & rods. Released completion rig on 3/15/14. Completed the well as a DHC San Andres/Yeso oil well as per order ART-2609-Q

Spud Date: 4/26/11 Drilling Rig Release Date: 5/9/11

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 3/25/14
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: JD Dade TITLE Dist. H. Spewer DATE 3/26/2014
Conditions of Approval (if any):