

Submit 1 Copy To Appropriate District Office
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

Form C-103
Revised July 18, 2013

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

WELL API NO. 30-015-42367
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 WELCH RL STATE
8. Well Number #20
9. OGRID Number 281994
10. Pool name or Wildcat Artesia, Glorieta-Yeso (96830)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3623' 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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
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 <u>E</u> : <u>1650</u> feet from the <u>North</u> line and <u>420</u> feet from the <u>West</u> line Section <u>28</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3623' 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 ☐
CLOSED-LOOP SYSTEM ☒
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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Spud well on 11/16/14. Drilled 11" hole to 485'. Landed 8-5/8" 24# J-55 csg @ 479'. Cmted w/300 sx (405 cf) "C" cmt w/2% CaCl₂ & 1/4#sx cello-flake. Circ 147 sx cmt to surface. On 11/17/14, PT 8-5/8" csg to 600 psi for 30 min - OK.

Drilled 7-7/8" hole to TD3650' on 11/19/14. Landed 5-1/2" 17# J-55 csg @ 3639'. Cmted lead w/300 sx (571 cf) 35/65 poz C cmt w/5% salt, 0.125# CF, 5# LCM, & 0.2% R-3. Tailed w/375 sx (499 cf) "C" cmt w/0.6% R-3 & 0.25# CF. Circ 88 sx cmt to pit. Ran cased hole logs. Released drilling rig on 11/20/14. Plan to pressure test the 5-1/2" csg before completion operations.

Spud Date: 11/16/14

Drilling Rig Release Date: 11/20/14

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 11/24/14

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

APPROVED BY: Dr. P. Superwist TITLE Dr. P. Superwist DATE 11/26/2014
Conditions of Approval (if any):

NM OIL CONSERVATION
ARTESIA DISTRICT
NOV 25 2014

RECEIVED