	State of New M	exico	Form C-103	
Office District 1 - (575) 393-6161	Energy, Minerals and Nat	ural Resources	Revised July 18, 2013	
$\frac{District 1}{1625 \text{ N. French Dr., Hobbs, NM 88240}}$			WELL API NO.	
<u>District II</u> – (575) 748-1283	OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505		30-015-39996 5. Indicate Type of Lease	
811 S. First St., Artesia, NM 88210				
$\frac{\text{District III}}{1000 \text{ Pi} - (505) 334-6178}$			STATE S FEE	
1000 Rio Brazos Rd., Aztec, NM 87410 District IV – (505) 476-3460			6. State Oil & Gas Lease No.	
1220 S. St. Francis Dr., Santa Fe, NM				
87505		······································		
	ES AND REPORTS ON WELL		7. Lease Name or Unit Agreement Name	
(DO NOT USE THIS FORM FOR PROPOS.			ENRON STATE	
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)				
. Type of Well: Oil Well 🖾 Gas Well 🗌 Other			8. Well Number #17	
2. Name of Operator			9. OGRID Number 281994	
LRE OPERATING. LLC				
3. Address of Operator	analis II. <u></u>		10. Pool name or Wildcat	
c/o Mike Pippin LLC, 3104 N. Sulli	van, Farmington, NM 87401		Artesia, Glorieta-Yeso (96830)	
oro mine rippin 220, 510 min Sum			Artesia, Queen-Grayburg-San Andres (3230)	
4. Well Location		······································		
Unit Letter <u>C</u> : <u>230</u>		_ line and <u>2420</u>		
Section 32	Township 17-S	Range 28-E	NMPM Eddy County	
	11. Elevation (Show whether DF	R, RKB, RT, GR, etc	c.) (************************************	
	3703' GL		and the second	
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	CHANGE PLANS	REMEDIAL WOR	RK Image: Altering Casing Image: Alter	
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TEMPORARILY ABANDON   Image: Constraint of the second se	CHANGE PLANS	REMEDIAL WOR COMMENCE DR CASING/CEMEN OTHER: RE	RK   ALTERING CASING     RILLING OPNS.   P AND A     NT JOB   ALTERING CASING     EVISED & Pool Allocations   ALTERING CASING     s, including estimated date of starting any proposed work).	
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## LRE OPERATING, LLC ENRON STATE #17 Artesia; Glorieta-Yeso & Artesia, Queen-Grayburg-San Andres C Section 32 T17S R28E 6/23/2014 API#: 30-015-39996

## Commingle Allocation Calculations Revised Due to New Test

On 3/28/12, the Yeso (lower zone) was completed as a new well. On 3/3/14, the well was recompleted into the San Andres (upper zone) and DHCed with the lower zone as per order DHC-4649. Before the recompletion, on 8/13/13, the Yeso tested for 15 BOPD & 48 MCF/D. Shortly after the recompletion, on 3/13/14, the commingled well tested for 15 BOPD & 88 MCF/D and pool allocations were calculated according to that test. However, unlike most DHC wells we have dealt with, this one took about 3 months for the upper zone to start producing to its full potential with a test on 6/1/14 of 54 BOPD & 173 MCF/D. (This test was confirmed 18 days later). Therefore, the pool allocations should be changed as follows:

·	Lowe	Lower	
· · · ·	Total - Zone ()	YESO)	Zone (SA)
Oil (bbls/d)	54 - 15	=	39
Gas (mcf/d)	173 - 48	=	125

## OIL

Lower Zone (Yeso) = 15 BOPD

% Lower Zone =  $\frac{15}{54}$  =  $\frac{28\%}{54}$ 

## <u>GAS</u>

Lower Zone (Yeso) = 48 mcf/d

% Lower Zone =  $\frac{48}{173}$  =  $\frac{28\%}{173}$ 

Upper Zone (SA) = 40 mcf/d Total gas = 88 mcf/d % Upper Zone =  $\frac{125}{173}$  =  $\frac{72\%}{173}$ 

Upper Zone (SA) = 0 BOPD

% Upper Zone = <u>39</u> = <u>72</u>%

54

Total oil = 15 BOPD