

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-015-41832
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

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 F : 1655 feet from the North line and 1690 feet from the West line  
Section 30 Township 17-S Range 28-E NMPM Eddy County

7. Lease Name or Unit Agreement Name <b>HORSESHOE STATE</b>
8. Well Number #3
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836)

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3564' GL

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- OTHER: Payadd Workover

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.

On 11/17/14, TOH w/2-7/8" tbg & ESP pump. Set 5-1/2" CBP @ 4500' & PT CBP & 5-1/2" csg to 3500 psi-OK. (Existing Yeso (Tubb) perms @ 4628'-5010'). Perfed Yeso @ 4046', 54', 62', 66', 78', 85', 96', 4102', 13', 22', 29', 34', 40' 56', 60', 70', 82', 90', 96', 4206', 20', 22', 34', 42', 56', 72', 82', 92', 4300', 12' w/1-0.41" spf. Total 30 holes. Treated w/1517 gal 7.5% HCL acid. On 12/3/14, fraced Yeso w/30,288# 100 mesh & 238,690# 40/70 Wisconsin sand in slick water.

Set 5-1/2" CBP @ 4620' & PT CBP & 5-1/2" csg to 3500 psi-OK. Perfed Yeso @ 3664', 68', 77', 84', 89', 99', 3709', 17', 26', 34', 39', 48', 61', 72', 78', 86', 94', 98', 3806', 14', 20', 28', 36', 46', 50', 64', 71', 80', 87' w/1-0.41" spf. Total 29 holes. Treated w/1523 gal 7.5% HCL acid. Fraced Yeso w/29,568# 100 mesh & 191,017# 40/70 Arizona sand in slick water.

Set 5-1/2" CBP @ 3590' & PT CBP & 5-1/2" csg to 3500 psi-OK. Perfed Yeso @ 3340', 45' 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 3400', 05', 10', 16', 22', 27', 37', 46', 56', 62', 67', 74', 84', 89' w/1-0.41" spf. Total 26 holes. Treated w/1496 gal 7.5% HCL acid. Fraced Yeso w/29,961# 100 mesh & 141,940# 40/70 Arizona sand in slick water.

CO after frac, drill CBPs @ 3590' & 4620', & CO to CBP @ 4500'. On 12/6/14, landed ESP on 2-7/8" 6.5# J-55 tbg @ 3135'. Released completion rig on 12/8/14. After a test on the new Yeso perms, the CBP @ 4500' will be drilled out & to open all the Yeso perms to production.

Spud Date: 5/15/14

Drilling Rig Release Date: 5/21/14

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 12/8/14

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

APPROVED BY: [Signature] TITLE Dist. J. R. Spurgeon DATE 12/11/2014

Conditions of Approval (if any):