

NM OIL CONSERVATION

DISTRICT

MAR 02 2015

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

WELL API NO.

30-015-40339

5. Indicate Type of Lease

STATE ☒ FEE ☐

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 D : 990 feet from the North line and 330 feet from the West lineSection 32 Township 17-S Range 28-E NMPM Eddy County

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

3700' GL

7. Lease Name or Unit Agreement Name

ENRON STATE

8. Well Number #18

9. OGRID Number 281994

10. Pool name or Wildcat

Artesia, Glorieta-Yeso (96830)

Artesia, Queen-Gravburg-San Andres (3230)

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: Recomplete to San Andres & DHC ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐

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 Operating, LLC would like to recomplete this Yeso oil well to the San Andres & DHC as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3400' & PT to ~3500 psi. (Existing Yeso perfs are @ 3460'-4140'). Perf lower San Andres @ ~2782'-3121' w/~34 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~305,340# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2710' & PT to ~3500 psi. Perf San Andres @ ~2270'-2641' w/~37 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~344,190# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2180' & PT to ~3500 psi. Perf upper San Andres @ ~1862'-2103' w/~36 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~15,000# 100 mesh & ~87,150# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2180' & 2710', & CO to CBP @ 3400'. Run 2-7/8" 6.5#J-55 production tbg & land @ ~3185'. Release workover rig. Complete as a single San Andres oil well. See the attached proposed wellbore diagram. Following a test of the San Andres alone & the approval of our DHC application in Santa Fe, the CBP @ 3400' will be removed & the well DHC.

Spud Date: 1/11/14

Drilling Rig Release Date: 1/16/14

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Mike Pippin

Type or print name Mike Pippin

TITLE Petroleum Engineer - Agent

DATE 2/27/15

E-mail address: mike@pippinllc.com

PHONE: 505-327-4573

For State Use Only

APPROVED BY:

BR Dade

TITLE

Dist H. Pippin

DATE 3/2/15

Conditions of Approval (if any):

