

Office

Revised July 18, 2013

District I - (575) 393-0100

Minerals and Natural Resources

District II - (575) 748-1283

District III - (505) 334-6178

District IV - (505) 476-3460

1000 Rio Brazos Rd., Aztec, NM 87410

1220 S. St. Francis Dr., Santa Fe, NM 87505

NM OIL CONSERVATION DIVISION

APR 03 2015

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

WELL API NO.

30-015-40983

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

STALEY STATE

8. Well Number #20

9. OGRID Number 281994

10. Pool name or Wildcat

Red Lake, Glorieta-Yeso NE (96836)

Red Lake, Queen-Grayburg-San Andres (51300)

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 O : 330 feet from the South line and 1650 feet from the East lineSection 30 Township 17-S Range 28-E NMPM Eddy County11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3648' 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: 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 @ ~3250' & PT to ~3500 psi. (Existing Yeso perms are @ 3290'-4660'). Perf lower San Andres @ ~2782'-3137' w/~38 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~313,740# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2720' & PT to ~3500 psi. Perf San Andres @ ~2256'-2647' w/~40 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~352,590# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2150' & PT to ~3500 psi. Perf upper San Andres @ ~1768'-1952' w/~37 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~138,600# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2150' & 2720', & CO to CBP @ 3250'. Run 2-7/8" 6.5#J-55 production tbg & land @ ~3135'. Run pump & rods. 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 CBP @ 3250' will be removed & the well DHC as per order ART-4609-W.

Spud Date: 3/3/13

Drilling Rig Release Date: 3/10/13

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 4/2/15Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: [Signature] TITLE Assistant Secretary DATE 4/2/15

Conditions of Approval (if any):



County	EDDY	Well Name	Staley State #20	Field:	Redlake Glorieta-Yeso NE	Well Sketch:	AFE R15018 LRE Operating, LLC
Surface Lat:	32.7985900°N	BH Lat:	32.7985900°N	Survey:	S30-T17S-R28E Unit O	API #:	30-015-40983
Surface Long:	104.2112107°W	BH Long:	104.2112107°W		330' FSL & 1650' FEL	OGRID #	281994

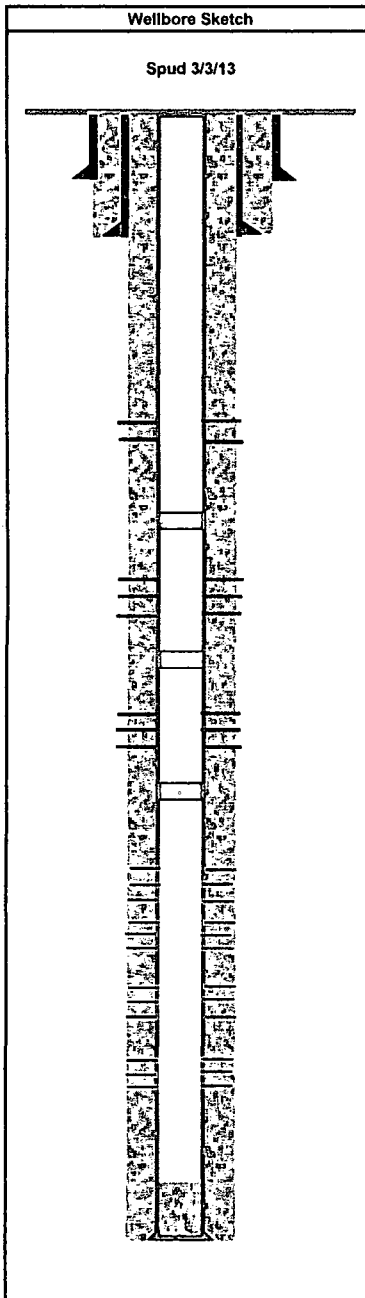
Directional Data:	
KOP	Vertical Well
Max Dev.:	
Diag sev:	
Dev @ Perfs	
Ret to Vert:	

Drilling / Completion Fluid	
Drilling Fluid:	10.2 PPG Brine / Salt Gel
Drilling Fluid:	
Completion Fluid:	2% KCL
Completion Fluid:	
Packer Fluid:	NA

Tubular Data							
Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC
Conductor	20"	91.5#	B	Weld	40'	40'	SURF
Surface	8 5/8"	24#	J-55	STC	430'	430'	SURF
Intermediate							
Production	5 1/2"	17#	J-55	LTC	4908'	4908'	SURF
Liner							

CEMENT DATA							
	L/sks	Yld	Wt	T/sks	Yld	Wt	XS
Surface	330	1.35	14.8	NA	NA	NA	125 sx
Intermediate							
Liner							
Production	350	1.9	12.8	650	1.33	14.8	198 sx

Wellhead Data	
Type:	
WP:	
Tree Cap	Flange:
	Thread:
Tbg Hanger:	
8TM Flange:	
BPV Profile:	NA
Elevations:	GR - RKB = 13.4'
RKB:	3660.9
GL:	3,647.5'



Completion Information							
DEPTHS (MD)	FORMATION TOPS / WELL INFO	PERFORATIONS		# of HOLES	DETAILS		
		from	to				
0							
40'	26" Hole						
430'	12-1/4" Hole						
1,768'	San Andres						
2 7/8" tbg, TAC at 1668', SN at 3100', 4' slotted sub, 1 jt MA w BP at 3135'							
91- 7/8" KD, 29 - 3/4" KD, 4- 1.5" kbars, 2.5"x2"x20' RHBC-HVR Pump							
Lufkin 640-365-168 w 50 HP Motor, 147" SL at 8 SPM							
	Stage #3 San Andres	1,768'		1,952'	37		
CBP at 2150'							
	Stage #2 San Andres	2,256'		2,647'	40		
CBP at 2720'							
	Stage #1 San Andres	2,782'		3,137'	38		
CBP at 3250'							
3229'	Glorieta						
3,290'	Yeso						
	Stage 4 U. Yeso Frac	3290'		3590'	39		
	Stage 3 L. Yeso Frac	3650'		3900'	51		
	Stage 2 L. Yeso Frac	3980'		4281'	43		
	Stage 1 L. Yeso Frac	4330'		4661'	67		
4714'	Tubb						
	PBTD						
4908'	PROD CSG						
184', 1500 g 15% HCL, 30,000 # 100 Mesh							
138,600 # 40/70, 4826 bbls water, 80 + BPM							
391', 1500 g 15% HCL, 30,000 # 100 Mesh							
352,590 # 40/70, 9300 bbls water, 80 + BPM							
355', 1500 g 15% HCL, 30,000 # 100 Mesh							
313,740 # 40/70, 8800 bbls water, 80 + BPM							
301' Stg 4 - See Frac Design							
250' Stg 3 - See Frac Design							
301' Stg 2 - See Frac Design							
331' Stg1 - See Frac Design							
above 5-1/2" Float Collar							
5-1/2" Prod Csg. Circ 198 SX Cmt to Surf							
Comments: NM OCD CLP 0213828				Plug back Depth:			MD
				Total Well Depth:		4920'	4920' MD
				Prepared By:		Date:	
				Eric McClusky		1-Apr-15	

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 87200

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

NM OIL CONSERVATION State of New Mexico
ARTESIA DISTRICT Energy, Minerals & Natural Resources Department

APR 03 2015 OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RECEIVED

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-40983	² Pool Code 51300	³ Pool Name Red Lake, Queen-Grayburg-San Andres
⁴ Property Code 309874	⁵ Property Name STALEY STATE	⁶ Well Number 20
⁷ OGRID No. 281994	⁸ Operator Name LRE OPERATING, LLC.	⁹ Elevation 3648' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	30	17-S	28-E		330	SOUTH	1650	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<div style="text-align: center; font-size: 2em;">30</div>			¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature <u>Mike Pippin</u> Date <u>4/2/15</u> Printed Name <u>Mike Pippin</u>	
			¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey <u>12/27/12</u> Signature and Seal of Professional Surveyor: Filmon F. Jaramillo 12797 Certificate Number	
	<div style="text-align: center;"> </div>			