

Submit 1 Copy To Appropriate District
Office
District I - (505) 333-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (505) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 334-6178
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. 30-015-40989
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 STALEY STATE
8. Well Number #21
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres (51300)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3615' 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 ☒ 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 I : 1655 feet from the South line and 330 feet from the East line
Section 30 Township 17-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3615' 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 perfs are @ 3310'-4580'). Perf lower San Andres @ ~2766'-3111' w/~35 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~303,030# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2700' & PT to ~3500 psi. Perf San Andres @ ~2238'-2641' w/~40 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~347,130# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2150' & PT to ~3500 psi. Perf upper San Andres @ ~1758'-1993' w/~37 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~119,700# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2150' & 2700', & CO to CBP @ 3250'. Run 2-7/8" 6.5#J-55 production tbg & land @ ~3155'. 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-Z.

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.

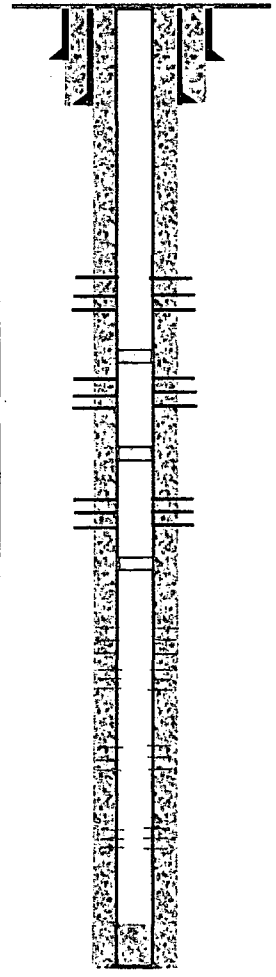
SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE 5/6/15

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

For State Use Only

APPROVED BY: [Signature] TITLE Asst. P. Supervisor DATE 5/8/15

Conditions of Approval (if any):

PADAWAY LIME ROCK RESOURCES	County	EDDY	Well Name	Staley State #21	Field:	Redlake Glorieta-Yeso NE	Well Sketch:	AFE R15024 LRE Operating, LLC				
	Surface Lat:	32.8022519°N	BH Lat:	32.8022519°N	Survey:	S30-T17S-R28E Unit I	API #	30-015-40989				
	Surface Long:	104.2068815°W	BH Long:	104.2068815°W		1655' FSL & 330' FEL	OGRID #	281994				
Directional Data:		Tubular Data				Wellhead Data						
KOP	Vertical Well	Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC	Type:		
Max Dev.:		Conductor	20"	91.5#	B	Weld	40'	40'	SURF	WP:		
Dleg sev:		Surface	8 5/8"	24#	J-55	STC	430'	430'	SURF	Tree Cap	Flange:	
Dev @ Perfs		Intermediate								Thread:		
Ret to Vert:		Production	5 1/2"	17#	J-55	LTC	4958'	4958'	SURF	Tbg Hanger:		
Drilling / Completion Fluid		CEMENT DATA										
Drilling Fluid: 10.2 PPG Brine / Salt Gel			Lbs	Yd	Wt	T/bks	Yd	Wt	XS	BTM Flange:		
Drilling Fluid:		Surface	330	1.35	14.8	NA	NA	NA	196 ex	BPV Profile: NA		
Completion Fluid: 2% KCL		Intermediate								Elevations: GR - RKB = 13.4'		
Completion Fluid:		Liner								RKB: 3628.4		
Packer Fluid: NA		Production	350	1.9	12.8	600	1.33	14.8	187 ex	GL: 3,615.0'		
Wellbore Sketch		Completion Information										
		DEPTHS (MD)	FORMATION TOPS / WELL INFO	PERFORATIONS		# of HOLES	DETAILS					
		0		from	to							
		40'	26" Hole				20" Conductor Pipe					
		430'	12-1/4" Hole				8-5/8" Surf Csg Circ 196 ex Cmt to surf					
		1803'	San Andres									
		2 7/8" tbg, TAC at 1658', SN at 3120', 4' slotted sub, 1 Jt MA w BP at 3135'										
		Tenaris Rods w T-couplings; 89- 7/8" KD, 32- 3/4" KD, 4- 1.5" kbars, 2.5"x2"x20' RHBC-HVR Pump										
		Lufkin 912-365-168- 50 HP, 168" SL at 8 SPM										
		San Andres						1,758'	1,993'	35	78', 1500 g 15% HCL, 4,114 bbbls water	
		CBP at 2150'										
San Andres						2,238'	2,841'	40	30,000 # 100 Mesh, 119,700 # 40/70 Ottawa			
CBP at 2700'												
San Andres						2,766'	3,111'	35	80 + BPM			
CBP at 3250'												
3178'	Glorieta					403', 1500 g 15% HCL, 7,714 bbbls water						
3,310'	Yeso					30,000 # 100 Mesh, 347,130 # 40/70 Ottawa						
	Stage 4 U. Yeso Frac	3310'		3611'	53	80 + BPM						
	Stage 3 L. Yeso Frac	3668'		3951'	33	345', 1500 g 15% HCL, 7,114 bbbls water						
	Stage 2 L. Yeso Frac	4000'		4301'	37	30,000 # 100 Mesh, 303,030 # 40/70 Ottawa						
	Stage 1 L. Yeso Frac	4350'		4581'	29	80 + BPM						
4700'	Tubb					301' Stg 4 - See Frac Design						
4958'	PSTD					283' Stg 3 - See Frac Design						
	PROD CSG					301' Stg 2 - See Frac Design						
Comments: NM OCD CLP 0213832						above 5-1/2' Float Collar						
Plug back Depth:						MD						
Total Well Depth:						4965' 4965' MD						
Prepared By:						Date:						
Eric McClusky						5-May-15						

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State of New Mexico
Energy, Minerals & Natural Resources Department
NM OIL CONSERVATION
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 30-015-40989	² Pool Code 51300	³ Pool Name Red Lake, Queen-Grayburg-San Andres
⁴ Property Code 39648	⁵ Property Name STALEY STATE	⁶ Well Number 21
⁷ OGRID No. 281994	⁸ Operator Name LRE OPERATING, LLC.	⁹ Elevation 3615' GL

¹⁰ Surface Location

UL or lot no. I	Section 30	Township 17-S	Range 28-E	Lot Idn	Feet from the 1655	North/South line SOUTH	Feet from the 330	East/West line EAST	County EDDY
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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
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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.

	¹⁷ OPERATOR CERTIFICATION <i>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.</i> Signature: <u>Mike Pippin</u> Date: 5/6/15 Printed Name: <u>Mike Pippin</u>	
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey: 12/27/12 Signature and Seal of Professional Surveyor: <u>Filmon F. Jaramillo</u> Certificate Number: 12797	