

Office

NM OIL CONSERVATION

Energy, Minerals and Natural Resources

June 19, 2008

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88240

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

87505

RECEIVED

APP 29 2015 OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-41063

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 #22

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 J : 2310 feet from the SOUTH line and 2175 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.)

3593' 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 ☒OTHER: Recomplete To San Andres ☒

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 1103. 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 @ 3305'-4550'). Perf lower San Andres @ ~2782'-3112' w/~33 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 @ ~2203'-2575' w/~38 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~328,230# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2100' & PT to ~3500 psi. Perf upper San Andres @ ~1740'-1971' 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 @ 2100' & 2700', & CO to CBP @ 3250'. Run 2-7/8" 6.5#J-55 production tbg & land @ ~3115'. 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-Y.

Spud Date: 5/4/13

Drilling Rig Release Date: 5/9/13

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 4/28/15

Type or print name Mike Pippin

E-mail address: mike@pippinllc.com

PHONE: 505-327-4573

For State Use Only

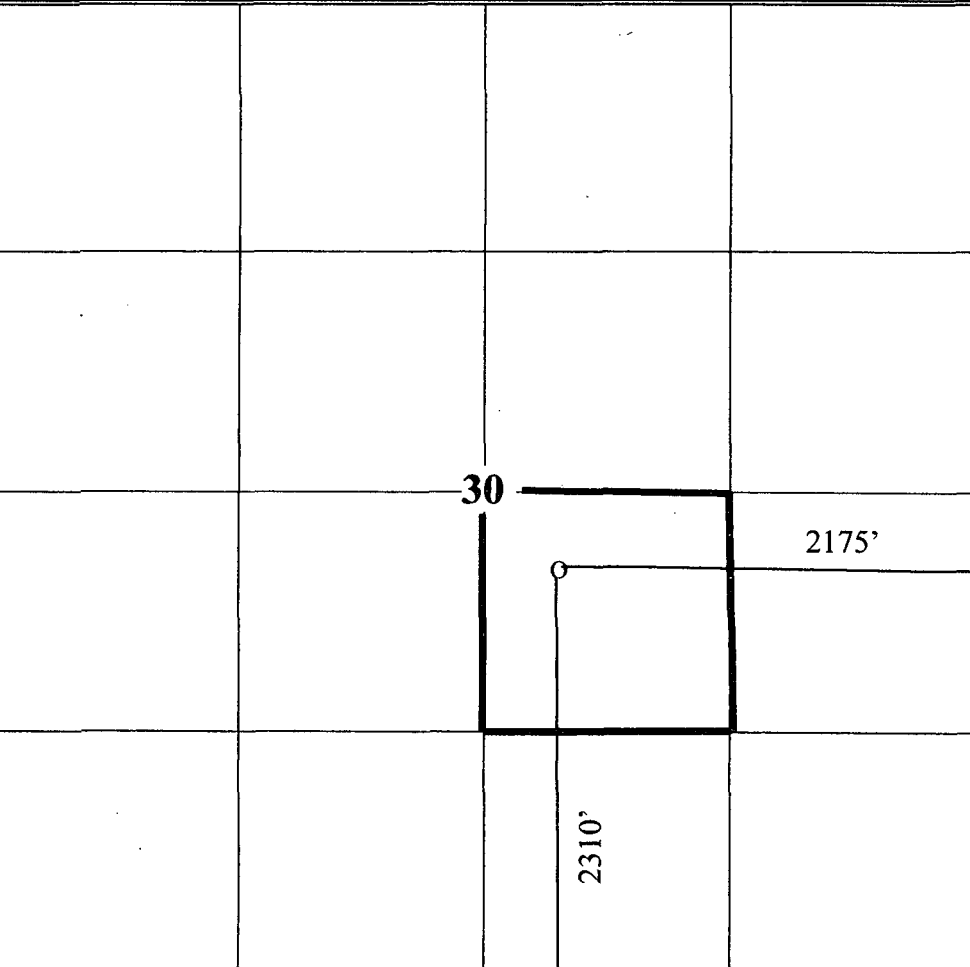
APPROVED BY:


R2Dade

TITLE Dist. TS Supervisor

DATE 5/6/15

Conditions of Approval (if any):

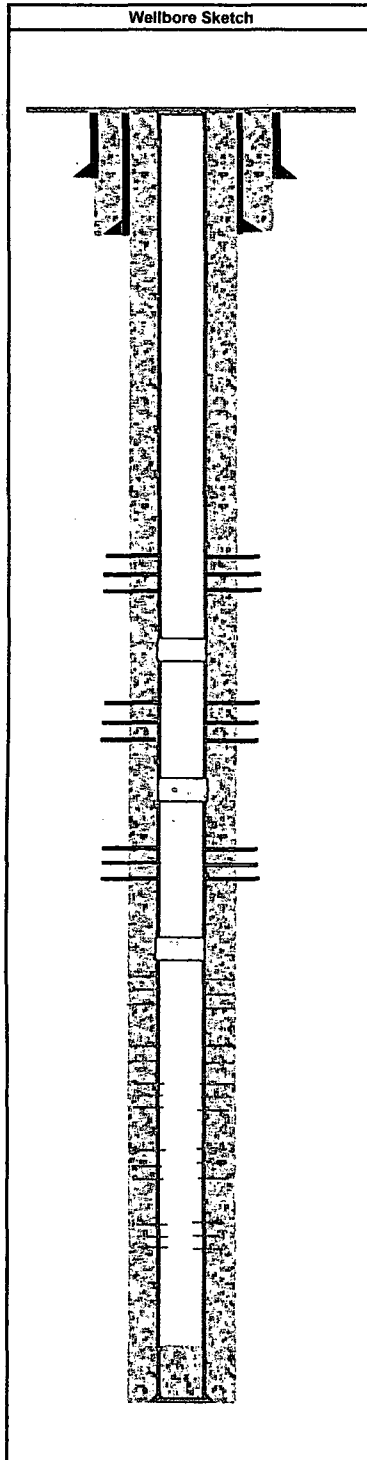
	<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or 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></p> <p>Signature <u>Mike Pippin</u> Date <u>4/28/15</u></p> <p><u>Mike Pippin</u> Printed Name</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p><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></p> <p>Date of Survey <u>12/28/12</u></p> <p>Signature and Seal of Professional Surveyor: <u>Filmon F. Jaramillo</u></p> <p>Certificate Number <u>12797</u></p>

	County	EDDY	Well Name	Staley State #22	Field:	Redlake Glorieta-Yeso NE	Well Sketch:	AFE R15023 LRE Operating, LLC
	Surface Lat:	32.8040233°N	BH Lat:	32.8040233°N	Survey:	S30-T17S-R28E Unit J	API #	30-015-41063
	Surface Long:	104.2128683°W	BH Long:	104.2128683°W		2310' FSL & 2175' 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	431'	431'	SURF	Tree Cap	Flange:
Dev @ Perfs		Intermediate								Thread:	
Ret to Vert:		Production	5 1/2"	17#	J-55	LTC	4,999'	4,999'	SURF		
		Liner								Tbg Hanger:	

Drilling / Completion Fluid		CEMENT DATA									
Drilling Fluid: 10.2 PPG Brine / Salt Gel			L/sks	Yld	Wt	T/sks	Yld	Wt	XS		
Drilling Fluid:		Surface	280	1.35	14.8	NA	NA	NA	105 sx		
Completion Fluid: 2% KCL		Intermediate									
Completion Fluid:		Liner									
Packer Fluid: NA		Production	300	1.9	12.8	625	1.33	14.8	85 sx		

Wellhead Data	
8TM Flange:	
BPV Profile:	NA
Elevations:	GR - RKB = 13.4'
RKB:	3606.2
GL:	3,593.2'



Completion Information								
DEPTHS (MD)	FORMATION TOPS / WELL INFO	PERFORATIONS			# of HOLES	DETAILS		
		from	to					
0								
40'	26" Hole					20" Conductor Pipe		
431'	12-1/4" Hole					8-5/8" Surf Csg Circ 105 sx Cmt to surf		
502'	Seven Rivers							
1052'	Queen							
1474'	Grayburg							
1738'	Premier							
1780'	San Andres							
2 7/8" tbg, TAC at 1640', SN at 3080', 4' slotted sub, 1 jt MA w BP at 3115'								
Tenaris Rods w T-couplings; 77-1" KD, 42- 7/8" KD, 4- 1.5" kbars, 2.5"x2"x20' RHBC-HVR Pump								
Shores Lift 640-365-168- 50 HP, 168" SL at 8 SPM								
	San Andres	1,740'	1,971'	37		96', 1500 g 15% HCL, 4,114 bbls water		
CBP at 2100'						30,000 # 100 Mesh, 119,700 # 40/70 Ottawa		
	San Andres	2,203'	2,575'	38		80 + BPM		
CBP at 2700'						372', 1500 g 15% HCL, 7,414 bbls water		
	San Andres	2,782'	3,112'	33		30,000 # 100 Mesh, 328,230 # 40/70 Ottawa		
CBP at 3250'						80 + BPM		
3173'	Glorieta					330', 1500 g 15% HCL, 7,114 bbls water		
CBP at 3250'						30,000 # 100 Mesh, 303,030 # 40/70 Ottawa		
3305'	Yeso					80 + BPM		
	Stage 5 U. Yeso Frac	3305'	3486'	37		181' Stg 5 - See Frac Design		
	Stage 4 U. Yeso Frac	3520'	3657'	18		137' Stg 4 - See Frac Design		
	Stage 3 L. Yeso Frac	3700'	3,873'	18		173' Stg 3 - See Frac Design		
	Stage 2 L. Yeso Frac	3922'	4241'	30		319' Stg 2 - See Frac Design		
	Stage 1 L. Yeso Frac	4290'	4550'	24		261' Stg1 - See Frac Design		
4670'	Tubb							
	PBTD					above 5-1/2" Float Collar		
4999'	PROD CSG					5-1/2" Prod Csg. Circ 85 SX Cmt to Surf		
Comments: NM OCD CLP 0213928					Plug back Depth:		MD	
					Total Well Depth:		5005'	5005' MD
					Prepared By:		Date:	
					Eric McClusky		27-Apr-15	