

3/25/2015 DATE IN	SUSPENSE	MM ENGINEER	3/26/2015 LOGGED IN	DHC TYPE	PLM 1508530904 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



WILLIAMS B FEDERAL #12 -- 30-015-42117

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mike Pippin
Print or Type Name

Mike Pippin
Signature

Petroleum Engineer
Title

March 23, 2015
Date

mike@pippinllc.com
e-mail Address

- DHC 4744
- LNE Operating, LLC
28994
we4
- Williams B Federal
we4 No. 12
30-015-42117

RECEIVED OGD
2015 MAR 25 AM 10:12

Pool
- Red Lake; Queen
Grayburg - SA
51300
- Artesia; Glorietta
YES
96830

LRE OPERATING, LLC
Mike Pippin
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) mike@pippinllc.com

March 23, 2015

NMOCD
c/o Phil Goetze
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: C-107A TO COMMINGLE TWO POOLS
WILLIAMS B FEDERAL #12– API#: 30-015-42117
Unit Letter "G" Section 29 T17S R28E
Eddy County, New Mexico

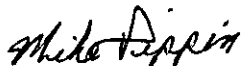
Dear Mr. Goetze,

The referenced oil well was completed on April 11, 2014 in the Artesia, Glorieta-Yeso (96830). The attached NOI sundry to recompleate this well to the Red Lake, Queen-Grayburg-San Andres (51300) has been submitted to the NM District office in Artesia. Interests in these two pools are identical, and the BLM has been notified.

The most recent Yeso production test was on 3/8/15 for 17 BOPD, 40 MCF/D, & 20 BWPD. After the recompleation to San Andres and a test of the San Andres alone, the CBP between the two pools will be removed and the two pools downhole commingled. The production allocations for each pool will then be calculated by subtracting the current (Yeso) production from the total well production after about two months of commingled production. We plan to submit these calculations and the resulting allocations to the district office.

Please contact me at 505-327-4573 should you have any questions.

Very truly yours,



Mike Pippin

Petroleum Engineer

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Grande Blvd., Alamo, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A,
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

LRE, OPERATING, LLC c/o Mike Pippin LLC (agent), 3104 N. Sullivan, Farmington, NM 87401
Operator Address

WILLIAMS B FEDERAL #12 G SEC. 29 T17S R28E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 281994 Property Code 309867 API No. 30-015-42117 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Red Lake; Queen-Grayburg-San Andres		Artesia; Glorieta-Yeso
Pool Code	51300		96830
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	~2064'-3117'		3398'-3524'
Method of Production (Flowing or Artificial Lift)	Prospective		Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	741 PSI		851 PSI
Oil Gravity or Gas BTU (Degree API or Gas BTU)	34.8		38.32
Producing, Shut-In or New Zone	Proposed New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: RATES:	Date: Rates:	Date: March 8, 2015 Rates: 17 BOPD 40 MCF/D 20 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas %	Oil Gas %	Oil Gas

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:


- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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 March 23, 2015

TYPE OR PRINT NAME Mike Pippin TELEPHONE NO. (505) 327-4573

E-MAIL ADDRESS mike@pippinllc.com

	County	EDDY	Well Name	Williams B Federal #12	Field:	Redlake Glorieta-Yeso NE	Well Sketch:	AFE R15015 LRE Operating, LLC
	Surface Lat:	32.8056829°N	BH Lat:	32.7977067°N	Survey:	S29-T17S-R28E Unit G	API #	30-015-42117
	Surface Long:	104.1967750°W	BH Long:	104.2058501°W		2310' FNL & 2460' FEL	OGRID #	281994

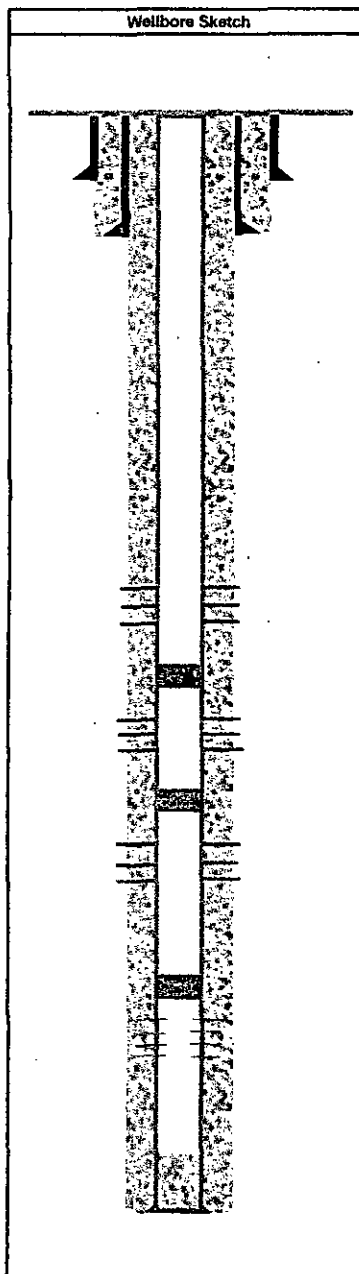
Directional Data:			
KOP	561' MD		
Max Dev.:	11 Deg		
Dleg sev:	3.35		
Dev @ Perfs	9 Deg		
Ret to Vert:	2106' MD		

Tubular Data							
Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC
Conductor	14"	68.7#	B	Weld	40'	40'	SURF
Surface	8 5/8"	24#	J-55	STC	436'	436'	SURF
Intermediate							
Production	5 1/2"	17#	J-55	LTC	3,607'	3,621'	SURF
Liner							

CEMENT DATA							
	L/sks	Yld	Wt	T/sks	Yld	Wt	XS
Surface	300	1.35	14.8	NA	NA	NA	59 sx
Intermediate							
Liner							
Production	310	1.9	12.8	335	1.33	14.8	163 sx

Wellhead Data	
Type:	
WP:	
Tree Cap	Flange:
	Thread:
Tbg Hanger:	
8TM Flange:	
BPV Profile:	NA
Elevations:	GR - RKB = 11.8'
RKB:	3656'
GL:	3,644.2'

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



Completion Information					
DEPTHS (MD)	FORMATION TOPS / WELL INFO	PERFORATIONS		# of HOLES	
		from	to		
0					
40'	20" Hole				
436'	12 1/4" Hole				
592'	Seven Rivers				
1,164'	Queen				
1,579'	Grayburg				
1,922'	San Andres				
ALX 320-256-120 pumping unit with 30 HP motor					
2 7/8" tbg, TAC at 1810', SN at 3150', 4' slotted sub, 1 jt MA w BP at 3185'					
28- 1" KD bare, 33-1" KD 5 guides/rod, 24- 7/8" KD 5 guides/rod, 39-7/8" KD bare, 4-1.5" Kbars,					
2.5"x2"x20" RHBC-HVR Pump, 107" SL, 9 SPM					
	San Andres	1,910'	2,339'	38	
CBP at 2380'					
	San Andres	2,416	2,699'	31	
CBP at 2724'					
	San Andres	2,754'	3,117'	34	
3,290'	Glorieta				
3,398'	Yeso				
CBP at 3350'					
	Stage 1 Yeso Frac	3,398'	3,525'	33	
	P8TD				
3,621'	PROD CSG				
Comments: NM OCD CLP					
Plug back Depth:				MD	
Total Well Depth:				3611' TVD	3625' MD
Prepared By:				Date:	
Eric McClusky				18-Mar-15	

DETAILS

14" Conductor Pipe

8-5/8" Surf Csg Circ 59 sx Cmt to surf

204' Pay, 1500g15%HCL, 30,000 # 100 Mesh

179,340 # 40/70, 7000 bbis water, 80 + BPM

283', 1500 g 15% HCL, 30,000 # 100 Mesh

257,040 # 40/70, 8100 bbis water, 80 + BPM

363', 1500 g 15% HCL, 30,000 # 100 Mesh

313,740 # 40/70, 8800 bbis water, 80 + BPM

127' Stg1 - See Frac Design

above 5-1/2" Float Collar

5-1/2" Prod Csg. Circ 163 SX Cmt to Surf

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. WILLIAMS B FEDERAL 12
2. Name of Operator LRE OPERATING, LLC		9. API Well No. 30-015-42117
3a. Address C/O MIKE PIPPIN 3104 N. SULLIVAN FARMINGTON, NM 87401	3b. Phone No. (include area code) Ph: 505-327-4573	10. Field and Pool, or Exploratory RED LAKE, Q-GR-SA 51300
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 29 T17S R28E SWNE 2310FNL 2460FEL		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THIS IS A REQUEST TO RECOMPLETE THIS YESO WELL TO THE SAN ANDRES.

MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3350' & PT to ~3500 psi. (Existing Yeso perfs are at 3398'-3524'). Perf upper SA @ ~2754'-3117' w/~34 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~313,740# 40/70 Ottawa sand in slick water. Set a 5-1/2" CBP @ ~2724' & PT to ~3500 psi. Perf middle SA @ ~2416'-2699' w/~31 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~257,040# 40/70 Ottawa sand in slick water. Set a 5-1/2" CBP @ ~2380' & PT to ~3500 psi. Perf lower SA @ ~2064'-2339' w/~26 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~179,340# 40/70 Ottawa sand in slick water. CO after frac & drill out CBPs @ 2380' & 2724', & CO to CBP @ 3350'. Land 2-7/8" 6.5# J-55 production tbg @ ~3185'. Run pump & rods. Release workover rig. Complete as a single San Andres oil well. See the attached wellbore diagram. Following a test of the SA alone and the approval of both

14. I hereby certify that the foregoing is true and correct. Electronic Submission #295665 verified by the BLM Well Information System For LRE OPERATING, LLC, sent to the Carlsbad	
Name (Printed/Typed) MIKE PIPPIN	Title PETROLEUM ENGINEER
Signature (Electronic Submission)	Date 03/20/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

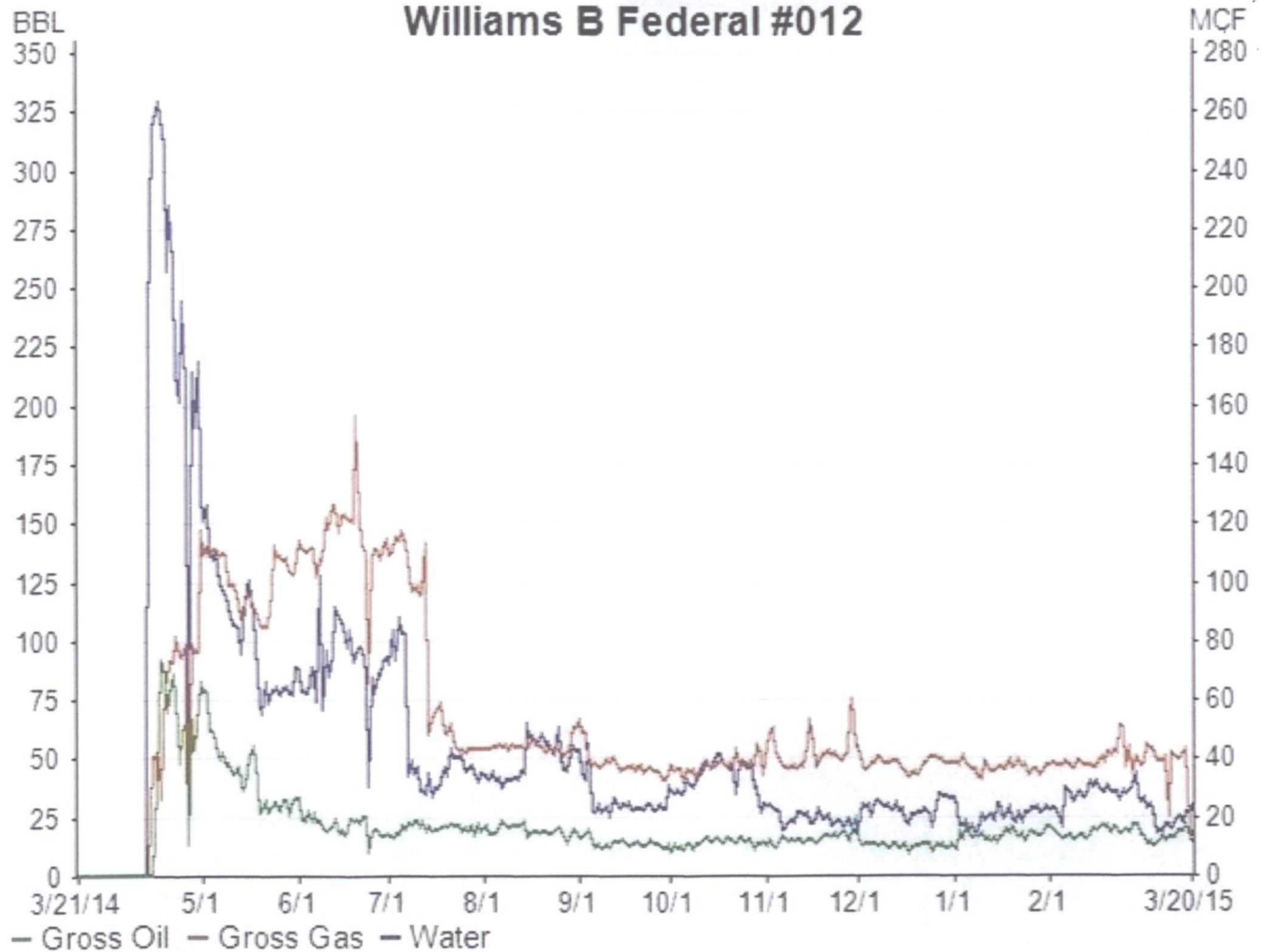
**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #295665 that would not fit on the form

32. Additional remarks, continued

the State & BLM DHC applications, the CBP @ 3350' will be removed and the well DHC.

Williams B Federal #012



District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

AS DRILLED

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-42117	² Pool Code 51300	³ Pool Name Red Lake, Queen-Grayburg-San Andres
⁴ Property Code 309867	⁵ Property Name WILLIAMS B FEDERAL	⁶ Well Number 12
⁷ OGRID No. 281994	⁸ Operator Name LRE OPERATING, LLC.	⁹ Elevation 3664' 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
G	29	17-S	28-E		2310	NORTH	2460	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
G	29	17-S	28-E		2277	NORTH	2264	EAST	EDDY

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.
2616.95'

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature: <u>Mike Pippin</u> Date: <u>3/20/15</u></p> <p>Printed Name: <u>Mike Pippin</u></p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>8/19/12</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Filmon F. Jaramillo</p> <p>12797</p> <p>Certificate Number</p>

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1361 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

State of New Mexico
Energy, Minerals & Natural Resources Department
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

AS DRILLED☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-015-42117	² Pool Code 96830	³ Pool Name Artesia, Glorieta-Yeso
⁴ Property Code 309867	⁵ Property Name WILLIAMS B FEDERAL	⁶ Well Number 12
⁷ OGRID No. 281994	⁸ Operator Name LRE OPERATING, LLC.	⁹ Elevation 3664' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	29	17-S	28-E		2310	NORTH	2460	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	29	17-S	28-E		2277	NORTH	2264	EAST	EDDY

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.

2616.95'

	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 undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well in 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>4/11/14</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>8/19/12</u> Signature and Seal of Professional Surveyor: <u>Filmon F. Jaramillo</u> 12797 Certificate Number: