

**State of New Mexico
Energy, Minerals and
Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505**

1. WELL API NO: 30-015-40027
2. Well Name: STALEY STATE #018
3. Well Number: 018
4. Surface Hole Location: Unit:H Lot:H Section:30 Township:17S Range:28E Feet from:2310 N/S Line:N Feet from:370 E/W Line:E
5. Bottom Hole Location: Unit:H Lot:H Section:30 Township:17S Range:28E Feet from:2310 N/S Line:N Feet from:370 E/W Line:E
6. latitude: 32.8060158291911 longitude: - 104.207578712047
7. County: Eddy

HYDRAULIC FRACTURING FLUID DISCLOSURE Original Amendment

8. Operator Name and Address: LRE OPERATING, LLC 1111 Bagby Suite 4600 Houston 77002	9. OGRID: 281994	10. Phone Number: 713-292-9517
11. Last Fracture Date: 5/4/2012 Frac Performed by: BAKER	12. Production Type: O	
13. Pool Code(s): 96836	14. Gross Fractured Interval: 3,606 ft to 4,660 ft	
15. True Vertical Depth (TVD): 5,106 ft	16. Total Volume of Fluid Pumped: 5,445 bbls	

17. HYDRAULIC FLUID COMPOSITION AND CONCENTRATION:

Trade Name	Supplier	Purpose	Ingredients	(CAS #) Chemical Abstract Service #	Maximum Ingredient Concentration in Additive (% by mass)	Maximum Ingredient Concentration in HF Fluid (% by mass)
HCL 5.1-7.5%	BAKER	ACIDIZING	Hydrochloric acid	7647-01-0	7.5%	0.37404%
Activator 330	BAKER	ACTIVATOR	ALCOHOLS, C12-14-Secondary Methanol	84133-50-6 67-56-1	70% 50%	0.01861% 0.01329%
X-Cide 207	BAKER	Biocide	2-Methyl-4-Isothiazolin-3-One 5-Chloro-2-Methyl-4-Isothiazolin-3-One Crystalline Silica: Cristobalite Crystalline Silica: Quartz (SiO2) Diatomaceous Earth, Calcined Magnesium Chloride Magnesium Nitrate	2682-20-4 26172-55-4 14464-46-1 14808-60-7 91053-39-3 7786-30-3 10377-60-3	5% 10% 1% 1% 60% 5% 10%	0.00015% 0.0003% 3E-05% 3E-05% 0.00178% 0.00015% 0.0003%
ALPHA 125	BAKER	Biocide	GLUTARALDEHYDE	111-30-8	30%	0.00469%
GBW-5	BAKER	BREAKER	Ammonium Persulfate	7727-54-0	100%	0.0033%
Enzyme G-1	BAKER	BREAKER	Hemicellulase Enzyme Concentrate	9025-56-3	3%	0.00108%
ClayCare, tote	BAKER	Clay Control	Choline Chloride	67-48-1	75%	0.06476%
CI-27	BAKER	Corrosion Inhibitor	Fatty Acids Methanol Olefin Polyoxyalkylenes Propargyl Alcohol	Trade Secret 67-56-1 Trade Secret Trade Secret 107-19-7	30% 60% 5% 30% 10%	0.0012% 0.00239% 0.0002% 0.0012% 0.0004%
XLW-10A	BAKER	Crosslinker	Ethylene Glycol Sodium Hydroxide Sodium Tetraborate	107-21-1 1310-73-2 1330-43-4	30% 10% 30%	0.02535% 0.00845% 0.02535%
GW-4LDF	BAKER	Gelling Agent	Guar Gum Paraffinic Petroleum Distillates Petroleum Distillatef	9000-30-0 64742-55-8 64742-47-8	60% 60% 60%	0.28437% 0.28437% 0.28437%
Ferrotrol 280L	BAKER	Iron Control	2-Mercaptoethanol Ammonium Hydroxide Cupric Chloride	60-24-2 1336-21-6 7447-39-4	100% 5% 5%	0.01894% 0.00095% 0.00095%
NE-945, tote	BAKER	Non-emulsifier	Oxyalkylated alcohol	Trade Secret	5%	0.00395%
Sand Brown 16/30	BAKER	Propant	Crystalline Silica (Quartz)	14808-60-7	100%	12.46479%
SiberProp, 16/30	BAKER	Propant	Quartz (SiO2)	14808-60-7	100%	2.37384%
ScaleSorb 3, (50# bag)	BAKER	Scale Inhibitor	Amino Alkyl Phosphonic Acid Crystalline Silica: Quartz (SiO2) Diatomaceous Earth, Calcined Phosphonic Acid	Trade Secret 14808-60-7 91053-39-3 13598-36-2	30% 1% 100% 1%	0.01919% 0.00064% 0.06397% 0.00064%
ES-4A Greenskeeper Solvent	BAKER	Solvent	Petroleum Distillates Blend	Trade Secret	100%	0.02423%

18. I, as Operator, hereby certify that the information shown on this disclosure form is true and complete to the best of my knowledge and belief.

Signature: Signed Electronically Printed Name: Mike Pippin Title: Consultant
 Date: 7/4/2012
 E-mail Address: mike@pippinllc.com

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