

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**

- Engineering Bureau -

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



WILLIAMS A FEDERAL #5 - 30-015-33232

**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 \_\_\_\_\_

4670  
 - DHC  
 - LRE OPERATING  
 281994  
 well  
 - Williams A Federal #5  
 30-015-33232

- [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

RECEIVED OOD  
 APR 10 2014 11:20

Pool  
 - Red Lake, Green  
 GRAYBUNG-SA  
 51300  
 - Antesia, Glaniet  
 YESO  
 96830

[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	<i>Mike Pippin</i>	Petroleum Engineer	March 27, 2014
Print or Type Name	Signature	Title	Date

mike@pippinllc.com  
 e-mail Address

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

March 27, 2014

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

**RE: C-107A TO COMMINGLE TWO POOLS**  
**WILLIAMS A FEDERAL #5– API#: 30-015-33232**  
Unit Letter "M" Section 29 T17S R28E  
Eddy County, New Mexico

Dear Mr. Goetze,

The referenced oil well was completed on April 26, 2004 in the Artesia, Glorieta-Yeso (96830). On March 24, 2014, LRE submitted a BLM notice of intent, sundry notice to recomplete this well to the Red Lake, Queen-Grayburg-San Andres (51300). Following the recompletion, we would like to commingle the two pools after the San Andres production stabilizes, and we obtain BLM DHC approval. As per the new BLM rules, a commingle application will be submitted to the BLM after the San Andres production stabilizes. Interests in these two pools are identical.

The production allocations will be calculated by subtracting the current (Yeso) production of 9 BOPD, 78 MCF/D, and 43 BWPD 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 after the well has been on line for about 2 months.

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

Very truly yours,



Mike Pippin

Petroleum Engineer

District I  
1623 N. French Drive, Hobbs, NM 88240

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

District III  
1000 Rio Brazos Road, Aztec, 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 A FEDERAL #5** M SEC. 29 T17S R28E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 281994 Property Code 309877 API No. 30-015-33232 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<b>RED LAKE; -Queen-Grayburg-San Andres</b>		<b>ARTESIA: Glorieta-Yeso</b>
Pool Code	51300		96830
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	~1786'-3201'		3326'-3490'
Method of Production (Flowing or Artificial Lift)	Plan to Pump		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)	690 psi		851 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	34.8		38.32
Producing, Shut-In or New Zone	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: 3/12/14 Rates: 9 BOPD 78 MCF/D 43 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 27, 2014

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

E-MAIL ADDRESS mike@pippinllc.com

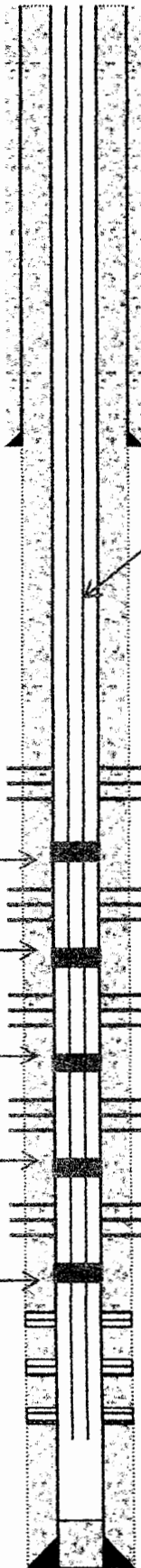


**LIME ROCK  
RESOURCES**

**Williams A Federal #5  
San Andres Recompletion  
AFE #R14005**

**Williams A Federal #5  
Sec 29-17S-28E (M)  
690' FSL, 530' FWL  
Elevation – 3,640'  
API #: 30-015-33232  
Eddy County, NM**

Spud  
3/1/04



8-5/8", 24#, J-55, ST&C Casing @ 463'. Circulated  
99 sx to surface.

2-7/8"; 6.5#, J-55 Tubing, TAC at 1686', SN at 3440', 4' Slotted sub,  
1 jt MA w BP at 3475' (AFTER DHC ORDER OBTAINED)

2-7/8"; 6.5#, j-55 Tubing, TAC at 1686', SN at 3200', 4' Slotted sub,  
1 jt MA w BP at 3235' (BEFORE DHC ORDER OBTAINED)

CBP at 2070'

CBP at 2314'

CBP at 2635'

CBP at 2955'

CBP at 3250'

**San Andres Perfs:**  
1786'-2035' 32 holes

**Stim Info:** 2000 g 15% NEFE HCL & 48 bio balls, 40,500 # 16/30 Brady & 13,500 # 16/30 Resin with 20 # x-linked gel

**San Andres Perfs:**  
2100'-2301' 24 holes

**Stim Info:** 2000 g 15% NEFE HCL & 36 bio balls, 44,000 # 16/30 Brady & 13,500 # 16/30 Resin with 20 # x-linked gel

**San Andres Perfs:**  
2326'-2621' 34 holes

**Stim Info:** 3000 g 15% NEFE HCL & 51 bio balls, 73,000 # 16/30 Brady & 18,000 # 16/30 Resin with 25 # x-linked gel

**San Andres Perfs:**  
2650'-2941' 30 holes

**Stim Info:** 3000 g 15% NEFE HCL & 45 bio balls, 73,000 # 16/30 Brady & 18,000 # 16/30 Resin with 20 # x-linked gel

**San Andres Perfs:**  
2970'-3201' 30 holes

**Stim Info:** 2300 g 15% NEFE HCL & 45 bio balls, 73,000 # 16/30 Brady & 18,000 # 16/30 Resin with 25 # x-linked gel

**Yeso Perfs:** 3326'-3490',  
20 holes, (7/13/11)

**Stim Info:** 3402 g 15% HCL & 84 bio balls @ 14 BPM, 71,907 g 25# gel, & 118,400 # 16/30 & 18,300 # 16/30 Resin @ 58.4 BPM, (7/13/11)

**Yeso Perfs:** 3,363'; 65'; 72'; 84'; 96'; 3,402'; 27';  
31'; 38'; 46'; 54'; 60' & 63' (2 SPF, 26 holes)  
(4/26/04)

**Stim Info:** 3000 gal 15% NEFE; 20k gal heated 20% HCl, 30k gal heated 40# gel, 3000 gal 15% HCl cool-down. (4/26/04)

PBTD @ 3,514'

5-1/2", 14#, K-55, ST&C Casing @ 3,560' Circulated  
77 sx to surface. (03/09/2004)

TD @ 3,570'

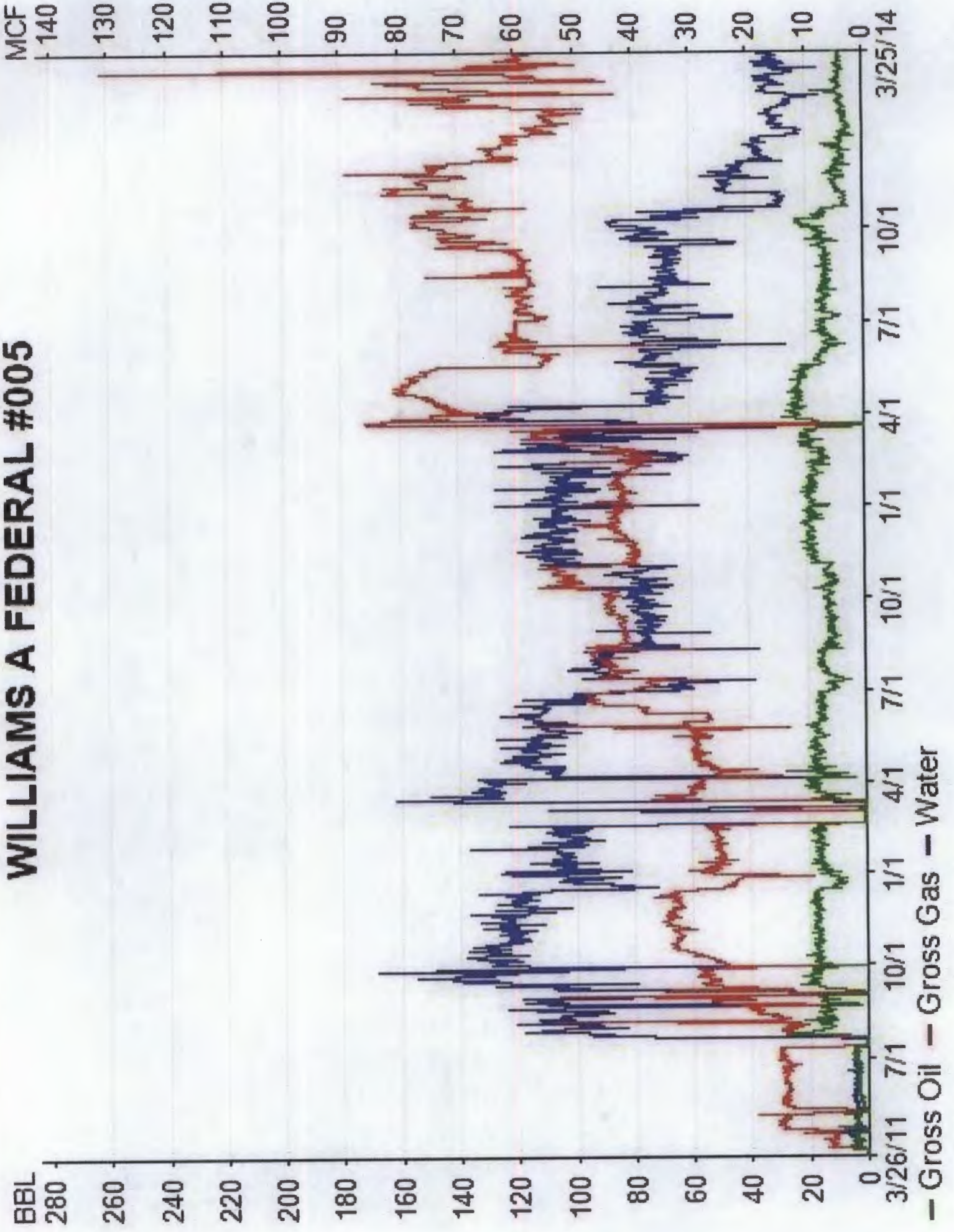
**GEOLOGY**

Zone	Top
7 Rivers	888'
Queen	1,110'
Grayburg	1,530'
San Andres	1,843'
Glorietta	3,238'
Yeso	3,390'

**SURVEYS**

Degrees	Depth
1°	508'
1°	1,016'
3/4°	1,504'
3/4°	2,024'
1/2°	2,518'
1-1/2°	3,013'

# WILLIAMS A FEDERAL #005



— Gross Oil — Gross Gas — Water



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

5. Lease Serial No.  
**NM-048344**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
**WILLIAMS A FEDERAL #5**

3  
30-015-33232

10. Field and Pool, or Exploratory Area  
Red Lake, Queen-Grayburg-San Andres (51300)  
Artesia, Glorieta-Yeso (96830)  
AND  
Eddy County, New Mexico

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**LRE OPERATING, LLC**

3a. Address c/o Mike Pippin LLC  
3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (include area code)  
505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
690' FSL & 530' FWL Unit M  
Sec. 29, T17S, R28E

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 checked="" 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 checked="" type="checkbox"/> Other <u>Recomplete to San Andres</u>
	<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 Operations (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 recomplete 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 recompletion 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.)

LRE would like to recomplete this Yeso oil well into the San Andres as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3250' & PT to 3500 psi. Perf **Stage #1** SA @ ~2970'-3201' w/~30 holes. Treat new perms w/~2300 gal 15% HCL & frac w/~91,000# 16/30 sand in 25# X-linked gel. Set a 5-1/2" CBP @ ~2955' & PT to 3500 psi. Perf **Stage #2** SA @ ~2650'-2941' w/~30 holes. Treat new perms w/~3000 gal 15% HCL & frac w/~91,000# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ ~2635' & PT to 3500 psi. Perf **Stage #3** SA @ ~2326'-2621' w/~34 holes. Treat new perms w/~3000 gal 15% HCL & frac w/~91,000# 16/30 sand in 25# X-linked gel. Set a 5-1/2" CBP @ ~2314' & PT to 3500 psi. Perf **Stage #4** SA @ ~2100'-2301' w/~24 holes. Treat new perms w/~2000 gal 15% HCL & frac w/~57,500# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ ~2070' & PT to 3500 psi. Perf **Stage #5** SA @ ~1786'-2035' w/~32 holes. Treat new perms w/~2000 gal 15% HCL & frac w/~54,000# 16/30 sand in 20# X-linked gel. CO after stimulations, drill CBPs @ 2070', 2314', 2635, & 2955' & CO to CBP @ ~3250'. Land 2-7/8" tbg @ ~3235', run pump & rods. Release rig & complete as a single San Andres oil well.

The existing Yeso perms (46 holes @ 3326'-3490') will be shut-in below the CBP @ 2350'. **DHC applications are pending.**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>Mike Pippin</b>	Title <b>Petroleum Engineer (Agent)</b>
Signature <i>Mike Pippin</i>	Date <b>March 24, 2014</b>

**THIS SPACE FOR FEDERAL OR STATE 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, makes 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.

**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

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**

<sup>1</sup> API Number 30-015-33232	<sup>2</sup> Pool Code 96830	<sup>3</sup> Pool Name Artesia, Glorieta-Yeso
<sup>4</sup> Property Code 309877	<sup>5</sup> Property Name <b>WILLIAMS A FEDERAL</b>	
<sup>7</sup> OGRID No. 281994	<sup>8</sup> Operator Name <b>LRE OPERATING, LLC.</b>	<sup>6</sup> Well Number <b>5</b>
<sup>9</sup> Elevation 3640' GL		

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	29	17-S	28-E		690	SOUTH	530	WEST	EDDY

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

<p>29</p>	<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b> <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>3/27/14</u></p> <p>Printed Name: <u>Mike Pippin</u></p>
	<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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>12/22/03</u> Signature and Seal of Professional Surveyor: <u>Dan R. Reddy</u></p>
	<p>5412 Certificate Number</p>

**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

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**

<sup>1</sup> API Number 30-015-33232	<sup>2</sup> Pool Code 51300	<sup>3</sup> Pool Name Red Lake, Queen-Grayburg-San Andres
<sup>4</sup> Property Code 309877	<sup>5</sup> Property Name <b>WILLIAMS A FEDERAL</b>	
<sup>7</sup> OGRID No. 281994	<sup>8</sup> Operator Name <b>LRE OPERATING, LLC.</b>	<sup>6</sup> Well Number 5
		<sup>9</sup> Elevation 3640' GL

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	29	17-S	28-E		690	SOUTH	530	WEST	EDDY

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

<p>530'</p> <p>690'</p>	<p>29</p>	<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b> <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: 2/24/14</p> <p>Printed Name: <u>Mike Pippin</u></p>
		<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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: 12/22/03</p> <p>Signature and Seal of Professional Surveyor: Dan R. Reddy</p>
		<p>5412 Certificate Number</p>