

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -



*David M... 1220 South St. Francis Drive, Santa Fe, NM 87505*  
ENRON STATE #18 -- 30-015-40339

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

*- DHL 474*  
*- LRF OPERATING LLC*  
*281994*  
*POOL*  
*- Antestay Queen*  
*Gnarbung - SAN*  
*Andres*  
*3230*  
*- Antestay*  
*G... eta - Y 8019*  
*96830*

[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 *Mike Pippin* Petroleum Engineer March 2, 2015  
 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 2, 2015

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

**RE: C-107A TO COMMINGLE TWO POOLS**  
**ENRON STATE #18**– API#: 30-015-40339  
Unit Letter "D" Section 32 T17S R28E  
Eddy County, New Mexico

Dear Mr. Goetze,

The referenced oil well was completed on February 4, 2014 in the Artesia Glorieta-Yeso (96830). The attached NOI sundry to recomplate this well to the Artesia, Queen-Grayburg-San Andres (3230) has been submitted to the NM District office in Artesia. Interests in these two pools are identical, and the NM Commissioner of Public Lands has been notified.

The Yeso production test before the recompletion on 2/4/15 was 12 BOPD, 76 MCF/D, & 84 BWPD. After the recompletion 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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

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

**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

District III  
1000 Rio Grande Road, Aztec, NM 87410

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

**APPLICATION FOR DOWNHOLE COMMINGLING**

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

ENRON STATE #18 Well No. D SEC. 32 T17S R28E Eddy County  
Lease Unit Letter-Section-Township-Range

OGRID No. 281994 Property Code 309874 API No. 30-015-40339 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Artesia; Queen-Grayburg-San Andres		Artesia; Glorieta-Yeso
Pool Code	3230		96830
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	~1862'-3121'		3460'-4140'
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
Bottomhole Pressure <small>(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)</small>	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. <small>(Note: For new zones with no production history, applicants shall be required to attach production estimates and supporting data.)</small>	Date: RATES:	Date: Rates:	Date: February 4, 2015 Rates: 12 BOPD 76 MCF/D 84 BWPD
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	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.

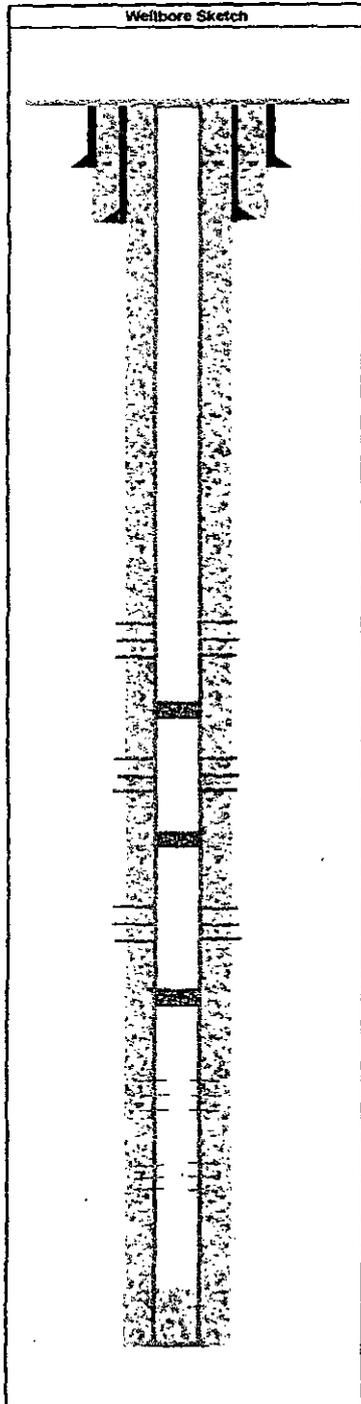
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE March 2, 2015

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

E-MAIL ADDRESS mike@pippinllc.com

	County	EDDY	Well Name	Enron State #18	Field:	Fedlake Glorieta-Yeso NE	Well Sketch:	AFE R15011 LRE Operating, LLC				
	Surface Lat:	32.7977087°N	BH Lat:	32.7977087°N	Survey:	S32-T17S-R28E Unit D	API #	30-015-40339				
	Surface Long:	104.2058501°W	BH Long:	104.2058501°W		990 FNL & 330' FWL	OGRID #	281994				
Directional Data:			Tubular Data				Wellhead Data					
KOP			Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC	Type:	
Max Dev.:			Conductor	14"	68.7#	B	Weld	40'	40'	SURF	WP:	
Dleg sev:			Surface	8 5/8"	24#	J-55	STC	425'	425'	SURF	Tree Cap	Flange:
Dev @ Perfs			Intermediate									Thread:
Ret to Vert:			Production	5 1/2"	17#	J-55	LTC	4,243'	4,243'	SURF	Tog Hanger:	
			Liner								8TM Flange:	
Drilling / Completion Fluid			CEMENT DATA				Wellhead Data					
Drilling Fluid: 10.2 PPG Brine / Salt Gel				L/sks	Yld	Wt	T/sks	Yld	Wt	XS	BPV Profile:	NA
Drilling Fluid:			Surface	250	1.35	14.8	NA	NA	NA	145 sx	Elevations:	GR - RKB = 11.8'
Completion Fluid: 2% KCL			Intermediate								RKB:	3712
Completion Fluid:			Liner								GL:	3,700.2
Packer Fluid: NA			Production	310	1.9	12.8	550	1.33	14.8	163 sx		



Completion Information					DETAILS	
DEPTHS (MD)	FORMATION TOPS / WELL INFO	PERFORATIONS		# of HOLES		
		from	to			
0						
40'	20" Hole				14" Conductor Pipe	
425'	11" Hole				8-5/8" Surf Csg Circ 145 sx Cmt to surf	
513'	Seven Rivers					
1,080'	Queen					
1,507'	Grayburg					
1,782'	Premier					
1,820'	San Andres					
2 7/8" tbg, TAC at 1762', SN at 3150', 4' slotted sub, 1 jt MA w BP at 3185'						
38-1" KD, 40-7/8" KD, 44-3/4" KD, 4-1.5" kbars, 2.5"x2"x20" RHBC-HVR Pump						
American 320-256-120 w 30 HP Motor, 107" SL at 8 SPM						
	Stage #3 San Andres	1,862'	2,103'	36	241', (70' pay) 1500 g 15% HCL 15,000 # 100 Mesh, 87,150 # 40/70, 3,650 bbls water, 80 + BPM	
CBP at 2180'						
	Stage #2 San Andres	2,270'	2,641'	37	371', 1500 g 15% HCL, 30,000 # 100 Mesh 344,190 # 40/70, 9200 bbls water, 80 + BPM	
CBP at 2710'						
	Stage #1 San Andres	2,782'	3,121'	34	339', 1500 g 15% HCL, 30,000 # 100 Mesh 305,340 # 40/70, 8700 bbls water, 80 + BPM	
CBP at 3400'						
3,203'	Glorieta					
3,318'	Yeso					
	Stage 2 Yeso Frac	3,460'	3,753'	49	293' Stg 2 - See Frac Design	
Yeso completed 1/31/14						
	Stage 1 Yeso Frac	3,800'	4,141'	36	340' Stg 1 - See Frac Design	
	PBTD					
4,243'	PROD CSG				above 5-1/2" Float Collar 5-1/2" Prod Csg. Circ 163 SX Cmt to Surf	
Comments: NM OCD CLP					Plug back Depth: MD	
					Total Well Depth: 4,250' 4250' MD	
					Prepared By: Date:	
					Eric McClusky 27-Feb-15	

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV - (505) 476-3460  
 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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-015-40339
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator <b>LRE OPERATING, LLC</b>		6. State Oil & Gas Lease No.
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401		7. Lease Name or Unit Agreement Name <b>ENRON STATE</b>
4. Well Location Unit Letter <u>D</u> : <u>990</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>West</u> line Section <u>32</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County		8. Well Number #18
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3700' GL		9. OGRID Number 281994
		10. Pool name or Wildcat Artesia, Glorieta-Yeso (96830) Artesia, Queen-Gravburg-San Andres (3230)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL. <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input checked="" type="checkbox"/>			
OTHER: Recomplete to San Andres & DHC <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 @ ~3400' & PT to ~3500 psi. (Existing Yeso perms are @ 3460'-4140'). Perf lower San Andres @ ~2782'-3121' w/~34 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~305,340# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2710' & PT to ~3500 psi. Perf San Andres @ ~2270'-2641' w/~37 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~344,190# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2180' & PT to ~3500 psi. Perf upper San Andres @ ~1862'-2103' w/~36 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~15,000# 100 mesh & ~87,150# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2180' & 2710', & CO to CBP @ 3400'. Run 2-7/8" 6.5#J-55 production tbg & land @ ~3185'. 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 approval of our DHC application in Santa Fe, the CBP @ 3400' will be removed & the well DHC.

Spud Date: 1/11/14

Drilling Rig Release Date: 1/16/14

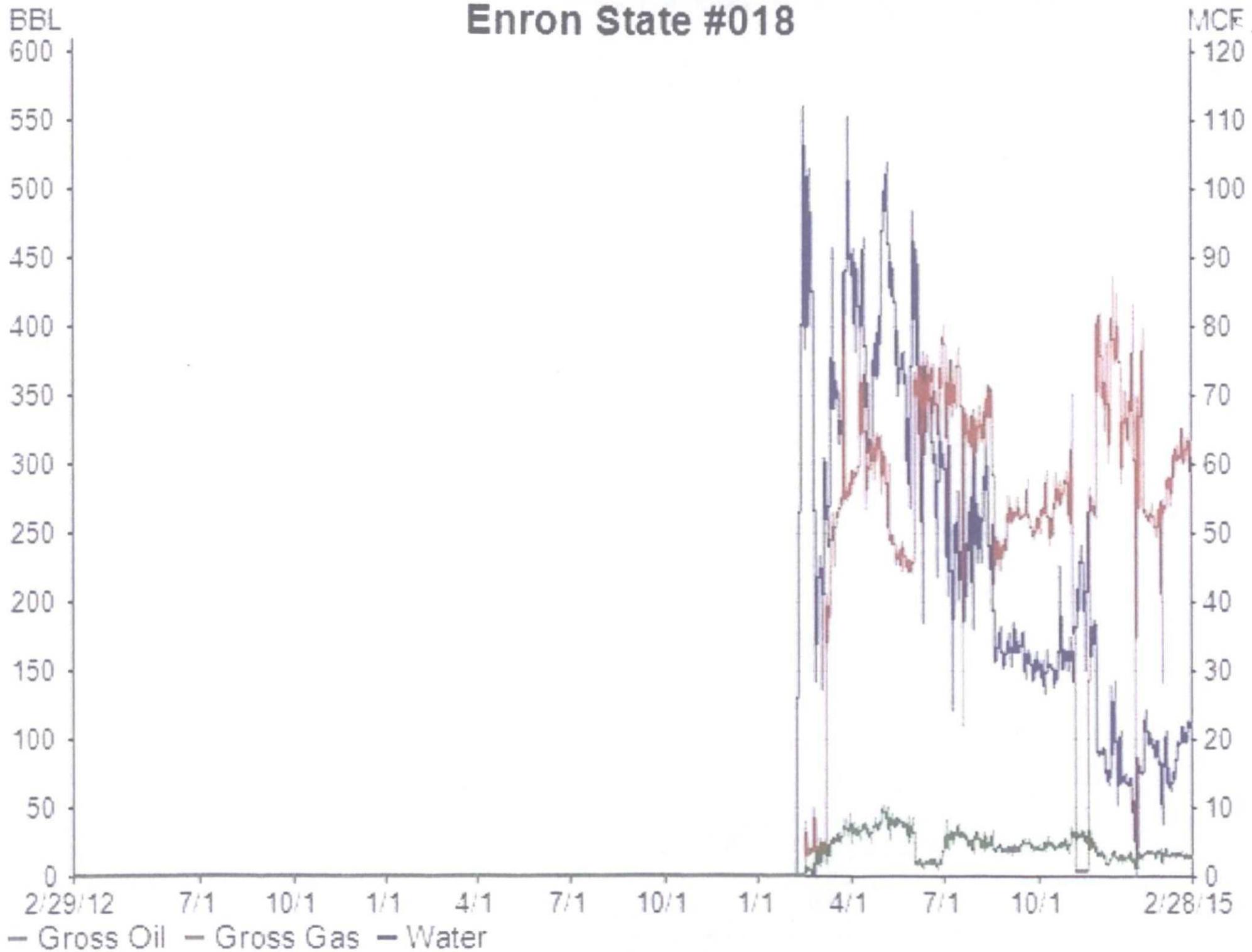
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE 2/27/15  
 Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 Conditions of Approval (if any): \_\_\_\_\_

# Enron State #018



— Gross Oil — Gross Gas — Water

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

March 2, 2015

New Mexico Commissioner of Public Lands  
Attention: Pete Martinez  
310 Old Santa Fe Trail  
PO Box 1148  
Santa Fe, NM 87504-1148

**RE: Notification of Downhole Commingling**  
**ENRON STATE #18** – API#: 30-015-40339  
Unit Letter "D" Section 32 T17S R28E  
Eddy County, New Mexico

Dear Mr. Martinez:

LRE Operating, LLC would like to commingle the existing, producing Artesia, Glorieta-Yeso interval with the proposed, Artesia, Queen-Grayburg-San Andres interval. The designated acreage for the proposed commingle will be the northwest quarter of the northwest quarter of section 32.

This letter is to notify you that we have submitted the necessary application and supporting data to the New Mexico Oil Conservation Division. A check for \$30 is enclosed with this notification along with a copy of the State application.

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

Very truly yours,



Mike Pippin  
Petroleum Engineer

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 30-015-40339		<sup>2</sup> Pool Code 96830		<sup>3</sup> Pool Name Artesia, Glorieta-Yeso	
<sup>4</sup> Property Code 309874		<sup>5</sup> Property Name ENRON STATE			<sup>6</sup> Well Number 18
<sup>7</sup> OGRID No. 281994		<sup>8</sup> Operator Name LRE OPERATING, LLC.			<sup>9</sup> Elevation 3700' 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
D	32	17-S	28-E		990	NORTH	330	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.

	<b><sup>17</sup> 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>	
		2/27/15
	Signature	Date
Mike Pippin		
Printed Name		
<b><sup>18</sup> 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>		
9/1/14		
Date of Survey		
Signature and Seal of Professional Surveyor:		
Filmon F. Jaramillo		
12797		
Certificate Number		

**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.  
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Form C-102  
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AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-40339		<sup>2</sup> Pool Code 3230		<sup>3</sup> Pool Name Artesia, Queen-Grayburg-San Andres	
<sup>4</sup> Property Code 309874		<sup>5</sup> Property Name ENRON STATE			<sup>6</sup> Well Number 18
<sup>7</sup> OGRID No. 281994		<sup>8</sup> Operator Name LRE OPERATING, LLC.			<sup>9</sup> Elevation 3700' 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
D	32	17-S	28-E		990	NORTH	330	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><b>32</b></p>	<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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: 2/27/15</p> <p>Printed Name: <u>Mike Pippin</u></p>
		<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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>9/1/14</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Filmon F. Jaramillo</p>
		<p>12797</p> <p>Certificate Number</p>