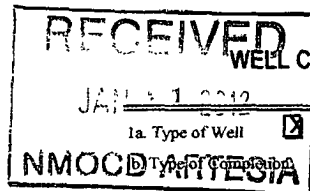


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

OCD-ARTESIA

FORM APPROVED  
OMB NO 1004-0137  
Expires: November 30, 20001a. Type of Well ☒ Oil Well ☐ Gas ☐ Dry ☐ Other  
Type of Completion ☐ New ☒ Work Over ☐ Deepen ☐ Plug Back ☐ Diff Resvr.  
Other \_\_\_\_\_

2. Name of Operator

LRE OPERATING, LLC c/o Mike Pippin LLC (Agent)

3. Address

3104. N. Sullivan, Farmington, NM 87401

3a. Phone No (include area code)

505-327-4573

4. Location of Well (Report locations clearly and in accordance with Federal requirements)\*

At surface

1400' FSL &amp; 1150' FWL Unit (L) Sec 29, T17S, R28E

At top prod. interval reported below

At total depth

14. Date Spudded

04/05/06

15. Date T.D. Reached

04/12/06

16. Date Completed

☐ P & A ☒ Ready to Prod.  
WO: 1/16/12

17. Elevations (DF, RKB, RT, GL)\*

3653' GL

18. Total Depth MD  
TVD

3550'

19. Plug Back T D MD  
TVD

3545'

20. Depth Bridge Plug Set: MD  
TVD

21. Type Electric &amp; Other Mechanical Logs Run (Submit copy of each)

LDT-CNL-GR &amp; DLL

22. Was well cored ☒ No ☐ Yes (Submit copy)Was DST run? ☒ No ☐ Yes (Submit copy)Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8"	22# K-55	0'	452'		375 sx C		Surface (Circ)	0'
7-7/8"	5-1/2"	14# K-55	0'	3547'		375 35/65		Surface (Circ)	0'
						+400 C			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Set (MD)
2-7/8"	3279'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Yeso	3330'		3330'-3498'	0.40"	18	Open
			Existing perms @ 3377'-3458' (31 #)			Open

27. Acid, Fracture, Treatment, Cement Squeeze, Etc

Depth Interval	Amount and type of Material
3330'-3498'	2500 gal 7.5% HCL acid & fraced w/77,437# 16/30 Brady & 22,280# 16/30 Siber prop sand in

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
	In 30 days		→						Pumping
Choke Size	Tbg Press Flwg PSI	Csg Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→						

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						Pumping
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→						

(See instructions and spaces for additional data on reverse side)

Accepted for record

NMOC-ARTESIA

ACCEPTED FOR RECORD

Pumping

JAN 28 2012

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

## 28b Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→						

## 28c Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→						

## 29. Disposition of Gas (Sold, used for fuel, vented, etc.)

## Plan to Sell

## 30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

## 31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Glorieta	3240'	3330'	Oil & Gas		Depth
Yeso	3330'		Oil & Gas		
				Yates	600'
				Seven Rivers	900'
				Queen	1080'
				Grayburg	1588'
				San Andres	1848'
				Glorieta	3240'
				Yeso	3330'

## 32. Additional remarks (include plugging procedure).

WILLIAMS A FEDERAL #3

Same Zone Payadd Workover

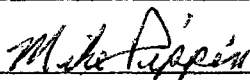
## 33 Circle enclosed attachments:

- 1 Electrical/Mechanical Logs (1 full set req'd.)      2. Geologic Report      3 DST Report      4 Directional Survey  
5 Sundry Notice for plugging and cement verification      5 Core Analysis      7. Other:

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) Mike Pippin 505-327-4573Title Petroleum Engineer (Agent)

Signature

Date January 15, 2012

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.