

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., 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 and Natural Resources

Form C-103  
June 19, 2008

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-015-39635
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name ARCO STATE
8. Well Number #1
9. OGRID Number 281994
10. Pool name or Wildcat Empire, Glorieta-Yeso (96210)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3705' GL

SUNDRY NOTICES AND REPORTS ON WELLS (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.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator LRE OPERATING, LLC	
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401	
4. Well Location Unit Letter <u>L</u> : <u>1650</u> feet from the <u>SOUTH</u> line and <u>530</u> feet from the <u>WEST</u> line Section <u>24</u> Township <u>17-S</u> Range <u>28-E</u> NMPM Eddy County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3705' GL	

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☒

OTHER: ☐

OTHER: Spud & Casings ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Spud well on 1/3/12. Drilled 12-1/4" hole to 530'. Landed 8-5/8" 24# J-55 csg @ 520'. Cmted w/315 sx (419 cf) "C" cmt w/1% Cacl2 & 0.25# CF. Tailed w/655 sx (878 cf) "C" cmt w/1% Cacl2 & 1/4# cello flake. Circ 50 sx cmt to surface. On 1/4/12, PT 8-5/8" csg to 1500 psi for 30 min-OK.

Drilled 7-7/8" deviated hole from 8-5/8" csg shoe to MD5264' on 1/10/12. Ran open hole logs. On 1/11/12, landed 5-1/2" 17# J-55 csg @ MD5248'. Cmted lead w/435 sx (800 cf) 35/65 poz "C" cmt w/0.25#/sx CF, 5% salt, 5# LCM-1. Tailed w/590 sx (785 cf) "C" cmt w/0.25#/sx CF, 2% R-3. Circ 215 sx cmt to pit. Released drilling rig on 1/12/12. Plan to pressure test the 5-1/2" csg before completion operations.

TD of 7-7/8" hole is 1671' FSL & 348' FWL Sec 24 T17S R28E.

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 1/12/12

Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: T.C. Shepard TITLE Geologist DATE 1/18/2012

Conditions of Approval (if any):

