

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. 30-015-40026
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STALEY STATE
8. Well Number #17
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836)

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 ☒ Gas Well ☐ Other ☐

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 N : 330 feet from the SOUTH line and 2410 feet from the WEST line
Section 30 Township 17-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3880' GL

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK ☐	REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐	ALTERING CASING ☐
PULL OR ALTER CASING ☐	COMMENCE DRILLING OPNS. ☐
DOWNHOLE COMMINGLE ☐	P AND A ☐
OTHER: ☐	CASING/CEMENT JOB ☐
	OTHER: Completion ☒

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.

On 3/27/12, PT 5-1/2" csg to 5000 psi for 30 min-OK. Perfed lower Yeso @ 4345', 61', 70', 83', 88', 97', 4403', 13', 26', 36', 40', 46', 55', 62', 67', 77', 85', 95' w/1-0.41" spf & 4524', 28', 38', 45', 60', 70', 74', 80', 86', 4629', 62', 66', 80' w/2-0.41" spf. Total 44 holes. Treated w/2500 gal 7.5% HCL acid & 66 perf balls. On 3/29/12, fraced lower Yeso w/88,873# 16/30 Brady & 20,608# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 4310'. PT csg & CBP to 4000 psi for 30 min-OK. Perfed middle Yeso @ 4013', 17', 23', 33', 46', 53', 57', 64', 70', 83', 88', 94', 4102', 07', 13', 19', 25', 38', 42', 47', 54', 58', 64', 70', 78', 87', 92', 4200', 04', 17', 20', 29', 35', 40', 48', 51', 55', 64', 70', 76', 80' w/1-0.41" spf. Total 40 holes. Treated perfs w/2500 gal 7.5% HCL acid & 60 perf balls. Fraced w/74,958# 16/30 Brady & 19,560# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 3960'. PT csg to 4000 psi for 30 min-OK. Perfed upper Yeso @ 3634', 47', 50', 55', 60', 68', 80', 3702', 09', 15', 20', 26', 32', 37', 42', 49', 56', 64', 69', 85', 90', 94', 3801', 08', 17', 21', 25', 30', 41', 81', 88', 92', 3902', 05', 09', 15', 22', 28' w/1-0.41" spf. Total 40 holes. Treated perfs w/2500 gal 7.5% HCL acid & 60 perf balls. Fraced w/73,015# 16/30 Brady & 13,331# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 3600'. PT csg to 4000 psi for 30 min-OK. Perfed upper Yeso @ 3318', 26', 30', 34', 40', 45', 50', 56', 60', 65', 70', 75', 80', 86', 90', 3403', 06', 10', 16', 20', 24', 27', 31', 36', 43', 48', 53', 63', 67', 70', 74', 89', 94', 3500', 06', 16', 21', 26', 33', 43', 47', 59', 64', 69', 74' w/1-0.41" spf. Total 45 holes. Treated perfs w/2500 gal 7.5% HCL acid & 68 perf balls. Fraced w/67,366# 16/30 Brady sand in X-linked gel.

On 3/30/12, MIRUSU. Drilled CBPs @ 3600', 3960' & 4310' & CO to PBTD5052'. On 4/2/12, landed 2-7/8" 6.5# J-55 tbg @ 4724'. Ran pump & rods. Released completion rig on 4/4/12.

TD of 7-7/8" hole is 340' FSL & 2290' FWL Sec 30 T17S R28E.

Spud Date: 3/15/12 Drilling Rig Release Date: 3/23/12

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 4/4/12
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 4/5/2012
Conditions of Approval (if any):