

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

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

<p>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.)</p>		<p>WELL API NO. 30-015-40026</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator LRE OPERATING, LLC</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401</p>		<p>7. Lease Name or Unit Agreement Name STALEY STATE</p>
<p>4. Well Location Unit Letter <u>N</u> : <u>330</u> feet from the <u>SOUTH</u> line and <u>2410</u> feet from the <u>WEST</u> line Section <u>30</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County</p>		<p>8. Well Number #17</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3880' GL</p>		<p>9. OGRID Number 281994</p>
<p>10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836)</p>		

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

NOTICE OF INTENTION TO:

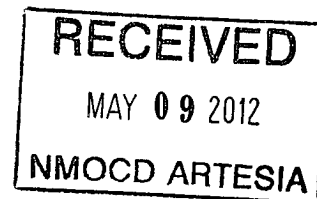
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: 1st Delivery & IP Test ☒

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.

This new oil well was 1st delivered on 4/15/12 with its IP Test on 5/6/12 for 45 BOPD, 50 MCF/D, & 298 BWPD.



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 5/8/12
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: RLDade TITLE Reg. R Supervisor DATE 05/09/2012
Conditions of Approval (if any):