

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  
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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

<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. 30-015-40029
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>ARCO STATE</b>
4. Well Location Unit Letter <u>L</u> : <u>2310</u> feet from the <u>SOUTH</u> line and <u>990</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		8. Well Number #2
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3705' GL		9. OGRID Number 281994
		10. Pool name or Wildcat Empire, Glorieta-Yeso (96210)

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: Change BOP Diagram ☒

OTHER: ☐

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.

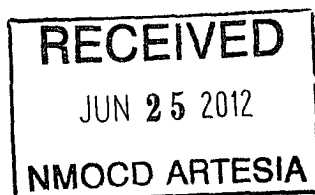
LRE OPERATING, LLC would like to change the BOP diagram in this well's approved APD as per the attached BOP diagram. The BOP will be a 2000 psi system, and we would like to omit the annular preventer and rotating head. See the attached BOP diagram and its description.

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 6/25/12

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 6/26/2012  
Conditions of Approval (if any):



**The blowout preventer equipment (BOP) will consist of a 2000 psi double ram type preventer, Both units will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and drill pipe rams on bottom. A 2M BOP will be installed on the 8 5/8" surface casing and utilized continuously until the depth is reached. All casing strings will be tested as per Onshore Order #2.**

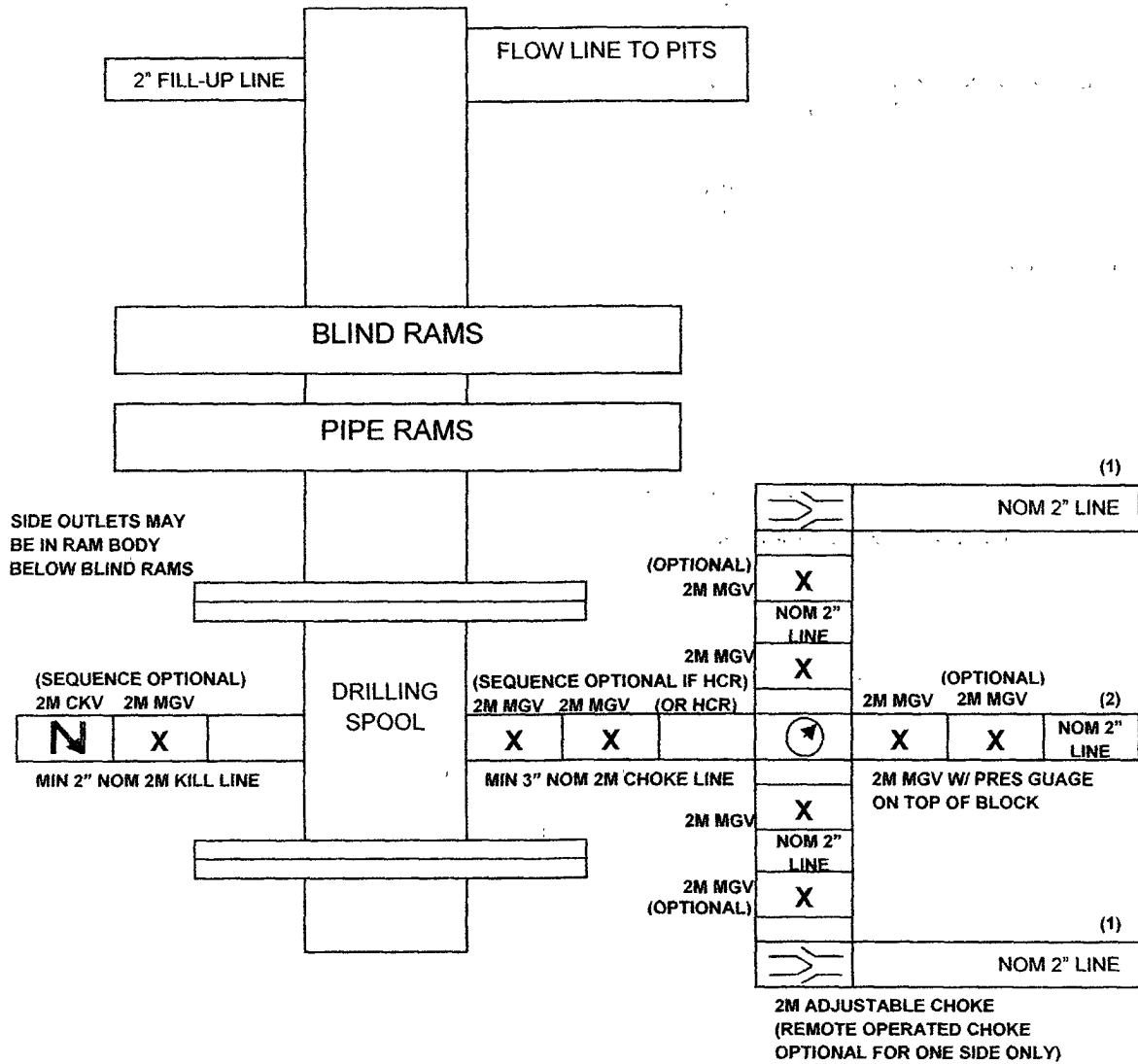
**Pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily drilling logs.**

**The BOP equipment will consist of the following:**

- Double ram with blind rams and pipe rams.**
- Drilling spool, or blowout preventer with 2 side outlets (choke side shall be a 2" minimum diameter, kill side will be at least 2 inch diameter)**
- Kill line (2 inch minimum)**
- A minimum of 2 choke line valves (2 inch minimum)**
- 3 inch diameter choke line**
- 2 kill valves, one of which will be a check valve (2 inch minimum)**
- 2 chokes**
- pressure gauge on choke manifold**
- Upper Kelly cock valve with handle available**
- Safety valve and subs to fit all drill string connections in use**
- All BOPE connections subjected to well pressure will be flanged, welded, or clamped.**
- Fill-up line above the uppermost preventer.**

# 2M BOP SCHEMATIC

ARCO STATE #2 - 30-015-40029



- (1) Line to mud gas separator and/or pit
- (2) Bleed line to pit

MGV = Manual Gate Valve  
CKV = Check Valve  
HCR = Hydraulically Controlled Remote Valve