

RECEIVED

JUN 29 2012

OIL CONSERVATION DIVISION

NMOCD ARTESIA

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-40340

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 #19

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 L : 2160 feet from the SOUTH line and 455 feet from the WEST lineSection 30 Township 17-S Range 28-E NMPM Eddy County

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

3582' 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: 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 6/19/12, PT 5-1/2" csg to 5000 psi for 30 min-OK. Perfed lower Yeso @ MD4182', 93', 4202', 05', 12', 17', 20', 26', 49', 57', 60', 66', 70', 76', 92', 4300', 14', 30', 36', 40', 59', 80', 86', 89', 96', 4408', 29' w/1-0.42" spf & 4439', 45', 50', 64', 72', 86', 89', 4507', 10', 13', 20', 24', 32' w/2-0.42" spf. Total 59 holes. Treated w/2000 gal 7.5% HCL acid & 86 perf balls. On 6/22/12, fraced lower Yeso w/81,958# 16/30 Brady & 22,729# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ MD4150'. PT csg & CBP to 4000 psi for 30 min-OK. Perfed middle Yeso @ MD3847', 55', 61', 68', 76', 78', 84', 87', 93', 3900', 03', 08', 12', 17', 20', 24', 30', 46', 52', 57', 67', 71', 82', 89', 4004', 06', 20', 22', 28', 38', 49', 52', 69', 74', 4100', 04', 12' w/1-0.42" spf. Total 37holes. Treated perfs w/2000 gal 7.5% HCL acid & 56 perf balls. Fraced w/65,682# 16/30 Brady & 20,040# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ MD3820'. PT csg to 4000 psi for 30 min-OK. Perfed upper Yeso @ MD3550', 60', 64', 72', 79', 83', 90', 98', 3600', 04', 08', 13', 17', 25', 40', 53', 56', 59', 73', 77', 82', 88', 94', 3711', 20', 32', 42', 44', 50', 56', 60', 70', 76', 80', 84' w/1-0.42" spf. Total 35 holes. Treated perfs w/2000 gal 7.5% HCL acid & 53 perf balls. Fraced w/58,025# 16/30 Brady & 18,821# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ MD3526'. PT csg to 4000 psi for 30 min-OK. Perfed upper Yeso @ MD3279', 82', 89', 95', 3302', 11', 15', 18', 28', 35', 40', 43', 47', 54', 62', 69', 84', 86', 95', 98', 3408', 10', 20', 28', 30', 38', 46', 50', 59', 69', 76', 88', 94', 98' w/1-0.42" spf. Total 34 holes. Treated perfs w/2158 gal 7.5% HCL acid & 51 perf balls. Fraced w/58,037# 16/30 Brady & 36,844# 16/30 siber prop sand in X-linked gel.

On 6/24/12, MIRUSU. Drilled CBPs @ MD3526', 3820' & 4150' & CO to PBTDM4688'. On 6/26/12, landed 2-7/8" 6.5# J-55 tbg @ MD4591'. Ran pump & rods. Released completion rig on 6/27/12.

Bottom Hole Location is 2293' FSL & 343' FWL Sec.30 T17S R28E

Spud Date: 6/6/12

Drilling Rig Release Date: 6/15/12

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Type or print name Mike Pippin

TITLE Petroleum Engineer - Agent

E-mail address: mike@pippinllc.com

DATE 6/28/12

PHONE: 505-327-4573

For State Use Only

APPROVED BY: *RDade*

TITLE Dist. St. Supervisor

DATE 7/05/2012

Conditions of Approval (if any):