

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised August 1, 2011

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

WELL API NO.	30-015-40030
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	Southern Union 30 G State
8. Well Number #1	
9. OGRID Number	281994
10. Pool name or Wildcat	Redlake; Glorieta-Yeso Northeast (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
1111 Bagby Street Suite 4600 Houston, Tx 77002

4. Well Location
 Unit Letter G 2310 feet from the North line and 2310 feet from the East line
 Section 30 Township 17S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3579' GL

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPI <input type="checkbox"/>	CASING/CFMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Flaring Gas <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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

Requesting to flare gas due to Frontier Plant repairs.

Estimated Volume 137 MCFPD

Estimated Time - July 23 - 27, 2012

Verbal approval has been given by Randy Dade with OCD.

Spud Date: Rig Release Date:

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

SIGNATURE *Michael Barrett* TITLE Production Supervisor DATE 7/23/12

Type or print name Michael Barrett E-mail address: mbarrett@limerockresources.com PHONE: 575-623-8424
 For State Use Only

APPROVED BY: *Randy Dade* TITLE Dist II Supervisor DATE 7/27/2012

Conditions of Approval (if any):
see 3rd Page COA

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State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant LRE Operating, LLC
whose address is 1111 Bagby Street Suite 4600 Houston, TX 77002
hereby requests an exception to Rule 19.15.18.12 for 5 days or until
_____ Yr _____, for the following described tank battery (or LACT):
Name of Lease Southern Union 30G State#1 Name of Pool Redlake; Gloricta-Yeso Northeast
Location of Battery: Unit Letter G Section 30 Township 17S Range 28E
Number of wells producing into battery 1
- B. Based upon oil production of N/A barrels per day, the estimated * volume
of gas to be flared is 137 MCF; Value N/A per day.
- C. Name and location of nearest gas gathering facility:
Frontier Field Services
- D. Distance N/A Estimated cost of connection N/A
- E. This exception is requested for the following reasons:
Due to Frontier Plant Repairs.

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation
Division have been complied with and that the information given above
is true and complete to the best of my knowledge and belief.

Signature Michael Barrett

Printed Name

& Title Michael Barrett / Production Supervisor

E-mail Address mbarrett@limerockresources.com

Date 07/23/2012 Telephone No. 575-623-8424

OIL CONSERVATION DIVISION

Approved Until July 27-2012

By RD Wade

Title Dist. II Supervisor

Date 07/24/12

* Gas-Oil ratio test may be required to verify estimated gas volume.

**NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 SOUTH FIRST STREET
ARTESIA, NM 88210
(575)748-1283**

CONDITIONS OF APPROVAL for FLARING or VENTING GAS

1. Venting gas is absolutely not allowed.
2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
3. Flared volumes of gas are to be metered & reported.
4. Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
5. Flares WILL NOT be left unattended.
6. No flaring operations to be conducted during red-flag days.
<http://www.gacc.nifc.gov/swcc> (go to "Predictive Services" on SWCC website) to check for red flag warnings.
7. Follow safe practices for flaring guidelines.
8. Permit may be rescinded at any time by NMOCD.
9. If well is able to be connected to a gas gathering system, it will be done so as soon as possible.

Your initials here

/ / 2011