

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. 30-015-39635
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name ARCO STATE
8. Well Number #1
9. OGRID Number 281994
10. Pool name or Wildcat Empire, Glorieta-Yeso (96210)

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 <u>L</u> : <u>1650</u> feet from the <u>SOUTH</u> line and <u>530</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	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3705' GL	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER: Payadd Workover ☒		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 perform a payadd workover as follows: MIRUSU. TOH w/rods, pump, & tbq. Set a 5-1/2" CBP @ about MD4025'. Existing Yeso perfs are @ MD4064'-5105'. Perf additional Yeso pay at about MD3740'-4000' w/about 49 holes. Stimulate perfs w/about 2000 gal 7.5% NEFE acid & frac w/about 92,750# 16/30 sand in 25# X-linked gel. CO after frac, drill out CBP @ MD4025', & CO to MD5191'. Land 2-7/8" 6.5# J-55 tbq @ about MD4045'. Run pump & rods & release workover rig. Complete as a single Glorieta-Yeso oil well.

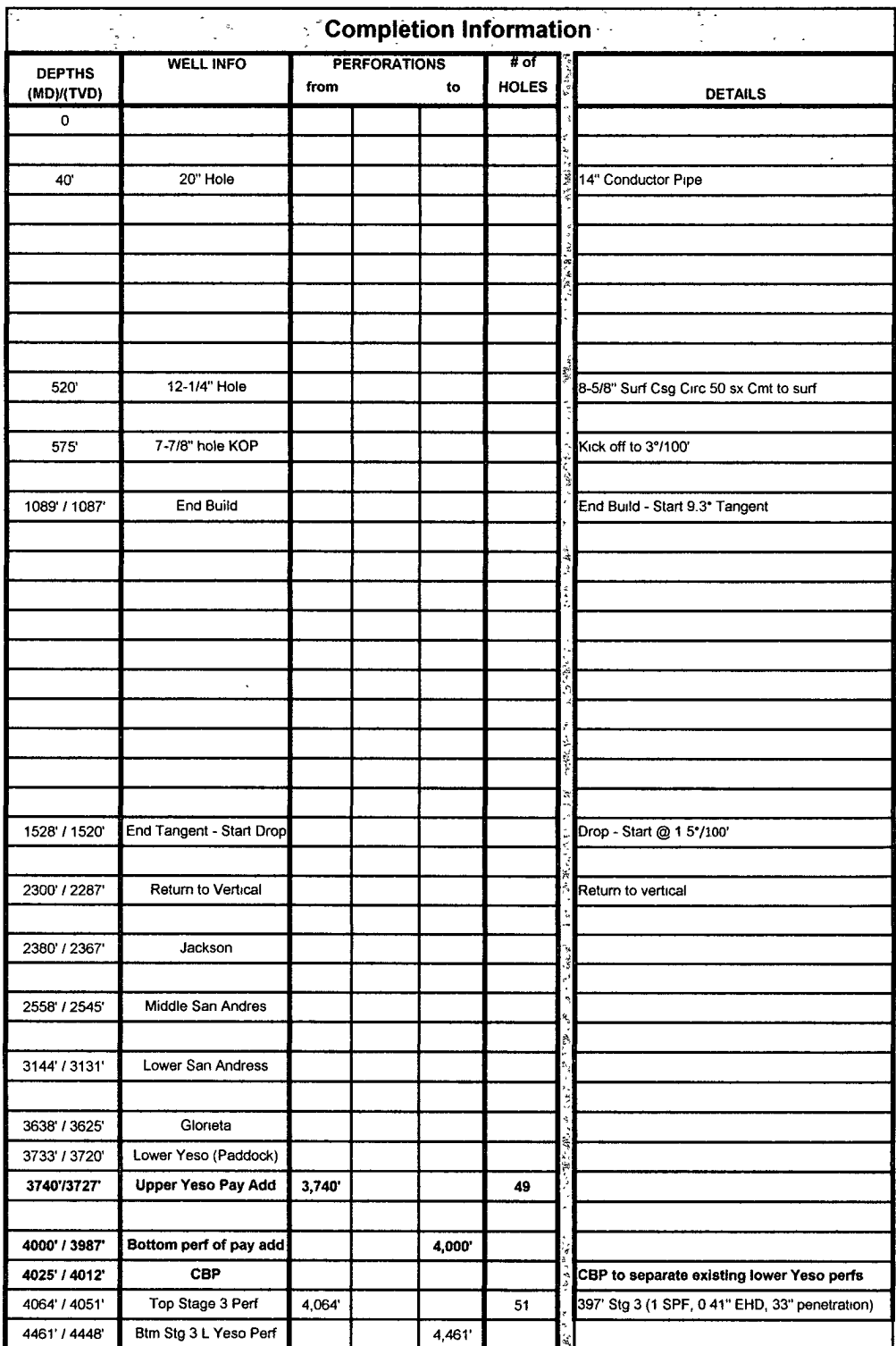
Spud Date: 1/3/12 Drilling Rig Release Date: 1/12/12
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE 8/27/12
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573
For State Use Only
APPROVED BY: J. C. Shepard TITLE Geologist DATE 8/29/2012
Conditions of Approval (if any):



Wellhead Data	
Type	
WP	
Tree Cap	Flange
	Thread
Tbg Hanger.	
8TM Flange	
BPV Profile	NA
Elevations	GR - RKB = 11 5'
RKB.	3716 5'
GL	3705'

CEMENT DATA							
	L/sks	Yld	Wt	T/sks	Yld	Wt	XS
Surface	315	1.33	14 8				200%
Intermediate							
Liner							
Production	435	1 84	12 8	590	1 33	14 8	80%



4490' / 4477'	Composite Bridge Plug					CBP to separate Stages 2 and 3		
4513' / 4500'	Top Stage 2 Perf	4,513'			47	356' Stg 2 (1 & 2 spf, 0 41" EHD, 33" penetration)		
4869' / 4853'	Btm Stg 2 L Yeso Perf			4,869'				
4887' / 4874'	Composite Bridge Plug					CBP to separate Stages 1 and 2		
4910' / 4897'	Stg 1 Upper Perf	4,910'			40	192' (1 spf, 0.41" EHD, 33" penetration)		
5102' / 5089'	Btm Lower Yeso Perf			5,102'				
5204' / 5191'	PBTD					5-1/2" Float Collar		
5248' / 5235'	PROD CSG					5-1/2" Prod Csg Circ 215 SX Cmt to Surf		
Comments					Plug back Depth:		5191' TVD	5204' MD
					Total Well Depth		5251' TVD	5264' MD
					Prepared By		Date	
					Spencer Cox		21-Aug-12	