

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

SEP 05 2012
OCD Artesia

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

LRE OPERATING, LLC

3a. Address c/o Mike Pippin LLC

3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (include area code)

505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

600' FSL & 645' FWL Unit M

OGRID#: 281994

Sec. 29, T17S, R28E

5. Lease Serial No

NM-048344

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

WILLIAMS A FEDERAL #10

9. API Well No.

30-015-40480

10. Field and Pool, or Exploratory Area

Artesia: Glorieta-Yeso (96830)

AND

Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Spud, Casings, & Sidetrack
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Spudded well on 7/25/12. Drilled 12-1/4" hole to 444'. Set 8-5/8" 24# J-55 csg @ 434'. Cmted w/280 sx (378 cf) cl "H" cmt w/2% Cacl2, & 1/4# C/F. Circ 62 sx cmt to pit. Cmt job witnessed by Cheryl with the BLM. On 7/26/12, pressure tested 8-5/8" csg to 1500 psi - OK.

While drilling a 1-1/8" deviated hole, it became apparent that we would be unable to get the proper build rate to hit the target area described in the approved APD. Therefore, we obtained the necessary approvals & sidetracked this well in order to get back on the correct path. Cmt was spotted from MD1873'-1375' w/185 sx (188cf) "C" w/1.3% CD-32. WOC. Dressed off cmt to kick off point @ 1412'. Sidetracked @ 1412' & drilled 7-7/8" deviated hole to MDTD3750' on 8/5/12. Set 5-1/2" 17# J-55 production csg @ 3743'. On 8/6/12, cmted w/lead 350 sx (665 cf) 35:65 POZ "C" cmt w/gel & w/5% salt, 0.35% R-3, 5# LCM-1, & 1/8# super flake & tailed w/400 sx (532 cf) cl "C" cmt w/0.55% R-3 & 0.25# Cello Flake. Circ 165 sx cmt to pit. Released drilling rig on 8/7/12. Plan to pressure test 5-1/2" csg during completion operations.

The MDTD of 3750' is located at 335' FSL & 336' FWL Sec. 29 T17S R28E.

Accepted for record
NMOC

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)	Title
Mike Pippin	Petroleum Engineer (Agent)
Signature	Date
<i>Mike Pippin</i>	August 7, 2012

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
		SEP 3 2012
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon	Office	

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE