

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NMNM-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 #3

3
30-015-34614

10. Field and Pool, or Exploratory Area
Artesia, Glorieta-Yeso (96830)
Red Lake, Queen-Grayburg-San Andres (51300)
AND:
Eddy County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on reverse side

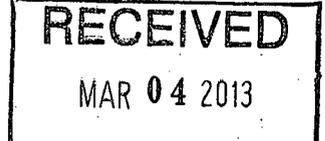
1. Type of Well
 Oil Well Gas Well Other

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)
1400' FSL & 1150' FWL Unit L
Sec. 29, T17S, R28E



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

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

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 recomplete 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.)

Lime Rock would like to perform a recompletion workover from the Yeso to the San Andres as follows: MIRUSU. TOH w/all production equipment. Set a 5-1/2" CBP @ about 3300' & PT 5-1/2" csg & CBP. Perf lower San Andres @ about 2880'-3203' w/ about 34 holes. Treat new perms w/about 4200 gal 15% HCL acid & frac w/about 108,500# 16/30 sand in X-linked gel. Set a 5-1/2" CBP @ about 2860' & PT 5-1/2" csg & CBP. Perf middle San Andres @ about 2584'-2847' w/ about 39 holes. Treat new perms w/about 3100 gal 15% HCL acid & frac w/about 86,500# 16/30 sand in X-linked gel. Set a 5-1/2" CBP @ about 2560' & PT 5-1/2" csg & CBP. Perf upper San Andres @ about 2200'-2541' w/ about 56 holes. Treat new perms w/about 3100 gal 15% HCL acid & frac w/about 113,000# 16/30 sand in X-linked gel. CO after frac, drill out RBPs @ 2560', 2860', & CO to above CBP @ 3300'. Land 2-7/8" 6.5# J-55 tbg @ about 3267'. Run pump & rods. Release rig. Complete as a single San Andres oil well. The Yeso perms status will be shut-in below the CBP @ 3300' & evaluated for downhole commingling with the San Andres. See the attached wellbore diagram.

SUBJECT TO LIKE APPROVAL BY STATE

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Existing Yeso perms before recompletion workover were 49 holes @ 3330'-3498'

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Signature **Mike Pippin**
Mike Pippin

Title **Petroleum Engineer (Agent)**

Date **February 4, 2013**

THIS SPACE FOR FEDERAL OR STATE USE

Approved by _____ Title _____ Office _____

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.

APPROVED

Accepted

BUREAU OF LAND MANAGEMENT
SANDRIDGE FIELD OFFICE
NMOCD

105/3/4/2013

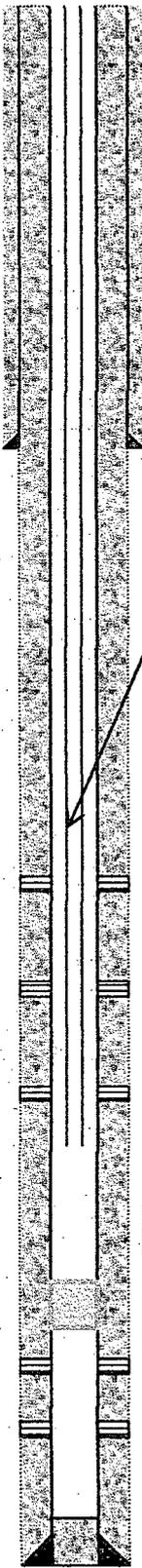
Spud 4/5/06

**Williams A Federal #3
Sec 29-17S-28E (L)
1400' FSL, 1150' FWL
Elevation - 3,653'
API #: 30-015-34614
Eddy County, NM**

**LRE Operating, LLC
San Andres Recompletion
AFE R13005**

- TOH w/ rods, pump. N/U BOP.
- POOH / LD tubing.
- MIRU WLU and perforate, acidize, and frac the San Andres in three stages as described below.
- PU 2-7/8" tubing and drill CBP and clean out to CBP at 3300'.
- TIH w/ tubing (TAC at 2100', SN at 3233', 4' slotted sub, 1 jt MA w BP at ~3267')
- TIH w/pump and rods and turn to production.
- Produce the San Andres interval until production declines
- Produce the San Andres and Yeso when a commingle permit is obtained.

8-5/8",
24#, K-55,
ST&C
Casing @
452'.
Circulated
87 sx to
surface.



2-7/8"; 6.5#, J-55 Tubing @ 3,230' after frac

Proposed San Andres Perfs and Stimulation

Stage 3 San Andres: 2200'-2541', 1 spf, 56 holes
3100 g 15% HCL acid and 84 bio balls, 59,500 g X-link 20# gel, 79,250 lbs 16/30 Brady, 33,750 lbs 16/30 resin coated sand, staged 1 - 4.5 ppg at 55 BPM.

Stage 2 San Andres: 2584'-2847', 1 spf, 39 holes
3100 g 15% HCL acid and 59 bio balls, 46,000 g X-link 20# gel, 61,750 lbs 16/30 Brady, 24,750 lbs 16/30 resin coated sand, staged 1-4.5 ppg, at 55 BPM.

Stage 1 San Andres: 2880'-3203', 1 spf, 34 holes
4200 g 15% HCL acid and 51 bio balls, 56,500 g X-link 25# gel, 70,250 lbs 16/30 Brady, 38,250 lbs 16/30 resin coated sand, staged 1-4.5 ppg, at 55 BPM.

1/5/12 Additional Yeso Perfs: 3,330', 3332', 3340', 3343', 3346', 3349', 3351', 3356', 3360', 3409', 3466', 3468', 3471', 3480', 3484', 3488', 3496', 3498' (1 SPF, 18 holes, > 0.4" to 0.43" EHD w/ 29" or > penetration)

1/7/12 Stimulation: 2500 gals 7-1/2% HCL acid and 100 bioballs, 59,182 gal 25# (pad) and 20# X-linked Borate gel with 77,437 lbs 16/30 Brady sand and 22,280 lbs 16/30 resin coated sand with sand staged from 1.5 to 4 ppg. pumped at 55 BPM and max pressure of 4500 psig.

6/2/06 - Yeso Perfs: 3377', 79, 85, 86, 87, 88, 91, 92, 93, 96, 97, 98, 99, 3400, 15, 16, 19, 22, 26, 37, 38, 39, 44, 45, 46, 50, 51, 53, 54, 57, 58 (1 SPF, 31 holes)

6/3/06 - Stim info: 3000 gal 15% NEFE; 20k gal htd 20% HCl, 30k gal htd 40# gel. (6/6/06)

PBTD @ 3,545'

5-1/2", 14#, J-55; ST&C Casing @ 3,547'.
Circulated 91 sx to surface. (4/14/2006)

TD @ 3,550'

GEOLOGY	
Zone	Top
Yates	600'
7 Rivers	900'
Queen	1,080'
Grayburg	1,588'
San Andres	1,848'
Glorieta	3,240'
Yeso	3,330'

SURVEYS	
Degrees	Depth
0°	460'
1/2°	1,001'
3/4°	1,536'
1/2°	2,034'
1/2°	2,531'
1/2°	2,997'
1/2°	3,550'

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED
FEB 07 2013
NMOCD ARTESIA

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-34614	² Pool Code 51300	³ Pool Name Red Lake; Queen-Grayburg-San Andres
⁴ Property Code 309877	⁵ Property Name WILLIAMS A FEDERAL	
⁷ OGRID No. 281994	⁸ Operator Name LRE OPERATING, LLC.	⁶ Well Number 3 ⁹ Elevation 3653' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	29	17-S	28-E		1400	SOUTH	1150	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

29	1150'		1400'	1150'	
	1150'			1150'	
	1150'			1150'	
	1150'			1150'	

¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *M. Pippin* Date: 2/4/13

Mike Pippin
Printed Name

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

5/17/05
Date of Survey

Signature and Seal of Professional Surveyor:
Dan R. Reddy

5412
Certificate Number

**Williams A Federal #3
30-015-34614
LRE Operating, LLC.
February 28, 2013
Conditions of Approval**

- 1. Surface disturbance beyond the existing pad must have prior approval.**
- 2. Closed loop system required.**
- 3. Operator to have H2S monitoring on location as H2S is always a potential hazard.**
- 4. A minimum of a 2M BOP is required and must be tested prior to beginning work.**
- 5. Operator shall perform a production test on the San Andres formation and submit results to the BLM.**
- 6. Subsequent sundry and completion report are required for the San Andres formation.**
- 7. Operator to submit a NOI sundry to request approval to down hole commingle and also submit a copy of the original C-107A form.**
- 8. If operator decides not to DHC, operator must submit a plan for plugging back the Yeso formation.**

JAM 022813