

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

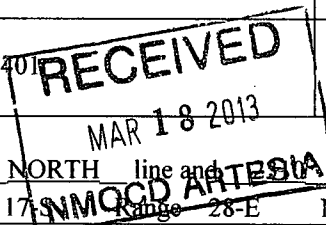
State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

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

WELL API NO. 30-015-37314
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 WELCH RL STATE
8. Well Number #5
9. OGRID Number 281994
10. Pool name or Wildcat: Red Lake, San Andres (97253) Artesia, Glorieta-Yeso (96830)

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
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>F</u> : <u>1650</u> feet from the <u>NORTH</u> line and <u>17</u> Range <u>28-E</u> NMPM Eddy County Section <u>28</u> Township <u>17</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3626' 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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Recompleted into San Andres ☒

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 has recompleted this well from the Artesia, Glorieta-Yeso to the Red Lake, San Andres as follows: On 3/5/13, MIRUSU. TOH w/rods, pump, & tbg. Set 5-1/2" CBP @ 3370'. Would not PT. Set 5-1/2" CBP @ 3330'. Would not PT. Identified a csg leak 3050'-3364'. Decided to abandon stage #1, 3050'-3307'. PT 5-1/2" csg 1991'-3050' to 3500 psi for 15 min-OK. PT 5-1/2" csg from surface to 1991' to 1500 psi for 15 min-OK. On 3/8/13, set 5-1/2" CBP @ 3050' & PT CBP & 5-1/2" csg to 3500 psi-OK. Perfed lower San Andres @ 2732', 42', 50', 58', 66', 74', 83', 88', 94', 2802', 10', 16', 24', 30', 38', 46', 56', 64', 72', 80', 88', 94', 98', 2904', 10', 16', 24', 30', 36', 42', 50', 56', 64', 74', 80', 86', 92', 3000', 10' w/1-0.42" spf. Total 39 holes. Treated w/3000 gal 15% HCL acid & 60 perf balls. Fraced lower San Andres w/68,813# 16/30 Berry White & 29,479# 16/30 resin coated and in 20# X-linked gel. Set 5-1/2" CBP @ 2710'. PT csg & CBP to 4000 psi-OK. Perfed middle San Andres @ 2380', 86', 92', 98', 2404', 10', 16', 22', 30', 38', 44', 54', 60', 66', 74', 80', 88', 94', 2500', 06', 12', 24', 35', 40', 46', 54', 60', 68', 74', 80', 86', 92', 98', 2610', 16', 22', 30', 36', 42', 52', 60', 70', 80', 90' w/1-0.42" spf. Total 44 holes. Treated perfs w/3000 gal 15% HCL acid & 66 perf balls. Fraced w/72,047# 16/30 Berry White & 37,768# resin coated 16/30 sand in 20# X-linked gel. Set 5-1/2" CBP @ 2360'. PT csg to 4000 psi for 30 min-OK. Perfed upper San Andres @ 2030', 40', 48', 59', 69', 80', 84', 89', 98', 2102', 12', 34', 44', 55', 64', 72', 83', 90', 98', 2204', 14', 24', 30', 40', 46', 58', 66', 72', 80', 88', 93', 2302', 08', 14', 20', 26', 32', 40', 46' w/12-0.42" spf. Total 39 holes. Treated perfs w/3000 gal 15% HCL acid & 60 perf balls. Fraced w/74,070# 16/30 Berry White & 36,439# 16/30 resin coated sand in 20# X-linked gel. On 3/11/13, MIRUSU. Drilled CBPs @ 2360', 2710', & 3050' & CO to CBP @ new PBTD3330'. On 3/12/13, landed 2-7/8" 6.5# J-55 tbg @ 3270'. Ran pump & rods. Released completion rig on 3/12/13. Completed the well as a single San Andres oil well with the Yeso perfs, 3416'-3510', SI under CBPs and will be evaluated for DHC in a few months.

Spud Date: 11/11/09

Drilling Rig Release Date: 11/21/09

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 3/13/13
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: RDade TITLE Dist R Supervisor DATE 3/27/13
Conditions of Approval (if any):