

Office

Energy, Minerals and Natural Resources

June 19, 2008

District I

1625 N. French Dr., Hobbs, NM 88240

District II

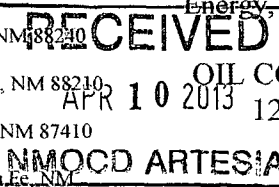
1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505



WELL API NO.

30-015-40982

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil &amp; Gas Lease No.

7. Lease Name or Unit Agreement Name

AID 24 STATE

8. Well Number #21

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 I : 1660 feet from the SOUTH line and 330 feet from the EAST lineSection 24 Township 17-S Range 28-E NMPM Eddy County

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

3676' 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: Completion (Page #1)

☒

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.

On 3/22/13, PT 5-1/2" csg to 5000 psi-OK. Perfed lower Yeso @ 4810', 16', 22', 28', 34', 44', 52', 62', 70', 76', 92', 98', 4904', 10', 16', 30', 36', 42', 64', 72', 78', 84', 98', 5004', 12', 16', 50', 56', 62', 68', 74', 84', 92', 98', 5104', 10', 16', 24', 30' w/1-0.41" spf. Total 39 holes. Treated w/3300 gal 15% HCL acid & 49 perf balls. On 3/27/13, fraced lower Yeso w/68,920# 16/30 Brady & 28,902# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 4780'. PT csg & CBP to 4000 psi-OK. Perfed middle Yeso @ 4510', 16', 20', 26', 32', 38', 44', 50', 56', 62', 68', 74', 80', 86', 92', 98', 4604', 10', 18', 24', 30', 46', 64', 70', 78', 95', 4712', 28', 34', 50' w/1-0.41" spf. Total 30 holes. Treated perfs w/2500 gal 15% HCL acid & 45 perf balls. Fraced w/47,102# 16/30 Brady & 15,502# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 4490'. PT csg to 4000 psi-OK. Perfed upper Yeso @ 4300', 04', 08', 14', 20', 24', 31', 38', 42', 46', 50', 54', 60', 66', 70', 74', 80', 84', 90', 96', 4400', 04', 10', 14', 20', 24', 30', 36', 40', 48', 54', 60', 64', 70', ' w/1-0.41" spf. Total 34 holes. Treated perfs w/2000 gal 15% HCL acid & 51 perf balls. Fraced w/37,743# 16/30 Brady & 16,486# 16/30 siber prop sand in X-linked gel.

**Continued on Page #2.**

Spud Date: 3/12/13

Drilling Rig Release Date: 3/19/13

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 4/1/13

Type or print name Mike Pippin

E-mail address: mike@pippinllc.com

PHONE: 505-327-4573

**For State Use Only**

APPROVED BY:

*RDade*

TITLE D. S. P. Spewer

DATE 4/1/13

Conditions of Approval (if any):

40

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

RECEIVED  
APR 10 2013

State of New Mexico  
Energy, Minerals and Natural Resources  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
June 19, 2008

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.)		WELL API NO. 30-015-40982
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator LRE OPERATING, LLC		6. State Oil & Gas Lease No.
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401		7. Lease Name or Unit Agreement Name AID 24 STATE
4. Well Location Unit Letter I : 1660 feet from the SOUTH line and 330 feet from the EAST line Section 24 Township 17-S Range 28-E NMPM Eddy County		8. Well Number #21
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3676' GL		9. OGRID Number 281994
		10. Pool name or Wildcat Empire, Glorieta-Yeso (96210)

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: Completion (Page #2) ☒

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.

Continued from Page #1

Set 5-1/2" CBP @ 4280'. PT csg to 4000 psi-OK. Perfed upper Yeso @ 4082', 96', 4100', 06', 12', 24', 35', 54', 62', 70', 76', 80', 84', 88', 94', 4200', 06', 10', 14', 18', 22', 28', 32', 38', 42', 46', 50', 56', 60' w/1-0.41" spf. Total 29 holes. Treated perfs w/2000 gal 15% HCL acid & 44 perf balls. Fraced w/36,925# 16/30 Brady & 15,571# 16/30 siber prop sand in X-linked gel.  
Set 5-1/2" CBP @ 4060'. PT csg to 4000 psi-OK. Perfed upper Yeso @ 3740', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 3800', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 3900', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 4000', 05', 10', 15', 20', 25', 30', 35', 40' w/1-0.42" spf. Total 61 holes. Treated perfs w/3141 gal 15% HCL acid & 92 perf balls. Fraced w/64,426# 16/30 Brady & 26,059# 16/30 siber prop sand in X-linked gel.  
On 3/28/13, MIRUSU. Drilled CBPs @ 4060', 4280', 4490', & 4780' & CO to PBTD5345'. On 4/1/13, landed 2-7/8" 6.5# J-55 tbg @ 5234'. Ran pump & rods. Released completion rig on 4/1/13.

Spud Date: 3/12/13 Drilling Rig Release Date: 3/19/13

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 4/2/13

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

For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
Conditions of Approval (if any): \_\_\_\_\_