

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 87412

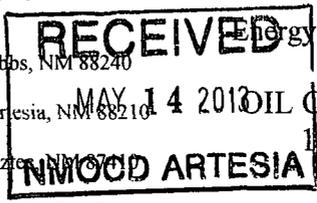
District IV

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

87505

Energy, Minerals and Natural Resources

June 19, 2008



WELL API NO. 30-015-40230
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

**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 F : 2310 feet from the NORTH line and 1800 feet from the WEST line  
Section 30 Township 17-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3576' GL

7. Lease Name or Unit Agreement Name  
**HORSESHOE STATE**

8. Well Number #1

9. OGRID Number 281994

10. Pool name or Wildcat  
Red Lake, Glorieta-Yeso NE (96836)

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

**NOTICE OF INTENTION TO:**

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

OTHER:

**SUBSEQUENT REPORT OF:**

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

OTHER: Completion

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 4/19/13, PT 5-1/2" csg to 5000 psi for 30 min-OK. Drilled out cmt & CO to PBTD4760'. Perfed lower Yeso @ 4326', 33', 39', 60', 70', 80', 92', 4408', 20', 34', 55', 70', 80', 90', 4500', 12', 26', 39', 44', 54', 62', 70', 86', 4600' w/1-0.34" spf. Total 24 holes. Treated w/4000 gal 15% HCL acid & 36 perf balls. On 4/22/13, fraced lower Yeso w/57,010# 16/30 Brady & 14,830# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 4305'. PT csg & CBP to 4000 psi-OK. Perfed middle Yeso @ 4000', 10', 16', 24', 39', 46', 52', 60', 68', 74', 80', 4104', 19', 30', 50', 60', 68', 74', 80', 86', 92', 4200', 08', 19', 28', 55', w/1-0.34" spf. Total 26 holes. Treated perfs w/2478 gal 15% HCL acid & 39 perf balls. Fraced w/58,336# 16/30 Brady & 16,441# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 3970'. PT csg to 4000 psi-OK. Perfed upper Yeso @ 3650', 74', 80', 94', 3709', 20', 37', 50', 62', 72', 89', 98', 3808', 27', 37', 50', 60', 75', 82', 92', 98', 3904', 12', 20', 30', 38' w/1-0.34" spf. Total 26 holes. Treated perfs w/2520 gal 15% HCL acid & 39 perf balls. Fraced w/60,292# 16/30 Brady & 21,012# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 3598'. PT csg to 4000 psi-OK. Perfed upper Yeso @ 3285', 90', 95', 3300', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 3400', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 56', 64', 72', 80', 94', 3505', 14', 36', 48', 63' w/1-0.34" spf. Total 44 holes. Treated perfs w/2730 gal 15% HCL acid & 66 perf balls. Fraced w/62,252# 16/30 Brady & 22,441# 16/30 siber prop sand in X-linked gel.

On 4/25/13, MIRUSU. Drilled CBPs @ 3598', 3970' & 4305' & CO to PBTD4760'. On 4/26/13, landed 2-7/8" 6.5# J-55 tbg @ 4702'. Ran pump & rods. Released completion rig on 4/27/13.

Spud Date: 4/6/13 Drilling Rig Release Date: 4/12/13

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 5/13/13

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

APPROVED BY: AR Dade TITLE Dist JPS peruser DATE 5/15/2013

Conditions of Approval (if any):

*[Handwritten initials]*