

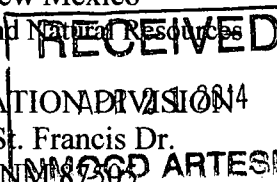
Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION

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



WELL API NO.
80-015-40338

5. Indicate Type of Lease

STATE ☒ FEE ☐

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

7. Lease Name or Unit Agreement Name
STALEY STATE

8. Well Number **#16**

9. OGRID Number 281994

10. Pool name or Wildcat

Red Lake, Glorieta-Yeso NE (96836)

Red Lake, Queen-Grayburg-San Andres Ext. (51300)

4. Well Location

Unit Letter O : 890 feet from the South line and 2310 feet from the East line
Section 30 Township 17-S Range 28-E NMPM Eddy County

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 ☐
CLOSED-LOOP SYSTEM ☒
OTHER: Recomplete to San Andres ☒

SUBSEQUENT REPORT OF:

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

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

LRE Operating, LLC would like to recomplete this Yeso oil well to the San Andres as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3200' & PT to ~3500 psi. (Existing Yeso perfs are @ 3290'-4624'). Perf lower SA @ ~2810'-3121' w/~30 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~253,500# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2700' & PT to ~3500 psi. Perf lower SA @ ~2300'-2601' w/~30 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~253,500# 40/70 Ottawa sand in slick water.

CO after frac, drill out CBP @ 2700', & CO to CBP @ 3200'. Land ESP on 2-7/8" 6/5# J-55 tbg @ ~2100' & test lower 2 SA zones.

After testing is complete, TOH w/tbg & ESP. Set a 5-1/2" CBP @ ~2275' & PT to ~3500 psi. Perf upper SA @ ~2068'-2251' w/~30 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~18,000# 100 mesh & ~152,100# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2000' & PT to ~3500 psi. Perf upper SA @ ~1731'-1963' w/~30 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~22,500# 100 mesh & ~190,125# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2000', & 2275' & CO to CBP @ 3200'. Land ESP on 2-7/8" 6/5# J-55 tbg @ ~1600' & test all 4 SA zones. Release workover rig. Complete as a single San Andres oil well. See the attached proposed wellbore diagram.

Following the SA production test, the CBP @ 3200' will be drilled out & the well DHC with the Yeso perfs. **These two oil pools have a blanket DHC order (19.15.12.11E).**

Spud Date: 7/17/12

Drilling Rig Release Date: 7/23/12

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Mike Pippin

Type or print name

Mike Pippin

For State Use Only

APPROVED BY:

R. Dade

Conditions of Approval (if any):

TITLE Petroleum Engineer - Agent

DATE 4/18/14

E-mail address: mike@pippinllc.com

PHONE: 505-327-4573

TITLE Dist. H. Spencer

DATE 5/12/14



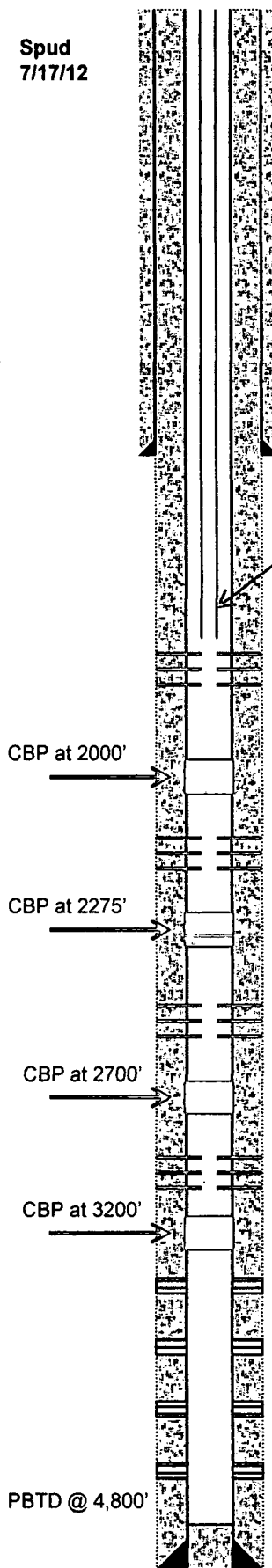
**LIME ROCK
RESOURCES**

LRE Operating LLC,
Staley State #16
San Andres Recompletion
AFE # R14008

Staley State #16
Sec 30-T17S-R28E (O)
890' FSL, 2310' FEL
Elevation – 3,626.3'
API #: 30-015-40338
Eddy County, NM

GEOLOGY	
Zone	Top
Queen	1,073'
Grayburg	1,450'
San Andres	1,798'
Glorieta	3,208'
Paddock/ Upper Yeso	3,315'
Tubb	4,686'

Spud
7/17/12



8-5/8", 24#, J-55, ST&C Casing @ 437', cemented w
400 sks - Circulated 263 sx to surface. (7/18/12)

2-7/8"; 6.5#, J-55 Tubing with ESP and pump intake at 1600'

San Andres Perfs: 1731'-1963', 30 holes Stim Info: 1500 g 15% HCL, 15,393 bbls fresh water, 22,500
#s 100 Mesh, 190,125 #s 40/70 Ottawa

CBP at 2000'

San Andres Perfs: 2068'-2251', 30 holes Stim Info: 1500 g 15% HCL, 12,286 bbls fresh water, 18,000
#s 100 Mesh, 152,100 #s 40/70 Ottawa

CBP at 2275'

San Andres Perfs: 2300'-2601', 30 holes Stim Info: 1500 g 15% HCL, 20,476 bbls fresh water, 30,000
#s 100 Mesh, 253,500 #s 40/70 Ottawa

CBP at 2700'

San Andres Perfs: 2810'-3121', 30 holes Stim Info: 1500 g 15% HCL, 20,476 bbls fresh water, 30,000
#s 100 Mesh, 253,500 #s 40/70 Ottawa

CBP at 3200'

Yeso Perfs: 3,290' - 3,526' (1 SPF - 39 holes) Stim Info: 3,024 g 7.5% HCL & 69 bio balls; 52,845 g 20#
(7/27/12) gel, 77,891 # 16/30 Brady, 14,967 # 16/30 Resin (7/27/12)

Yeso Perfs: 3,585' - 3,904' (1 SPF - 46 holes) Stim Info: 3,024 g 7.5% HCL & 69 bio balls; 52,845 g 20#
(7/27/12) gel, 77,891 # 16/30 Brady, 14,967 # 16/30 Resin (7/27/12)

Yeso Perfs: 3,960' - 4,267' (1 SPF - 51 holes) Stim Info: 2,000 g 7.5% HCL & 77 bio balls; 54,042 g 20#
(7/27/12) gel, 68,627 # 16/30 Brady, 14,912 # 16/30 Resin (7/27/12)

Yeso Perfs: 4,336' - 4,625' (1 SPF - 46 holes) Stim Info: 2,000 g 7.5% HCL & 72 bio balls; 49,753 g 20#
(7/27/12) gel, 59,919 # 16/30 Brady, 13,300 # 16/30 Resin (7/27/12)

PBTD @ 4,800'

5-1/2"; 17#, J-55, ST&C Casing @ 4,815'. Cemented w
825 sks. Circulated 133 sx to surface. (7/22/2012)

TD @ 4,815'

District I
1625 N. French Dr., Hobbs, NM 88240

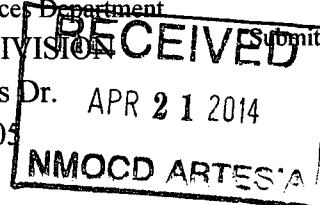
District II
1301 W. Grand Avenue, Artesia, NM 88210

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

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 30-015-40338	² Pool Code 51300	³ Pool Name Red Lake, Queen-Grayburg-San Andres
⁴ Property Code 309840	⁵ Property Name STALEY STATE	
⁷ OGRID No. 281994	⁸ Operator Name LRE OPERATING, LLC.	⁶ Well Number 16
		⁹ Elevation 3626' GL

¹⁰ Surface Location

UL or lot no. O	Section 30	Township 17-S	Range 28-E	Lot Idn	Feet from the 890	North/South line SOUTH	Feet from the 2310	East/West line EAST	County EDDY
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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.					

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.

<div style="text-align: center; font-size: 2em; font-weight: bold;">30</div>				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 <u>Mike Pippin</u> Date <u>4/18/14</u> 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. 5/24/12 Date of Survey Signature and Seal of Professional Surveyor: Filmon F. Jaramillo 12797 Certificate Number