

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

**NM OIL CONSERVATION**

ARTESIA DISTRICT

**OIL CONSERVATION DIVISION**

**JUN 16 2014** 1220 South St. Francis Dr.

Santa Fe, NM 87505

**RECEIVED**

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. 30-015-40338
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 <b>LRE OPERATING, LLC</b>		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 <b>STALEY STATE</b>
4. Well Location Unit Letter <u>O</u> : <u>890</u> feet from the <u>South</u> line and <u>2310</u> feet from the <u>East</u> line Section <u>30</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County		8. Well Number <b>#16</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3626' GL		9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres Ext. (51300)		

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:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK  ALTERING CASING   
 COMMENCE DRILLING OPNS.  P AND A   
 CASING/CEMENT JOB   
 OTHER: 1<sup>st</sup> Portion of WO to Recomplete to SA & DHC

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 has completed the first portion of its workover to recomplete to SA & DHC. On 5/29/14, MIRUSU. TOH w/rods, pump, & tbg. Set 5-1/2" CBP @ 3200' & PT 5-1/2" csg & CBP to 3500 psi for 15 min-OK. Perfed Lower SA @ 2810', 16', 26', 36', 50', 59', 67', 80', 88', 2902', 16', 26', 40', 51', 60', 70', 80', 92', 3000', 10', 20', 30', 46', 54', 61', 70', 80', 96', 3110', 20' w/1-0.41" spf. Total 30 holes. On 6/4/14, treated perms w/1500 gal 15% HCL acid & fraced w/28,552# 100 mesh & 253,500# 40/70 Wisconsin sand in slick water. Set 5-1/2" CBP @ 2700' & PT to 3500 psi-OK. Perfed Middle SA @ 2300', 12', 22', 34', 50', 60', 70', 80', 90', 2400', 13', 22', 30', 38', 50', 60', 70', 80', 90', 2504', 12', 22', 30', 40', 54', 63', 74', 82', 90', 2600' w/1-0.41" spf. Total 30 holes. Treated w/1711 gal 15% HCL acid & fraced w/30,000# 100 mesh & 211,000# 40/70 Wisconsin sand in slick water. CO after frac, drilled CBP @ 2700' & CO to CBP @ 3200'. On 6/7/14, landed ESP on 2-7/8" 6.5# J-55 tbg @ 2018'. Released completion rig on 6/7/14.

Following a test on this 1<sup>st</sup> portion, we plan move the rig back & continue with the 2<sup>nd</sup> portion of the workover.  
 Following a test of the 2<sup>nd</sup> portion of the workover, we plan to drill out the CBP @ 3200' & DHC w/the existing Yeso perms (3290'-4624'). **These two oil pools have a blanket DHC order (19.15.12.11E).**

ART-DHC-4609-S

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 TITLE Petroleum Engineer - Agent DATE 6/9/14  
 Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: [Signature] TITLE Dist. J. Spencer DATE 6/23/14  
 Conditions of Approval (if any):