

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
ARTESIA DISTRICT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC 046250-B
2. Name of Operator LRE OPERATING, LLC		6. If Indian, Allottee or Tribe Name
3a. Address c/o Mike Pippin LLC 3104 N. Sullivan, Farmington, NM 87401	3b. Phone No. (include area code) 505-327-4573	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2310' FNL & 1650' FEL Unit G Sec. 29, T17S, R28E		8. Well Name and No. WILLIAMS B FEDERAL #8
		9. Field and Pool, or Exploratory Area Red Lake, San Andres (97253) Artesia, Glorieta-Yeso (96830) AND Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input checked="" type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Recomplete to San Andres
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

LRE would like to recomple this Yeso oil well into the San Andres & DHC as follows: MIRUSU. TOH w/rods, pump, & tbq. Set a 5-1/2" CBP @ ~3350' & PT to 3500 psi. Perf Lower SA @ ~2970'-3271' w/~38 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~253,500' 40/70 Ottawa sand in slick water. Set a 5-1/2" CBP @ 2940' & PT to 3500 psi. Perf middle SA @ ~2596'-2911' w/~34 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~253,500# 40/70 sand in slick water. CO after frac, drill out CBP @ 2940', & CO to CBP @ 3350'. Land ESP on 2-7/8" tbq @ ~2550'. Test well.

After well is tested, TOH w/all production equipment. Set a 5-1/2" CBP @ ~2570' & PT to 3500 psi. Perf Upper SA @ ~2226'-2541' w/~35 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & 253,500# 40/70 Ottawa in slick water. Set a 5-1/2" CBP @ ~2150' & PT to 3500 psi. Perf Upper SA @ ~1956'-2093' w/~30 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~15,000# 100 mesh & 126,750# 40/70 Ottawa sand in slick water. CO after frac, drill CBP @ 2150' & CO to CBP @ ~3350'. Land ESP on 2-7/8" tbq @ ~1900'. Release workover rig & complete as a single SA oil well. The existing Glorieta-Yeso perfs are 46 holes @ 3400'-3511'. This well will be DHC when the DHC applications with the State & BLM are approved. We plan to utilize a closed loop system.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Mike Pippin	Title Petroleum Engineer
Signature <i>Mike Pippin</i>	Date April 9, 2014

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Accepted for record
NMOCD 10/20/14

APPROVED	
Date MAY 29 2014	
BUREAU OF LAND MANAGEMENT	

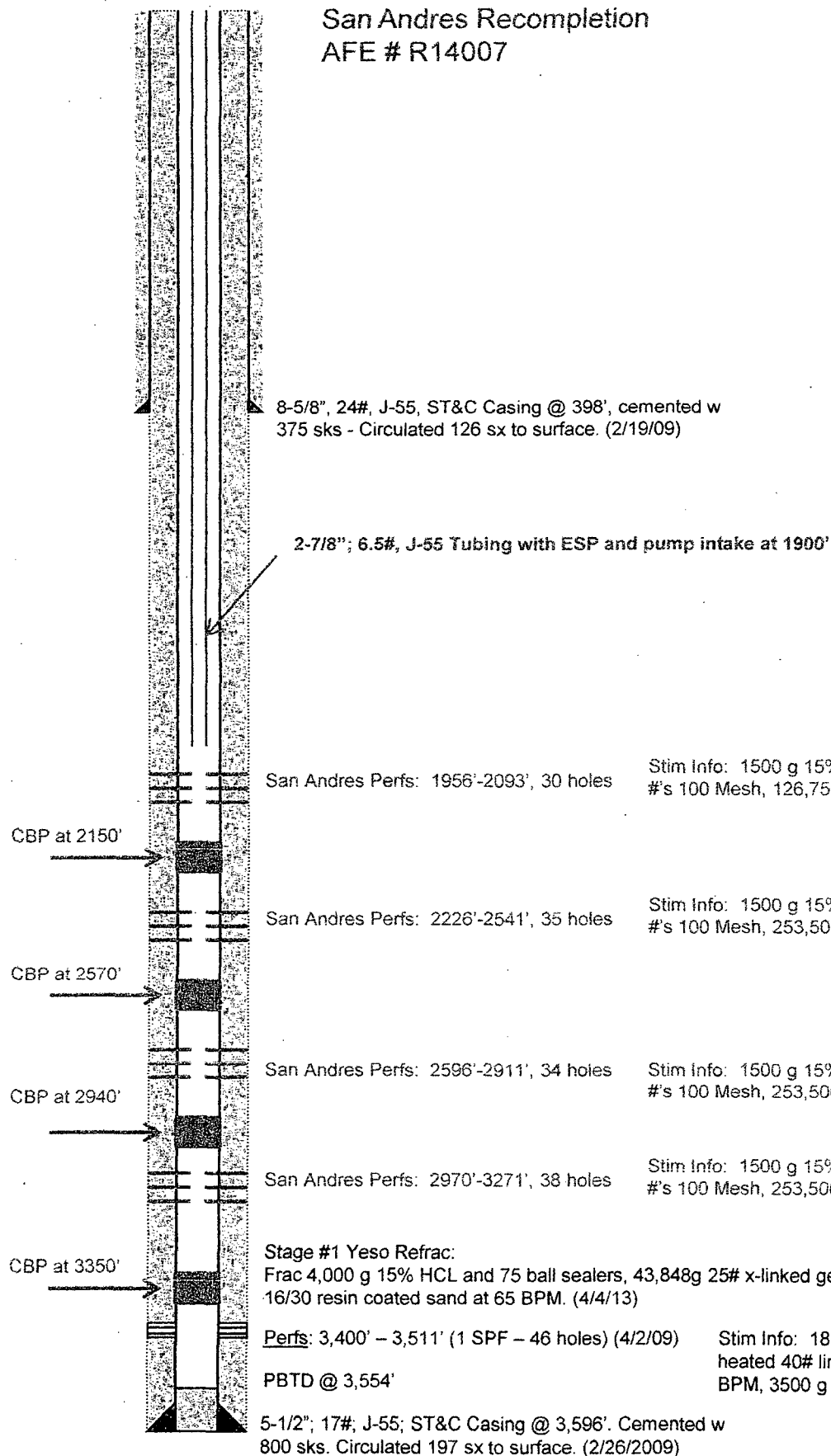


**LIME ROCK
RESOURCES**

LRE Operating LLC,
Williams B Federal #8
San Andres Recompletion
AFE # R14007

**Williams B Federal #8
Sec 29, T17S, R28E (G)
2310' FNL, 1650' FEL
Elevation – 3,657'
API #: 30-015-36915
Eddy County, NM**

GEOLOGY	
Zone	Top
Queen	1,205'
Grayburg	1,623'
San Andres	1,924'
Glorieta	3,303'
Paddock/ Upper Yeso	3,408'



TD @ 3,606'

Conditions of Approval, (test S A, prep for commingle)

LRE Operating, LLC
Williams B - 08
API 3001536915, T17S-R28E, Sec 29
May 29, 2014

1. The "Williams A & B Field Study of the Yeso & San Andres" dated 11/23/2013 reviewed and Approved by EGF on 01/27/2014 has been accepted by BLM CFO as justification for a downhole pool comingling project on the Williams A and Williams B federal leases. The Yeso is currently capable of production in paying quantities and is to be produced until that formation's economic limits are achieved. This being said, the combined formations should increase field production.
2. Allocation data must be obtained before comingling. The current Yeso production to be isolated and the San Andres tested. Production allocation of the comingled formations to each formation to be determined by calculating the per cent contributed using stabilized test results from each of the formations.
3. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when opening another pay zone. (received)
4. A subsequent sundry detailing work done and a completion report for the San Andres formation is necessary.
5. Subsequent to stabilized production from the San Andres, submit a notice of intent to reopen the Yeso. Include a "Downhole Commingling Worksheet" for the well with allocations and weighted averages as was constructed for the Williams A Federal #3 on 01/25/2014.
6. Include the Oil Conservation Division's Form C-107A comingling approval.
7. Surface disturbance beyond the originally approved pad must have prior approval.
8. Closed loop system required.
9. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well

location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

10. Functional H₂S monitoring equipment shall be on location.
11. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
- 12. After setting the isolation plug above the Yeso and before perforating, perform a BLM PET witnessed (charted) casing integrity test of 700psig. Verify all annular casing vent valves are open to the surface during this pressure test. Pressure leakoff may require correction for approval. Include a copy of the chart in the subsequent sundry for this workover.**
- 13. Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log of any existing cement bond log record. The CBL may be attached to a pswartz@blm.gov email. The CFO BLM on call engineer may be reached at 575-706-2779.**

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.