

District I - (575) 393-1001
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88203
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

RECEIVED
OCT 20 2014

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-41834
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SOUTHERN UNION 30 G STATE
8. Well Number #3
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3563' GI.

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 [X] 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 G : 1655 feet from the North line and 2375 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.) 3563' GI.

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 [X]
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: Payadd Workover [X]

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.

On 9/20/14, MIRUSU. TOH w/production equipment. Set 5-1/2" CBP @ 4610' & PT csg & CBP to 3500 psi-OK. (Existing Tubb perfs are 4648'-5010'). Perfed Yeso @ 4417', 22', 26', 32', 44', 50', 56', 60', 72', 78', 84', 89', 94', 4500', 06', 10', 14', 22', 30', 36', 41', 46', 50', 58', 65', 70', 74' w/1-0.41" spf. Total 27 holes. Could not load csg for breakdown. Concluded that the new perfs had communicated with the existing fraced perfs below in the Tubb. Therefore, could not frac these perfs. Set 5-1/2" CBP @ 4380' & PT csg & CBP to 3500 psi for 5 min-OK. Perfed Yeso @ 4034', 40', 48', 58', 66', 74', 86', 94', 4103', 16', 31', 47', 64', 74', 84', 92', 99', 4220', 26', 36', 46', 55', 62', 70', 83', 94', 4302', 16', 24', 32', 41' w/1-0.41" spf. Total 31 holes. On 10/9/14, treated new perfs w/1504 gal 15% HCL acid & fraced w/23,606# 100 mesh & 192,810# 40/70 Wisconsin sand in slick water. Set 5-1/2" CBP @ 3960' & PT csg & CBP to 3500 psi-OK. Perfed Yeso @ 3590', 3600', 10', 18', 24', 32', 38', 46', 56', 64', 88', 92', 3700', 12', 21', 30', 41', 52', 62', 74', 80', 90', 99', 98', 3805', 14', 25', 40', 50', 59', 68', 77', 87' w/1-0.41" spf. Total 33 holes. Treated new perfs w/1488 gal 15% HCL acid & fraced w/23,323# 100 mesh & 181,836# 40/70 Wisconsin sand in slick water. Set 5-1/2" CBP @ 3575' & PT csg & CBP to 3500 psi-OK. Perfed Yeso @ 3362', 67', 72', 77', 82', 87', 92', 97', 3402', 07', 12', 17', 22', 32', 37', 42', 47', 52', 57', 62', 67', 72', 77', 82', 87', 92', 97', 3502', 07', 12', 17', 22', 27', 37' w/1-0.41" spf. Total 34 holes. Treated new perfs w/1493 gal 15% HCL acid & fraced w/11,404# 100 mesh & 103,222# 40/70 Wisconsin sand in slick water. On 10/10/14, MIRUSU. Drilled CBPs @ 3575, 3960' & 4380' & CO to CBP @ 4610'. On 10/13/14, landed ESP on 2-7/8" 6.5# J-55 tbg @ 3361'. Released workover rig on 10/14/14. Following a production test, the CBP @ 4610' will be drilled out & the well CO to PBTD5013' in order to open all perfs to production. Bottom Hole @ 1660' FNL & 2278' FEL Sec 30. Spud Date: 5/29/14 Drilling Rig Release Date: 6/4/14

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 10/17/14 Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573 For State Use Only APPROVED BY: [Signature] TITLE [Signature] DATE 10/24/14 Conditions of Approval (if any):