

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. 30-015-42367 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> 6. State Oil & Gas Lease No.
2. Name of Operator <b>LRE OPERATING, LLC</b>		7. Lease Name or Unit Agreement Name <b>WELCH RL STATE</b> 8. Well Number #20
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401		9. OGRID Number 281994 10. Pool name or Wildcat Artesia, Glorieta-Yeso (96830)
4. Well Location Unit Letter <u>E</u> : <u>1650</u> feet from the <u>North</u> line and <u>420</u> feet from the <u>West</u> line Section <u>28</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3623' 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:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK  ALTERING CASING   
 COMMENCE DRILLING OPNS.  P AND A   
 CASING/CEMENT JOB   
 OTHER: Spud & Casings

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.

Spud well on 11/16/14. Drilled 11" hole to 485'. Landed 8-5/8" 24# J-55 csg @ 479'. Cmted w/300 sx (405 cf) "C" cmt w/2% CaCl2, & 1/4#/sx cello-flake. Circ 147 sx cmt to surface. On 11/17/14, PT 8-5/8" csg to 600 psi for 30 min – OK.

Drilled 7-7/8" hole to TD3650' on 11/19/14. Landed 5-1/2" 17# J-55 csg @ 3639'. Cmted lead w/300 sx (571 cf) 35/65 poz C cmt w/5% salt, 0.125# CF, 5# LCM, & 0.2% R-3. Tailed w/375 sx (499 cf) "C" cmt w/0.6% R-3 & 0.25# CF. Circ 88 sx cmt to pit. Ran cased hole logs. Released drilling rig on 11/20/14. Plan to pressure test the 5-1/2" csg before completion operations.

Spud Date: 11/16/14

Drilling Rig Release Date: 11/20/14

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 11/24/14

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

APPROVED BY: Dr. P. Superwist TITLE Dist. # Supervisor DATE 11/26/2014  
 Conditions of Approval (if any):

NM OIL CONSERVATION  
 ARTESIA DISTRICT  
 NOV 25 2014

RECEIVED