

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
NM OIL CONSERVATION
ARTESIA DISTRICT
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
RECEIVED
MAR 23 2015

Form C-103
Revised July 18, 2013

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. 30-015-40068
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 LRE OPERATING, LLC		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 WELCH RL STATE
4. Well Location Unit Letter <u>F</u> : <u>2310</u> feet from the <u>North</u> line and <u>2310</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		8. Well Number #14
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3639' GL		9. OGRID Number 281994
		10. Pool name or Wildcat Artesia, Glorieta-Yeso (96830)

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 & DHC ☒

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 & DHC as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3350' & PT to ~3500 psi. (Existing Yeso perfs are @ 3394'-3510'). Perf lower San Andres @ ~2776'-3171' w/~40 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~371,490# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2752' & PT to ~3500 psi. Perf San Andres @ ~2435'-2721' w/~31 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~260,190# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2414' & PT to ~3500 psi. Perf upper San Andres @ ~2061'-2389' w/~31 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~158,340# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2414' & 2752', & CO to CBP @ 3350'. Run 2-7/8" 6.5#J-55 production tbg & land @ ~3235'. Run pump & rods. Release workover rig. Complete as a single San Andres oil well. See the attached proposed wellbore diagram. Following a test of the San Andres alone & the approval of our DHC application in Santa Fe, the CBP @ 3350' will be removed & the well DHC.

Spud Date: 1/21/14

Drilling Rig Release Date: 1/25/14

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 3/20/15
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573
For State Use Only

APPROVED BY: R Dade TITLE Dist R Supervisor DATE 3/24/2015
Conditions of Approval (if any):

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 30-015-40068	² Pool Code 97253	³ Pool Name Red Lake, San Andres
⁴ Property Code 309873	⁵ Property Name WELCH RL STATE	⁶ Well Number 14
⁷ OGRID No. 281994	⁸ Operator Name LRE OPERATING, LLC.	⁹ Elevation 3639' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	28	17-S	28-E		2310	NORTH	2310	WEST	EDDY

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.

	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 3/20/15 Printed Name <u>Mike Pippin</u>	
	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.	
	Date of Survey 12/7/11 Signature and Seal of Professional Surveyor: Filmon F. Jaramillo 12797 Certificate Number	