

District I 1625 N. French Dr., Hobbs, NM 88240

District II 1301 W. Grand Ave., Artesia, NM 88240

District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

ARTESIA DISTRICT
APR 29 2015 OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
RECEIVED

WELL API NO. 30-015-41063
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STALEY STATE
8. Well Number #22
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres(51300)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3593' GL

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 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 J : 2310 feet from the SOUTH line and 2175 feet from the EAST line
Section 30 Township 17-S Range 28-E NMPM Eddy County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input checked="" type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>			
OTHER: Recomplete To San Andres <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 1103. 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 @ ~3250' & PT to ~3500 psi. (Existing Yeso perms are @ 3305'-4550'). Perf lower San Andres @ ~2782'-3112' w/~33 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~303,030# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2700' & PT to ~3500 psi. Perf San Andres @ ~2203'-2575' w/~38 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~328,230# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2100' & PT to ~3500 psi. Perf upper San Andres @ ~1740'-1971' w/~37 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~119,700# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2100' & 2700', & CO to CBP @ 3250'. Run 2-7/8" 6.5#J-55 production tbg & land @ ~3115'. 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 CBP @ 3250' will be removed & the well DHC as per order ART-4609-Y.

Spud Date: 5/4/13 Drilling Rig Release Date: 5/9/13

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 4/28/15
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only
APPROVED BY: R Wade TITLE Dist. IT Supervisor DATE 5/6/15
Conditions of Approval (if any):

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

NM OIL CONSERVATION

ARTESIA DISTRICT

APR 29 2015

Form C-102

Revised October 12, 2005

Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-41063	² Pool Code 51300	³ Pool Name Red Lake, Queen-Grayburg-San Andres
⁴ Property Code 309874	⁵ Property Name STALEY STATE	
⁷ OGRID No. 281994	⁸ Operator Name LRE OPERATING, LLC.	⁶ Well Number 22
		⁹ Elevation 3593' 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
J	30	17-S	28-E		2310	SOUTH	2175	EAST	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.
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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	
	<p><i>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.</i></p>	
	<p>Signature <i>Mike Pippin</i></p>	<p>Date 4/28/15</p>
	<p>Printed Name Mike Pippin</p>	
	¹⁸ SURVEYOR CERTIFICATION	
	<p><i>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.</i></p>	
	<p>Date of Survey 12/28/12</p>	
	<p>Signature and Seal of Professional Surveyor: Filmon F. Jaramillo</p>	
<p>12797</p>		<p>Certificate Number</p>

LIME ROCK RESOURCES	County	EDDY	Well Name	Staley State #22	Field:	Redlake Glorieta-Yeso NE	Well Sketch:	AFE R15023 LRE Operating, LLC
	Surface Lat:	32.8040233°N	BH Lat:	32.8040233°N	Survey:	S30-T17S-R28E Unit J	API #	30-015-41063
	Surface Long:	104.2128683°W	BH Long:	104.2128683°W		2310' FSL & 2175' FEL	OGRID #	281994

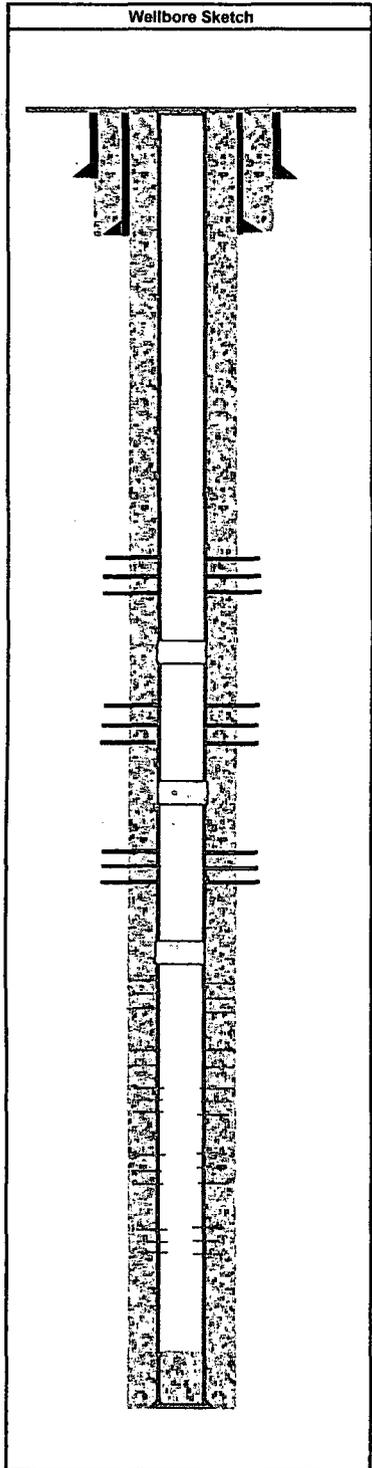
Directional Data:	
KOP	Vertical Well
Max Dev.:	
Dleg sev:	
Dev @ Perfs	
Ret to Vert:	

Tubular Data							
Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC
Conductor	20"	91.5#	B	Weld	40'	40'	SURF
Surface	8 5/8"	24#	J-55	STC	431'	431'	SURF
Intermediate							
Production	5 1/2"	17#	J-55	LTC	4,999'	4,999'	SURF
Liner							

Wellhead Data	
Type:	
WP:	
Tree Cap	Flange:
	Thread:
Tbg Hanger:	
8TM Flange:	
BPV Profile:	NA
Elevations:	GR - RKB = 13.4'
RKB:	3606.2
GL:	3,593.2'

Drilling / Completion Fluid	
Drilling Fluid:	10.2 PPG Brine / Salt Gel
Drilling Fluid:	
Completion Fluid:	2% KCL
Completion Fluid:	
Packer Fluid:	NA

CEMENT DATA							
	L/sks	Yld	Wt	T/sks	Yld	Wt	XS
Surface	280	1.35	14.8	NA	NA	NA	105 sx
Intermediate							
Liner							
Production	300	1.9	12.8	625	1.33	14.8	85 sx



Completion Information					
DEPTHS (MD)	FORMATION TOPS / WELL INFO	PERFORATIONS		# of HOLES	DETAILS
		from	to		
0					
40'	26" Hole				
431'	12-1/4" Hole				20" Conductor Pipe
					8-5/8" Surf Csg Circ 105 sx Cmt to surf
502'	Seven Rivers				
1052'	Queen				
1474'	Grayburg				
1738'	Premier				
1780'	San Andres				
2 7/8" tbg, TAC at 1640', SN at 3080', 4' slotted sub, 1 jt MA w BP at 3115'					
Tenaris Rods w T-couplings; 77-1" KD, 42- 7/8" KD, 4- 1.5" kbars, 2.5"x2"x20" RHBC-HVR Pump					
Shores Lift 640-365-168- 50 HP, 168" SL at 8 SPM					
	San Andres	1,740'	1,971'	37	96', 1500 g 15% HCL, 4,114 bbls water
CBP at 2100'					
	San Andres	2,203'	2,575'	38	30,000 # 100 Mesh, 119,700 # 40/70 Ottawa
CBP at 2700'					
	San Andres	2,782'	3,112'	33	80 + BPM
					372', 1500 g 15% HCL, 7,414 bbls water
					30,000 # 100 Mesh, 328,230 # 40/70 Ottawa
					80 + BPM
					330', 1500 g 15% HCL, 7,114 bbls water
					30,000 # 100 Mesh, 303,030 # 40/70 Ottawa
					80 + BPM
3173'	Glorieta				
CBP at 3250'					
3305'	Yeso				
	Stage 5 U. Yeso Frac	3305'	3486'	37	181' Stg 5 - See Frac Design
	Stage 4 U. Yeso Frac	3520'	3657'	18	137' Stg 4 - See Frac Design
	Stage 3 L. Yeso Frac	3700'	3,873'	18	173' Stg 3 - See Frac Design
	Stage 2 L. Yeso Frac	3922'	4241'	30	319' Stg 2 - See Frac Design
	Stage 1 L. Yeso Frac	4290'	4550'	24	261' Stg1 - See Frac Design
4670'	Tubb				
	PBTD				
4999'	PROD CSG				above 5-1/2" Float Collar
					5-1/2" Prod Csg. Circ 85 SX Cmt to Surf
Comments: NM OCD CLP 0213928				Plug back Depth:	MD
				Total Well Depth:	5005' 5005' MD
				Prepared By:	Date:
				Eric McClusky	27-Apr-15