

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOCD  
Artesia

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

**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. NMNM97122
2. Name of Operator LRE OPERATING LLC		6. If Indian, Allottee or Tribe Name
3a. Address 1111 BAGBY SUITE 4600 HOUSTON, TX 77002		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 505-327-4573		8. Well Name and No. CHALK FEDERAL 7
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T18S R27E NESW 1650FSL 1650FWL 32.773964 N Lat, 104.303301 W Lon		9. API Well No. 30-015-42875-00-X1
		10. Field and Pool, or Exploratory RED LAKE
		11. County or Parish, and State EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input 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 Well Spud
	<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 Operation (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 recomplate 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 recomplate 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.)

THIS IS THE INITIAL COMPLETION FOR THIS OIL WELL:

Spudded well on 6/23/15. Drilled 11" hole to 440'. Set 8-5/8" 24# K-55 csg @ 439'. Cmted w/350 sx (473 cf) cl "C" cmt w/1.88% CaCl2 & 0.25# C/F. Circ 129 sx cmt to pit. On 6/24/15, pressure tested 8-5/8" csg to 1500 psi for 30 min-OK.

Drilled 7-7/8" hole to TD4100' on 6/27/15. On 6/27/15, set 5-1/2" 17# K-55 production csg @ 4088'. Cmted 1st lead w/155 sx (279 cf) thixotropic "C" cmt w/2.82% gyp-seal, 3.76% gel, 3# kol-seal, & 0.25# polyflake. Cmted 2nd lead w/300 sx (564 cf) cl "C" 35/65 poz w/5.22% gel, 4.12% Nacl, 0.25# flo-seal, 0.17% retarder, & 0.52% fluid loss latex. Tailed w/375 sx (499 cf) cl "C" cmt w/0.25# flo-seal, 0.24% retarder, 0.75% fluid loss. Circ 217 sx cmt to pit. Released drilling rig on 6/28/15. Plan to pressure test 5-1/2" csg during completion operations.

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

OCT 30 2015

RECEIVED

Accepted for record  
(D) NMOCD 11/3/15

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #307496 verified by the BLM Well Information System</b> For LRE OPERATING LLC, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER SANCHEZ on 10/22/2015 (16JAS0530SE)	
Name (Printed/Typed) MIKE PIPPIN	Title PETROLEUM ENGINEER
Signature (Electronic Submission)	Date 06/29/2015

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <b>ACCEPTED</b>	DAVID R GLASS Title PETROLEUM ENGINEER	Date 10/22/2015
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 Carlsbad

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.