

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
June 19, 2008

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

WELL API NO.
30-015-39635

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

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 E-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

RECEIVED

FEB 15 2012

NMOCD ARTESIA

7. Lease Name or Unit Agreement Name
ARCO STATE

8. Well Number #1

9. OGRID Number 281994

10. Pool name or Wildcat
Empire, Glorieta-Yeso (96210)

4. Well Location

Unit Letter L : 1650 feet from the SOUTH line and 530 feet from the WEST line

Section 24 Township 17-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3705' 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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Completion ☒

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.

On 1/17/12, PT 5-1/2" csg to 5000 psi for 30 min-OK. Perfed lower Yeso @ MD4912', 20', 23', 27', 30', 36', 42', 45', 51', 55', 59', 63', 70', 75', 81', 84', 91', 95', 5002', 06', 10', 12', 23', 28', 31', 37', 39', 45', 50', 62', 65', 72', 80', 83', 88', 91', 95', 5100', 02', 05' w/1-0.42" spf. Total 40 holes. Treated w/3000 gal 7.5% HCL acid & 71 perf balls. On 1/20/12, fraced lower Yeso w/41,602# 16/30 Brady & 14,871# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ MD4885'. PT csg & CBP to 4000 psi for 30 min-OK. Perfed middle Yeso @ MD4758', 65', 70', 78', 80', 4803', 08', 23', 29', 32', 38', 67', 69' w/2-0.42" spf & 4513', 20', 25', 28', 35', 42', 44', 47', 80', 88', 4631', 35', 74', 78', 85', 88', 92', 95', 4700', 02', 08' w/1-0.42" spf. Total 47 holes. Treated perfs w/3415 gal 7.5% HCL acid & 71 perf balls. On 1/21/12, fraced w/78,490# 16/30 Brady & 16,475# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ MD4480'. PT csg to 4000 psi for 30 min-OK. Perfed upper Yeso @ MD4064', 81', 84', 88', 92', 99', 4103', 08', 4201', 04', 09', 13', 27', 32', 35', 40', 43', 49', 51', 54', 57', 66', 76', 82', 85', 89', 4300', 02', 11', 18', 22', 27', 37', 39', 42', 46', 55', 62', 67', 72', 84', 88', 92', 95', 4403', 41', 45', 50', 59' w/1-0.42" spf. Total 49 holes. Treated perfs w/1772 gal 7.5% HCL acid & 74 perf balls. On 1/21/12, fraced w/54,387# 16/30 Brady & 13,670# 16/30 siber prop sand in X-linked gel.

On 1/23/12, MIRUSU. Drilled CBPs @ MD4480' & 4885' & CO to PBTD5203'. On 1/24/12, landed 2-7/8" 6.5# J-55 tbg @ MD3976'. Ran pump & rods. Released completion rig on 2/2/12.

Accepted for record
NMOCD

TD of 7-7/8" hole is 1671' FSL & 348' FWL Sec 24 T17S R28E.

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 2/13/12

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

For State Use Only

APPROVED BY: RDade TITLE Dist. II Supervisor DATE 02/22/2012

Conditions of Approval (if any):