

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. 30-015-36252
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 #4
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836)

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
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 N : 990 feet from the SOUTH line and 1980 feet from the WEST line Section 30 Township 17-S Range 28-E NMPM Eddy County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3626' GL	

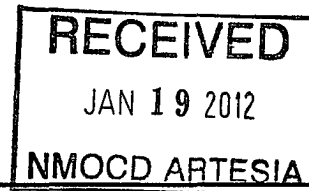
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Payadd Workover <input checked="" type="checkbox"/>
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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 performed a payadd workover as follows: On 12/5/11, MIRUSU. TOH w/rods, pump, & tbg. Set 5-1/2" RBP @ 3650'. PT RBP to 4000 psi-OK & 5-1/2" csg to 1000 psi-OK. Perfed additional Glorieta/Yeso @ 3210', 12', 14', 20', 24', 31', 37', 45', 61', 63', 76', 82', 86', 3314', 3406', 10', 12', 3527', 28', 37', 63', 98', 3600', 06', 09', 12', 23' w/1-0.40" spf & 3628' w/2-0.40" spf. Total 30 holes. Treated all perfs w/2730 gal 7.5% HCL acid & 150 perf balls. On 12/8/11, fraced w/155,406# 16/30 Brady & 23,722# 16/30 siber prop sand in 25# X-linked gel. CO after frac, retrieve RBP @ 3650', & TOH. CO to 3998'. On 12/13/11, landed 2-7/8" 6.5# J-55 tbg @ 3129'. Ran pump & rods. Released completion rig on 12/14/11. Resume production from the Artesia, Glorieta-Yeso pool.

Existing perfs above RBP @ 3650': 3308'-3498' w/1 spf, total 38 holes.
Existing perfs below RBP @ 3650' 3671'-3994' w/1spf, total 63 holes.



Spud Date: 6/23/08 Rig Release Date: 7/3/08

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 1/12/12

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

For State Use Only

APPROVED BY: T.C. Shepard TITLE Geologist DATE 1/19/2012

Conditions of Approval (if any):