

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. 30-015-37056
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 #6
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 <u>L</u> (Lot #3): <u>1960</u> feet from the <u>SOUTH</u> line and <u>990</u> feet from the <u>WEST</u> line Section <u>30</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3593' GL	

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 type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Yeso Payadd Workover <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.

Lime Rock would like to perform a payadd workover as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" RBP @ ~3570' & PT csg & RBP to about 4000 psi. Perf additional Glorieta/upper Yeso between ~3269'-3507' w/about 51 holes. (Existing Yeso perfs are 130 holes @ 3600'-4623'). Stimulate new Glorieta/Yeso perfs with ~2,500 gal 7.5% HCL & frac w/~125,880# 16/30 sand in 20# X-linked gel. CO after frac, retrieve RBP @ 3570', & CO to about 4706'. Land 2-7/8" 6.5# J-55 tbg @ ~3150'. Run pump & rods & release workover rig. Resume production from the Red Lake, Glorieta-Yeso NE pool.

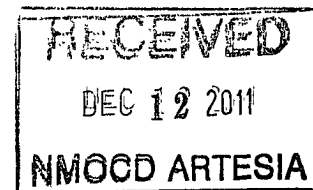
Spud Date: 1/14/11 Drilling Rig Release Date: 1/28/11

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 12/8/11

Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573
For State Use Only DEC 12 2011

APPROVED BY: T. C. Shepard TITLE Geologist DATE _____
Conditions of Approval (if any):



Sm



**LIME ROCK
RESOURCES**

**PROPOSED PAYADD WORKOVER
- UPPER YESO
AFE NUMBER W11090**

**Staley State #6
Sec 30-17S-28E (C Unit L)
1960' FSL, 990' FEL
Elevation - 3,593' GR
API #: 30-015-37056
Eddy County, NM
LRE Operating, LLC**

8-5/8",
23#, J-55,
ST&C
Casing @
430'.
Circulated
163 sx to
Surface.

1. Hot water tubing. MIRU pulling unit. Pull rods. Lower tubing to check fill. Pull tubing and clean out if necessary.
2. Make bit and scraper run through 3,650' MD.
3. PU 5-1/2" RBP on production tubing. TIH and set RBP at 3,570' MD. PU 5 to 10', and test plug and casing to 4000 psig in 500 psi increments. TOH and LD tubing.
4. RU eline with GR/CCL on 3-1/8" select fire guns (4" guns are ok). Note fluid level. Correlate on depth and send log to Houston for confirmation. Perf Upper Yeso perfs as listed below. POOH and lay down guns noting fluid level on way out of hole. RD and release eline unit.
5. Fill hole with 2500 gals of 7-1/2% HCL acid using 80 ball sealers at 15 BPM. Frac Upper Yeso perfs as listed below at 60 BPM via 5-1/2" casing with a max pressure of 4000 psig.
6. Clean out wellbore to RBP, latch RBP and TOOH.
7. Clean wellbore out to plug back TD of 4706' MD. Lay down tubing to set pump at 3,150' MD. TOOH w/ remaining tubing and bailer.
8. RIH w/ tubing and tubing anchor/catcher setting SN at 3150' MD.
9. Run pump and rods. Use 2" pump stroked at maximum allowable SPM and stroke length to be 90% loaded on pumping unit. Place well on line and release pulling. unit.

GEOLOGY

<u>Zone</u>	<u>Top</u>
Queen	1,010'
Grayburg	1,403'
San Andres	1,753'
Glorieta	3,151'
Yeso	3,272'
Tubb	4,628'

SURVEYS

<u>Degrees</u>	<u>Depth</u>
1/4°	939'
1/4°	1,508'
1/2°	1,986'
3/4°	2,491'
1°	2,997'
1-1/4°	4,002'
1-1/2°	4,479'
1-1/4°	4,764'

2-7/8"; 6.5#, L-80 Tubing @ 4,593' AS OF 12-7-11

Proposed Upper Yeso Perfs: 3269', 3274', 3277', 3282', 3284', 3287', 3290', 3294', 3297', 3302', 3306', 3310', 3312', 3316', 3322', 3325', 3328', 3332', 3338', 3342', 3347', 3352', 3356', 3360', 3365', 3368', 3373', 3376', 3382', 3386', 3390', 3396', 3401', 3405', 3409', 3418', 3423', 3430', 3434', 3438', 3443', 3447', 3453', 3457', 3466', 3474', 3478', 3490', 3496', 3502', 3507' (1 SPF, $\geq 0.40"$ and $\leq 0.43"$ EHD, 51 holes)

Proposed Upper Yeso Stimulation: 2500 gals 7-1/2% HCL with 80 ball sealers at 15 BPM and max pressure of 4000 psig. 60,960 gals Viking 2000 20# X-linked Borate gel, 103,380# 16/30 Brady sand, and 22500# 16/30 SiberProp resin coated sand staged after the pad from 1.5 to 5 PPG at 60 BPM, and flush to within 2 bbls of the perforations with 3100 gals of 20# linear gel.

Perfs: 3,600' - 3,890' (2 SPF, 0.42" EHD - 42 holes)

Stim Info: 4620 gal 15% NEFE; Frac w/ 161,890 # 16/30 Brady & 27,410 # Super LC RC 16/30 in 20# x-linked gel. (2/15/11)

Perfs: 3,917' - 4,228' (2 SPF, 0.42" EHD - 44 holes)

Stim Info: 3528 gal 15% NEFE, Frac w/ 130,122 # 16/30 Brady & 31,177 # Super LC RC 16/30 in 20# x-linked gel. (2/15/11)

Perfs: 4,282' - 4,623' (2 SPF, 0.42" EHD - 44 holes)

Stim Info: 2520 gal 15% NEFE; Frac w/ 112,794 # 16/30 Brady & 35,537 # Super LC RC 16/30 in 20# x-linked gel. (2/15/11)

PBTD @ 4,706'

5-1/2"; 17#, J-55; ST&C Casing @ 4,749'.
Circulated 132 sx to Surface. (1/27/2011)

TD @ 4,766'

Proposed as of 12/7/11