

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. 30-015-40340
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 #19
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	
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> : <u>2160</u> feet from the <u>SOUTH</u> line and <u>455</u> feet from the <u>WEST</u> line Section <u>30</u> Township <u>17-S</u> Range <u>28-E</u> NMPM Eddy County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3582' 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	P AND A <input type="checkbox"/>
	CASING/CEMENT JOB <input checked="" type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: Spud & Casings <input checked="" 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.

Spud well on 6/6/12. Drilled 12-1/4" hole to 425'. Landed 8-5/8" 24# J-55 csg @ 423'. Cmted w/280 sx (378 cf) "C" cmt w/2% CaCl2 & 0.125# CF. Circ 100 sx cmt to surface. On 6/7/12, PT 8-5/8" csg to 750 psi for 30 min-OK.

Drilled 7-7/8" hole from 8-5/8" csg shoe to MD4750' on 6/14/12. Ran open hole logs. On 6/15/12, landed 5-1/2" 17# J-55 csg @ MD4746'. Cmted lead w/300 sx (570 cf) 35/65 poz "C" cmt w/1/8#/sx CF, 5% salt, 5# LCM-1 & 0.3% R-3. Tailed w/550 sx (731 cf) "C" cmt w/0.25#/sx CF, 0.4% R-3. Circ 157 sx cmt to pit. Released drilling rig on 6/15/12. Plan to pressure test the 5-1/2" csg before completion operations.

Bottom Hole Location is 2293' FSL & 343' FWL Sec.30 T17S R28E

Spud Date: 6/6/12 Drilling Rig Release Date: 6/15/12

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 6/16/12

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 6/22/2012  
Conditions of Approval (if any):