

OCD Artesia

FORM APPROVED
OMB No 1004-0135
Expires July 31, 1996

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or reenter 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. NMNM 048344
2. Name of Operator LRE OPERATING, LLC		6. If Indian, Allottee or Tribe Name
3a. Address c/o Mike Pippin LLC 3104 N. Sullivan, Farmington, NM 87401	3b. Phone No. (include area code) 505-327-4573	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2282' FNL & 2267' FEL Unit G Sec. 28, T17S, R28E		8. Well Name and No. KERSEY WILLIAMS A FEDERAL #9
		9. Field and Pool, or Exploratory Area Red Lake: Queen-Grayburg-San Andres (51300) AND Eddy County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" 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 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 Payadd Workover
	<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 Operations (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 recompleat 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 recompleat 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.)

LRE would like to perform a payadd workover in the San Andres as follows: MIRUSU. TOH w/production equipment. Set a 5-1/2" CBP @ 2730'. Perf additional San Andres @ about 2485'-2685' w/about 30 holes. Treat perfs w/about 2000 gal 7.5% NEFE acid & frac w/about 70,225# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ 2450'. Perf additional San Andres @ about 2255'-2420' w/about 30 holes. Treat perfs w/about 1650 gal 7.5% NEFE acid & frac w/about 60,175# 16/30 sand in 20# X-linked gel. CO after frac, drill out CBPs @ 2450' & 2730', & CO to RBP @ 3171'. Land 2-7/8" tbg @ about 3085' & run pump & rods. Release workover rig. Complete as a single San Andres oil well. See attached wellbore diagram.

Accepted for record

Existing San Andres perfs @ 2783'-3043 & 3209'-3305' w/RBP @ 3171'.

See orders attached.

NMOC
10/9/6/2012
accept for record 04/24/2012 MR

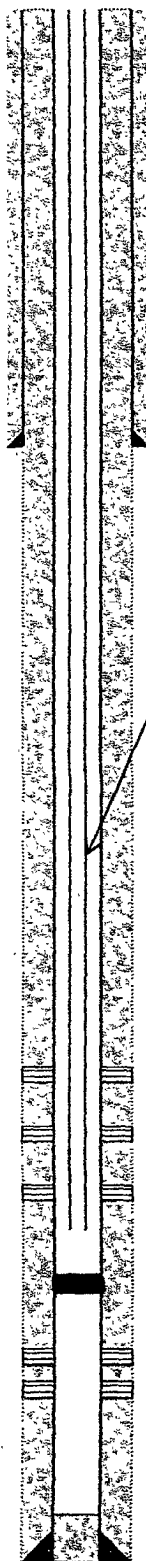
14 I hereby certify that the foregoing is true and correct		Title	
Name (Printed/Typed) Mike Pippin		Petroleum Engineer (Agent)	
Signature <i>Mike Pippin</i>		Date June 21, 2012	
THIS SPACE FOR FEDERAL OR STATE USE ACCEPTED FOR RECORD			
Approved by	Title	Date	
Conditions of approval, if any, are attached. 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	SEP 4 2012 <i>MR</i>	
Title 18 U.S.C. Section 1001, makes 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.			
PETROLEUM ENGINEER			



**LIME ROCK
RESOURCES**

Proposed MSA Pay Add AFE W12042

**Kersey Williams A Fed #9
Sec 28-17S-28E (G)
2282' FNL, 2267' FEL
Elevation – 3646'
API # 30-015-36829
Eddy County, NM**



8-5/8", 32#, J-55, ST&C Casing @ 440'. Circ 124 sx
of cement to Surface.

2-7/8"; 6.5#, L-80 Tubing @ 3,083'

Proposed Perfs: 2,255' – 2,420' (1&2 SPF – 30 holes)

Proposed Perfs: 2,485' – 2,685' (1&2 SPF – 30 holes)

Perfs: 2,783' – 3,043' (1 SPF – 57 holes)

Stim Info: 4500 gal 15% NEFE; Frac w/ x-link gel +
114,840# 16/30 + 45,060# 12/20. (6/15/09)

RBP @ 3,171'. (6/15/09)

Perfs: 3,209' – 3,305' (1 SPF – 51 Holes)

Stim Info: 3000 gal 15% NEFE; Treat w/ 14k gal htd 20%
HCl + 20k gal htd 40# linear gel + 2500 gal 15% HCl cool-
down. (3/17/09)

PBTD @ 3,599'

5-1/2", 17#, J-55; LT&C Casing @ 3,645'. Circ 185 sx to surface.
(2/13/2009).

TD @ 3,655'

GEOLOGY

Zone	Top
Yates	550'
7 Rivers	700'
Queen	1,221'
Grayburg	1,640'
San Andres	1,942'
Glorieta	3,322'
Yeso	3,425'

SURVEYS

Degrees	Depth
3/4°	450'
1/2°	935'
3/4°	1,440'
3/4°	1,919'
1°	2,424'
1°	2,930'
1-1/2°	3,436'
1-1/2°	3,655'

**Kersey Williams A Federal 9
30-015-36829
LRE Operating, LLC
September 4, 2012
Orders of the Authorized Officer**

Note: Pursuant to 43 CFR 3162.3-2, a Notice of Intent is not required for this operation.

- 1. Submit a Subsequent Report within 30 days of completing the work detailing work by date that has been completed.**
- 2. Include the well test results from the completed work over.**

WWI 090412