

|  |                       |   |          |                                       |     |   |          |   |          |  |  |
|--|-----------------------|---|----------|---------------------------------------|-----|---|----------|---|----------|--|--|
| Submit To: Appropriate District Office<br>Two Copies<br>District I<br>1625 N. French Dr., Hobbs, NM 88240<br>District II<br>1301 W. Grand Avenue, Artesia, NM 88210<br>District III<br>1000 Rio Brazos Rd., Aztec, NM 87410<br>District IV<br>1220 S. St. Francis Dr., Santa Fe, NM 87505  |                       | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><br><b>Oil Conservation Division</b><br><b>1220 South St. Francis Dr.</b><br><b>Santa Fe, NM 87505</b> |          |                                       |     | <b>Form C-105</b><br>July 17, 2008  |          |   |          |  |  |
|  |                       |   |          |                                       |     |   |          | 1. WELL API NO.   |          | 30-015-40981   |  |
|  |                       |   |          |                                       |     |   |          | 2. Type of Lease  |          | <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN |  |
|  |                       |   |          |                                       |     |   |          | 3. State Oil & Gas Lease No.                            |          |  |  |
| <b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>  |                       |   |          |                                       |     |   |          |   |          |  |  |
| 4. Reason for filing:  |                       |   |          |                                       |     |   |          | 5. Lease Name or Unit Agreement Name                    |          |  |  |
| <input checked="" type="checkbox"/> <b>COMPLETION REPORT</b> (Fill in boxes #1 through #31 for State and Fee wells only)<br><br><input type="checkbox"/> <b>C-144 CLOSURE ATTACHMENT</b> (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC) |                       |   |          |                                       |     |   |          | <b>AID 24 STATE</b>                                     |          |  |  |
|  |                       |   |          |                                       |     |   |          | 6. Well Number: <b>#20</b>                              |          |  |  |
| 7. Type of Completion:   |                       |   |          |                                       |     |   |          |   |          |  |  |
| <input checked="" type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER  |                       |   |          |                                       |     |   |          |   |          |  |  |
| 8. Name of Operator: <b>LRE OPERATING, LLC</b>   |                       |   |          |                                       |     |   |          | 9. OGRID: 281994  |          |  |  |
| 10. Address of Operator: c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401   |                       |   |          |                                       |     |   |          | 11. Pool name or Wildcat: Empire, Glorieta-Yeso (96210) |          |  |  |
| 12. Location   | Unit Ltr              | Section   | Township | Range                                 | Lot | Feet from the   | N/S Line | Feet from the   | E/W Line | County   |  |
| Surface:   | J                     | 24  | 17-S     | 28-E                                  |     | 1660  | South    | 1650  | East     | Eddy   |  |
| BH:  |                       |   |          |                                       |     |   |          |   |          |  |  |
| 13. Date Spudded   | 14. Date T.D. Reached | 15. Date Drilling Rig Released  |          | 16. Date Completed (Ready to Produce) |     | 17. Elevations (DF and RKB, RT, GR, etc.):  |          | 3686' GR  |          |  |  |
| 2/14/13  | 2/24/13               | 2/25/13   |          | 3/14/13                               |     |   |          |   |          |  |  |
| 18. Total Measured Depth of Well   |                       | 19. Plug Back Measured Depth  |          | 20. Was Directional Survey Made?      |     | 21. Type Electric and Other Logs Run  |          | Induction, Density/Neutron                              |          |  |  |
| 5419'  |                       | 5371'   |          | Yes                                   |     |   |          |   |          |  |  |
| 22. Producing Interval(s), of this completion - Top, Bottom, Name  |                       |   |          |                                       |     |   |          |   |          |  |  |
| 3660'-3950'-Upper Yeso, 4000'-4290'- Upper Yeso, 4356'-4650' - Middle Yeso, 4700'-5014' - Lower Yeso   |                       |   |          |                                       |     |   |          |   |          |  |  |
| <b>23. CASING RECORD (Report all strings set in well)</b>  |                       |   |          |                                       |     |   |          |   |          |  |  |
| CASING SIZE  |                       | WEIGHT LB./FT.  |          | DEPTH SET                             |     | HOLE SIZE   |          | CEMENTING RECORD  |          | AMOUNT PULLED  |  |
| 8-5/8"   |                       | 24# J-55  |          | 498'                                  |     | 12-1/4"   |          | 375 sx CI C   |          | 0'   |  |
| 5-1/2"   |                       | 17# J-55  |          | 5419'                                 |     | 7-7/8"  |          | 380 sx 35/65 Poz/C                                      |          | 0'   |  |
|  |                       |   |          |                                       |     |   |          | + 675 sx C  |          |  |  |
| <b>24. LINER RECORD</b>  |                       |   |          |                                       |     |   |          |   |          |  |  |
| SIZE   |                       | TOP   |          | BOTTOM                                |     | SACKS CEMENT  |          | SCREEN  |          |  |  |
|  |                       |   |          |                                       |     |   |          |   |          |  |  |
| <b>25. TUBING RECORD</b>   |                       |   |          |                                       |     |   |          |   |          |  |  |
| SIZE   |                       | DEPTH SET   |          | PACKER SET                            |     |   |          |   |          |  |  |
| 2-7/8"   |                       | 5111'   |          |                                       |     |   |          |   |          |  |  |
| 26. Perforation record (interval, size, and number)  |                       |   |          |                                       |     |   |          |   |          |  |  |
| Upper Yeso: 3660'-3950', 59 holes  |                       |   |          |                                       |     |   |          |   |          |  |  |
| Upper Yeso: 4000'-4290', 38 holes  |                       |   |          |                                       |     |   |          |   |          |  |  |
| Middle Yeso: 4356'-4650', 32 holes   |                       |   |          |                                       |     |   |          |   |          |  |  |
| Lower Yeso: 4700'-5014', 34 holes  |                       |   |          |                                       |     |   |          |   |          |  |  |
| 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  |                       |   |          |                                       |     |   |          |   |          |  |  |
| DEPTH INTERVAL   |                       |   |          |                                       |     | AMOUNT AND KIND MATERIAL USED   |          |   |          |  |  |
| 3660'-3950'  |                       |   |          |                                       |     | 4494 gals 15% HCL; fraced w/52,717# 16/30 & 40,783# 16/30 Siber prop sand in X-linked gel |          |   |          |  |  |
| 4000'-4290'  |                       |   |          |                                       |     | 3000 gals 15% HCL; fraced w/67,635# 16/30 & 38,052# 16/30 Siber prop sand in X-linked gel |          |   |          |  |  |
| 4356'-4650'  |                       |   |          |                                       |     | 3000 gals 15% HCL; fraced w/66,262# 16/30 & 35,864# 16/30 Siber prop sand in X-linked gel |          |   |          |  |  |
| 28. <b>PRODUCTION</b>  |                       |   |          |                                       |     |   |          |   |          |  |  |
| Date First Production  |                       |   |          |                                       |     | Production Method (Flowing, gas lift, pumping - Size and type pump)                       |          |   |          |  |  |
| READY  |                       |   |          |                                       |     | Pumping   |          |   |          |  |  |
| Date of Test   |                       | Hours Tested  |          | Choke Size                            |     | Prod'n For Test Period:   |          | Oil - Bbl   |          | Gas - MCF  |  |
| Within 30 days   |                       |   |          |                                       |     |   |          |   |          |  |  |
| Flow Tubing Press.   |                       | Casing Pressure   |          | Calculated 24-Hour Rate               |     | Oil - Bbl.  |          | Gas - MCF   |          | Water - Bbl.   |  |
|  |                       |   |          |                                       |     |   |          |   |          | Oil Gravity - API - (Corr.)  |  |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)   |                       |   |          |                                       |     |   |          |   |          | 30. Test Witnessed By:   |  |
| To Be Sold   |                       |   |          |                                       |     |   |          |   |          | Jerry Smith  |  |
| 31. List Attachments   |                       |   |          |                                       |     |   |          |   |          |  |  |
| 32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.   |                       |   |          |                                       |     |   |          |   |          |  |  |
| 33. If an on-site burial was used at the well, report the exact location of the on-site burial:  |                       |   |          |                                       |     |   |          |   |          |  |  |
| Latitude Longitude NAD 1927 1983   |                       |   |          |                                       |     |   |          |   |          |  |  |
| I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief   |                       |   |          |                                       |     |   |          |   |          |  |  |
| Signature <i>Mike Pippin</i>   |                       |   |          | Printed Name Mike Pippin              |     | Title: Petroleum Engineer   |          | Date: 3/14/13   |          |  |  |
| E-mail Address: <a href="mailto:mike@pippinllc.com">mike@pippinllc.com</a>   |                       |   |          |                                       |     |   |          |   |          |  |  |

# INSTRUCTIONS

**AID 24 STATE #20 -- New Well**

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico |                  | Northwestern New Mexico |                  |
|-------------------------|------------------|-------------------------|------------------|
| T. Anhy                 | T. Canyon        | T. Ojo Alamo            | T. Penn A"       |
| T. Salt                 | T. Strawn        | T. Kirtland             | T. Penn. "B"     |
| B. Salt                 | T. Atoka         | T. Fruitland            | T. Penn. "C"     |
| T. Yates 752'           | T. Miss          | T. Pictured Cliffs      | T. Penn. "D"     |
| T. 7 Rivers 982'        | T. Devonian      | T. Cliff House          | T. Leadville     |
| T. Queen 1551'          | T. Silurian      | T. Menefee              | T. Madison       |
| T. Grayburg 1946'       | T. Montoya       | T. Point Lookout        | T. Elbert        |
| T. San Andres 2251'     | T. Simpson       | T. Mancos               | T. McCracken     |
| T. Glorieta 3656'       | T. McKee         | T. Gallup               | T. Ignacio Otzte |
| T. Yeso 3752'           | T. Ellenburger   | Base Greenhorn          | T. Granite       |
| T. Blinebry             | T. Gr. Wash      | T. Dakota               |                  |
| T. Tubb 5167'           | T. Delaware Sand | T. Morrison             |                  |
| T. Drinkard             | T. Bone Springs  | T. Todilto              |                  |
| T. Abo                  | T.               | T. Entrada              |                  |
| T. Wolfcamp             | T.               | T. Wingate              |                  |
| T. Penn                 | T.               | T. Chinle               |                  |
| T. Cisco (Bough C)      | T.               | T. Permian              |                  |

## OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....

No. 3, from.....to.....

No. 2, from.....to.....

No. 4, from.....to.....

## IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

## LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness<br>In Feet | Lithology   |
|------|----|----------------------|-------------|
|      |    |                      | - On File - |

  

| From | To | Thickness<br>In Feet | Lithology |
|------|----|----------------------|-----------|
|      |    |                      |           |