

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. 30-015-40026
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 #17
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Queen-Grayburg-San Andres (51300) 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 Gas Well 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 N : 330 feet from the SOUTH line and 2410 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.)
3880' 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: <input type="checkbox"/>		OTHER: Recompleted from Yeso to San Andres <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.

LRE has recompleted this well from the Red Lake, Glorieta-Yeso NE (96836) to the Red Lake, Queen-Grayburg-San Andres (51300) as follows: On 3/18/13, MIRUSU. TOH w/rods, pump, & tbg. Set 5-1/2" pkr on 2-7/8" tbg @ MD3104' & PT annulus to 2000 psi for 20 min-OK. Set 5-1/2" CBP @ MD3100' & PT CBP & 5-1/2" csg to 4000 psi for 10 min-OK. Perfed lower San Andres @ MD2731', 41', 51', 61', 71', 81', 87', 95'; 2803', 11', 19', 25', 31', 41', 49', 55', 60', 67', 75', 81', 87', 95', 2903', 11', 17', 25', 33', 39', 45', 51', 61', 69', 75', 81' w/1-0.42" spf. Total 34 holes. Treated w/3000 gal 7.5% HCL acid & 51 perf balls. On 3/20/13, fraced lower San Andres w/58,179# 16/30 Berry White & 31,732# 16/30 resin coated and in 20# X-linked gel. Spotted 1000 gal 7.5% HCL across next stage perfs.

Set 5-1/2" CBP @ MD2708'. PT csg & CBP to 4000 psi for 5 min-OK. Perfed middle San Andres @ MD2451', 63', 73', 81', 89', 97', 2507', 15', 25', 33', 43', 51', 57', 65', 73', 81', 87', 95', 2601', 07', 11', 17', 23', 29', 35', 41', 51', 61', 71', 81' w/1-0.42" spf. Total 30 holes. Treated w/3000 gal 7.5% HCL acid & 40 perf balls. Fraced w/60,418# 16/30 Berry White & 34,437# resin coated 16/30 sand in 20# X-linked gel. Spotted 1000 gal 7.5% HCL across next stage perfs.

Set 5-1/2" CBP @ MD2425'. PT csg to 4000 psi for 5 min-OK. Perfed upper San Andres @ MD2101', 11', 19', 25', 31', 37', 45', 53', 63', 69', 77', 85', 93', 2201', 11', 19', 27', 35', 43', 51', 57', 65', 71', 79', 85', 91', 97', 2303', 11', 19', 27', 35', 43', 51', 59', 65', 71', 81', 91', 2401' w/1-0.42" spf. Total 40 holes. Treated perfs w/3000 gal 15% HCL acid & 65 perf balls. Fraced w/79,036# 16/30 Berry White & 51,210# 16/30 resin coated sand in 20# X-linked gel.

On 3/22/13, MIRUSU. Drilled CBPs @ MD2425' & 2708' & CO to CBP @ new MDPBTD3100'. On 3/26/13, landed 2-7/8" 6.5# J-55 tbg @ MD3047'. Ran pump & rods. Released completion rig on 3/26/13. Completed the well as a single San Andres oil well with the Yeso perfs, MD3318'-4680', SI under CBP @ MD3100' and will be evaluated for DHC in a few months.

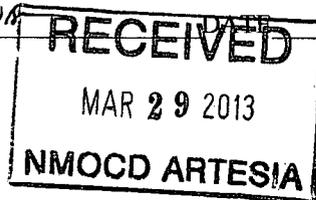
Spud Date: 3/15/12 Drilling Rig Release Date: 3/23/12

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 3/27/13
 Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: R Wade TITLE Dist R Spewer
 Conditions of Approval (if any):



4/9/2013

[Handwritten initials]