

Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

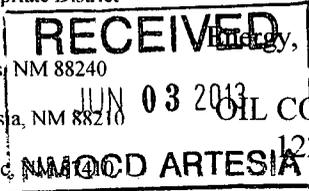
1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources

June 19, 2008



WELL API NO. 30-015-38511
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 #15
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 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 J : 1746 feet from the SOUTH line and 1896 feet from the EAST line
Section 30 Township 17-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3606' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- ALTERING CASING
- P AND A

OTHER: Payadd Workover

OTHER:

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 on this Yeso oil well as follows: MIRUSU. TOH w/rods, pump, & tbq. Set a 5-1/2" CBP @ about 3600'. (Existing Yeso perms are @ 3653'-4600'). PT 5-1/2" csg & CBP to ~3500 psi. Perf additional upper Yeso @ about 3300'-3510' w/about 33 holes. Stimulate with about 3000 gal 15% NEFE acid & frac w/about 82,000# 16/30 sand in 25# X-linked gel. CO after frac & drill out CBP @ 3600' & CO to about 4736'. Re-land 2-7/8" production tbq @ about 4695'. Run pump & rods & release workover rig. Complete as a single Yeso oil well. See the attached proposed wellbore diagram.

Spud Date: 4/26/11 Drilling Rig Release Date: 5/9/11

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 5/31/13

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

For State Use Only

APPROVED BY: [Signature] TITLE Dir. J. B. Spewison DATE 6/7/13

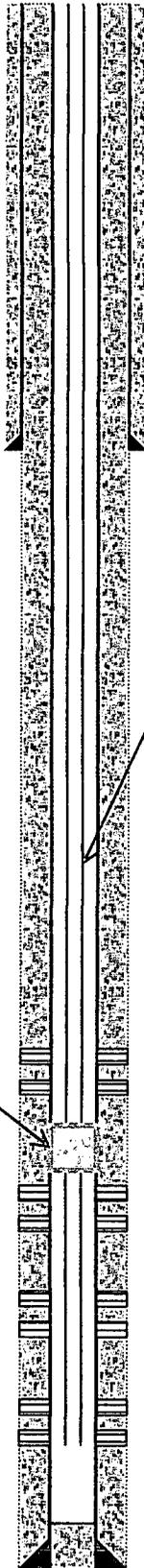
Conditions of Approval (if any):



Staley State #15
Upper Yeso Pay Add
Proposed
AFE # W13068

Staley State #15
Sec 30-17S-28E (J)
1746' FSL, 1896' FEL
Elevation – 3,606'
API #: 30-015-38511
Eddy County, NM

4/26/11
 Spud



8-5/8", 24#, J-55, ST&C Casing @ 435'. 375 sks
 Circulated 106 sx to Surface.

2-7/8"; 6.5#, J-55 Tubing, TAC at 3200', SN at 4630', 4' slotted sub,
 2 jt MA w BP at ~ 4695'

CBP at
 3600'
 Drill out
 after
 completing
 Upper
 Yeso

Perfs: 3300'-3510' (33 holes)

Stim Info: 3000 g 15% NEFE; Frac w/ 63,500 # 16/30
 Brady & 18,000 # 16/30 Resin coated sand in 46k gal
 25# gel.

Perfs: 3,653' – 3,891' (44 holes)

Stim Info: 3500 gal 15% NEFE; Frac w/ 105,632 # 16/30
 Brady & 38,175 # SLC in 95k gal of 25# x-linked gel.
 (5/22/11)

Perfs: 3,941' – 4,253' (46 holes)

Stim Info: 3500 gal 15% NEFE; Frac w/ 125,980 # 16/30
 Brady & 32,650 # SLC in 121k gal 25# x-linked gel.
 (5/22/11)

Perfs: 4,312' – 4,600' (42 holes)

Stim Info: 3500 gal 15% NEFE; Frac w/ 90,792 # 16/30
 Brady & 33,698 # SLC in 98k gal of 20# x-linked gel.
 (5/22/11)

PBTD @ 4,736'

5-1/2"; 17#, J-55; ST&C Casing @ 4,780'. 450 sks lead
 & 550 sks tail. Circulated 162 sx to Surface.
 (5/9/2011)

TD @ 4,796'

GEOLOGY	
Zone	Top
Queen	1,048'
Grayburg	1,469'
San Andres	1,779'
Glorieta	3,184'
Yeso	3,294'
Tubb	4,685'

SURVEYS	
Degrees	Depth
1°	974'
1/2°	1,485'
1/2°	2,047'
3/4°	2,519'
1/2°	2,993'
1/2°	3,498'
1°	3,977'
1/2°	4,508'