

RECEIVED

N.M. OIL CONSERVATION DIVISION

Form 3160-5 (November 1994)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

811 S. FIRST STREET ARTESIA, NM 88210

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

JUL 15 2013

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.

5. Lease Serial No. NM-39127
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. DORIS RI FEDERAL #3
3 30-005-61955
10. Field and Pool, or Exploratory Area Pecos Slope Abo (82730) AND Chaves County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well Oil Well Gas Well Other
2. Name of Operator LRE OPERATING, LLC.
3a. Address c/o Mike Pippin LLC 3104 N. Sullivan, Farmington, NM 87401
3b. Phone No. (include area code) 505-327-4573
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FNL & 1980' FEL Unit B Sec. 27, T5S, R25E

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

Table with 2 columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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 recomplate 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 recompletion 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 P&A this Abo well as follows: MIRUSU. TOH w/all production equipment. Plug#1, 3700'-3600', Abo perfs 3751'-3898'. Set 4-1/2" CIBP @ 3700' & top w/25 sx cmt (~323'). WOC. Circ hole w/P&A mud (25 sx gel/100 bbls water). Plug #2 (1688'-1588'), Top of Glorieta @ 1638'. Spot a 25 sx (~323 ft) balanced cmt plug @ 1688'. WOC. Tag TOC. Plug #3 (980'-880'), 8-5/8" csg shoe @ 930'. Spot a 25 sx (~323 ft) balanced cmt plug @ 980'. WOC. Tag TOC. Plug #4 (60'-Surface). W/tbg @ 60', pump ~6 sx cmt down tbg to fill 4-1/2" csg w/cmt from 60' to surface. TOH. Top off csqs w/cmt. See attached wellbore diagrams. Cut off csg below surface csg flange. Install P&A marker with cmt to comply with government specs. RD move off location, cut off anchors & restore location.

Accepted for record R. Dade NMOC 7/16/2013

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Mike Pippin Title Petroleum Engineer (Agent) Signature Date June 20, 2013

THIS SPACE FOR FEDERAL OR STATE USE

Approved by /s/ DAVID R. GLASS Title PETROLEUM ENGINEER Date JUL 09 2013 Office ROSWELL FIELD OFFICE

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.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

APPROVED FOR 3 MONTH PERIOD ENDING OCT 09 2013

DORIS RI FEDERAL #3

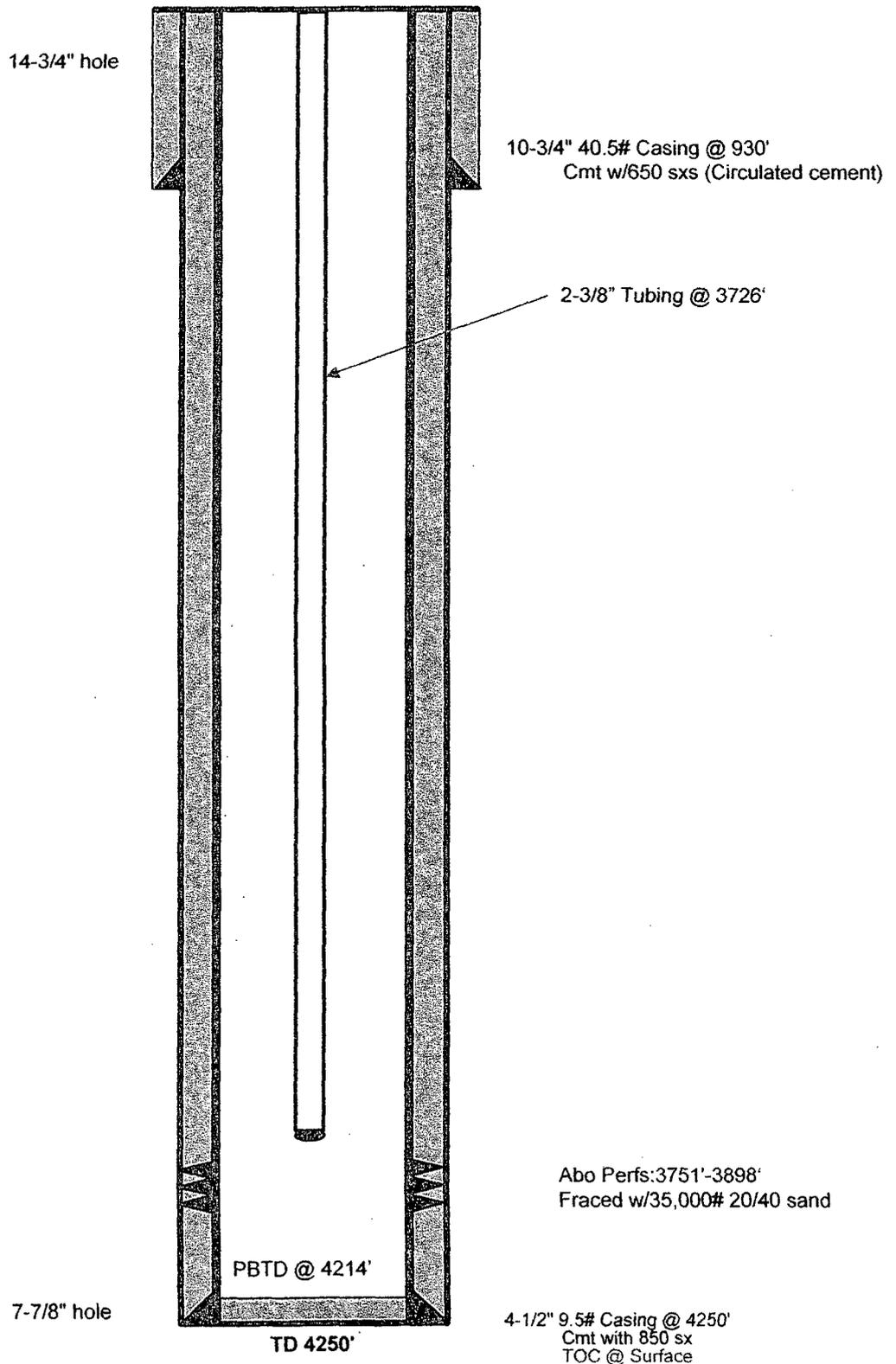
Current
PECOS SLOPE ABO
(B) Section 27, T-5-S, R-25-E, Chaves County, NM

Today's Date: 6/20/13
Spud: 3/15/83
Completed: 4/9/83
Elevation: 3689' GL

San Andres @ 625'

Glorieta @ 1638'

Abo @ 3684'



M. Pippin

DORIS RI FEDERAL #3

Proposed P&A

PECOS SLOPE ABO

(B) Section 27, T-5-S, R-25-E, Chaves County, NM

Today's Date: 6/20/13

Spud: 3/15/83

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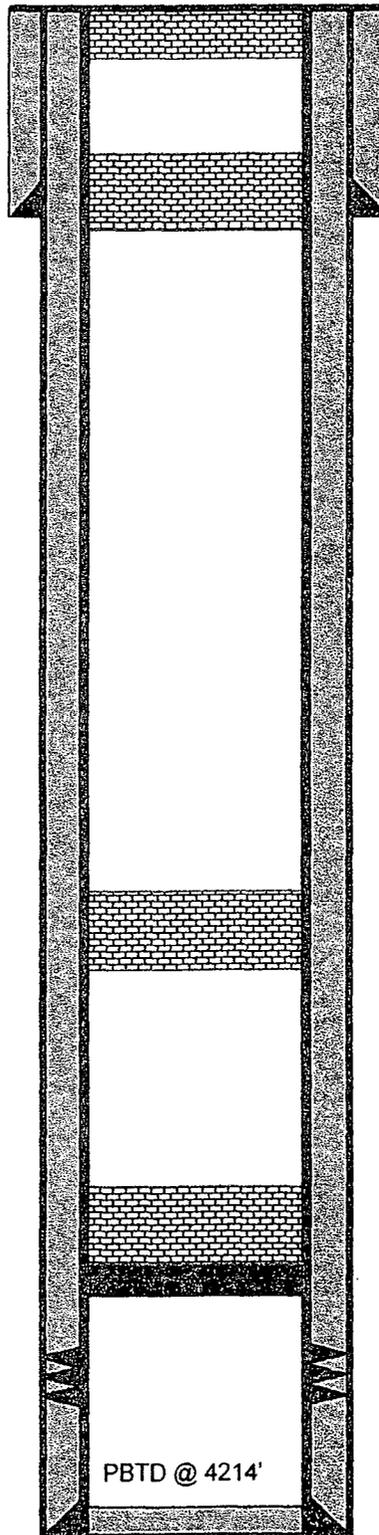
San Andres @ 625'

Glorieta @ 1638'

Abo @ 3684'

14-3/4" hole

7-7/8" hole



PBTD @ 4214'

TD 4250'

PLUG #4:
Cmt from 60' to Surface

10-3/4" 40.5# Casing @ 930'
Cmt w/650 sxs (Circulated cement)

PLUG #3:
25 sx cmt @ 980'-880'.

PLUG #2:
25 sx cmt @ 1688'-1588'.

PLUG #1
CIBP @ 3700' & Topped w/25 sx cmt.

Abo Perfs: 3751'-3898'
Fraced w/35,000# 20/40 sand

4-1/2" 9.5# Casing @ 4250'
Cmt with 850 sx
TOC @ Surface

BUREAU OF LAND MANAGEMENT

Roswell Field Office

2909 West Second Street

Roswell, New Mexico 88201

(575) 627-0272

**Permanent Abandonment of Federal Wells
Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. **Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon. If you are unable to plug the well by the 90th day provide the BLM Roswell Field Office (RFO), prior to the 90th day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action. Unless the well has been properly plugged, the rig shall not be removed from over the hole without prior approval.**

2. **Notification:** Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10 feet in length, 4 feet above the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to the BLM Roswell Field Office. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.