

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NMNM 97122																			
b. Type of Completion: <input type="checkbox"/> New <input checked="" type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other: <u>Payadd Workover</u>		6. If Indian, Allottee or Tribe Name																			
2. Name of Operator LRE OPERATING, LLC c/o Mike Pippin LLC (Agent)		7. Unit or CA Agreement Name and No.																			
3. Address 3104. N. Sullivan, Farmington, NM 87401		8. Lease Name and Well No. CHALK FEDERAL #5																			
3a. Phone No. (include area code) 505-327-4573		9. API Well No. 30-015-29650																			
4. Location of Well (Report locations clearly and in accordance with Federal requirements)* At surface 990' FNL & 2310' FWL Unit (C) Sec. 5, T18S, R27E At top prod. interval reported below At total depth		10. Field and Pool, or Exploratory Red Lake, Glorieta-Yeso (51120)																			
14. Date Spudded 10/18/01		15. Date T.D. Reached 10/25/01																			
16. Date Completed SEP 04 2013		17. Elevations (DF, RKB, RT, GL)* 3481' GL																			
18. Total Depth: MD 3450' TVD		19. Plug Back T.D.: MD 3405' TVD																			
20. Depth Bridge Plug Set: MD TVD		21. Type Electric & Other Mechanical Logs Run (Submit copy of each) Induction & Density Neutron																			
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit copy)		23. Casing and Liner Record (Report all strings set in well)																			
Hole Size		Size/Grade		Wt. (#/ft.)		Top (MD)		Bottom (MD)		Stage Cementer Depth		No. of Sk. & Type of Cement		Slurry Vol. (BBL)		Cement Top*		Amount Pulled			
12-1/4"		8-5/8"		24#		0'		1154'				375 Lt, 200 C				Surface		0'			
7-7/8"		5-1/2"		14#		0'		3448'				250 35/65 poz C		247		Surface		0'			
												+ 350 C									
24. Tubing Record		Size		Depth Set (MD)		Packer Depth (MD)		Size		Depth Set (MD)		Packer Depth (MD)		Size		Depth Set (MD)		Packer Set (MD)			
2-7/8"		3375'																			
25. Producing Intervals		Formation		Top		Bottom		Perforated Interval		Size		No. Holes		Perf. Status							
A)		Glorieta		2650'		2880'		3140'-3428' (New)		0.52		35		Open							
		Yeso		2880'				Existing: 2796'-3059'				24		Open							
27. Acid, Fracture, Treatment, Cement Squeeze, Etc.		Depth Interval		Amount and type of Material																	
		3140'-3428'		3000 gal 15% HCL acid, fraced w/72,594# BW & 24,532# resin coated 16/30 sand in 20# X-liked gel																	
28. Production - Interval A		Date First Produced		Test Date		Hours Tested		Test Production		Oil BBL		Gas MCF		Water		Oil Gravity Corr.		Gas Gravity		Production Method	
		07/20/13		07/25/13		24		→		10		18		246						Pumping	
Choke Size		Tbg. Press. Flwg. PSI		Csg. Press.		24 Hr. Rate		Oil BBL		Gas MCF		Water		Gas : Oil Ratio		Well Status					
						→		10		18		246									
28a. Production - Interval B		Date First Produced		Test Date		Hours Tested		Test Production		Oil BBL		Gas MCF		Water		Oil Gravity Corr.		Gas Gravity		Production Method	
								→													
Choke Size		Tbg. Press. Flwg. SI		Csg. Press.		24 Hr. Rate		Oil BBL		Gas MCF		Water		Gas : Oil Ratio		Well Status					
						→															

(See instructions and spaces for additional data on reverse side)

9M

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr.	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr.	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Plan to Sell.

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Glorieta	2650'	2880'	Oil & Gas		Depth
Yeso	2880'		Oil & Gas	San Andres	1380'
				Glorieta	2650'
				Yeso	2880'

32. Additional remarks (include plugging procedure):

CHALK FEDERAL #5 Payadd Workover

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geologic Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 5. Core Analysis 7. Other:

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Mike Pippin 505-327-4573 Title Petroleum Engineer (Agent)

Signature Mike Pippin Date July 19, 2013

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the U. States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.