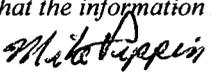


Submit To Appropriate District Office Two Copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505		State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505				Form C-105 July 17, 2008												
		1. WELL API NO. 30-015-41637				2. Type of Lease <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN												
		3. State Oil & Gas Lease No.				5. Lease Name or Unit Agreement Name HORSESHOE STATE												
WELL COMPLETION OR RECOMPLETION REPORT AND LOG		4. Reason for filing: <input checked="" type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input type="checkbox"/> C-144 CLOSURE ATTACHMENT (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)				6. Well Number: #2 <div style="border: 2px solid black; padding: 5px; text-align: center;"> RECEIVED NOV 19 2013 NMOCD ARTESIA </div>												
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: LRE OPERATING, LLC				9. OGRID: 281994												
10. Address of Operator: c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401		11. Pool name or Wildcat: Red Lake, Glorieta-Yeso NE (96836)																
12. Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County								
Surface:	F	30	17-S	28-E		1655	North	2310	West	Eddy								
BH:																		
13. Date Spudded 10/24/13	14. Date T.D. Reached 10/28/13	15. Date Drilling Rig Released 10/30/13		16. Date Completed (Ready to Produce) 11/12/13			17. Elevations (DF and RKB, RT, GR, etc.): 3564' GR											
18. Total Measured Depth of Well 4918'		19. Plug Back Measured Depth 4872'		20. Was Directional Survey Made? Yes			21. Type Electric and Other Logs Run Induction & Neutron/Density Logs											
22. Producing Interval(s), of this completion - Top, Bottom, Name 3280'-3540'-Upper Yeso, 3580'-3856'- Upper Yeso, 3910'-4080' - Middle Yeso, 4162'-4490' - Lower Yeso																		
23. CASING RECORD (Report all strings set in well)																		
CASING SIZE		WEIGHT LB./FT.		DEPTH SET		HOLE SIZE		CEMENTING RECORD		AMOUNT PULLED								
8-5/8"		24# J-55		445'		11"		250 sx CI C		0'								
5-1/2"		17# J-55		4918'		7-7/8"		300 sx 35/65 Poz/C + 650 sx C		0'								
24. LINER RECORD						25. TUBING RECORD												
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET											
					2-7/8"	4613'												
26. Perforation record (interval, size, and number) Upper Yeso: 3280'-3540', 43 holes Upper Yeso: 3580'-3856', 30 holes Middle Yeso: 3910'-4080', 24 holes Lower Yeso: 4162'-4490', 30 holes						27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> </thead> <tbody> <tr> <td>3280'-3540'</td> <td>3363 gals 15% HCL; fraced w/80,682# 16/30 & 17,662# 16/30 resin coated sand in 25# X-linked gel</td> </tr> <tr> <td>3580'-3856'</td> <td>2512 gals 15% HCL; fraced w/73,487# 16/30 & 19,839# 16/30 resin coated sand in 20# X-linked gel</td> </tr> <tr> <td>3910'-4080'</td> <td>3011 gals 15% HCL; fraced w/49,383# 16/30 & 15,351# 16/30 resin coated sand in 20# X-linked gel</td> </tr> </tbody> </table>					DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	3280'-3540'	3363 gals 15% HCL; fraced w/80,682# 16/30 & 17,662# 16/30 resin coated sand in 25# X-linked gel	3580'-3856'	2512 gals 15% HCL; fraced w/73,487# 16/30 & 19,839# 16/30 resin coated sand in 20# X-linked gel	3910'-4080'	3011 gals 15% HCL; fraced w/49,383# 16/30 & 15,351# 16/30 resin coated sand in 20# X-linked gel
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28. PRODUCTION						4162'-4490' 3233 gals 15% HCL, fraced w/87,851# 16/30 & 19,066# 16/30 resin coated sand in 20# X-linked gel												
Date First Production READY		Production Method (<i>Flowing, gas lift, pumping - Size and type pump</i>) Pumping				Well Status (Prod. or Shut-in) Pumping												
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period:	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio											
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (<i>Corr.</i>)												
29. Disposition of Gas (<i>Sold, used for fuel, vented, etc.</i>) To Be Sold						30. Test Witnessed By: 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>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</i>																		
Signature		Printed Name		Title		Date												
		Mike Pippin		Petroleum Engineer		11/18/13												
E-mail Address: mike@pippinllc.com																		

INSTRUCTIONS

HORSESHOE STATE #2 -- 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	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers 456'	T. Devonian	T. Cliff House	T. Leadville
T. Queen 1017'	T. Silurian	T. Menefee	T. Madison
T. Grayburg 1455'	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres 1765'	T. Simpson	T. Mancos	T. McCracken
T. Glorieta 3156'	T. McKee	T. Gallup	T. Ignacio Otzte
T. Yeso 3280'	T. Ellenburger	Base Greenhorn	T. Granite
T. Blinebry	T. Gr. Wash	T. Dakota	
T. Tubb 4636'	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. 2, from.....to.....
 No. 3, 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 In Feet	Lithology	From	To	Thickness In Feet	Lithology
			- On File -				