Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
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-103
Revised July 18, 2013

WELL API NO.
30-015-39996

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name
ENRON STATE

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number **#17**

2. Name of Operator
LRE OPERATING. LLC

9. OGRID Number 281994

3. Address of Operator
c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401

10. Pool name or Wildcat
Artesia, Glorieta-Yeso (96830)
Artesia, Queen-Grayburg-San Andres (3230)

4. Well Location
Unit Letter C : 230 feet from the North line and 2420 feet from the West line
Section 32 Township 17-S Range 28-E NMPM Eddy County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3703' GL

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
CLOSED-LOOP SYSTEM ☒			
OTHER: ☐		OTHER: 1st Delivery DHC & Pool Allocations ☒	

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On 3/28/12, the Yeso (lower zone) was completed as a new well. On 3/3/14, the well was recompleted into the San Andres (upper zone) and DHCed with the lower zone as per order DHC-4649. Before the recompletion, on 8/13/13, the Yeso tested for 15 BOPD & 48 MCF/D. After the recompletion, the well 1st delivered on 3/6/14 & was tested on 3/13/14, for 15 BOPD & 88 MCF/D. The attached calculations indicate the following pool allocations:

	Upper Zone (SA)	Lower Zone (Yesp)
OIL	0%	100%
GAS	45%	55%

RECEIVED
MAR 25 2014
NMOCD ARTESIA

Spud Date: 3/5/12 Drilling Rig Release Date: 3/12/12

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 3/24/14

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

For State Use Only

APPROVED BY: TITLE DATE 3/25/2014

Conditions of Approval (if any):

LRE OPERATING, LLC
ENRON STATE #17
Artesia; Glorieta-Yeso & Artesia, Queen-Grayburg-San Andres
C Section 32 T17S R28E
3/24/2014
API#: 30-015-39996

Commingle Allocation Calculations

On 3/28/12, the Yeso (lower zone) was completed as a new well. On 3/3/14, the well was recompleted into the San Andres (upper zone) and DHCed with the lower zone as per order DHC-4649. Before the recompletion, on 8/13/13, the Yeso tested for 15 BOPD & 48 MCF/D. After the recompletion, on 3/13/14, the commingled well tested for 15 BOPD & 88 MCF/D.

	Total	-	Lower Zone (YESO)	=	Upper Zone (SA)
Oil (bbls/d)	15	-	15	=	0
Gas (mcf/d)	88	-	48	=	40

OIL

Upper Zone (SA) = 0 BOPD
Total oil = 15 BOPD
% Upper Zone = $\frac{0}{15}$ = **0%**

Lower Zone (Yeso) = 15 BOPD

% Lower Zone = $\frac{15}{15}$ = **100%**

GAS

Upper Zone (SA) = 40 mcf/d
Total gas = 88 mcf/d
% Upper Zone = $\frac{40}{88}$ = **45%**

Lower Zone (Yeso) = 48 mcf/d

% Lower Zone = $\frac{48}{88}$ = **55%**