

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Operator Copy

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

SUNDRY 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-048344

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
WILLIAMS A FEDERAL #5

9. Phone No. (include area code)
30-015-33232

10. Field and Pool, or Exploratory Area
Red Lake, Queen-Grayburg-San Andres (51300)
Artesia, Glorieta-Yeso (96830)
AND
Eddy 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)
**690' FSL & 530' FWL Unit M
Sec. 29, T17S, R28E**

RECEIVED
MAY 02 2014

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input checked="" type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input checked="" type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Recomplete to San Andres
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

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 recomplete 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 recomplete this Yeso oil well into the San Andres as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3250' & PT to 3500 psi. Perf **Stage #1** SA @ ~2970'-3201' w/~30 holes. Treat new perfs w/~2300 gal 15% HCL & frac w/~91,000# 16/30 sand in 25# X-linked gel. Set a 5-1/2" CBP @ ~2955' & PT to 3500 psi. Perf **Stage #2** SA @ ~2650'-2941' w/~30 holes. Treat new perfs w/~3000 gal 15% HCL & frac w/~91,000# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ ~2635' & PT to 3500 psi. Perf **Stage #3** SA @ ~2326'-2621' w/~34 holes. Treat new perfs w/~3000 gal 15% HCL & frac w/~91,000# 16/30 sand in 25# X-linked gel. Set a 5-1/2" CBP @ ~2314' & PT to 3500 psi. Perf **Stage #4** SA @ ~2100'-2301' w/~24 holes. Treat new perfs w/~2000 gal 15% HCL & frac w/~57,500# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ ~2070' & PT to 3500 psi. Perf **Stage #5** SA @ ~1786'-2035' w/~32 holes. Treat new perfs w/~2000 gal 15% HCL & frac w/~54,000# 16/30 sand in 20# X-linked gel. CO after stimulations, drill CBPs @ 2070', 2314', 2635', & 2955' & CO to CBP @ ~3250'. Land 2-7/8" tbg @ ~3235', run pump & rods. Release rig & complete as a single San Andres oil well.

The existing Yeso perfs (46 holes @ 3326'-3490') will be shut-in below the CBP @ 2350'. **DHC applications are pending.**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **Mike Pippin** Title **SEE ATTACHED FOR CONDITIONS OF APPROVAL** Accepted for record **RD NM300 5/6/14**

Signature *Mike Pippin* Date **March 24, 2014**

THIS SPACE FOR FEDERAL OR STATE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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
[Signature]
MAY 1 2014
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-33232		² Pool Code 51300		³ Pool Name Red Lake, Queen-Grayburg-San Andres	
⁴ Property Code 309877		⁵ Property Name WILLIAMS A FEDERAL			⁶ Well Number 5
⁷ OGRID No. 281994		⁸ Operator Name LRE OPERATING, LLC.			⁹ Elevation 3640' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	29	17-S	28-E		690	SOUTH	530	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

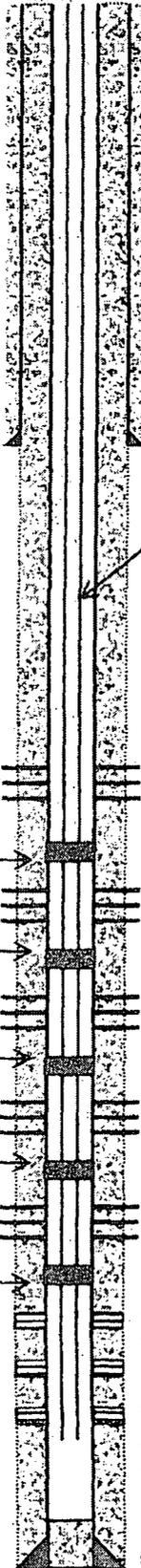
29	530'		690'	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Mike Pippin</i> Date: 2/24/14</p> <p>Printed Name: Mike Pippin</p>	
				<p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: 12/22/03</p> <p>Signature and Seal of Professional Surveyor: Dan R. Reddy</p>	
				<p>5412</p> <p>Certificate Number</p>	



**Williams A Federal #5
San Andres Recompletion
AFE #R14005**

**Williams A Federal #5
Sec 29-17S-28E (M)
690' FSL, 530' FWL
Elevation - 3,640'
API #: 30-015-33232
Eddy County, NM**

Spud
3/1/04



8-5/8", 24#, J-55, ST&C Casing @ 463'. Circulated 99 sx to surface.

2-7/8"; 6.5#, J-55 Tubing, TAC at 1686', SN at 3440', 4' Slotted sub, 1 jt MA w BP at 3475' (AFTER DHC ORDER OBTAINED)

2-7/8"; 6.5#, J-55 Tubing, TAC at 1686', SN at 3200', 4' Slotted sub, 1 jt MA w BP at 3235' (BEFORE DHC ORDER OBTAINED)

CBP at 2070'

San Andres Perfs:
1786'-2035' 32 holes

Stim Info: 2000 g 15% NEFE HCL & 48 bio balls, 40,500 # 16/30 Brady & 13,500 # 16/30 Resin with 20 # x-linked gel

CBP at 2314'

San Andres Perfs:
2100'-2301' 24 holes

Stim Info: 2000 g 15% NEFE HCL & 36 bio balls, 44,000 # 16/30 Brady & 13,500 # 16/30 Resin with 20 # x-linked gel

CBP at 2635'

San Andres Perfs:
2326'-2621' 34 holes

Stim Info: 3000 g 15% NEFE HCL & 51 bio balls, 73,000 # 16/30 Brady & 18,000 # 16/30 Resin with 25 # x-linked gel

CBP at 2955'

San Andres Perfs:
2650'-2941' 30 holes

Stim Info: 3000 g 15% NEFE HCL & 45 bio balls, 73,000 # 16/30 Brady & 18,000 # 16/30 Resin with 20 # x-linked gel

CBP at 3250'

San Andres Perfs:
2970'-3201' 30 holes

Stim Info: 2300 g 15% NEFE HCL & 45 bio balls, 73,000 # 16/30 Brady & 18,000 # 16/30 Resin with 25 # x-linked gel

Yeso Perfs: 3326'-3490', 20 holes, (7/13/11)

Stim Info: 3402 g 15% HCL & 84 bio balls @ 14 BPM, 71,907 g 25# gel, & 118,400 # 16/30 & 18,300 # 16/30 Resin @ 58.4 BPM, (7/13/11)

Yeso Perfs: 3,363'; 65'; 72'; 84'; 96'; 3,402'; 27'; 31'; 38'; 46'; 54'; 60' & 63' (2 SPF, 26 holes) (4/26/04)

Stim Info: 3000 gal 15% NEFE; 20k gal heated 20% HCl, 30k gal heated 40# gel, 3000 gal 15% HCl cool-down. (4/26/04)

PBTD @ 3,514'

5-1/2"; 14#, K-55; ST&C Casing @ 3,560' Circulated 77 sx to surface. (03/09/2004)

TD @ 3,570'

GEOLOGY

Zone	Top
7 Rivers	888'
Queen	1,110'
Grayburg	1,530'
San Andres	1,843'
Glorietta	3,238'
Yeso	3,390'

SURVEYS

Degrees	Depth
1°	508'
1°	1,016'
3/4°	1,504'
3/4°	2,024'
1/2°	2,518'
1-1/2°	3,013'

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Conditions of Approval

San Andres

LRE Operating, LLC

Williams A - 05

API 3001533232, T17S-R28E, Sec 29

May 05, 2014

1. The "Williams A & B Field Study of the Yeso & San Andres" dated 11/23/2013 reviewed and Approved by EGF on 01/27/2014 has been accepted by BLM CFO as justification for a downhole pool comingling project on the Williams A and Williams B federal leases. The Yeso is currently capable of production in paying quantities and is to be produced until that formation's economic limits are achieved. This being said, the combined formations should increase field production.
2. Allocation data must be obtained before comingling. The current Yeso production to be isolated and the San Andres tested.
3. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when opening another pay zone.
4. A subsequent sundry detailing work done and a completion report for the San Andres formation is necessary.
5. Subsequent to stabilized production from the San Andres, submit a notice of intent to reopen the Yeso. Include a "Downhole Commingling Worksheet" for the well with BLM's Downhole Commingling Worksheet, commingle allocations calculations and weighted averages as was constructed for the Williams A Federal #3 on 01/25/2014.
6. Include the Oil Conservation Division's Approved Form C-107A comingling approval.
7. Surface disturbance beyond the originally approved pad must have prior approval.
8. Closed loop system required.
9. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

10. Functional H₂S monitoring equipment shall be on location.
11. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
12. **After setting the isolation plug above the Yeso and before perforating, perform a BLM PET witnessed (charted) casing integrity test of 700psig. Verify all annular casing vent valves are open to the surface during this pressure test. Pressure leakoff may require correction for approval. Include a copy of the chart in the subsequent sundry for this workover.**
13. **Provide BLM with an electronic copy (Adobe Acrobat Document) of any existing cement bond log record. The CBL may be attached to a pswartz@blm.gov email. The CFO BLM on call engineer may be reached at 575-706-2779.**

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1): Information collection.

§ 3162.4-1 (c) Well records and reports.