

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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.

RECEIVED  
OCT 2014  
NMOCB ARTESIA

|   |   |
|---|---|
| 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<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |
| 2. Name of Operator<br>LRE OPERATING, LLC  |
| 3a. Address c/o Mike Pippin LLC<br>3104 N. Sullivan, Farmington, NM 87401  |
| 3b. Phone No. (include area code)<br>505-327-4573  |

|   |
|---|
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>690' FSL & 530' FWL Unit M<br>Sec. 29, T17S, R28E |
|---|

Accepted for record  
CRD NMOCB 5-6-14

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)<br>Mike Pippin | Title<br>SEE ATTACHED FOR<br>CONDITIONS OF APPROVAL<br>Petroleum Engineer (Agent) |
| Signature<br><i>Mike Pippin</i>     | Date<br>March 24, 2014  |

THIS SPACE FOR FEDERAL OR STATE USE

|   |        |
|---|--------|
| Approved by   | Title  |
| 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. | 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 statement or fraudulent statements or representations as to any matter within its jurisdiction.

APPROVED  
MAY 1 2014  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

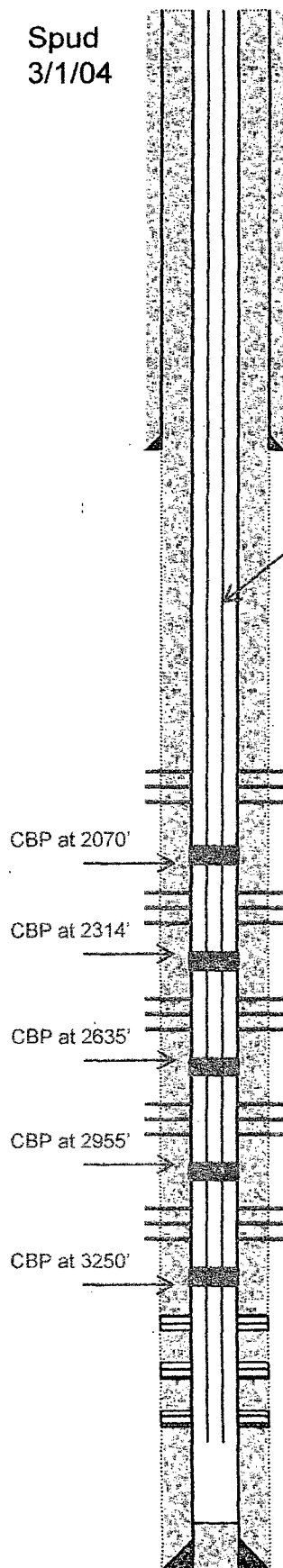


**LIME ROCK  
RESOURCES**

**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)

**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

**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

**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

**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

**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 H<sub>2</sub>S 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](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.

**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 &amp; 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

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

<sup>10</sup> 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   |

<sup>11</sup> 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|                                     |                               |                                  |                         |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>40 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|

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.

|   |   |  |
|---|---|--|
| <div style="text-align: center; font-size: 2em;">29</div> | <sup>17</sup> <b>OPERATOR CERTIFICATION</b><br>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.<br>Signature <u>Mike Pippin</u> Date <u>2/24/14</u><br>Printed Name <u>Mike Pippin</u> |  |
|   | <sup>18</sup> <b>SURVEYOR CERTIFICATION</b><br>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.<br>Date of Survey <u>12/22/03</u><br>Signature and Seal of Professional Surveyor:<br><u>Dan R. Reddy</u>   |  |
|   | Certificate Number <u>5412</u>  |  |

530'

690'