

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

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-41371
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name ARCO STATE
8. Well Number #3
9. OGRID Number 281994
10. Pool name or Wildcat Empire, Glorieta-Yeso (96210)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3702' GL

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.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
LRE OPERATING, LLC

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

4. Well Location
 Unit Letter L : 2310 feet from the South line and 330 feet from the West line
 Section 24 Township 17-S Range 28-E NMPM Eddy County

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input checked="" type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input checked="" type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Spud & Casings <input checked="" type="checkbox"/>	

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.

Spud well on 5/6/14. Drilled 11" hole to 500. Landed 8-5/8" 24# J-55 csg @ 499'. Cmted w/400 sx (538 cf) "C" cmt w/2% Cacl2, 0.005# static free, & 1/4#/sx cello-flake. Lost Circ. Temp Survey showed TOC @ 174'. Ran 1" tbg into annulus & tagged @ 138'. Pumped 25 sx cmt. WOC. Tagged @ 131'. Pumped 25 sx cmt. WOC. Pumped 25 sx cmt. WOC. Tagged @ 54'. Pumped 50 sx cmt & circ 30 sx to surface. On 5/8/14, PT 8-5/8" csg to 600 psi for 30 min – OK.

Drilled 7-7/8" hole to TD5720' on 5/12/14. Landed 5-1/2" 17# J-55 csg @ 5704'. Cmted lead w/350 sx (469 cf) 35/65 poz C cmt w/2% Cacl2 & 0.125#/sx p-e-flake. Tailed w/725 sx (964 cf) "C" cmt w/0.3% PF-13, 0.2% PF-167, 0.2% PF-65, 0.125# PF-29, & 0.4# PF-46. Circ 6 sx cmt to pit. Ran cased hole logs. Released drilling rig on 5/13/14. Plan to pressure test the 5-1/2" csg before completion operations.

Spud Date: 5/6/14 Drilling Rig Release Date: 5/13/14

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 5/14/14
 Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only
 APPROVED BY: [Signature] TITLE District Supervisor DATE 5/22/14
 Conditions of Approval (if any):

