Form 3160-4
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. NMLC-046250 B

NM OIL CONSERVATIO
ARTESIA DISTRICT
SEP 24 2014
RECEIVED

1a. Type of Well: [X] Oil Well [ ] Gas [ ] Dry Other
b. Type of Completion: [ ] New [ ] Work Over [ ] Deepen [ ] Plug Back [ ] Diff. Resvr.
Other: DHC

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator: LRE OPERATING, LLC c/o Mike Pippin LLC (Agent)

8. Lease Name and Well No.: WILLIAMS B FEDERAL #7

3. Address: 3104. N. Sullivan, Farmington, NM 87401

3a. Phone No. (include area code): 505-327-4573

9. API Well No.: 30-015-37196

4. Location of Well (Report locations clearly and in accordance with Federal requirements) *

At surface: 2310' FNL & 330' FWL Unit (E) Sec. 29, T17S, R28E

10. Field and Pool, or Exploratory
Red Lake, San Andres (97253) C2
Artesia, Glorieta-Yeso (96830) C1

At top prod. interval reported below

11. Sec., T., R., M., or Block and Survey or Area E 29 17 28

At total depth

12. County or Parish: Eddy

13. State: NM

14. Date Spudded	15. Date T.D. Reached	16. Date Completed	17. Elevations (DF, RKB, RT, GL)*
09/29/09	10/08/09	[ ] P & A [X] Ready to Prod. WO: 5/30/14	3613' GL

18. Total Depth: MD / TVD	19. Plug Back T.D.: MD / TVD	20. Depth Bridge Plug Set: MD / TVD
3630'	3576'	

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Induction & Density Neutron

22. Was well cored? [X] No [ ] Yes (Submit copy)
Was DST run? [X] No [ ] Yes (Submit copy)
Directional Survey? [ ] No [X] Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8"	24#	0'	392'		375 C	83	Surface	0'
7-7/8"	5-1/2"	17#	0'	3617'		750 C	213	Surface	0'

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Set (MD)
2-7/8"	3511'							

25. Producing Intervals / 26. Perforation Record

	Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A)	Grayburg	1503'	1817'	1782'-2008'	0.34"	26	Open
	San Andres	1817'	3190'	2148'-2476'	0.34"	35	Open
				2518'-2732'	0.34"	27	Open
				2800'-3042'	0.34"	26	Open
	Yeso	*3299'*	---	*3325'-3504'*	*0.42"*	*89*	*SI Below CBP*

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and type of Material
1782'-2008'	2163 gal 15% HCL & fraced w/52,213# 16/30 Arizona & 15,870# 16/30 resin coated sand in 20# X-linked gel
2148'-2476'	3350 gal 15% HCL & fraced w/81,879# 16/30 Arizona & 18,123# 16/30 resin coated sand in 20# X-linked gel
2518'-2732'	2075 gal 15% HCL & fraced w/55,168# 16/30 Arizona & 18,566# 16/30 resin coated sand in 20# X-linked gel
2800'-3042'	2184 gal 15% HCL & fraced w/59,772# 16/30 Arizona & 20,415# 16/30 resin coated sand in 20# X-linked gel

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water	Oil Gravity Corr.	Gas Gravity	Production Method
06/02/14	06/16/14	24	→	35	30	180			Pumping
Choke Size	**Tbg. Press. Flwg. PSI**	**Csg. Press.**	**24 Hr. Rate**	**Oil BBL**	**Gas MCF**	**Water**	**Gas : Oil Ratio**	**Well Status**	
			→	35	30	180			Pumping

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water	Oil Gravity Corr.	Gas Gravity	Production Method
			→						
Choke Size	**Tbg. Press. Flwg. SI**	**Csg. Press.**	**24 Hr. Rate**	**Oil BBL**	**Gas MCF**	**Water**	**Gas : Oil Ratio**	**Well Status**	
			→						

ACCEPTED FOR RECORD
SEP 24 2014
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

(See instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr.	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr.	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*

Plan to sell.

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

Formation	Top	Bottom	Descriptions, Contents, etc.
Grayburg	1503'	1817'	Oil & Gas
San Andres	1817'	3190'	Oil & Gas
Yeso	3299'	---	Oil & Gas

31. Formation (Log) Markers

Name	Top Meas. Depth
	Depth
Yates	287'
7-Rivers	516'
Queen	1080'
Grayburg	1503'
San Andres	1817'
Glorieta	3190'
Yeso	3299'

32. Additional remarks (include plugging procedure):

WILLIAMS B FED #7 1st Delivery DHC

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.)
2. Geologic Report
3. DST Report
4. Directional Survey
5. Sundry Notice for plugging and cement verification
5. Core Analysis
7. Other:

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name *(please print)* Mike Pippin 505-327-4573 Title Petroleum Engineer (Agent)

Signature Mike Pippin Date June 18, 2014

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the Uni States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

LRE OPERATING, LLC
WILLIAMS B FEDERAL #7
Artesia; Glorieta-Yeso & Red Lake, San Andres
E Section 29 T17S R28E
6/18/2014 – Mike Pippin
API#: 30-015-37196

Commingle Allocation Calculations

This well was originally completed in the Yeso on 10/28/09. On 10/7/13, this well was recompleted from the Yeso to the San Andres. Before the workover, on September 3, 2013, the lower zone (Yeso) tested for **4 BOPD, 82 MCF/D & 2 BWPD** from Yeso perfs 3325'-3504'.

Following the workover the new and upper zone (San Andres) was tested on 11/4/13 for **23 BOPD, 205 MCF/D, & 358 BWPD** from San Andres perfs 1782'-3042'.

Therefore, the total oil (commingled) should be: 4 + 23 = **27 BOPD**.
The total gas (commingled) should be 82 + 205 = **287 MCF/D**.
The total water (commingled) should be 2 + 358 = **360 BWPD**

RECOMMENDED NEW OIL ALLOCATION

% Lower Zone = 4/27 = **15%**

% Upper Zone = 23/27 = **85%**

RECOMMENDED NEW GAS ALLOCATION

% Lower Zone = 82/287 = **29%**

% Upper Zone = 205/287 = **71%**

RECOMMENDED NEW WATER ALLOCATION

% Lower Zone = 2/360 = **1%**

% Upper Zone = 358/360 = **99%**