

SEP 24 2014

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

RECEIVED

1a. Type of Well Oil Well Gas Dry Other
 b. Type of Completion: New Work Over Deepen Plug Back Diff. Resrv.

 DHC

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

3. Address 3a. Phone No. (include area code)
 3104. N. Sullivan, Farmington, NM 87401 505-327-4573

4. Location of Well (Report locations clearly and in accordance with Federal requirements)*
 At surface 2310' FNL & 2310' FWL Unit (F) Sec. 29, T17S, R28E
 At top prod. interval reported below
 At total depth

5. Lease Serial No.
 NMLC-0462508

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
 WILLIAMS B FEDERAL #3

9. API Well No.
 30-015-34723

10. Field and Pool, or Exploratory
 Red Lake, San Andres (97253) ~~82~~ C2
 Artesia, Glorieta-Yeso (96830) ~~81~~ C1

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

12. County or Parish Eddy 13. State NM

14. Date Spudded 04/18/06 15. Date T.D. Reached 05/01/06 16. Date Completed P & A Ready to Prod. DHC: 6/12/14

17. Elevations (DF, RKB, RT, GL)*
 3649'

18. Total Depth: MD 3585' TVD 19. Plug Back T.D.: MD 3557' TVD 20. Depth Bridge Plug Set: MD TVD

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

22. Was well cored? No Yes (Submit copy)
 Was DST run? No Yes (Submit copy)
 Directional Survey? No 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 Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8"	28#	0'	465'		375 sx C - Circ		Surface (Circ)	0'
7-7/8"	5-1/2"	14#	0'	3577'		375 35/65 C +			0'
						400 C - Circ		Surface (Circ)	

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"	3494'							

25. Producing Intervals 26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) San Andres	1874'	3248'	2000'-2056'	0.41'	16	Open
			2186'-2514'	0.41'	32	Open
			2560'-2850'	0.41'	27	Open
			2900'-3200'	0.41'	29	Open
			Existing Yeso Perfs: 3284'-3506'	0.42'	44	SI Below CBP @ 3260'

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

Depth Interval	Amount and type of Material
2000'-2056'	6009 gal 15% HCL acid
2186'-2514'	2735 gal 15% HCL & fraced w/104,596# Wisconsin & 117,837# resin coated 16/30 sand in 15# X-linked gel
2560'-2850'	3011 gal 15% HCL & fraced w/70,075# Wisconsin & 19,070# resin coated 16/30 sand in 15# X-linked gel
2900'-3200'	2911 gal 15% HCL & fraced w/76,100# Wisconsin & 17,827# resin coated 16/30 sand in 15# X-linked gel

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
06/13/14	06/25/14	24	→	45	65	220			
Choke Size	Tbg. Press. Flwg. PSI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→	45	65	220			

ACCEPTED FOR RECORD
 SEP 20 2014
 BUREAU OF LAND MANAGEMENT
 (Pumping) AD FIELD OFFICE

28a. Production - Interval B

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

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

db

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.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
San Andres	1874'	3248'	Oil & Gas		Depth
Glorieta	3248'	3361'	Oil & Gas		
Yeso	3361'		Oil & Gas		
				Queen	1137'
				Grayburg	1510'
				San Andres	1874'
				Glorieta	3248'
				Yeso	3361'

32. Additional remarks (include plugging procedure):

WILLIAMS B FEDERAL #3 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
- 6. 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  Date June 17, 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 U States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.