

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

FEB 17 2015
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
RECEIVED

WELL API NO. 30-015-36252
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 STALEY STATE
8. Well Number #4
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres (51300)

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 N : 990 feet from the South line and 1980 feet from the West line
Section 30 Township 17-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3626' GL

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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>	P AND A <input type="checkbox"/>
CLOSED-LOOP SYSTEM <input checked="" type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: Recomplete to the San Andres & DHC <input checked="" type="checkbox"/>	OTHER: <input 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.

LRE Operating, LLC would like to recomplete this Yeso oil well to the San Andres & DHC as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3150' & PT to ~3500 psi. (Existing Yeso perfs are @ 3210'-3994'). Perf lower San Andres @ ~2750'-3053' w/~30 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~257,040# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2700' & PT to ~3500 psi. Perf San Andres @ ~2330'-2651' w/~33 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~282,240# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2290' & PT to ~3500 psi. Perf upper San Andres @ ~1728'-2223' w/~30 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~171,340# 40/70 Ottawa sand in slick water.

990
CO after frac & drill out CBPs @ 2290' & 2700', & CO to CBP @ 3150'. Land 2-7/8" 6.5#J-55 production tbg @ ~2935'. Run pump & rods. Release workover rig. Complete as a single San Andres oil well. See the attached proposed wellbore diagram. Following a test of the San Andres alone, the CBP @ 3150' will be removed & the well DHC as per order ART-2609-V.

Spud Date: 6/23/08

Drilling Rig Release Date: 7/3/08

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 2/11/15

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

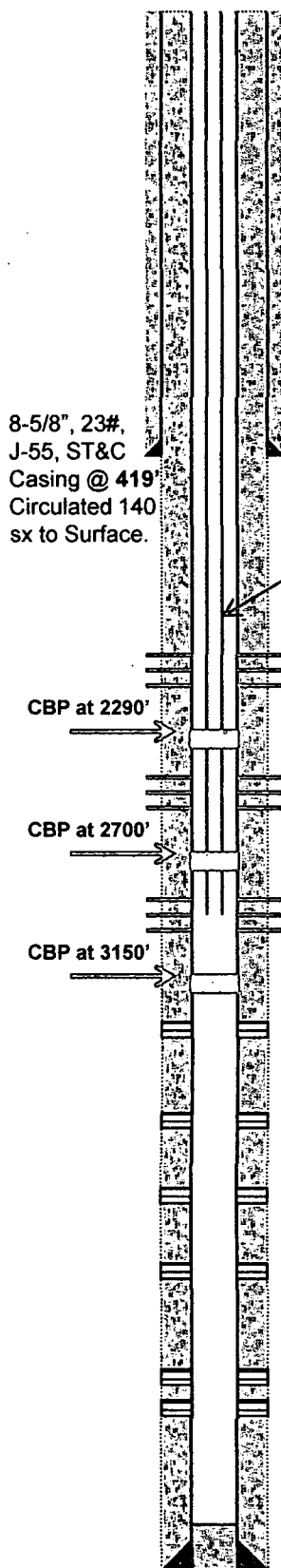
For State Use Only

APPROVED BY: R R Dade TITLE District Supervisor DATE 2/18/2015
Conditions of Approval (if any):



LRE Operating LLC,
Staley State A #4
San Andres Recompletion
AFE # R15007

Staley State A #4
Sec 30-17S-28E (NW of N)
990' FSL, 1980' FWL
Elevation – 3,625'
API #: 30-015-36252
Eddy County, NM



2-7/8"; 6.5#, J-55 Tubing, TAC at 1628', SN at 2900', 4' slotted sub, 1 jt MA w BP at 2935'. T-couplings, 1" KD pony set, 20- 1" KD, 92-7/8" KD, 4- 1.5" kbars, 2.5"x2"x20' RHBC-HVR pump, 74" SL at 9 SPM.

San Andres Perfs: 1728'-2223'
30 holes

Stim Info: 1500 g 15% HCL, 6,900
bbls water, 30,000 #'s 100 Mesh,
171,990 #'s 40/70 Ottawa, 80+ BPM

San Andres Perfs: 2330'-2651'
33 holes

Stim Info: 1500 g 15% HCL, 8,400 bbls
water, 30,000 #'s 100 Mesh, 282,240 #'s
40/70 Ottawa, 80+ BPM

San Andres Perfs: 2750'-3053'
30 holes

Stim Info: 1500 g 15% HCL, 8,100 bbls
water, 30,000 #'s 100 Mesh, 257,040 #'s
40/70 Ottawa, 80+ BPM

Yeso Perfs: 3210', 3212', 3214', 3220', 3224', 3231', 3237', 3245', 3261', 3263', 3276', 3278', 3282', 3286',
3314', 3406', 3410', 3412', 3527', 3528', 3537', 3563', 3598', 3600', 3606', 3609', 3612', 3623', and
3628' (this last foot is 2 SPF) (1spf, 0.4" to 0.41" EHD, 31"+ penetration, 30 Holes) (12/8/11)

Stim Info: 2500 Gals 15% HCL w/ 110 ball sealers at 15 BPM, 101136 gal Viking 2000 X-linked Gel,
162350#'s 16/30 Brady Sand – staged at 1.5-4 ppg, and 25000#'s 16/30 SiberProp all pmp'd @ 60 BPM
(12/8/11)

Yeso Perfs: 3,308' – 3,498' (1 SPF - 38 holes)

Stim Info: 3500 gal 15% NEFE; Treat w/ 20k gal
20% HCl + 30k gal 40# linear gel + 3000 gal
15% HCl. (9/12/08)

Yeso Perfs: 3,671' – 3,994' (1 SPF - 63 holes)

Stim Info: 3320 gal 15% NEFE; Frac w/
138,499# 16/30 Ottawa + 26,484# 16/30 RCS in
123.6k gal SilverStim LT-15. (6/11/09)

PBTD @ 4,015'

5-1/2"; 14#; J-55; ST&C Casing @ 4,017'.
Circulated 10 sx to Surface. (7/3/2008)

TD @ 4,025'

GEOLOGY

Zone	Top
Queen	1,046'
Grayburg	1,470'
San Andres	1,777'
Glorieta	3,165'
Yeso	3,272'

SURVEYS

Degrees	Depth
3/4°	412'
1°	993'
3/4°	1,495'
1/2°	1,999'
1/4°	2,533'
1/2°	3,005'
3/4°	3,509'
1/2°	4,012'

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 30-015-36252	² Pool Code 96836	³ Pool Name Red Lake, Glorieta-Yeso NE
⁴ Property Code 309874	⁵ Property Name STALEY STATE	⁶ Well Number 4
⁷ OGRID No. 281994	⁸ Operator Name LRE OPERATING, LLC.	⁹ Elevation 3625' 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
N	30	17-S	28-E		990	SOUTH	1980	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.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

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;">30</div>	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. Signature: <u>Mike Pippin</u> Date: 2/11/15 Printed Name: <u>Mike Pippin</u>	
	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. Date of Survey: 4/21/05 Signature and Seal of Professional Surveyor: Dan R. Reddy	
	Certificate Number: 5412	
	<div style="text-align: center;"> </div>	