

District I - (575) 393-6000

1625 N. French Dr., Hobbs, NM 88249

District II - (575) 748-1283

811 S. First St., Artesia, NM 88201

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

NM OIL CONSERVATION

MAR 02 2015

RECEIVED

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

WELL API NO. 30-015-40339
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name ENRON STATE
8. Well Number #18
9. OGRID Number 281994
10. Pool name or Wildcat Artesia, Glorieta-Yeso (96830) Artesia, Queen-Gravburg-San Andres (3230)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3700' 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 [X] 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 D : 990 feet from the North line and 330 feet from the West line Section 32 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:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM [X]
OTHER: Recomplete to San Andres & DHC [X]

SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: []

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 @ ~3400' & PT to ~3500 psi. (Existing Yeso perfs are @ 3460'-4140'). Perf lower San Andres @ ~2782'-3121' w/~34 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~305,340# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2710' & PT to ~3500 psi. Perf San Andres @ ~2270'-2641' w/~37 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~344,190# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2180' & PT to ~3500 psi. Perf upper San Andres @ ~1862'-2103' w/~36 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~15,000# 100 mesh & ~87,150# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2180' & 2710', & CO to CBP @ 3400'. Run 2-7/8" 6.5#J-55 production tbg & land @ ~3185'. 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 approval of our DHC application in Santa Fe, the CBP @ 3400' will be removed & the well DHC.

Spud Date: 1/11/14 Drilling Rig Release Date: 1/16/14

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 2/27/15
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only
APPROVED BY: [Signature] TITLE: DIST. INSPECTOR DATE: 3/2/15
Conditions of Approval (if any):

LIME ROCK RESOURCES	County	EDDY	Well Name	Enron State #18	Field:	Redlake Glorieta-Yeso NE	Well Sketch:	AFE R15011 LRE Operating, LLC
	Surface Lat:	32.7977087°N	BH Lat:	32.7977087°N	Survey:	S32-T17S-R28E Unit D	API #	30-015-40339
	Surface Long:	104.2058501°W	BH Long:	104.2058501°W		990' FNL & 330' FWL	OGRID #	281994

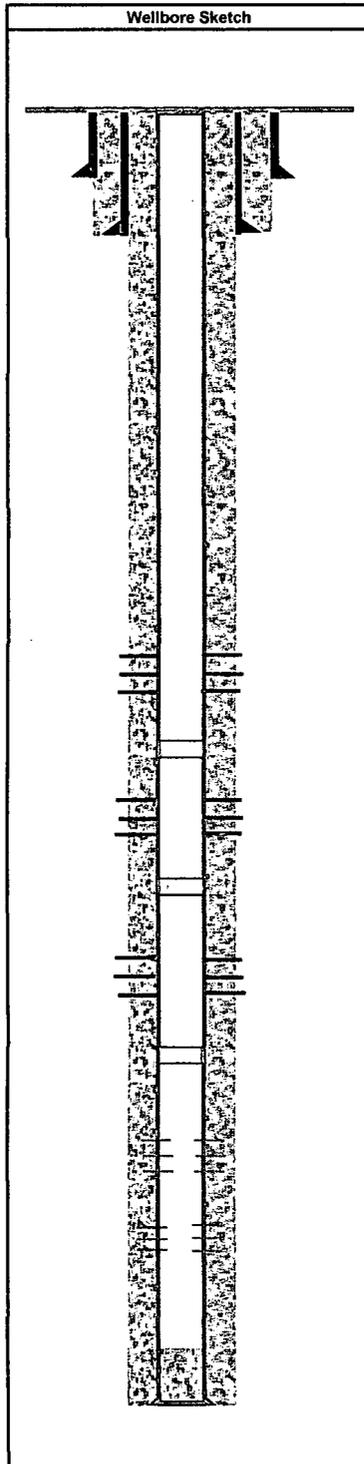
Directional Data:			
KOP			
Max Dev.:			
Dleg sev:			
Dev @ Perfs			
Ret to Vert:			

Tubular Data							
Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC
Conductor	14"	68.7#	B	Weld	40'	40'	SURF
Surface	8 5/8"	24#	J-55	STC	425'	425'	SURF
Intermediate							
Production	5 1/2"	17#	J-55	LTC	4,243'	4,243'	SURF
Liner							

CEMENT DATA							
	L/sks	Yld	Wt	T/sks	Yld	Wt	XS
Surface	250	1.35	14.8	NA	NA	NA	145 sx
Intermediate							
Liner							
Production	310	1.9	12.8	550	1.33	14.8	163 sx

Wellhead Data	
Type:	
WP:	
Tree Cap	Flange:
	Thread:
Tbg Hanger:	
8TM Flange:	
BPV Profile:	NA
Elevations:	GR - RKB = 11.8'
RKB:	3712
GL:	3,700.2'

Drilling / Completion Fluid	
Drilling Fluid:	10.2 PPG Brine / Salt Gel
Drilling Fluid:	
Completion Fluid:	2% KCL
Completion Fluid:	
Packer Fluid:	NA



Completion Information					
DEPTHS (MD)	FORMATION TOPS / WELL INFO	PERFORATIONS		# of HOLES	DETAILS
		from	to		
0					
40'	20" Hole				14" Conductor Pipe
425'	11" Hole				8-5/8" Surf Csg Circ 145 sx Cmt to surf
513'	Seven Rivers				
1,080'	Queen				
1,507'	Grayburg				
1,782'	Premier				
1,820'	San Andres				
2 7/8" tbg, TAC at 1762', SN at 3150', 4' slotted sub, 1 jt MA w BP at 3185'					
38-1" KD, 40- 7/8" KD, 44 - 3/4" KD, 4- 1.5" kbars, 2.5"x2"x20" RHBC-HVR Pump					
American 320-256-120 w 30 HP Motor, 107" SL at 8 SPM					
	Stage #3 San Andres	1,862'	2,103'	36	241', (70' pay) 1500 g 15% HCL 15,000 # 100 Mesh, 87,150 # 40/70, 3,650 bbls water, 80 + BPM
CBP at 2180'					
	Stage #2 San Andres	2,270'	2,641'	37	371', 1500 g 15% HCL, 30,000 # 100 Mesh 344,190 # 40/70, 8200 bbls water, 80 + BPM
CBP at 2710'					
	Stage #1 San Andres	2,782'	3,121'	34	339', 1500 g 15% HCL, 30,000 # 100 Mesh 305,340 # 40/70, 8700 bbls water, 80 + BPM
CBP at 3400'					
3,203'	Glorieta				
3,318'	Yeso				
	Stage 2 Yeso Frac	3,460'	3,753'	49	293' Stg 2 - See Frac Design
Yeso completed 1/31/14					
	Stage 1 Yeso Frac	3,800'	4,141'	36	340' Stg 1 - See Frac Design
	PBDT				
4,243'	PROD CSG				above 5-1/2" Float Collar 5-1/2" Prod Csg. Circ 163 SX Cmt to Surf
Comments: NM OCD CLP				Plug back Depth:	MD
				Total Well Depth:	4,250' 4250' MD
				Prepared By:	Date:
				Eric McClusky	27-Feb-15