

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  
**NM OIL CONSERVATION**  
 ARTESIA DISTRICT  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505  
**RECEIVED**  
 MAR 23 2015

Form C-103  
 Revised July 18, 2013

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-015-40068
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator <b>LRE OPERATING, LLC</b>		6. State Oil & Gas Lease No.
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401		7. Lease Name or Unit Agreement Name <b>WELCH RL STATE</b>
4. Well Location Unit Letter <u>F</u> : <u>2310</u> feet from the <u>North</u> line and <u>2310</u> feet from the <u>West</u> line Section <u>28</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County		8. Well Number #14
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3639' GL		9. OGRID Number 281994
10. Pool name or Wildcat Artesia, Glorieta-Yeso (96830)		

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   
 OTHER: Recomplete to San Andres & DHC

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 @ ~3350' & PT to ~3500 psi. (Existing Yeso perms are @ 3394'-3510'). Perf lower San Andres @ ~2776'-3171' w/~40 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~371,490# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2752' & PT to ~3500 psi. Perf San Andres @ ~2435'-2721' w/~31 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~260,190# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2414' & PT to ~3500 psi. Perf upper San Andres @ ~2061'-2389' w/~31 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~158,340# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2414' & 2752', & CO to CBP @ 3350'. Run 2-7/8" 6.5#J-55 production tbg & land @ ~3235'. 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 approval of our DHC application in Santa Fe, the CBP @ 3350' will be removed & the well DHC.

Spud Date: 1/21/14 Drilling Rig Release Date: 1/25/14

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 3/20/15  
 Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573  
**For State Use Only**

APPROVED BY: R Dade TITLE Dist R Supervisor DATE 3/24/2015  
 Conditions of Approval (if any):

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

<sup>1</sup> API Number 30-015-40068		<sup>2</sup> Pool Code 97253		<sup>3</sup> Pool Name Red Lake, San Andres	
<sup>4</sup> Property Code 309873		<sup>5</sup> Property Name WELCH RL STATE			<sup>6</sup> Well Number 14
<sup>7</sup> OGRID No. 281994		<sup>8</sup> Operator Name LRE OPERATING, LLC.			<sup>9</sup> Elevation 3639' GL

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	28	17-S	28-E		2310	NORTH	2310	WEST	EDDY

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

	<b><sup>17</sup> OPERATOR CERTIFICATION</b>	
	<i>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.</i>	
	Signature <i>Mike Pippin</i> Mike Pippin Printed Name	Date 3/20/15
	<b><sup>18</sup> SURVEYOR CERTIFICATION</b> <i>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.</i> 12/7/11 Date of Survey Signature and Seal of Professional Surveyor: Filmon F. Jaramillo 12797 Certificate Number	