

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

NM OIL CONSERVATION
 State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 June 19, 2008

WELL API NO. 30-015-37693
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 KERSEY STATE
8. Well Number #5
9. OGRID Number 281994
10. Pool name or Wildcat Artesia, Glorieta-Yeso (96830) Artesia, Queen-Grayburg-San Andres (3230)

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 I : 2310 feet from the NORTH line and 890 feet from the EAST line
 Section 32 Township 17-S Range 28-E NMPM Eddy County

	11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3683' GL	
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12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p style="text-align: center;">NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input checked="" type="checkbox"/> CLOSED-LOOP SYSTEM <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/></p>	<p style="text-align: center;">SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Recompleted to San Andres & DHC <input checked="" type="checkbox"/></p>
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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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

LRE has recompleted this Yeso oil well to the San Andres as follows: On 3/2/15, MIRUSU. TOH w/rods, pump, & tbg. Set 5-1/2" CBP @ 3500' & PT 5-1/2" csg & CBP to 4000 psi-OK. (Existing Yeso perfs are @ 3540'-4988'). Perfed lower San Andres @ 3110'-3385' w/1-0.41" spf. Total 30 holes. On 3/11/15, treated w/1554 gal 15% HCL acid & fraced lower San Andres w/31,300# 100 mesh & 256,390# 40/70 Wisconsin sand in slick water. Spotted 420 gal 15% HCL for 2nd stage.

Set 5-1/2" CBP @ 3070'. PT csg & CBP to 3500 psi-OK. Perfed middle San Andres @ 2763'-3031' w/1-0.41" spf. Total 30 holes. Treated perfs w/1559 gal 15% HCL acid & fraced w/30,000# 100 mesh & 265,578# 40/70 Wisconsin sand in slick water. Spotted 546 gal 15% HCL for 3rd stage.

Set 5-1/2" CBP @ 2690'. PT CBP & 5-1/2" csg to 3500 psi-OK. Perfed upper San Andres @ 2309'-2658' w/1-0.41" spf. Total 34 holes. Treated perfs w/2352 gal 15% HCL acid & fraced w/28,600# 100 mesh & 250,792# 40/70 Wisconsin sand in slick water.

On 3/12/15, MIRUSU. Drilled CBPs @ 2690', 3070', & CO to CBP @ 3500'. On 3/13/15, landed 2-7/8" 6.5# J-55 tbg @ 3374'. Ran pump & rods. Released completion rig on 3/14/15. Completed the well as a single San Andres oil well. Following a test on the San Andres alone, the CBP @ 3500' will be removed and the well DHC as per State order DHC-4738.

Spud Date: 11/6/10 Drilling Rig Release Date: 11/22/10

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 3/23/15
 Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: R Wade TITLE DIST # Supervisor DATE 3/24/2015
 Conditions of Approval (if any):