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 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

OIL CONSERVATION DIVISION
 State of New Mexico
 Energy, Minerals and Natural Resources
 JUL 14 2015
OIL CONSERVATION DIVISION
 RECEIVED
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 June 19, 2008

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.)		WELL API NO. 30-015-34086
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 LRE OPERATING, LLC		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 STALEY STATE
4. Well Location Unit Letter <u>I</u> : <u>2310</u> feet from the <u>SOUTH</u> line and <u>330</u> feet from the <u>EAST</u> line Section <u>30</u> Township <u>17-S</u> Range <u>28-E</u> NMPM Eddy County		8. Well Number #3
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3601' GL		9. OGRID Number 281994
		10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres (51300)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: 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 checked="" type="checkbox"/> DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>		SUBSEQUENT REPORT OF: 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: Recomplete To 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 1103. 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 perms are @ 3604'-4663'). Perf lower San Andres @ ~2626'-3033' w/~37 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~352,380# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2600' & PT to ~3500 psi. Perf San Andres @ ~2201'-2571' w/~36 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~311,388# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2100' & PT to ~3500 psi. Perf upper San Andres @ ~1760'-1989' w/~30 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~119,700# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2100' & 2600', & CO to CBP @ 3150'. Run 2-7/8" 6.5#J-55 production tbg & land @ ~3035'. 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 State order ART-4609-CC.

Spud Date: 6/22/05 Drilling Rig Release Date: 7/1/05

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 7/13/15

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. Rep. Supervisor DATE 7/15/15

Conditions of Approval (if any):

SUBMIT C102



LRE Operating, LLC

San Andres Recompletion

AFE R15032

Staley State #3
Sec 30-17S-28E (NE of I)
2310' FSL, 330' FEL
Elevation – 3,601'
API #: 30-015-34086
Eddy County, NM

Spud
6/19/05

8-5/8",
24#, J-55,
ST&C
Casing @
433'.
Circulated
106 sx to
Surface.

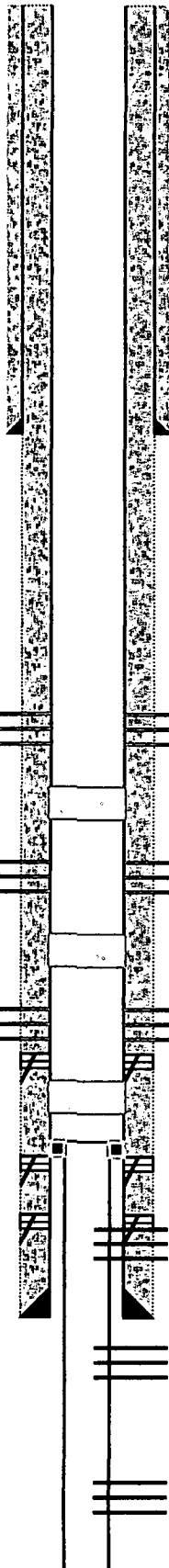
**Squeeze
SA Perfs:**

2,627'; 29';
35'; 44'; 48';
53'; 56'; 61';
65'; 2,717';
35'; 46'; 52';
54'; 63'; 71';
89'; 90';
2,802'; 06';
08'; 09'; 13';
21'; 25' – 28';
32' – 33'; 44';
45'; 48' & 75'
(1 SPF - 34
holes) 350 sx
CI C to 2000
psi (2/4/13)

**Squeeze
Yeso Perfs:**

3,306' - 10';
12' - 16'; 24' -
30'; 48' -
50'; 53' - 55'
& 72' - 78' (1
SPF - 30
holes)
3,419'; 39';
47'; 53'; 87';
3,503'; 29';
37'; 45'; 59';
81' & 3,612'
(2 SPF - 24
holes) 511
SX CI C to
2000 psi
(2/14/13)

4 3/4" hole
TD: 4860'



SA Perfs: 2627'-2875' 3400 g 15% HCL, 110k# 16/30 in
25# Xlinked gel (9/8/08)

Yeso Perfs: 3306'-3378' 3000 g 15% HCL, 20kg heated
20% HCL & 30kg heated gel & 5kg 15% HCL cool down
(7/25/05)

Yeso Perfs: 3306'-3612' 15kg 20% HCL & 20kg gel &
2kg 15% HCL (7/2/08)

Yeso Perfs: 3419'-3612' 2700 g 15% HCL (6/30/08)

320 Pumping Unit with 30 HP motor; 100" SL at 8 SPM
2-7/8"; 6.5#, J-55 Tubing, TAC at 1660', SN at 3000', 4' slotted
sub, 1 jt MA w BP at 3035'
60- 1" KD rods, 56- 7/8" KD rods, 4- 1.5" kbars, 2.5"x2"x20'
RHBC-HVR pump

San Andres Perfs: 1760'-1989'
(1 SPF - 30 holes)

Stim Info: 229', 1500 g 15% HCL,
30,000 # 100 Mesh, 119,700# 40/70,
4414 bbls water, 80 + BPM

CBP at 2100'

San Andres Perfs: 2201'-2571'
(1 SPF - 36 holes)

Stim Info: 370', 1500 g 15% HCL,
30,000 # 100 Mesh, 311,388# 40/70,
7514 bbls water, 80 + BPM

CBP at 2600'

San Andres Perfs: 2626'-3033'
(1 SPF - 37 holes)

Stim Info: 407', 1500 g 15% HCL,
30,000 # 100 Mesh, 352,380# 40/70,
8114 bbls water, 80 + BPM

CBP at 3150'

4" x 5-1/2" Liner Hanger and Liner Hanger Packer
4" -11.6# L-80 FJ at 3197' - 4860' (3/2/13)

Yeso Perfs: 3604'-3944' - 27 holes, (3/4/13)

Stim Info: 4400 g 15% HCL, 74,128 # 16/30
Brady & 37,554 # 16/30 Resin in Xlink Gel
(Frac via 3.5" 9.3# L80)

5-1/2"; 15.5 - 17#; K-55; ST&C Casing @ 3,984'.
Circulated 94 sx to Surface. (6/30/2005)

Yeso Perfs: 3988'-4284' - 44 holes, (3/4/13)

Stim Info: 4000 g 15% HCL, 64,380 # 16/30
Brady & 26,750 # 16/30 Resin in Xlink Gel
(Frac via 3.5" 9.3# L80)

Yeso Perfs: 4350'-4663' - 35 holes, (3/4/13)

Stim Info: 4220 g 15% HCL, 68,880 # 16/30
Brady & 23,779 # 16/30 Resin in Xlink Gel
(Frac via 3.5" 9.3# L80)

4" 11.6" L-80; Flush Joint Liner @ 3197' - 4860'.
Cemented w/ 195 sx. (3/2/13)

GEOLOGY

Zone	Top
Yates	504'
7 Rivers	808'
Queen	1,108'
Grayburg	1,492'
San Andres	1,796'
Glorieta	3,170'

SURVEYS

Degrees	Depth
1/4°	539'
1/2°	1,007'
1/2°	1,514'
3/4°	1,991'
1°	3,011'
1°	3,517'
1°	3,962'