

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMLC046250B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
WILLIAMS B FEDERAL 10

9. API Well No.
30-015-41778-00-S1

10. Field and Pool, or Exploratory
ARTESIA

11. County or Parish, and State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
LRE OPERATING LLC
Contact: MIKE PIPPIN
E-Mail: mike@pippinllc.com

3a. Address
1111 BAGBY SUITE 4600
HOUSTON, TX 77002
3b. Phone No. (include area code)
Ph: 505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 29 T17S R28E SENW 1650FNL 2285FWL
32.807701 N Lat, 104.198318 W Lon

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THIS IS A REQUEST TO RECOMPLETE THIS YESO WELL TO THE SAN ANDRES.

MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3300' & PT to ~3500 psi. (Existing Yeso perfs are at 3350'-3510'). Perf upper SA @ ~2740'-3101' w/~36 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~313,740# 40/70 Ottawa sand in slick water. Set a 5-1/2" CBP @ ~2700' & PT to ~3500 psi. Perf middle SA @ ~2360'-2661' w/~31 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~257,040# 40/70 Ottawa sand in slick water. Set a 5-1/2" CBP @ ~2340' & PT to ~3500 psi. Perf lower SA @ ~2024'-2320' w/~34 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~179,340# 40/70 Ottawa sand in slick water. CO after frac & drill out CBPs @ 2340' & 2700', & CO to CBP @ 3300'. Land 2-7/8" 6.5# J-55 production tbg @ ~3166'. Run pump & rods. Release workover rig. Complete as a single San Andres

NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 10 2015

RECEIVED

Accepted for record
JES NMOCD 7/30/15

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #295641 verified by the BLM Well Information System
For LRE OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by CATHY QUEEN on 06/22/2015 (15CQ0409SE)

Name (Printed/Typed) MIKE PIPPIN Title PETROLEUM ENGINEER

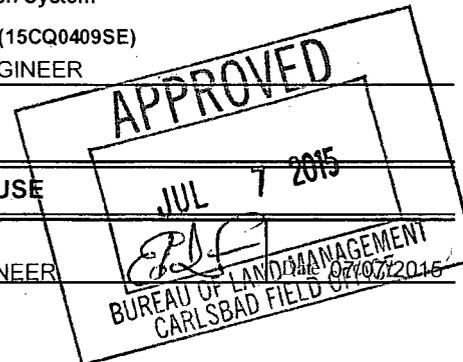
Signature (Electronic Submission) Date 03/20/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ Title PETROLEUM ENGINEER

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Carlsbad



Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** BLM REVISED **

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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 30-015-41778	² Pool Code 97253	³ Pool Name Red Lake, San Andres
⁴ Property Code 309867	⁵ Property Name WILLIAMS B FEDERAL	
⁷ OGRID No. 281994	⁹ Operator Name LRE OPERATING, LLC.	⁶ Well Number 10
		⁸ Elevation 3624' 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
F	29	17-S	28-E		1650'	NORTH	2285	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. 2627.42'

2647.07'	1650'	2285'	29	O	1650'	2285'	2																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
----------	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	----	---	-------	-------	---

Conditions of Approval

San Andres

LRE Operating, LLC
Williams B Federal- 10
API 3001541778, T17S-R28E, Sec 29
July 7, 2015

1. The "Williams A & B Field Study of the Yeso & San Andres" dated 11/23/2013 reviewed and Approved by EGF on 01/27/2014 has been accepted by BLM CFO as justification for a downhole pool comingling project on the Williams A and Williams B federal leases. The Yeso is currently capable of production in paying quantities and is to be produced until that formation's economic limits are achieved. This being said, the combined formations should increase field production.
2. Closed loop system required.
3. Surface disturbance beyond the originally approved pad must have prior approval.
4. Allocation data must be obtained before comingling. The current Yeso production to be isolated and the San Andres tested.
5. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when opening another pay zone.
6. A subsequent sundry detailing work done and a completion report for the San Andres formation is necessary.
7. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
8. Functional H₂S monitoring equipment shall be on location.
9. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related

equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.

10. Operators procedure approved as written with the following additions:
- 11. After setting the isolation plug above the Yeso and before perforating, perform a (charted) casing integrity test of 700psig. Verify all annular casing vent valves are open to the surface during this pressure test. Pressure leakoff may require correction for approval. Include a copy of the chart in the subsequent sundry for this workover.**
- 12. Provide BLM with an electronic copy (Adobe Acrobat Document) of any existing cement bond log record. The CBL may be attached to a pswartz@blm.gov email.**

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.