

|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      |                                        |                                     |                                                          |                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| Submit within 45 days of well completion                                                                                                           | State of New Mexico<br>Energy, Minerals and<br>Natural Resources<br>Oil Conservation Division<br>1220 S. St Francis Dr.<br>Santa Fe, NM 87505 | Revised February 15, 2012                                                                                                            |                                        |                                     |                                                          |                                                          |
|                                                                                                                                                    |                                                                                                                                               | 1. WELL API NO:<br>30-015-40988                                                                                                      |                                        |                                     |                                                          |                                                          |
|                                                                                                                                                    |                                                                                                                                               | 2. Well Name:<br>STALEY STATE #026                                                                                                   |                                        |                                     |                                                          |                                                          |
|                                                                                                                                                    |                                                                                                                                               | 3. Well Number:<br>026                                                                                                               |                                        |                                     |                                                          |                                                          |
| HYDRAULIC FRACTURING FLUID DISCLOSURE<br><br><input checked="" type="checkbox"/> Original<br><br><input type="checkbox"/> Amendment                |                                                                                                                                               | 4. Surface Hole Location:<br>Unit:L Lot:3 Section:30 Township:17S Range:28E<br>Feet from:1655 N/S Line:S<br>Feet from:990 E/W Line:W |                                        |                                     |                                                          |                                                          |
|                                                                                                                                                    |                                                                                                                                               | 5. Bottom Hole Location:<br>Unit:L Lot:3 Section:30 Township:17S Range:28E<br>Feet from:1655 N/S Line:S<br>Feet from:990 E/W Line:W  |                                        |                                     |                                                          |                                                          |
|                                                                                                                                                    |                                                                                                                                               | 6. latitude: 32.8022981228946 longitude: - 104.220419840602                                                                          |                                        |                                     |                                                          |                                                          |
|                                                                                                                                                    |                                                                                                                                               | 7. County:<br>Eddy                                                                                                                   |                                        |                                     |                                                          |                                                          |
| 8. Operator Name and Address:<br>LRE OPERATING, LLC<br>1111 Bagby<br>Suite 4600<br>Houston 77002                                                   |                                                                                                                                               | 9. OGRID:<br>281994                                                                                                                  |                                        | 10. Phone Number:<br>713-292-9517   |                                                          |                                                          |
| 11. Last Fracture Date: 2/19/2013 Frac Performed by: BAKER                                                                                         |                                                                                                                                               | 12. Production Type:<br>O                                                                                                            |                                        |                                     |                                                          |                                                          |
| 13. Pool Code(s):<br>96836                                                                                                                         |                                                                                                                                               | 14. Gross Fractured Interval:<br>3,154 ft to 4,560 ft                                                                                |                                        |                                     |                                                          |                                                          |
| 15. True Vertical Depth (TVD):<br>4,930 ft                                                                                                         |                                                                                                                                               | 16. Total Volume of Fluid Pumped:<br>4,789 bbls                                                                                      |                                        |                                     |                                                          |                                                          |
| 17. HYDRAULIC FLUID COMPOSITION AND CONCENTRATION:                                                                                                 |                                                                                                                                               |                                                                                                                                      |                                        |                                     |                                                          |                                                          |
| Trade Name                                                                                                                                         | Supplier                                                                                                                                      | Purpose                                                                                                                              | Ingredients                            | (CAS #) Chemical Abstract Service # | Maximum Ingredient Concentration in Additive (% by mass) | Maximum Ingredient Concentration in HF Fluid (% by mass) |
| HCL 5.1-7.5%                                                                                                                                       | BAKER                                                                                                                                         | ACIDIZING                                                                                                                            | Hydrochloric acid                      | 7647-01-0                           | 15%                                                      | 0.79155%                                                 |
| Activator 330                                                                                                                                      | BAKER                                                                                                                                         | ACTIVATOR                                                                                                                            | ALCOHOLS, C12-14-Secondary Methanol    | 84133-50-6<br>67-56-1               | 70%<br>50%                                               | 0.03428%<br>0.02448%                                     |
| X-Cide 207                                                                                                                                         | BAKER                                                                                                                                         | Biocide                                                                                                                              | 2-Methyl-4-Isothiazolin-3-One          | 2682-20-4                           | 5%                                                       | 0.00015%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | 5-Chloro-2-Methyl-4-Isothiazolin-3-One | 26172-55-4                          | 10%                                                      | 0.0003%                                                  |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Crystalline Silica: Cristobalite       | 14464-46-1                          | 1%                                                       | 3E-05%                                                   |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Crystalline Silica: Quartz (SiO2)      | 14808-60-7                          | 1%                                                       | 3E-05%                                                   |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Diatomaceous Earth, Calcined           | 91053-39-3                          | 60%                                                      | 0.0018%                                                  |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Magnesium Chloride                     | 7786-30-3                           | 5%                                                       | 0.00015%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Magnesium Nitrate                      | 10377-60-3                          | 10%                                                      | 0.0003%                                                  |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | GBW-5                                  | BAKER                               | BREAKER                                                  | AMMONIUM PHOSPHATE                                       |
| Enzyme G-1                                                                                                                                         | BAKER                                                                                                                                         | BREAKER                                                                                                                              | Hemicellulase Enzyme Concentrate       | 9025-56-3                           | 3%                                                       | 0.00095%                                                 |
| ClayCare, tote                                                                                                                                     | BAKER                                                                                                                                         | Clay Control                                                                                                                         | Choline Chloride                       | 67                                  | 75%                                                      | 0.0684%                                                  |
| CI-27                                                                                                                                              | BAKER                                                                                                                                         | Corrosion Inhibitor                                                                                                                  | Fatty Acids                            | Trade Secret                        | 30%                                                      | 0.00127%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Methanol                               | 67-56-1                             | 60%                                                      | 0.00254%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Olefin                                 | Trade Secret                        | 5%                                                       | 0.00021%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Polyoxyalkylenes                       | Trade Secret                        | 30%                                                      | 0.00127%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Propargyl Alcohol                      | 107-19-7                            | 10%                                                      | 0.00042%                                                 |
| XLW-10A                                                                                                                                            | BAKER                                                                                                                                         | Crosslinker                                                                                                                          | Ethylene Glycol                        | 107-21-1                            | 30%                                                      | 0.02394%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Sodium Hydroxide                       | 1310-73-2                           | 10%                                                      | 0.00798%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Sodium Tetraborate                     | 1330-43-4                           | 30%                                                      | 0.02394%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Guar Gum                               | 9000-30-0                           | 60%                                                      | 0.31753%                                                 |
| GW-4LDF                                                                                                                                            | BAKER                                                                                                                                         | Gelling Agent                                                                                                                        | Paraffinic Petroleum Distillates       | 64742-55-8                          | 60%                                                      | 0.31753%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Petroleum Distillatef                  | 64742-47-8                          | 60%                                                      | 0.31753%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | 2-Mercaptoethanol                      | 60-24-2                             | 100%                                                     | 0.02031%                                                 |
| Ferotrol 280L                                                                                                                                      | BAKER                                                                                                                                         | Iron Control                                                                                                                         | Ammonium Hydroxide                     | 1336-21-6                           | 5%                                                       | 0.00102%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Cupric Chloride                        | 7447-39-4                           | 5%                                                       | 0.00102%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Oxyalkylated alcohol                   | Trade Secret                        | 5%                                                       | 0.00024%                                                 |
| NE-945, tote                                                                                                                                       | BAKER                                                                                                                                         | Non-emulsifier                                                                                                                       | Mixture of Surfactants                 | Trade Secret                        | 50%                                                      | 0.03571%                                                 |
| NE-35,330 GL TOTE                                                                                                                                  | BAKER                                                                                                                                         | Non-emulsifier                                                                                                                       | Propylene Glycol                       | Trade Secret                        | 50%                                                      | 0.03571%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Crystalline Silica (Quartz)            | 14808-60-7                          | 100%                                                     | 9.57134%                                                 |
| Sand Brown 16/30                                                                                                                                   | BAKER                                                                                                                                         | Propant                                                                                                                              | Quartz (SiO2)                          | 14808-60-7                          | 100%                                                     | 5.47423%                                                 |
| ScaleSorb 3, (50# bag)                                                                                                                             | BAKER                                                                                                                                         | Scale Inhibitor                                                                                                                      | Amino Alkyl Phosphonic Acid            | Trade Secret                        | 30%                                                      | 0.01445%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Crystalline Silica: Quartz (SiO2)      | 14808-60-7                          | 1%                                                       | 0.00048%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Diatomaceou Earth, Calcined            | 91053-39-3                          | 100%                                                     | 0.04816%                                                 |
|                                                                                                                                                    |                                                                                                                                               |                                                                                                                                      | Phosphonic Acid                        | 13598-36-2                          | 1%                                                       | 0.00048%                                                 |
| 18. I, as Operator, hereby certify that the information shown on this disclosure form is true and complete to the best of my knowledge and belief. |                                                                                                                                               |                                                                                                                                      |                                        |                                     |                                                          |                                                          |
| Signature: Signed Electronically                                                                                                                   |                                                                                                                                               | Printed Name: Mike Pippin                                                                                                            |                                        | Title: Consultant                   |                                                          |                                                          |
| Date: 3/4/2013                                                                                                                                     |                                                                                                                                               |                                                                                                                                      |                                        |                                     |                                                          |                                                          |
| E-mail Address: mike@pippinllc.com                                                                                                                 |                                                                                                                                               |                                                                                                                                      |                                        |                                     |                                                          |                                                          |

NMOCDD does not require the reporting of information beyond MSDS data as described in 29 CFR 1910.1200. NMOCDD does not require the reporting or disclosure of proprietary, trade secret or confidential business information.