

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



WILLIAMS B FEDERAL #9 -- 30-015-39238

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____

- DHC
 - LRE, OPERATING, LLC
 - 281994 well
 - Williams B Federal #9
 30-05-39238

RECEIVED OGD
 JAN FEB 27 PM 2:08
 POOL

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

- Artesia; Glorieta - 96830
 - Red Lake; SAN ANTONIO
 97253

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mike Pippin	<i>Mike Pippin</i>	Petroleum Engineer	February 26, 2014
Print or Type Name	Signature	Title	Date
		mike@pippinllc.com	
		e-mail Address	

LRE OPERATING, LLC
Mike Pippin
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) mike@pippinllc.com

February 26, 2014

NMOCD
c/o Phil Goetze
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: C-107A TO COMMINGLE TWO POOLS
WILLIAMS B FEDERAL #9– API#: 30-015-39238
Unit Letter "E" Section 29 T17S R28E
Eddy County, New Mexico

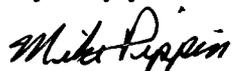
Dear Mr. Goetze,

The referenced oil well was completed on 9/28/11 in the Artesia, Glorieta-Yeso (96830). LRE has submitted the attached NOI sundry notice to recompleate this well into the Red Lake, San Andres (97253). The recompletion workover will open the San Andres to production and leave the Yeso shut-in below a CBP at ~3190'. The well is currently producing as a single Yeso oil well. After obtaining stabilized production from the San Andres, we would like to commingle the two pools by drilling out the CBP. Interests in these two pools are identical. A commingle application will be submitted to the BLM following a stabilized test of the San Andres alone.

The production allocations will be calculated using the current (Yeso) production of 0.5 BOPD, 50 MCF/D, and 25 BWPD, and a stabilized test of the San Andres alone. We plan to submit these calculations and the resulting allocations to the district office after the well has been on line for about 2 months.

Please contact me at 505-327-4573 should you have any questions.

Very truly yours,



Mike Pippin

Petroleum Engineer

District I
1623 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

LRE OPERATING, LLC c/o Mike Pippin LLC (agent), 3104 N. Sullivan, Farmington, NM 87401
Operator Address

WILLIAMS B FEDERAL #9 E SEC. 29 T17S R28E Eddy County
Lease Well No. Unit Letter-Section-Township-Range

OGRID No. 281994 Property Code 309867 API No. 30-015-39238 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	RED LAKE; -San Andres		ARTESIA: Glorieta-Yeso
Pool Code	97253		96830
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	~2004'-3163'		3210'-3502'
Method of Production (Flowing or Artificial Lift)	Plan to Pump		Pumping
Bottomhole Pressure <small>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)</small>	690 psi		851 psi
Oil Gravity or Gas BTU <small>(Degree API or Gas BTU)</small>	34.8		38.32
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: RATES:	Date: Rates:	Date: 2/25/14 Rates: 0.5 BOPD 50 MCF/D 25 BWP/D
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil Gas	Oil Gas	Oil Gas
		% %	

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

- If application is to establish Pre-Approved Pools, the following additional information will be required:
- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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 February 26, 2014

TYPE OR PRINT NAME Mike Pippin TELEPHONE NO. (505) 327-4573

E-MAIL ADDRESS mike@pippinllc.com



Spud
8/22/11

40', 14"
Conductor Pipe

**Williams B Federal #9
San Andres Recompletion
AFE #R14003**

**Williams B Federal #9
Sec 29-17S-28E (E)
1650' FNL, 330' FWL
X=539507.9'E , Y=657596.6'N
Lat.=32.807756°N
Long.=104.204746°W
Elevation – 3,602' GL
3,613' KB Est.
API #: 30-015-39238
BLM APD Approved 7-19-2011
BLM Lse # NMLC046250B
NMOCD CLS Permit #0211752
Eddy County, NM**



12-1/4" Hole from 40' to 425' MD.
8-5/8", 24#, J-55, ST&C Casing @ 434'. Circulate
cmt to surface using 150 SK Lead C & Poly-E Flake,
and 200 sx C w/ 2% CaCl2. Circ 118 sx to pit.

2-7/8"; 6.5#, J-55 Tubing TAC at 1904',
SN at 3510', 4' Slotted sub, 2 jt MA w BP
at 3575'

- San Andres Perfs: 2004'-2331' 37 holes
Stim Info: 3300 g 15% NEFE HCL & 56 bio balls,
62,000 # 16/30 Brady & 18,000 # 16/30 Resin with
20 # x-linked gel

CBP at 2346'
- San Andres Perfs: 2362'-2597' 28 holes
Stim Info: 2500 g 15% NEFE HCL & 42 bio balls,
62,000 # 16/30 Brady & 18,000 # 16/30 Resin with
20 # x-linked gel

CBP at 2640'
- San Andres Perfs: 2702'-2907' 25 holes
Stim Info: 2100 g 15% NEFE HCL & 38 bio balls,
62,000 # 16/30 Brady & 18,000 # 16/30 Resin with
20 # x-linked gel

CBP at 2920'
- San Andres Perfs: 2934'-3163' 28 holes
Stim Info: 2300 g 15% NEFE HCL & 42 bio balls,
73,000 # 16/30 Brady & 18,000 # 16/30 Resin with
25 # x-linked gel

CBP at 3190'

Yeso Perfs:
3,210' – 3,500' (41 holes)
(9/8/11)
Stim Info: 3500 gal 15% NEFE; Frac w/ 111,000#'s 16/30
Brady sand and 22500# 16/30 Siber Prop ramped to 4.5 ppa
and pumped at 70 BPM using Scale Sorb

PBTD @ 3,614'
7-7/8" Hole from 425' to 3,674' MD
5-1/2"; 17#, J-55; ST&C Casing @ 3,658'. Circulate Lead of 350
SX 35/65 POZ C and Tail of 300 SX C to surface w/ 107 sx to pit

TD @ 3,674'

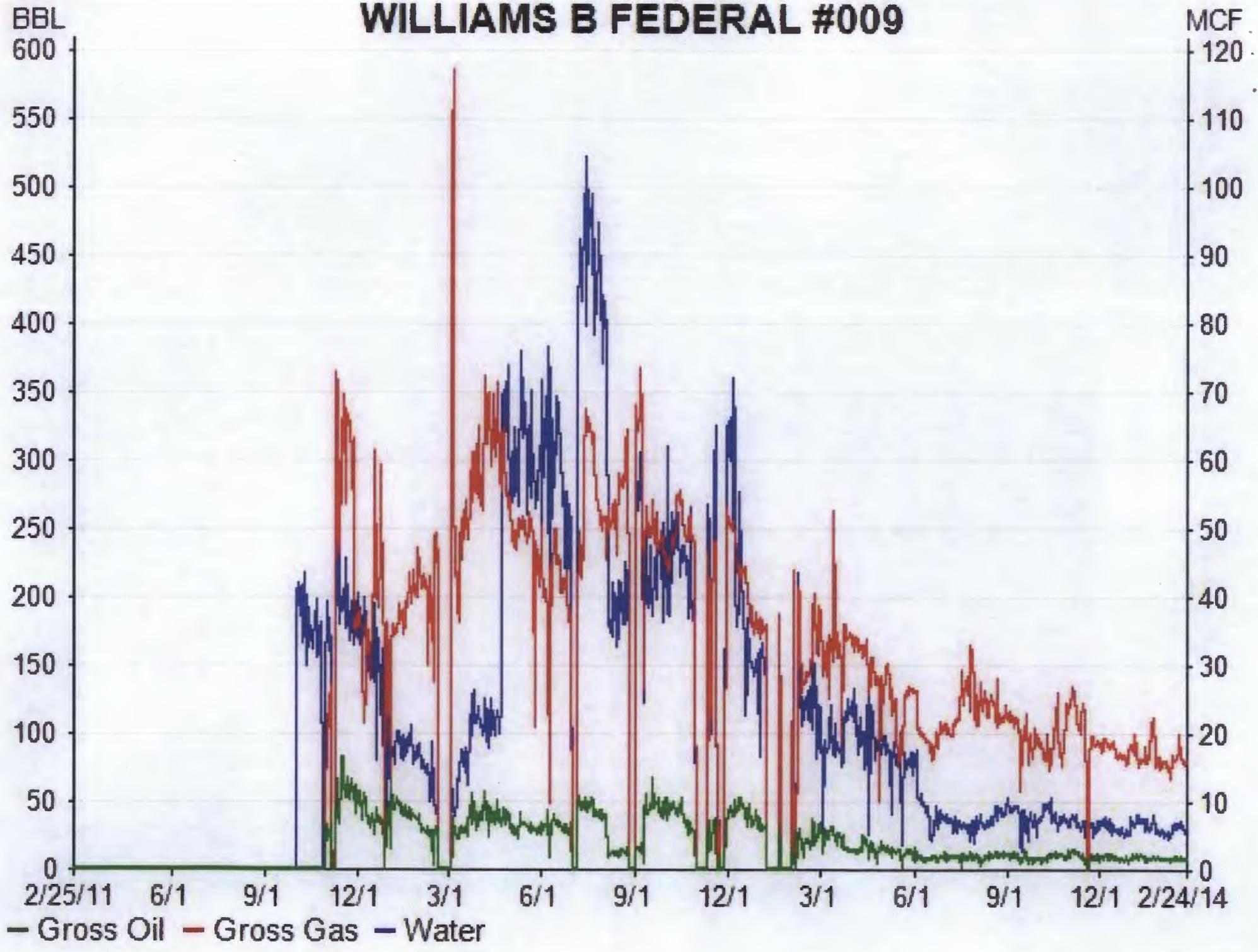
GEOLOGY

Zone	Top
Queen	1,070'
Grayburg	1,501'
Premier	1,786'
San Andres	1,824'
MSA	2,140'
LSA	2,738'
Glorietta	3,201'
Yeso	3,307'

SURVEYS

Degrees	Depth
1/2	443
3/4	1005
1	1535
1/4	2075
1	2548
1/2	3049
1/2	3548
1	3648

WILLIAMS B FEDERAL #009



— Gross Oil — Gross Gas — Water

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMLC 046250B

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 #9

9. API Well No.
30-015-39238

10. Field and Pool, or Exploratory Area
**Red Lake, San Andres (97253)
Artesia: Glorieta-Yeso (96830)
AND
Eddy County, New Mexico**

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
LRE OPERATING, LLC.

3a. Address **c/o Mike Pippin LLC
3104 N. Sullivan, Farmington, NM 87401**

3b. Phone No. (include area code)
505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1650' FNL & 330' FWL Unit E
Sec. 29, T17S, R28E**

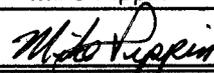
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 checked="" 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 type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other <u>Recomplete to San Andres</u>
	<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 Operations (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.)

LRE would like to recomplete this Yeso oil well into the San Andres & DHC as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ 3190' & PT to 3500 psi. Perf Lower SA @ ~2934'-3163 w/~28 holes. Treat new perfs w/~2300 gal 15% HCL & frac w/~91,000# 16/30 sand in 25# X-linked gel. Set a 5-1/2" CBP @ 2920' & PT to 3500 psi. Perf middle SA @ ~2702'-2907 w/~25 holes. Treat new perfs w/~2100 gal 15% HCL & frac w/~80,000# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ 2640' & PT to 3500 psi. Perf Upper SA @ ~2362'-2597 w/~28 holes. Treat new perfs w/~2500 gal 15% HCL & frac w/~80,000# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ 2346' & PT to 3500 psi. Perf Upper SA @ ~2004'-2331 w/~37 holes. Treat new perfs w/~3300 gal 15% HCL & frac w/~80,000# 16/30 sand in 20# X-linked gel. CO after frac, drill CBPs @ 2346', 2640', & 2920' & CO to CBP @ ~3190'. Land 2-7/8" tbg @ ~3160' & run pump & rods. Release workover rig & complete as a single SA oil well. The existing Glorieta-Yeso perfs are 41 holes @ 3210'-3502'. This well will be DHC when the DHC applications with the State & BLM are approved. We plan to u

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

Name (Printed/Typed) Mike Pippin	Title Petroleum Engineer (Agent)
Signature 	Date February 26, 2014

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
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	

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 30-015-39238	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	⁸ Operator Name LRE OPERATING, LLC.	⁶ Well Number 9
⁹ Elevation 3602' 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
E	29	17-S	28-E		1650	NORTH	330	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.
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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.

	<p>29</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><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></p> <p>Signature: <u>Mike Pippin</u> Date: <u>2/24/14</u></p> <p>Printed Name: <u>Mike Pippin</u></p>
		<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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></p> <p>1/17/11</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Gary Eidson</p>
		<p>12641</p> <p>Certificate Number</p>

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
1825 N FRENCH DR., HOBBS, NM 88240

DISTRICT II
1321 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

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-39238	Pool Code 96830	Pool Name Artesia; Glorieta-Yeso
Property Code 305444	Property Name WILLIAMS B FEDERAL	Well Number 9
OGRID No 255333	Operator Name LIME ROCK RESOURCES A, L.P.	Elevation 3602'

Surface Location

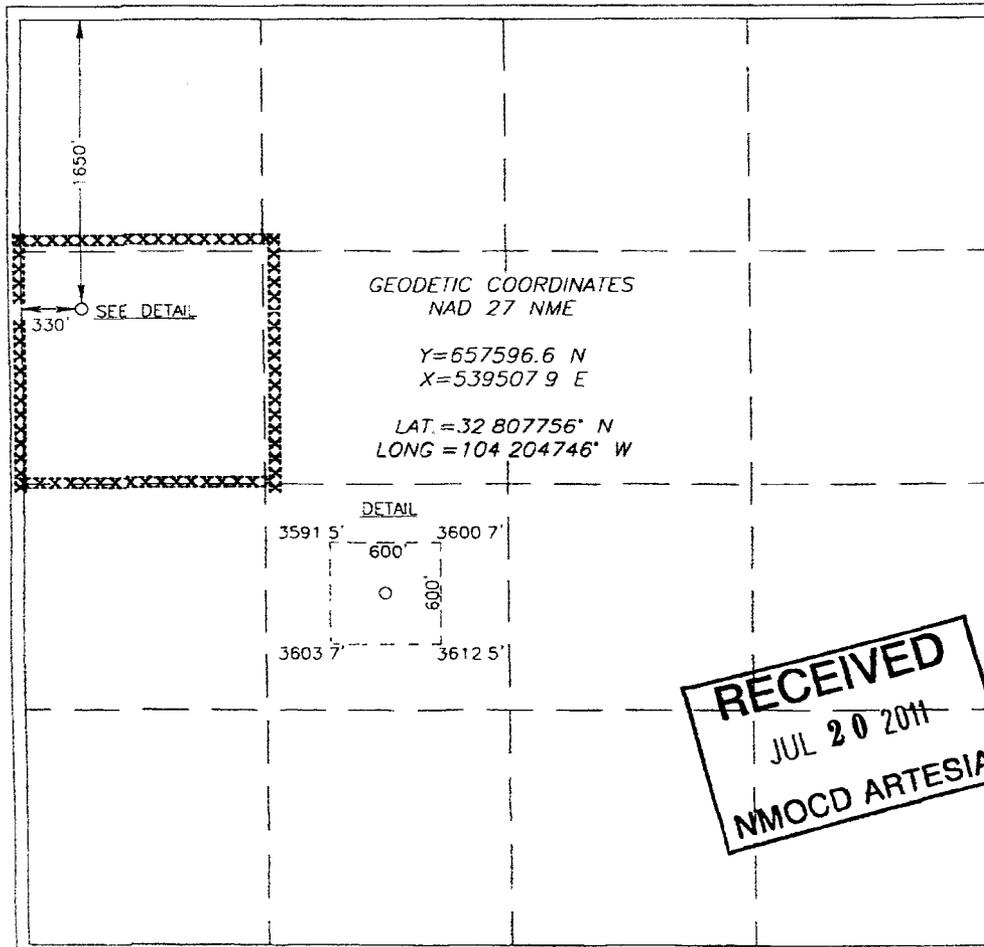
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	29	17-S	28-E		1650	NORTH	330	WEST	EDDY

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

Dedicated Acres 40	Joint or Infill	Consolidation Code	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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

George R. Smith 2/28/2011
Signature Date
George R. Smith, agent
Printed Name

SURVEYOR CERTIFICATION

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.

JANUARY 17, 2011

Date Surveyed LA
Signature & Seal of Professional Surveyor

Gary R. Eidson 1/31/11
11.0070

Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

RECEIVED
JUL 20 2011
NMOCD ARTESIA

40