

DATE IN 1/26/2015	SUSPENSE	ENGINEER MAM	LOGGED IN 1/27/2015	TYPE DHC	APP NO. PHAM1502755683
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



STALEY STATE #5 -- 30-015-37044

### 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 \_\_\_\_\_

#### [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

#### [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	January 23, 2015
Print or Type Name	Signature	Title	Date

mike@pippinllc.com  
 e-mail Address

- DHC 4728  
 - LRE Operating, LLC  
 281 554  
 WCH  
 - Staley State #5  
 30-015-37044  
 Pool  
 - Red Lake, San  
 Andres  
 97253  
 - Red Lake, San  
 Andres  
 97253  
 RECEIVED OGD  
 2015 JAN 23  
 11:20

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

January 23, 2015

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

**RE: C-107A TO COMMINGLE TWO POOLS**  
**STALEY STATE #5– API#: 30-015-37044**  
Unit Letter "H" Section 30 T17S R28E  
Eddy County, New Mexico

Dear Mr. Goetze,

The referenced oil well was completed on November 22, 2009 in the Red Lake Glorieta-Yeso NE (96836). The attached NOI sundry to recomplate this well to the Red Lake, San Andres has been submitted to the NM District office in Artesia. Interests in these two pools are identical, and the NM Commissioner of Public Lands has been notified.

The Yeso production test before the recompletion on 12/28/14 was 2 BOPD, 32 MCF/D, & 65 BWPD. After the recompletion to San Andres and a test of the San Andres alone, the CBP between the two pools will be removed and the two pools downhole commingled. The production allocations for each pool will then be calculated by subtracting the current (Yeso) production from the total well production after about two months of commingled production. We plan to submit these calculations and the resulting allocations to the district office.

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

Very truly yours,



Mike Pippin

Petroleum Engineer

## District II

1301 W. Grand Avenue, Artesia, NM 88210

## District III

1000 Rio Grande Road, 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

### APPLICATION TYPE

X Single Well  
\_\_\_\_ Establish Pre-Approved Pools  
**EXISTING WELLBORE**  
X Yes      No

## APPLICATION FOR DOWNHOLE COMMINGLING

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

**STALEY STATE #5**

H SEC. 30 T17S R28E

Eddy

Lease	Well No.	Unit Letter-Section-Township-Range	County
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OGRID No. 281994 Property Code \_\_\_\_\_ API No. 30-015-37044 Lease Type: Federal ☒ X State ☐ Fee ☐

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	RED LAKE; San Andres		RED LAKE: Glorieta-Yesone
Pool Code	97253		96836
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	~1762'-3141'		3668'-4595'
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
Bottomhole Pressure (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)	741 PSI		851 PSI
Oil Gravity or Gas BTU (Degree API or Gas BTU)	34.8		38.32
Producing, Shut-In or New Zone	Proposed New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: RATES:	Date:  Rates:	Date: December 28, 2014 Rates: 2 BOPD 32 MCF/D 65 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas	Oil Gas  % %	Oil Gas

### **ADDITIONAL DATA**

**Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?**

Yes    X       No

Are all produced fluids from all commingled zones compatible with each other?

Yes    X    No

**Will commingling decrease the value of production?**

Yes                      No    X

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 Tassin* TITLE Petroleum Engineer - Agent DATE January 23, 2015

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

E-MAIL ADDRESS      [mike@pippinllc.com](mailto:mike@pippinllc.com)



**LIME ROCK  
RESOURCES**

LRE Operating LLC,  
Staley State A #5  
San Andres Recompletion  
AFE # R15003

**Staley State A #5  
Sec 30-17S-28E (NE of H)  
1650' FNL, 330' FEL  
Elevation - 3,601'  
API #: 30-015-37044  
Eddy County, NM**

Spud  
10/27/09

8-5/8", 23#, J-55, ST&C Casing @ 434'.  
Cement with 375 sx. Circulated 133 sx to  
Surface.

2-7/8", 6.5#, J-55 Tubing with ESP and pump intake at 1662'

CBP at 2310'

CBP at 2704'

CBP at 3190'

San Andres Perfs: 1762'-2257' Stim Info: 1500 g 15% HCL, 6,700 bbls water,  
30 holes 30,000 #'s 100 Mesh, 158,340 #'s 40/70  
Ottawa, 80+ BPM

San Andres Perfs: 2365'-2665' Stim Info: 1500 g 15% HCL, 8,100 bbls water,  
31 holes 30,000 #'s 100 Mesh, 257,040 #'s 40/70  
Ottawa, 80+ BPM

San Andres Perfs: 2747'-3141' Stim Info: 1500 g 15% HCL, 8,900 bbls water,  
38 holes 30,000 #'s 100 Mesh, 322,140 #'s 40/70  
Ottawa, 80+ BPM

**Stage #1 GL/Yeso Perfs: 3215'-3541', 1 sp5f, 66 holes (10/14/13)**

**Stim Info:** 4,000 g 15% HCL acid and 100 bio balls, 70,000 g X-link  
25# gel, 100,000 lbs 16/30 Brady, 22,500 lbs 16/30 resin  
coated sand, staged 1-4.5 ppg, at 65 BPM

**Yeso Perfs:** 3,668' - 3,943' (1 SPF - 66 holes)  
(2/14/10)

**Stim Info:** 4422 gal 15% NEFE; Frac w/ 100,287 #  
16/30 Ottawa & 37,054 # SiberProp in 20# x-linked  
gel. (2/14/10)

**Yeso Perfs:** 3,982' - 4,218' (1 SPF - 71 holes)  
(2/14/10)

**Stim Info:** 3500 gal 15% NEFE; Frac w/ 79,793 #  
16/30 Ottawa & 53,793 # SiberProp in 20# x-linked  
gel. (2/14/10)

**Yeso Perfs:** 4,305' - 4,595' (1 SPF - 59 holes)  
(11/19/09)

**Stim Info:** 5000 gal 15% NEFE; Frac w/ 116,196 #  
16/30 Ottawa & 24,092 # SiberProp in 20# x-linked  
gel. (11/20/09)

PBTD @ 4,729'

5-1/2", 17#, J-55, ST&C Casing @ 4,771'.  
Cement with 500 sx lead and 550 sx tail.

TD @ 4,790' Circulated 142 sx to Surface. (11/09/2009)

#### GEOLOGY

Zone	Top
Queen	1,064'
Grayburg	1,501'
San Andres	1,813'
Glorieta	3,180'
Yeso	3,301'
Tubb	4,720'

#### SURVEYS

Degrees	Depth
1°	445'
1/4°	935'
1/2°	1,513'
3/4°	2,486'
3/4°	2,992'
1-1/4°	3,565'
1°	4,007'
1°	4,506'
1-1/4°	4,790'

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

January 23, 2015

New Mexico Commissioner of Public Lands  
Attention: Pete Martinez  
310 Old Santa Fe Trail  
PO Box 1148  
Santa Fe, NM 87504-1148

**RE: Notification of Downhole Commingling**  
**STALEY STATE #14** – API#: 30-015-37044  
Unit Letter "H" Section 30 T17S R28E  
Eddy County, New Mexico

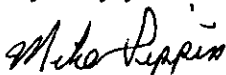
Dear Mr. Martinez:

LRE Operating, LLC would like to commingle the existing, producing Red Lake, Glorieta-Yeso NE interval with the proposed, Red Lake, San Andres interval. The designated acreage for the proposed commingle will be the southeast quarter of the northeast quarter of section 30.

This letter is to notify you that we have submitted the necessary application and supporting data to the New Mexico Oil Conservation Division. A check for \$30 is enclosed with this notification along with a copy of the State application.

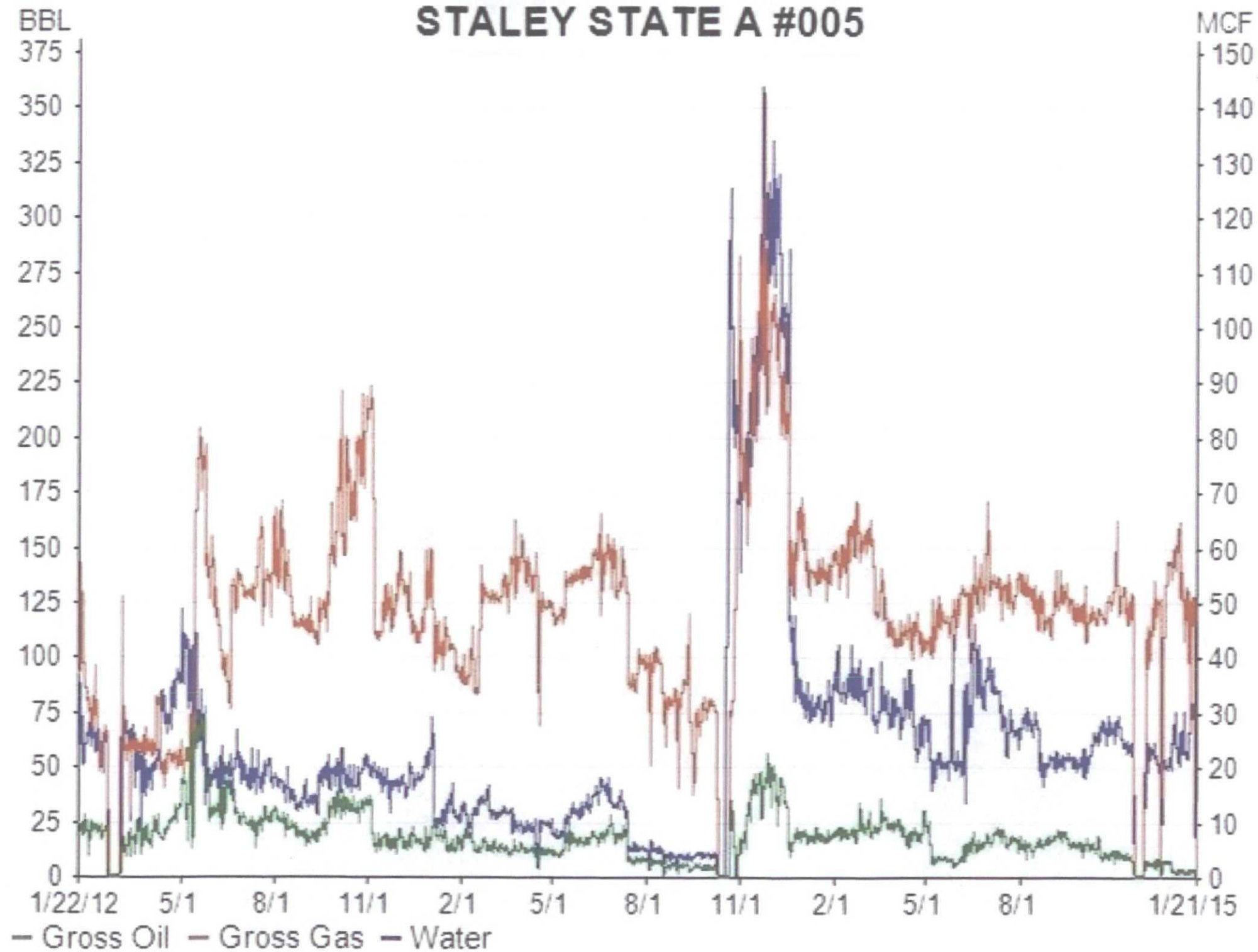
Please contact me at 505-327-4573 should you have any questions.

Very truly yours,



Mike Pippin  
Petroleum Engineer

# STALEY STATE A #005



Submit 1 Copy To Appropriate District Office

District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised July 18, 2013

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-015-37044
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 <b>LRE OPERATING, LLC</b>		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 <b>STALEY STATE</b>
4. Well Location Unit Letter <u>H</u> : <u>1650</u> feet from the <u>North</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 #5
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3595' GL		9. OGRID Number 281994
		10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, San Andres (97253)

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☒  
DOWNHOLE COMMINGLE ☒  
CLOSED-LOOP SYSTEM ☒  
OTHER: Recomplete to the San Andres & DHC ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐  
OTHER: ☐

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 19.15.7.14 NMAC. 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, & tbq. Set a 5-1/2" CBP @ ~3190' & PT to ~3500 psi. (Existing Yeso perms are @ 3668'-4595'). Perf lower San Andres @ ~2747'-3141' w/~38 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~322,140# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2704' & PT to ~3500 psi. Perf San Andres @ ~2365'-2665' w/~31 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh, & ~257,040# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2310' & PT to ~3500 psi. Perf upper San Andres @ ~1762'-2257' w/~30 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~158,340# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2310' & 2704', & CO to CBP @ 3190'. Run ESP on 2-7/8" 6.5#J-55 production tbq & land @ ~1690'. 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 approval of our DHC application in Santa Fe, the CBP @ 3190' will be removed & the well DHC.

Spud Date: 10/27/09

Drilling Rig Release Date: 11/9/09

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 1/22/15

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

For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_

DISTRICT I  
1625 N. FRENCH DR., BOBBS, NM 86240

DISTRICT II  
1301 W. GRAND AVENUE, ARTERIA, NM 86210

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 and Natural Resources Department

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 <b>30-015-37044</b>	Pool Code <b>96836</b>	Pool Name <b>Red Lake; Glorieta-Yeso NE</b>
Property Code <b>305451</b>	Property Name <b>STALEY STATE</b>	Well Number <b>5</b>
GRID No. <b>255333</b>	Operator Name <b>LIME ROCK RESOURCES A, L.P.</b>	Elevation <b>3595'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>H</b>	<b>30</b>	<b>17-S</b>	<b>28-E</b>		<b>1650</b>	<b>NORTH</b>	<b>330</b>	<b>EAST</b>	<b>EDDY</b>

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 <b>40</b>	Joint or Infill	Consolidation Code	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

LOT 1	<p>GEODETIC COORDINATES NAD 27 NME  Y=657594.2 N X=538848.0 E  LAT=32.807751° N LONG.=104.206894° W</p>	<p>1650' 330'</p>	<b>OPERATOR CERTIFICATION</b>  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 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  <i>George R. Smith</i> 4/21/09 Signature Date George R. Smith, Agent Printed Name
LOT 2			<b>SURVEYOR CERTIFICATION</b>  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.  MARCH 24, 2009 Date Surveyed Signature & Seal of Professional Surveyor <i>Ronald J. Edson</i> 03/27/09 09:11:0231 Certificate No. GARY EIDSON 12841 RONALD J. EIDSON 3259
LOT 3			
LOT 4			



**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**

<sup>1</sup> API Number 30-015-37044		<sup>2</sup> Pool Code 97253		<sup>3</sup> Pool Name Red Lake, San Andres	
<sup>4</sup> Property Code 309874		<sup>5</sup> Property Name STALEY STATE			<sup>6</sup> Well Number 5
<sup>7</sup> OGRID No. 281994		<sup>8</sup> Operator Name LRE OPERATING, LLC.			<sup>9</sup> Elevation 3595' GL

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	30	17-S	28-E		1650	NORTH	330	EAST	EDDY

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

30	1650'	330'	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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.	
	Signature: <u>Mike Pippin</u> Date: <u>1/22/15</u>			
	Printed Name: <u>Mike Pippin</u>			
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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.			
			Date of Survey: <u>3/24/09</u>	
			Signature and Seal of Professional Surveyor: <u>Ronald Eidson</u>	
			Certificate Number: <u>3239</u>	